Economic Update: Employment data for NC

• From May 2019 to May 2020 the number of unemployed in NC increased by approximately 400,000 people

• Unemployment rate increased from 4% to 12.9%

• Impact/timing varied by sector:
  ➢ Disproportionately hit private-sector in March and April (experienced significant gains in May)
  ➢ Public sector employment significantly impacted in May
Economic Update: Retail Sales

Consumer Spending Gradually Recovering But Remains Depressed
Estimated Change in Debit and Credit Card Spending Versus January 1-23 Average

-30%  -20%  -10%  0%

March 30
NC Stay-At-Home Order

North Carolina

US

March 16
NC Schools Close

24-Jan  7-Feb  21-Feb  6-Mar  20-Mar  3-Apr  17-Apr  1-May  15-May  29-May  12-Jun

Source: Opportunity Insights

May 8
Phase 1

May 22
Phase 2
Economic Update: NC General Fund Projections

• Revised consensus revenue forecast:
   $1.64 billion (-6.6%) revenue shortfall in FY 2019-20
   $2.57 billion (-9.9%) shortfall in FY 2020-21

• Office of State Budget and Management and Fiscal Research Division plan to issue new revised consensus after processing of July individual and corporate returns

• Shortfalls being addressed through:
   Austerity measures
   Support offered through CARES
   Assistance from Rainy Day Fund
   Shift to one-time financing strategies
Legislative Impact for FY 2020-21

• **Enrollment Growth Allocation**
  - $9.76 million slated for UNCW
  - EG earned in 2019 calendar year
  - Non-recurring source, but primarily needed for recurring investments to scale capacity

• **Building Reserves**
  - $2.76 million slated for UNCW
  - Supports operating expenses associated with Veterans Hall
  - Non-recurring source, but primarily needed for recurring expenses

• **Repair and Renovation Support**
  - 1.99 million slated for UNCW
  - Non-recurring source, but consistent with past practice
Campus Specific Response

• Extending operating strategies which:
  - Limits purchases of goods and services
  - Curtails non-essential travel
  - Limits various HR actions

• Leveraging emergency funding streams
  - Direct Federal Assistance through CARES
  - State assistance
  - FEMA

• Enhancing budget flexibility where possible by addressing budget priorities on a one-time basis
Future Outlook

• Needs not addressed through CITI process
• Impact on enrollment
• Other issues
Any questions?