

Vice Chancellor Update
BOT Business Affairs Committee
July 16, 2020

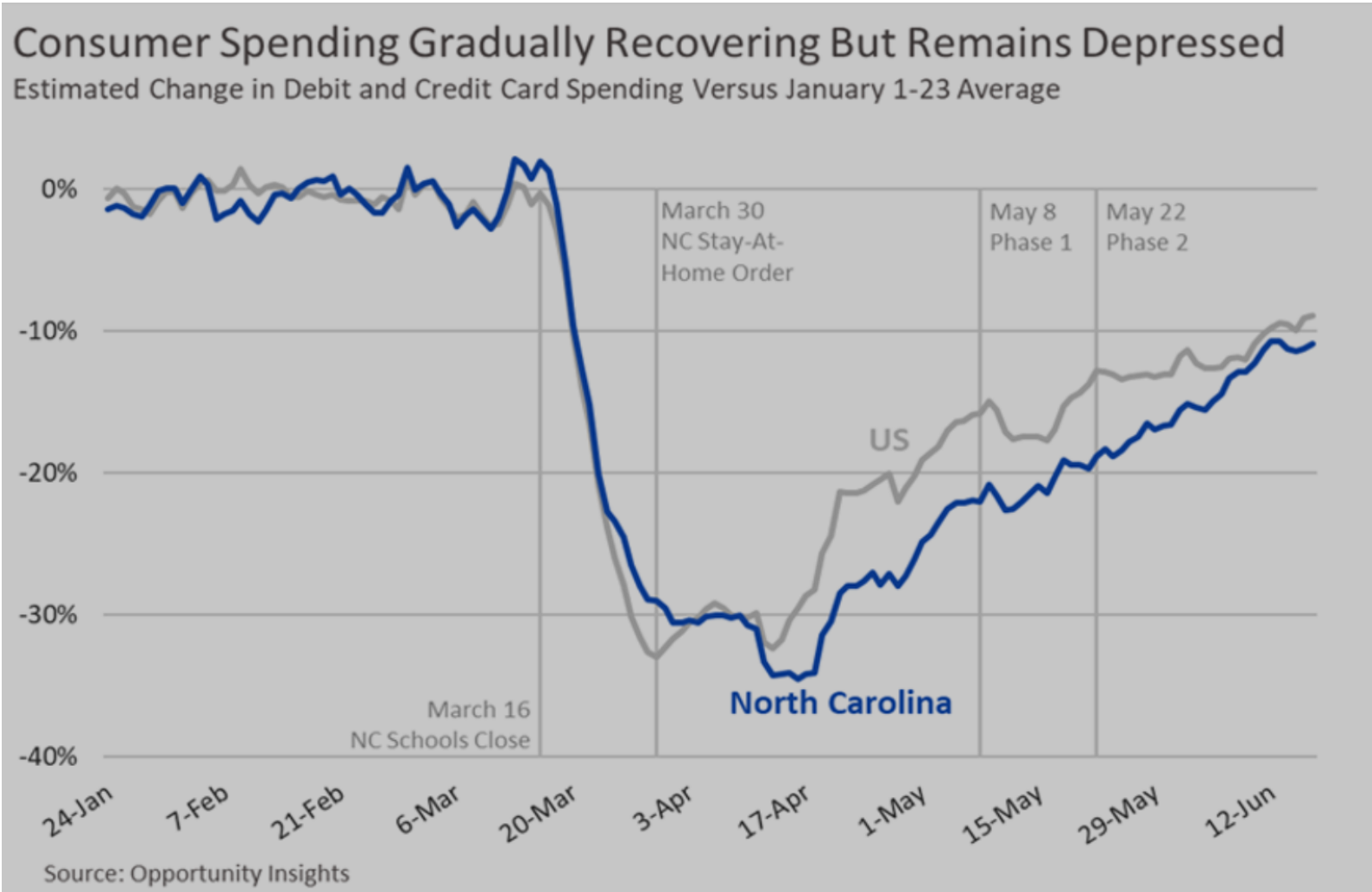


UNIVERSITY *of* NORTH CAROLINA WILMINGTON

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



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?