

Business Affairs Committee

Vice Chancellor Update

October 14, 2021



UNIVERSITY *of* NORTH CAROLINA WILMINGTON

Legislative Update & Planning Implications



FY22 Legislative Update

- Current Status and Negotiations
 - No deal yet for FY22
 - Spending levels remain same as FY21 (for now)
 - Latest goal for a new state budget is mid-October
- Legislative Requests
 - Faculty and Staff Salary Increases
 - Enrollment Growth Appropriations
 - Randall Library
 - Building Reserve Funding
- Planning Implications for UNCW

Planning Implications

Legislative Update and Planning Implications			
Priority	Request	Status (tentative)	Background
Faculty and Staff Salary Increases	<ul style="list-style-type: none"> Equity with State Agencies 	<ul style="list-style-type: none"> FY22: TBD FY23: TBD 	<ul style="list-style-type: none"> No increase in over two years For every 1% salary increase, there is a \$1.5 million impact to General Fund
Enrollment Growth Funding	<ul style="list-style-type: none"> Make permanent \$9.8M from FY21 and \$12M in FY22 	<ul style="list-style-type: none"> Both fiscal years fully funded with recurring dollars 	<ul style="list-style-type: none"> Would enable FY21 commitments to be made permanent Would enable recurring commitments for FY22 (to invest in UNCW employees, scale the organization, and support strategic initiatives)
Building Reserve Funding	<ul style="list-style-type: none"> Make \$2.75M allocation permanent 	<ul style="list-style-type: none"> Funded with recurring dollars 	<ul style="list-style-type: none"> Funding provided to pay for operations and maintenance of Veterans Hall Would ensure funding would not have to be reallocated from other units on campus to subsidize operations
Randall Library	<ul style="list-style-type: none"> Construction funding of \$56M 	<ul style="list-style-type: none"> \$250M pool each year of biennium BOG to identify projects 	<ul style="list-style-type: none"> Construction document phase can be completed within six months Funding in FY22 would enable bid process to begin late 21/early 22

2022-23 Tuition and Fee Guidance

Policy/Legislative Requirements for Setting Tuition and Fees

Category	Guidance/Policy/Legislative Requirement
Tuition	
Undergraduate Resident	Bottom quartile of an institution's public peers. Fixed tuition policy prohibits increases on continuously enrolled students.*
Undergraduate Nonresident	Higher than resident rate*, market driven*, and reflect the full cost of providing a quality education.
Graduate and Professional Schools	Consistent with each program's unique market and academic requirements.
Fees	
Mandatory and Debt Service	Maximum allowable percentage increase is capped at 3%.*
Special	Only applicable to students engaged in particular activities or courses of study; cannot be used to supplement general academic revenues.
Application	Board can set different fees according to program needs.

2022-23 Tuition and Fee Instructions

Instructions

Tuition	Increase Allowed?
Undergraduate Resident	No
Undergraduate Nonresident	Yes
Graduate Resident	No
Graduate Nonresident	Yes
Fees	Increase Allowed?
Mandatory Fees (including debt service)	Any proposed increase must be offset by a commensurate decrease to another fee, unless it meets the criteria for an exception
Special Fees	New fees allowed only for new programs of study; increases allowed to existing fees only to cover increases in "pass-through charges"*
Application Fees	No

Criteria for Exception

- Fee not increased in the last two years
- The fee increase will not support an increase in scope of services/activities
- Without the fee increase, the ending fund balance is projected to be less than four months of recurring expenses

All-Funds Budget

All-Funds Budget Background

- Historically, the primary revenue streams for the UNC System were state appropriations and tuition, which are both part of the state General Fund and governed by state budgeting processes.
- Institutional Trust Funds (non-state funds), have grown significantly over the years and have not been included as part of a formal budgeting process with state funds.
- New process and approval requirements will bring all funds into a single view and provides specific insight into the key organizational units.

All-Funds Budget: Goals and Objectives

1. Primary goal is to improve financial planning, strategic resource allocation, and understanding of campus-specific financial position for leadership and other stakeholders within each institution.
2. Secondary benefit of insight for the president and Board of Governors into resource allocation, financial commitment to campus goals and priorities, resource needs, and financial risks.

All-Funds Budget: Template

Budget Structure					
	General Fund	Auxiliary & Other Trust Funds	Overhead Receipts	Restricted Trust Funds	All Funds
<i>Revenues</i>					
State Appropriations					-
Tuition & Fees (gross)					-
Sales and Services					-
Patient Services					-
Grants and Contracts					-
Gifts and Investments					-
Other Revenues					-
Total Revenues	-	-	-	-	-
<i>Expenses</i>					
Salaries and Wages					-
Benefits					-
Contracted Services					-
Supplies and Materials					-
Plant, Property, & Equipment					-
Utilities					-
Scholarships & Fellowships					-
Debt Service					-
Other Expenses					-
Total Expenses	-	-	-	-	-

Specified Units	
College of Arts and Sciences	Human Resources
College of Education	Information Technology
College of Health and Human Services	Public Safety
School of Business	Advancement
Academic Affairs Administration	Housing
Student Affairs Administration	Dining
Financial Aid	Parking
Library	Athletics
Sponsored Research	Student Health
University Administration	Other Auxiliaries
Business Affairs	Center for Marines Science
Facilities	

All-Funds Budget Development – Preliminary Timeline

Phases	Timeframe	Planning Activities – (including, not limited to)
Base Budget Mapping and Input Estimates for FY23	Fall Semester (2021)	<ul style="list-style-type: none"> • Map actual revenues and expenditures to the All-Funds budget template • Developing preliminary revenue estimates for FY23 (EG, Aux. & Trusts, Receipts, etc.) • Identifying and estimating mandatory cost items • Identifying and evaluating institutional-level priorities
Call for/Evaluation of Proposed Budget Adjustments	Late Fall (2021) & Early Spring (2022)	<ul style="list-style-type: none"> • Revised revenue and mandatory expense estimates generated • Budget request/adjustment memo issued to divisions/applicable units (with template to align budget requests with Strategic Plan, BOG Priorities, Enterprise Risk Management Plan) • Executive Budget Committee (EBC) provided adjustment requests and justifications for divisions and applicable units • EBC discussion and evaluation of proposed budget adjustments <ul style="list-style-type: none"> ➢ Requests evaluated pursuant to special needs, relevance to Strategic Plan, BOG Priorities, and ERM Plan ➢ Alternative scenarios considered and discussed by EBC • Process culminates in rec. prepared for Chancellor by late February/early March
Review and Approvals	March & April (2022)	<ul style="list-style-type: none"> • Chancellor evaluation of recommendation • Chancellor approval (with changes if applicable) • BOT Consideration at April meeting

Next Steps and Questions