

Trustee Business Affairs Committee VCBA Briefing

Budget Update

April 2015



UNIVERSITY *of* NORTH CAROLINA WILMINGTON

FY 2014-15 Projected SCH's*

RTI	SCH's	FY 14-15 Bgt	SCH's		Total FY 14-15	Difference to Budget
			Fall 2014	Spring 2015		
	U/G - Res	270,092	140,488	128,125	268,613	(1,479)
	U/G - NRes	49,905	28,221	25,239	53,460	3,555
	Grad - Res	14,002	7,335	6,763	14,098	96
	Grad - NRes	2,547	1,398	1,280	2,678	131
	Total	336,546	177,442	161,407	338,849	2,303
DE	SCH's		Fall + SS2	Spring + SS1		
	U/G - Res	22,891	14,388	15,039	29,427	6,536
	U/G - NRes	1,723	865	1,173	2,038	315
	Grad - Res	4,049	2,866	3,621	6,487	2,438
	Grad - NRes	169	197	201	398	229
	Total	28,832	18,316	20,034	38,350	9,518
Grand Total		365,378	195,758	181,441	377,199	11,821

* Student Credit Hours

FY 2014-15 Projected Tuition Revenue (Regular Term + Distance Education)

Dollars		FY 14-15 Budget	FY 14-15 Projected Total Tuition Revenue	Variance
Regular Term	Resident Students	\$39,323,005	\$41,107,072	\$1,784,067
	Non-Resident Students	<u>\$31,364,149</u>	<u>\$31,755,793</u>	<u>\$391,644</u>
	Totals	\$70,687,154	\$72,862,865	\$2,175,711
Distance Education	Resident Students	\$3,212,534	\$3,231,624	\$19,090
	Non-Resident Students	<u>\$1,074,078</u>	<u>\$939,204</u>	<u>(\$134,874)</u>
	Totals	\$4,286,612	\$4,170,828	<u>(\$115,784)</u>
Grand Totals		\$74,973,766	\$77,033,693	\$2,059,927
RN to BSN AP	Resident Students	\$1,661,591	\$1,661,591	\$0
	Non-Resident Students	<u>\$69,347</u>	<u>\$77,460</u>	<u>\$8,113</u>
	Totals	\$1,730,938	\$1,739,051	\$8,113

FY 2015-16 and FY 2016-17

Enrollment Growth

Tuition and Fees



Summary Enrollment Growth

Continued Growth	Requirement	Tuition	Appropriation	# Faculty
15-16 RTI	\$4,646,216	\$1,609,989	\$3,036,227	24.26
15-16 DE	<u>\$1,140,736</u>	<u>\$1,101,328</u>	<u>\$39,408</u>	<u>5.17</u>
Total	\$5,786,952	\$2,711,317	\$3,075,635	29.43
OAP	<u>\$9,616,161</u>	<u>\$2,190,067</u>	<u>\$7,426,094</u>	<u>50.99</u>
Grand Total (UNC-GA Submission)	\$15,403,113	\$4,901,384	\$10,501,729	80.42

Continued Growth	Requirement	Tuition	Appropriation	# Faculty
16-17 RTI	\$987,929	\$403,729	\$584,200	5.16
16-17 DE	<u>\$554,198</u>	<u>\$241,516</u>	<u>\$312,682</u>	<u>2.61</u>
Total	\$1,542,127	\$645,245	\$896,882	7.77
OAP	<u>\$3,452,680</u>	<u>\$649,367</u>	<u>\$2,803,313</u>	<u>18.31</u>
Grand Total (UNC-GA Submission)	\$4,994,807	\$1,294,612	\$3,700,195	26.08

Tuition Increase Approved

	Current Rate FY 14-15	% Increase	Approved FY 15-16	% Increase	Approved FY 16-17
Undergraduate Students					
In-State	\$ 4,026.00	4.02%	\$ 4,188.00	4.00%	\$ 4,355.50
Out-State	\$ 18,053.75	0.00%	\$ 18,053.75	1.50%	\$ 18,324.55
Graduate Students					
In-State	\$ 4,162.73	4.00%	\$ 4,329.23	2.75%	\$ 4,448.23
Out-State	\$ 16,098.18	2.00%	\$ 16,420.18	1.50%	\$ 16,667.18
MBA Students					
In-State	\$ 4,972.28	3.35%	\$ 5,138.78	2.32%	\$ 5,257.78
Out-State	\$ 16,640.26	1.94%	\$ 16,962.26	1.46%	\$ 17,209.26
MSA Students					
In-State	\$ 4,744.58	3.51%	\$ 4,911.08	2.42%	\$ 5,030.08
Out-State	\$ 16,640.26	1.94%	\$ 16,962.26	1.46%	\$ 17,209.26

Tuition Increases Approved

	U/G Resident	U/G Non-Resident	Grad Resident	Grad Non-Resident	Total Revenue
FY 15-16 Increase	\$162	\$0.0	\$166.50	\$322	
FY 15-16 Revenue	\$1.6M	\$0	\$163K	\$47K	\$1.8M
FY 16-17 Increase	\$167.50	\$270.80	\$119	\$247	
FY 16-17 Revenue	\$1.7M	\$495K	\$117K	\$36K	\$2.3M
Cumulative Increase	\$329.50	\$270.80	\$285.50	\$569	
Cumulative Revenue	\$3.3M	\$495K	\$280K	\$83K	\$4.1M

Tuition Increase Approved

FY 2015-16

Component	Funding	FTE
Faculty Positions	\$441,850	4.0
Expanded Course Offerings (UNI 101)	\$43,340	
UBP Applied Learning: Program Leader Stipends (50)	\$50,000	
UBP Applied Learning: CSURF Awards (50)	\$75,000	
Graduate School – TA Stipends	\$177,125	
Research Catalyst Awards	\$120,000	
Title IX Coordinator	\$104,758	1.0
Title IX Investigator	\$65,680	1.0
Title IX Admin Associate	\$44,800	1.0
Excellence and Equity	\$691,898	
TOTAL	\$1,814,451	7.0

Tuition Increase Approved FY 2016-17

Component	Funding	FTE
Faculty Positions	\$644,775	6.0
Graduate School – TA Stipends	\$177,125	
Assistant Dean of Students	\$91,526	1.0
Counseling Center Psychologist	\$94,224	1.0
Career Center Counselor	\$77,042	1.0
Student Accounts Accountant	\$89,748	1.0
Excellence and Equity	\$1,132,008	
TOTAL	\$2,306,448	10.0

Approved Fee Increases

	Current Fee FY 2014-15	Increase	Approved FY 15-16	Increase	Approved FY 16-17
Athletics	\$654.55	\$28.00	\$682.55	\$42.00	\$724.55
Health Services	\$190.50	\$0	\$190.50	\$0	\$190.50
Student Activities	\$664.15	\$13.00	\$677.15	\$8.00	\$685.15
Educational & Technology	\$398.50	\$51.96	\$450.46	\$42.50	\$492.96
Security Fee	\$0.00	\$30.00	\$30.00	\$0	\$30.00
Total	\$1,907.70	\$122.96	\$2,030.66	\$92.50	\$2,123.16

R&R Funding Status

R&R Funding: Requested vs. Received

YEAR	6 Year R&R Funding Request	Actual Receipts
2011	\$25,023,000	\$1,291,100
2012		\$482,700
2013		\$3,564,083
2014		\$0
2015		\$0
	\$25,023,000	\$4,337,883

Deferred Maintenance: 2015 - 2021

R&R Categories – Deferred Maintenance

Roof Repairs and replacements	\$2,637,000
Structural Repairs	\$4,442,000
Repairs to electrical, plumbing and heating, ventilating, and air-conditioning systems	\$9,350,000
Improvements to meet the requirements of the Americans with Disabilities Act	\$1,960,800
Improvements to meet fire / life safety needs	\$2,484,000
Improvements to existing facilities for energy efficiency	\$4,200,000
Improvements to remove asbestos, lead paint, and other contaminants, including the removal and replacement of underground storage tanks	\$400,000
Improvements and renovations to improve use of existing space	\$801,000
Improvements to roads, walks, drives, utilities Infrastructure	\$3,702,000
Drainage and landscape improvements	\$545,000
R&R Categories Total	\$30,501,800

Deferred Maintenance: 2015 - 2021

Comprehensive Renovation – Deferred Maintenance	
Alderman	\$11,748,046
Isaac Bear Hall	\$9,415,522
Morton Hall	\$9,038,760
DeLoach Hall	\$9,847,241
Cameron Hall	\$13,036,482
King Hall	\$6,689,400
Dobo Hall	\$28,050,000
Trask Complex	\$20,031,097
Randall Library w/o Expansion	\$45,240,000
Kenan Auditorium	\$12,000,000
Comprehensive Renovations Total	\$165,096,548

UNCW COPs Refunding

Presentation to the Board of Trustees
Executive Committee

March 2015



UNIVERSITY *of* NORTH CAROLINA WILMINGTON

UNCW 2015 Limited Obligation Bonds

- UNCW seeks to refund its 2005 and 2006 Certificates of Participation (COPs) related to student housing projects with Limited Obligation Bonds (LOBs)
- UNCW Corporation, a company created for the purpose of constructing the projects, financed the construction and issued the debt
- UNCW entered into lease and use agreements with UNCW Corporation

UNCW 2015 Limited Obligation Bonds

- Refunding can result in potential NPV savings of approximately \$6 million*
- To accomplish this refunding, approval is requested to:
 - Amend the use agreements to reduce the rent paid by UNCW to UNCW Corporation to an amount sufficient to pay the reduced debt service
 - Authorize Deed of Trust, Purchase Contract and Official Statement
 - Authorize Chancellor and VCBA to execute documents and take steps necessary to complete the transaction

** Source: Bank of America Merrill Lynch, March 6, 2015. Preliminary, subject to change.*

COPs Refunding Opportunity

Issue	Project	Par Outstanding @ 6/30/2014 <i>(\$ in millions)</i>	Call Date
COPs Series 2005	Seahawk Village	\$27.36	6/1/2015
COPs Series 2006	Seahawk Landing	\$37.35	6/1/2016
TOTAL		\$64.71	



Potential Refunding Results* <i>(\$ in millions)</i>	
Cash Flow Savings	\$9.20
NPV of Cash Flow Savings	\$6.40

* Source: Bank of America Merrill Lynch, March 6, 2015. Preliminary, subject to change.

Timeline

Financial Advisor RFP & Selection:	August 2014
Underwriter RFP & Selection:	February 2015
UNCW Corporation Board Authorization:	March 2015
UNCW BOT Authorization:	March 2015
Moody's Rating Call:	March 2015
BOG Request:	April 2015
Distribute Preliminary POS:	April 2015
LOBs Sold:	April 2015
LOBs Delivered:	May 2015

Transaction Team – Key Members

Senior Underwriter:	Bank of America Merrill Lynch
Co-Underwriter:	Raymond James & Associates
Underwriter's Counsel:	Moore & Van Allen
Financial Advisor:	RBC Capital Markets
Bond Counsel:	Parker Poe Adams & Bernstein
Trustee:	BB&T

Underwriter

- Request for Proposal
 - Sent to 14 firms
 - Received 12 responses
- Senior Underwriter: Bank of America Merrill Lynch
 - Aggressive pricing indication
 - In-depth plan of finance
 - Structuring experience
 - UNC System and higher education experience
 - Strong institutional and retail sales teams
- Co-Underwriter: Raymond James & Associates
 - Extensive retail operations
 - UNC System and higher education experience
 - Analytical and thoughtful plan of finance