



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Division of Finance and Administration

Financial Update



Photo credit: Sam Kittner '85

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Vice Chancellor for Finance and Administration
September 24, 2014



Strategic 2014-15 Budget Plan

| Goal | Priority | Action |
|---|---|---|
| Prepare for next capital campaign | Invest in the development operation in anticipation of increased activity | Provide \$2.6 million from central funds for next capital campaign |
| Advance student learning and success | Invest in initiatives to increase academic achievement, student retention and graduation rates | Establish a \$2 million fund for student success initiatives |
| | Minimize school budget cuts by funding state- and F&A-supported units' Affordable Care obligations | Provide \$5 million from central funds to cover the new costs |
| | Minimize additional instructional budget reductions | 1% reduction for academic units |
| Maintain “need blind” admission policy | Support merit- and need-based financial aid, including the Carolina Covenant | Provide \$11 million from central funds for financial aid |
| Recruit and retain outstanding faculty and staff | Provide salary increases for state- and F&A-funded positions after years of absent or nominal raises | <ul style="list-style-type: none"> • 3% EPA Faculty • 3% EPA Non-Faculty • \$1000 SPA across the board |



Strategic 2014-15 Budget Plan

| Goal | Priority | Action |
|---|--|--|
| Enhance the University's reputation | Invest in improvements to strategic communications operations | Provide \$2 million from central funds for strategic communication initiatives |
| Sustain and enhance operational efficiency and effectiveness | Pursue initiatives to make University operations more efficient and effective | <ul style="list-style-type: none"> • Shared overhead costs • Shared service centers • Strategic sourcing • Business process improvement • Cash management • Business intelligence • Continuous improvement |
| | Support ConnectCarolina administrative systems | Provide \$7.4 million for ConnectCarolina operating budget |
| | Protect critical units in need of funding after multiple years of budget reductions in order to maintain units' ability to provide necessary services | <ul style="list-style-type: none"> • No reductions to Student Affairs, Police, Office of University Counsel, Communications and Development • 2% reduction to remaining administrative units |
| | Strategically leverage central funds to cover remaining reductions | <ul style="list-style-type: none"> • Use \$10.5 million of additional undergraduate tuition receipts to cover budget needs • Use \$3.8 million of additional graduate and professional tuition receipts to cover budget needs • Reallocate \$1 million of costs for Kannapolis • Use \$.90 million of ITS funds towards the ConnectCarolina operating budget |



UNC-Chapel Hill Three Year Actual Report

(Dollars in thousands)

| | FY 2011-2012 | FY 2013-2014 | FY 2013-2014 | FY 2013-2014 |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------------|
| | July-June Actual | July-June Actual | July-June Actual | Change from Prior Year |
| Revenues: | | | | |
| State Appropriations | \$486,492 | \$515,121 | \$482,728 | (6%) |
| Tuition and Fees | 378,551 | 418,149 | 463,750 | 11% |
| Governmental Contracts and Grants | 988,361 | 1,007,933 | 1,005,280 | 0% |
| Non-Governmental Con. And Grants | 212,452 | 209,068 | 204,646 | (2%) |
| Gifts | 261,416 | 235,062 | 240,031 | 2% |
| Sales and Services | 811,035 | 825,186 | 864,358 | 5% |
| Investment and Endowment Income | 134,821 | 137,410 | 149,979 | 9% |
| Other Sources | 68,777 | 96,469 | 90,276 | (6%) |
| Total Revenues | \$3,341,905 | \$3,444,398 | \$3,501,048 | 2% |



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|---|---------------------|---------------------|---------------------|---------------------------|
| | July-June Actual | July-June Actual | July-June Actual | Change from Prior Year |
| Expenses/Transfers/Other | | | | |
| Instruction | \$714,199 | \$696,098 | \$700,762 | 1% |
| Organized Research | 636,088 | 712,644 | 720,240 | 1% |
| Public Service | 130,692 | 138,703 | 139,044 | 0% |
| Student Services | 26,621 | 27,709 | 30,975 | 12% |
| Student Financial Aid | 300,398 | 326,876 | 349,665 | 7% |
| Academic Support | 113,258 | 117,020 | 117,946 | 1% |
| Institutional Support | 91,927 | 108,932 | 124,728 | 15% |
| Physical Plant Operations | 139,362 | 139,042 | 148,230 | 7% |
| Auxiliary Enterprise & Internal Services | 367,035 | 398,713 | 409,757 | 3% |
| Professional Clinical Services | 399,647 | 403,733 | 433,711 | 7% |
| Transfers & Internal Deductions | 64,124 | 123,452 | 125,581 | 2% |
| Total Expenses, Transfers & Other | \$2,983,351 | \$3,192,922 | \$3,300,639 | 3% |