



THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL

# *Division of Finance and Administration*

## Financial Update



Photo credit: Sam Kittner '85

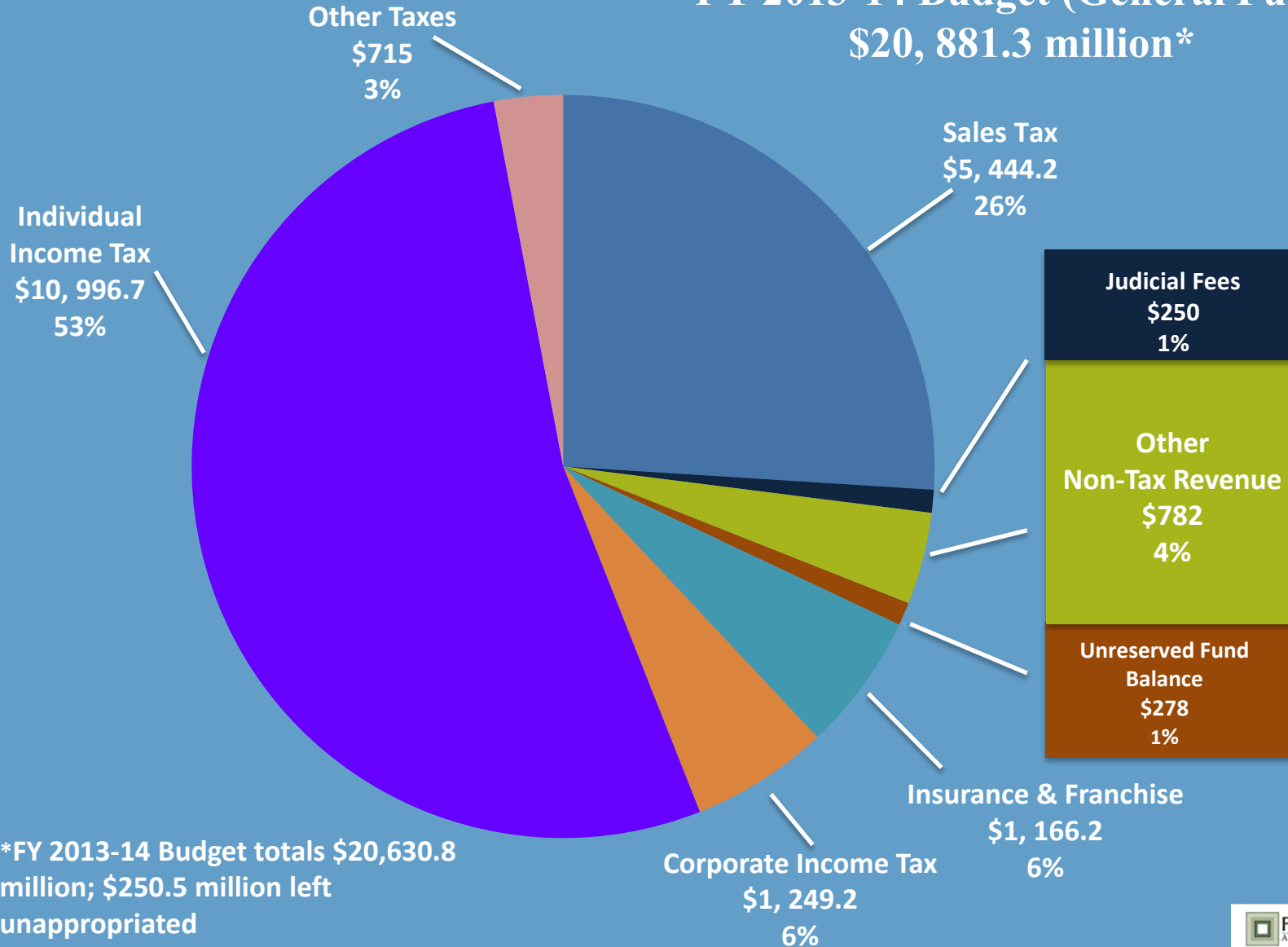
Kevin Seitz  
Interim Vice Chancellor for Finance and Administration  
November 20, 2013



# State General Fund Revenues

FY 2013-14 Budget (General Fund)

\$20, 881.3 million\*

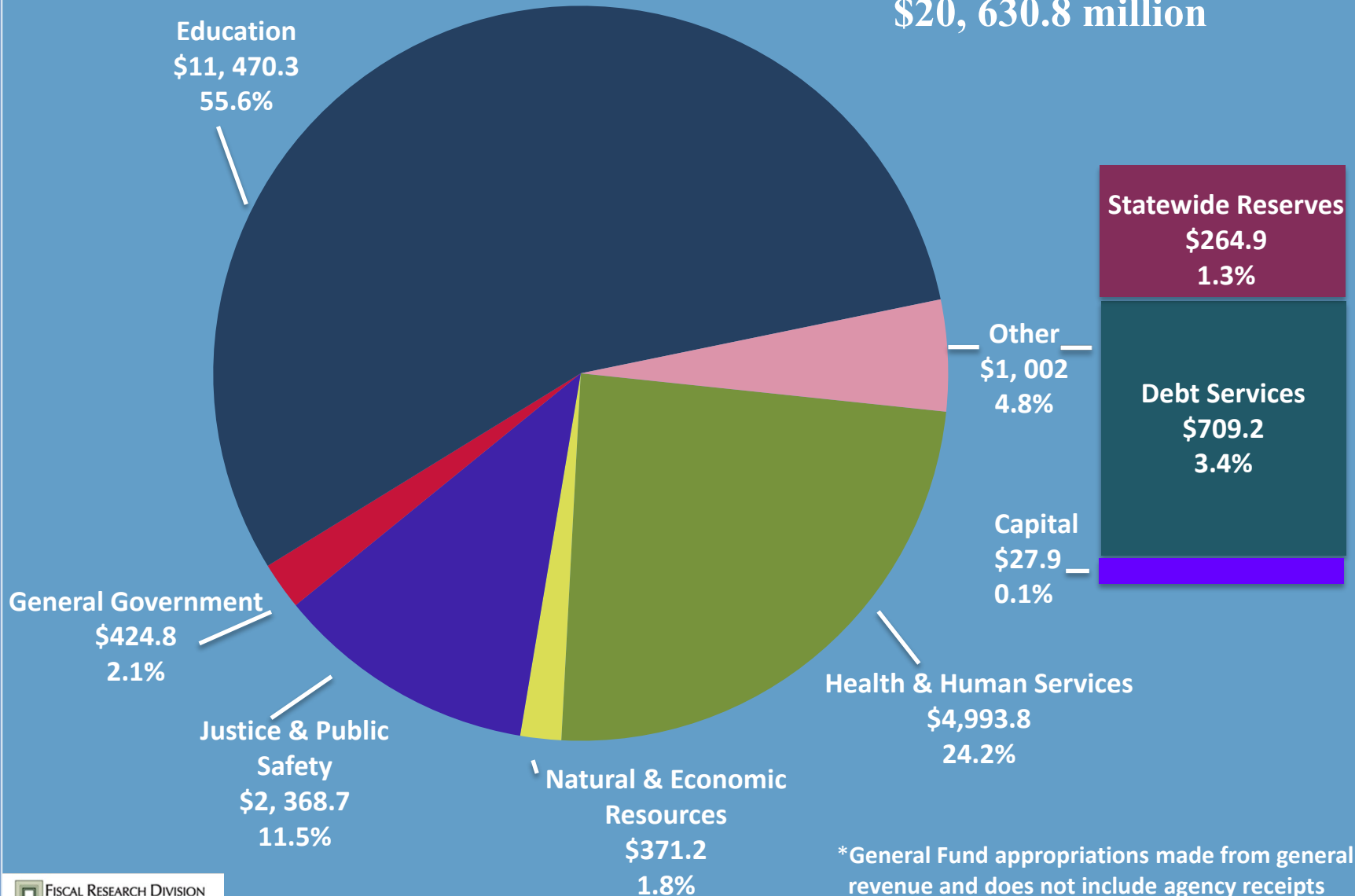


\*FY 2013-14 Budget totals \$20,630.8 million; \$250.5 million left unappropriated



# State General Fund Expenditures

FY 2013-14 Budget \*  
\$20, 630.8 million



\*General Fund appropriations made from general purpose revenue and does not include agency receipts



## Quarterly General Fund Revenue Report

- 2012/13 General Fund revenues were \$537.6 million (2.7%) above the \$20.04 billion budgeted.
- General Fund collections for the first quarter of the 2013/14 fiscal year are \$79 million above the revenue target for that period.
- Corporate income tax revenue, sales tax and personal income collections were above targets.



## Quarterly General Fund Revenue Report

- A steady, moderate growth pattern is expected throughout the fiscal year.
- Economic recovery growth is about 2%.
- Housing appears ready for solid recovery.
- State economy is gaining strength.
- State unemployment remains 6<sup>th</sup> highest in the country.



UNC  
DIVISION OF FINANCE  
AND ADMINISTRATION

# 2013-14 UNC Budget Reductions



## FY 2013-14 Reductions

- 2013/14 Budget included three reductions that required allocation by the Board of Governors:
  - Management and Flexibility (\$65.8M)
  - Instruction Efficiencies (\$15.8M)
  - Operational and Administrative Efficiencies (\$10M)
- Also permitted the Board of Governors to use up to \$15 million of existing funds to implement portions of the strategic plan.
  - Strategic Investments (\$3M)
- Specific UNC-CH Reductions
  - SOM Indigent Care (\$15M)
  - UNC Cancer Research Fund (\$8M)



## General Reductions by Category

	Management Flexibility	Instructional Efficiencies	Operational Efficiencies	Strategic Investments	Total
UNC-CH	(14,981,141)	(3,282,319)	(2,107,213)	(632,163)	(21,002,836)
System	(65,805,042)	(15,800,000)	(10,000,000)	(3,000,000)	(94,605,042)

Note: Excludes reductions of \$15M for SOM Indigent Care and \$8M UNC Cancer Research Fund





## Areas of General Reduction

	Personnel		Non Personnel		Other		Total
	Amount	%	Amount	%	Amount	%	
<b>UNC-CH</b>	<b>(6,783,139)</b>	<b>32%</b>	<b>(14,219,697)</b>	<b>68%</b>	<b>X</b>	<b>X</b>	<b>(21,002,836)</b>
<b>System</b>	<b>(57,395,192)</b>	<b>61%</b>	<b>(36,870,945)</b>	<b>39%</b>	<b>338,905</b>	<b>0%</b>	<b>(94,605,042)</b>

Note: Excludes reductions of \$15M for SOM Indigent Care and \$8M UNC Cancer Research Fund



## Status of Positions Eliminated by Institution

	Filled		Vacant		Fund Shifted		Total FTE
	FTE	%	FTE	%	FTE	%	
<b>UNC-CH</b>	<b>7.08</b>	<b>11%</b>	<b>45.33</b>	<b>71%</b>	<b>11.02</b>	<b>17%</b>	<b>63.43</b>
<b>System</b>	<b>96.55</b>	<b>14%</b>	<b>535.92</b>	<b>76%</b>	<b>68.92</b>	<b>10%</b>	<b>701.39</b>



## Type of Positions Eliminated by Institution

	<b>EPA Faculty</b>	<b>EPA Nonfaculty</b>	<b>SPA</b>	<b>Total FTE Eliminated</b>
<b>UNC-CH</b>	<b>(37.65)</b>	<b>(7.19)</b>	<b>(18.59)</b>	<b>(63.43)</b>
<b>System</b>	<b>(280.23)</b>	<b>(127.95)</b>	<b>(293.21)</b>	<b>(701.39)</b>



# Reduction Allocation Methodology

- Management Flex Reduction
  - Eight measures factored into the management flexibility allocation method:
    - ❖ Freshman-to-Sophomore Retention
    - ❖ Graduation Rate
    - ❖ Degree Efficiency
    - ❖ UNC Fit Index
    - ❖ Weighted Education and Related Spending per Degree
    - ❖ No Tuition
    - ❖ Diseconomies of Scale
    - ❖ Pell Grant Recipients



## Reduction Allocation Methodology

- Management Flex Reduction (Cont.)
  - Could not be allocated on an across-the-board basis
- Strategic Plan Related Reductions
  - Allocated on a pro rata basis



## Examples of Non Personnel Reductions

- ❖ Reduced core library materials
- ❖ Reduced AHEC's ability to train the number of students, residents, and practicing health care professionals, which may lead to a reduction in the number of graduates who enter practice in underserved and vulnerable communities in the state.
- ❖ Delayed technology purchases
- ❖ Reduced office supplies
- ❖ Reduced support for compliance and safety
- ❖ Reduced travel
- ❖ Reduced training