



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Finance and Infrastructure Committee



Photo credit: Sam Kittner '85

September 25, 2013



Self-Liquidating Resolution/Financing Update

September 24/25, 2013

Title



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Agenda

- Resolution Background.
- Debt Portfolio Overview.
- Internal Allocation of Debt.
- UNC-Chapel Hill Debt Policy Ratios.
- Peer Comparisons.
- Closing Points.



Resolution Background

- Self-liquidating capital project approval process:
 - Projects approved internally by Senior Management;
 - Design and site are approved by the University's Board of Trustees;
 - Projects are reviewed by UNC General Administration;
 - Projects are approved by the UNC Board of Governors; and
 - Projects are approved by the General Assembly.
 - Additional due diligence information requirements on projects to be reviewed by the Legislature's Commission on Governmental Operations prior to October 1, 2013.
- General statutes require Board of Trustee approval for the University to issue debt to fund capital projects.
- This year's self-liquidating resolution contains the following projects:
 - Odum Village Replacement.
 - Rizzo Center Phase III.
- Primary repayment funding sources for the debt for these projects include housing receipts and conference center receipts.

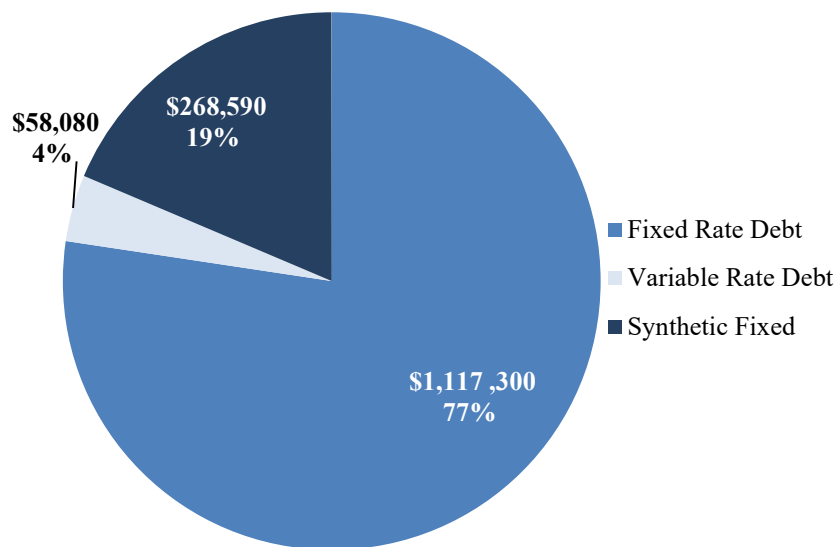


Debt Portfolio Overview

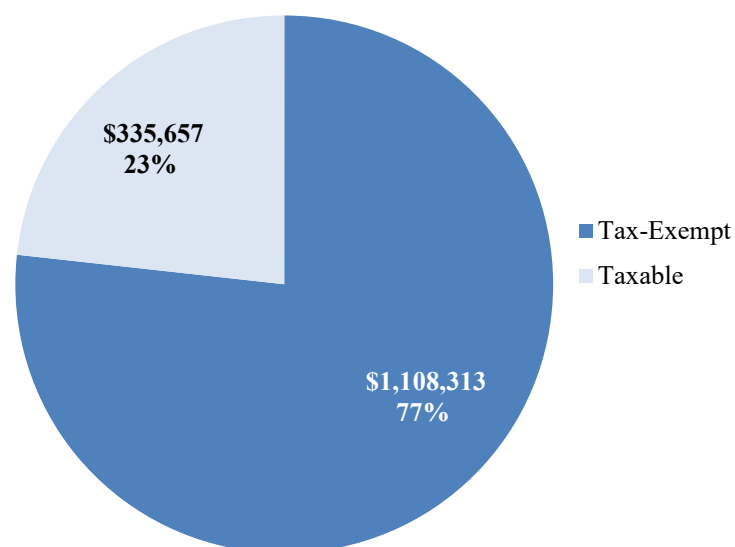
Long-Term Debt Outstanding (\$000)	\$1,425,970
Short-Term Debt Outstanding (\$000)	\$18,000
Total	\$1,443,970

Credit Ratings		
<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
Aaa (stable) / P-1	AA+ (positive*) / A-1+	AAA (stable) / F1+

Interest Mode Allocation



Tax Mode Allocation



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

*S&P has maintained a positive outlook on the University's rating since April 2011. An outlook other than stable means that S&P anticipates that a rating may change within 6-24 months. As a matter of practice, if no rating change has occurred within 24 months with outlook typically reverts to stable. S&P is currently reviewing the University's rating.

Internal Allocation of Debt

Category	Balance 6/30/2012		Balance 6/30/2013	
	Amount	Percentage	Amount	Percentage
Utilities	428,321,687	31.9%	443,049,644	31.0%
Academic/Research (OH)	327,238,459	24.4%	325,489,448	22.7%
Housing	225,126,562	16.8%	216,901,343	15.2%
Athletics	73,677,195	5.5%	111,335,531	7.8%
Parking	65,134,263	4.8%	90,592,598	6.3%
Academic/Research (Dept)	76,988,362	5.7%	73,009,813	5.1%
GT-US	45,940,778	3.4%	45,256,993	3.2%
Dining	27,785,011	2.1%	38,442,410	2.7%
Miscellaneous	31,275,662	2.3%	33,039,050	2.3%
ERP	13,843,152	1.0%	27,803,815	1.9%
Student Life	28,284,850	2.1%	25,975,747	1.8%
TOTALS	1,343,615,982	100.0%	1,430,896,391	100.0%



Expendable Resources to Debt – Historical and Projected

(\$ in millions)

(\$ in millions)

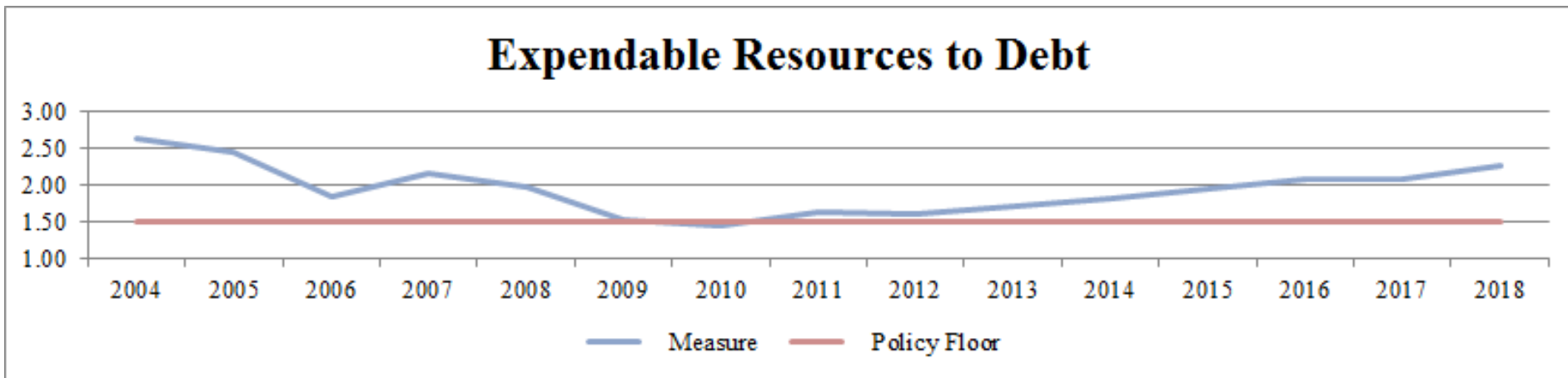
Fiscal Year Ending	2009	2010	2011	2012	2013	PROJECTED				
						2014	2015	2016	2017	2018
Expendable Resources to Debt										
Expendable Resources	\$1,799	\$1,941	\$2,175	\$2,193	\$2,456	\$2,615	\$2,785	\$2,966	\$3,159	\$3,364
Debt	\$1,183	\$1,343	\$1,331	\$1,366	\$1,427	\$1,432	\$1,439	\$1,423	\$1,515	\$1,497
Measure	1.52	1.45	1.63	1.60	1.72	1.83	1.94	2.08	2.08	2.25
Policy Threshold	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Additional Debt Capacity						\$311	\$106	\$137	\$36	\$155
Cumulative Debt Impact							\$417	\$555	\$591	\$746

Notes: Projected ratios are based upon capital projects known at this point in time and assumptions on construction timing, and assumed changes in revenue/expense growth patterns. The University calculated ratio varies slightly from the Moody's calculated ratio on page 8. The University believes that Moody's is improperly excluding certain expendable net assets from the expendable resources measure and is in discussions to resolve this discrepancy.



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Expendable Resources to Debt – Historical and Projected



Expendable Resources to Debt – Peer Comparison

(in descending order based upon FYE 2012)

Institution	Moody's Bond Rating	Expendable Resources to Debt				
		2012	2011	2010	2009	2008
University of Virginia	Aaa	3.60 x	3.49 x	3.12 x	2.66 x	4.22 x
University of Michigan	Aaa	3.20 x	3.64 x	3.31 x	2.87 x	5.37 x
Purdue University	Aaa	2.60 x	2.54 x	2.40 x	1.98 x	3.10 x
Indiana University	Aaa	2.20 x	2.12 x	1.78 x	1.64 x	2.07 x
Texas A&M University System	Aaa	1.90 x	1.99 x	1.80 x	2.12 x	3.18 x
University of North Carolina at Chapel Hill	Aaa	1.60 x	1.58 x	1.42 x	1.52 x	1.96 x
University of Texas System	Aaa	1.50 x	1.53 x	1.40 x	1.21 x	1.95 x
University of Washington	Aaa	1.50 x	1.68 x	1.92 x	1.93 x	2.47 x
University of Nebraska	Aa1	2.50 x	2.35 x	1.75 x	1.79 x	1.93 x
Pennsylvania State University	Aa1	2.40 x	2.40 x	1.77 x	1.52 x	2.04 x
University of Minnesota	Aa1	2.20 x	2.08 x	1.76 x	1.88 x	2.96 x
Michigan State University	Aa1	1.80 x	2.01 x	1.56 x	2.20 x	2.85 x
State University of Iowa	Aa1	1.80 x	1.58 x	1.49 x	1.31 x	1.62 x
University of Pittsburgh	Aa1	1.80 x	1.73 x	1.10 x	1.00 x	2.14 x
University System of Maryland	Aa1	1.80 x	1.64 x	1.43 x	1.39 x	1.58 x
North Carolina State University at Raleigh	Aa1	1.30 x	1.07 x	1.01 x	1.03 x	1.47 x
University of Missouri System	Aa1	1.30 x	1.22 x	1.29 x	1.25 x	1.42 x
Virginia Polytechnic Institute and State University	Aa1	1.00 x	1.15 x	1.00 x	1.13 x	1.52 x
Ohio State University	Aa1	0.90 x	1.04 x	1.29 x	1.09 x	1.42 x
University of California	Aa1	0.50 x	0.74 x	0.82 x	0.94 x	1.36 x
Average		1.87	1.88	1.67	1.62	2.33
Max		3.60	3.64	3.31	2.87	5.37
Median		1.80	1.70	1.53	1.52	2.00



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Debt Service to Operations: Historical and Projected

(\$ in millions)

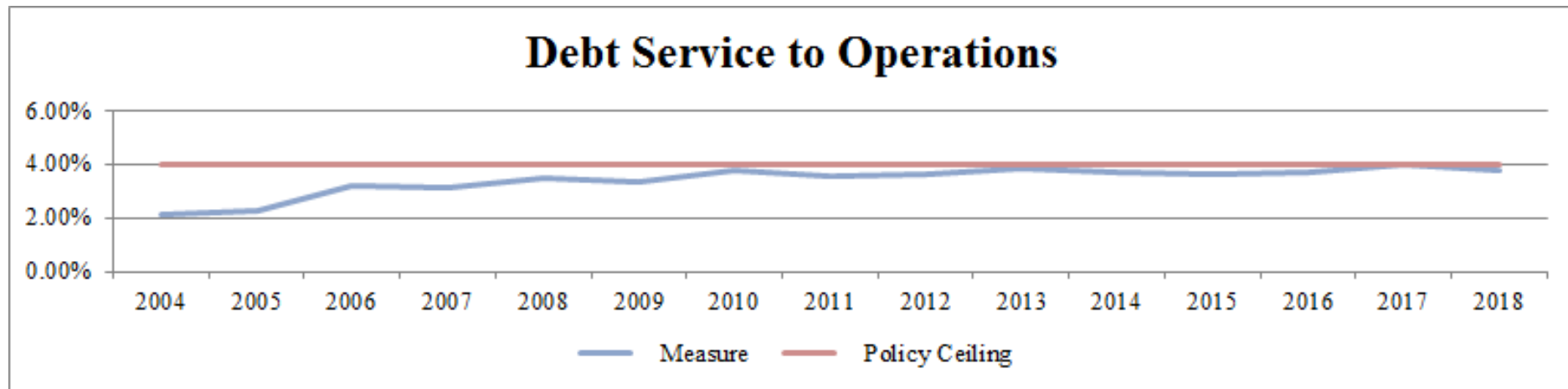
Fiscal Year Ending	2009	2010	2011	2012	2013	PROJECTED				
						2014	2015	2016	2017	2018
Debt Service to Operations										
Debt Service	\$74	\$86	\$87	\$89	\$97	\$97	\$99	\$105	\$117	\$115
Operating Expenses	\$2,224	\$2,277	\$2,432	\$2,449	\$2,523	\$2,624	\$2,729	\$2,838	\$2,952	\$3,070
Measure	3.34%	3.78%	3.57%	3.63%	3.84%	3.69%	3.62%	3.71%	3.97%	3.75%
Policy Ceiling	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Additional Debt Capacity						\$109	\$33	(\$32)	(\$99)	\$92
Cumulative Debt Impact							\$143	\$111	\$12	\$104

Notes: Projected ratios are based upon capital projects known at this point in time and assumptions on construction timing, and assumed changes in revenue/expense growth patterns. The University calculated ratio varies slightly from the Moody's calculated ratio on page 11.



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Debt Service to Operations: Historical and Projected



Debt Service to Operations – Peer Comparison

(in descending order based upon FYE 2012)

School	Moody's Bond Rating	Debt Service to Operations				
		2012	2011	2010	2009	2008
University of Michigan	Aaa	1.76%	1.34%	1.38%	1.36%	1.42%
University of Washington	Aaa	2.70%	2.55%	2.52%	2.77%	2.03%
Indiana University	Aaa	3.59%	4.46%	4.09%	4.17%	3.58%
University of North Carolina at Chapel Hill	Aaa	3.65%	3.88%	3.78%	3.34%	3.51%
University of Virginia	Aaa	4.06%	4.70%	3.48%	1.76%	2.68%
Purdue University	Aaa	4.56%	3.79%	3.52%	3.10%	3.31%
University of Texas System	Aaa	4.68%	4.45%	6.25%	3.53%	3.03%
Texas A&M University System	Aaa	8.99%	5.61%	5.19%	4.29%	4.67%
Pennsylvania State University	Aa1	2.13%	2.56%	2.39%	1.98%	2.13%
North Carolina State University at Raleigh	Aa1	2.66%	2.17%	2.28%	1.74%	2.12%
Michigan State University	Aa1	2.85%	3.42%	2.12%	2.12%	1.92%
University of Missouri System	Aa1	3.04%	3.08%	2.85%	2.20%	2.36%
State University of Iowa	Aa1	3.20%	2.88%	3.52%	2.82%	3.12%
University System of Maryland	Aa1	3.32%	3.21%	3.05%	2.95%	3.43%
University of Pittsburgh	Aa1	3.39%	3.45%	4.85%	2.74%	2.01%
Ohio State University	Aa1	3.54%	2.78%	3.04%	2.54%	2.60%
University of Minnesota	Aa1	3.60%	2.37%	2.98%	2.35%	2.92%
Virginia Polytechnic Institute and State University	Aa1	3.83%	3.98%	3.45%	3.11%	3.04%
University of Nebraska	Aa1	4.29%	4.25%	4.49%	3.40%	3.30%
University of California	Aa1	5.29%	3.99%	3.37%	4.08%	3.57%
Average		3.76%	3.45%	3.43%	2.82%	2.84%
Max		8.99%	5.61%	6.25%	4.29%	4.67%
Median		3.57%	3.44%	3.41%	2.80%	2.98%



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Closing Points (p. 1)

- Subject resolution supports the issuance of debt for projects that have been cultivated as a part of the University's campus master planning process.
 - Projects are subject to additional due diligence review by the Legislature's Commission on Governmental Operations, which has not been required in the past, before projects can begin.

- Repayment sources for associated debt have been identified at the project level.

- Debt capacity, as derived by the desire to maintain or improve our current debt ratings, is based upon both qualitative and quantitative measures.



Closing Points (p. 2)

- The University remains relatively leveraged (particularly in terms of its balance sheet ratio measure) in comparison to its Moody's Aaa public peers. This signifies the qualitative factors play a significant role in our bond ratings.
- The University actively manages its debt portfolio to industry/peer best practices.
- Based on the University's leverage profile, it is important to reserve the University's debt capacity for projects that are strategic to the University's mission and that have an established source of repayment.





THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



Photo credit: Sam Kittner '85

September 25, 2013



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

BOARD OF TRUSTEES
PRESENTATION
SEPTEMBER 2013

ATTACHMENT

208 WEST FRANKLIN STREET RENOVATION

DESIGNER SELECTION



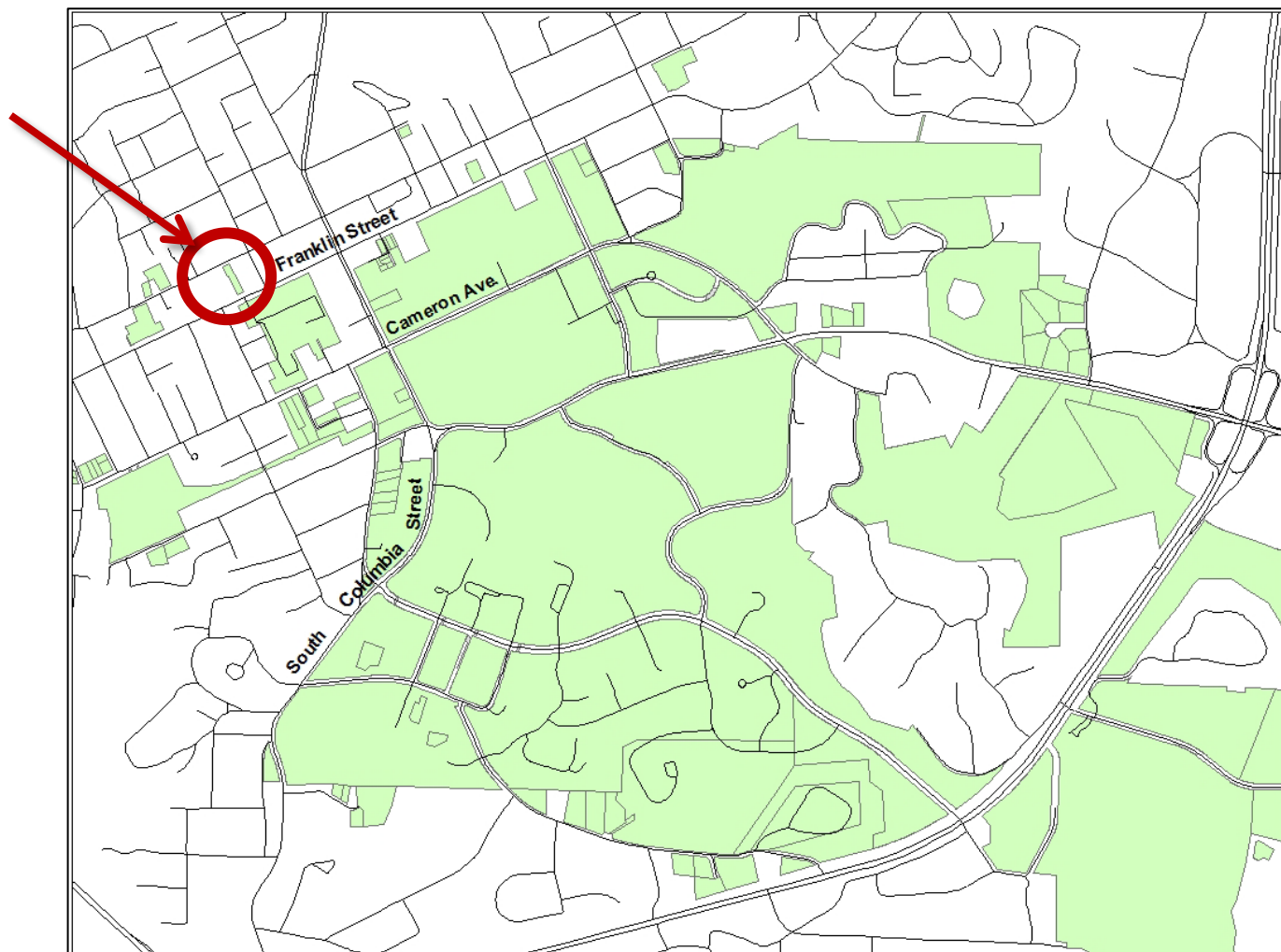
THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

BOARD OF TRUSTEES

SEPTEMBER 2013

208 WEST FRANKLIN STREET RENOVATION

PROJECT SITE



CAMPUS LOCATION MAP



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

BOARD OF TRUSTEES

SEPTEMBER 2013

ATTACHMENT

UNC HOSPITALS

PERIOPERATIVE TOWER ADDITION

SITE APPROVAL



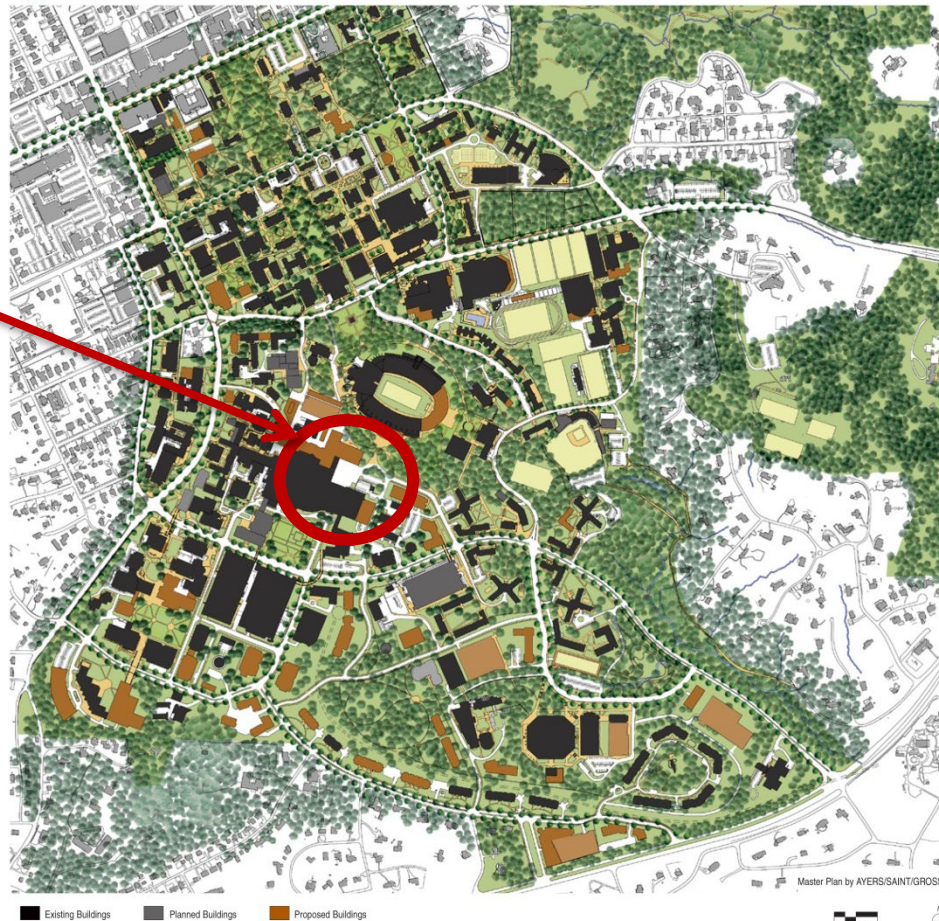
THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

BOARD OF TRUSTEES

SEPTEMBER 2013

UNCH PERIOPERATIVE TOWER ADDITION

PROJECT SITE



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

CAMPUS MASTER PLAN

BOARD OF TRUSTEES

SEPTEMBER 2013

ATTACHMENT

**POWER GENERATION AND CHILLER
PLANT ADDITIONS**

SITE APPROVAL



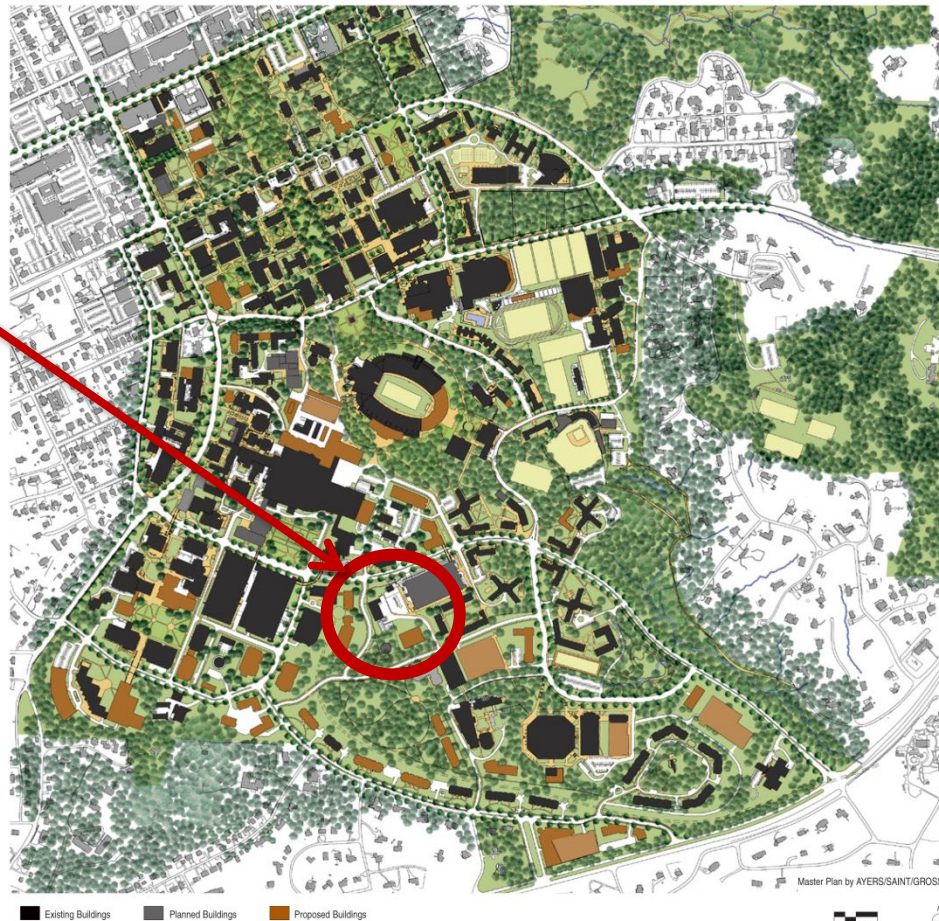
THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

BOARD OF TRUSTEES

SEPTEMBER 2013

POWER GENERATION & CHILLER PLANT ADDITIONS

PROJECT SITE



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

CAMPUS MASTER PLAN

BOARD OF TRUSTEES

SEPTEMBER 2013

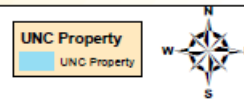
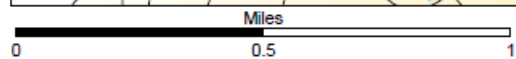


THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



Photo credit: Sam Kittner '85

September 25, 2013





VICINITY MAP
(NOT TO SCALE)

TOTAL TEMPORARY EASEMENT AREA: 2,720 SQ.FT.
TOTAL PERMANENT EASEMENT AREA: 503 SQ.FT.

TEMPORARY CONSTRUCTION EASEMENT
PERMANENT RIGHT OF WAY EASEMENT

TEMPORARY CONSTRUCTION EASEMENT 1
AREA OF EASEMENT: 2,287 SQ. FT.

HIGHLAND WOODS ROAD
(PUBLIC R/W)

US 15-501
FORDHAM BOULEVARD
(PUBLIC R/W)

OLD MASON FARM ROAD
(60' PUBLIC R/W)

PERMANENT ACCESS AND MAINTENANCE EASEMENT 1
AREA OF EASEMENT: 295 SQ. FT.

PERMANENT ACCESS AND MAINTENANCE EASEMENT 2
AREA OF EASEMENT: 208 SQ. FT.

PROPOSED ACCESSIBILITY RAMP

NC BOTANICAL GARDEN
ENTRANCE

TEMPORARY CONSTRUCTION EASEMENT 2
AREA OF EASEMENT: 433 SQ. FT.

NOTES:

1. THE PURPOSE OF THIS SURVEY IS TO DEFINE TEMPORARY EASEMENT LIMITS AND PERMANENT SIDEWALK MAINTENANCE EASEMENT LIMITS FOR NEW SIDEWALK CONSTRUCTION ON OLD MASON FARM ROAD.
2. SURVEY INFORMATION IS BASED ON AN ACTUAL FIELD SURVEY CONDUCTED BY THOMAS F. BICK, PLS., L-3134, ON 11/19/09 AND A FIELD SURVEY PERFORMED ON 4/12/13 BY THIS SURVEYOR.
3. ALL DISTANCES ARE HORIZONTAL GROUND DISTANCES.
4. THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT. THIS PROPERTY IS SUBJECTED TO ANY SUCH FACTS OR EASEMENTS WHICH MAY BE DISCOVERED BY A FULL AND ACCURATE TITLE SEARCH.

I, JAMES W. HUGGINS, CERTIFY THAT THIS SURVEY IS OF AN EXISTING PARCEL OR PARCELS OF LAND

JAMES W. HUGGINS, PROFESSIONAL LAND SURVEYOR NO. 4586

N/F UNIVERSITY OF NORTH CAROLINA
PIN: 9788543697

PROPERTY ADDRESS:
100 & 101 OLD MASON FARM RD.
CHAPEL HILL, NC 27599

LEGEND

- ⊙ - EXISTING IRON PIPE
- ⊕ - COMPUTED POINT
- — — — — ROAD CENTERLINE
- — — — — RIGHT OF WAY
- - - - - TEMPORARY CONSTRUCTION EASEMENT LIMITS
- — — — — PERMANENT SIDEWALK MAINTENANCE EASEMENT LIMITS

NOT TO SCALE

PERMANENT ACCESS AND MAINTENANCE & TEMPORARY CONSTRUCTION EASEMENTS

100 & 101 OLD MASON FARM ROAD
PROPOSED SIDEWALK IMPROVEMENTS

CHAPEL HILL TOWNSHIP, ORANGE COUNTY NORTH CAROLINA

SURVEY BY:	THOMAS F. BICK, PLS	SCALE:	(NOT TO SCALE)
DATE:	11/19/09 - 4/12/13	PIN:	9788-54-3697
OWNER:	UNIVERSITY OF NORTH CAROLINA UNC PROPERTY OFFICE CHAPEL HILL, NC 27599	SURVEYED FOR:	TOWN OF CHAPEL HILL

TOWN OF CHAPEL HILL
405 MARTIN LUTHER KING JR BLVD
CHAPEL HILL, NC 27516



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



Photo credit: Sam Kittner '85

September 25, 2013

The Case for UNC to Divest from Coal



COAL
DIVESTMENT

“The Filthy Fifteen”



Historical Precedence

South Africa (1987)

- apartheid
- established divestiture committee at UNC



Sudan (2008)

- ethnic cleansing
- resolution by UNC Investment Fund

National Context

308 universities have divestment campaigns



Successful Divestment

- **6 universities**
 - San Francisco State University (Public)
- **18 cities**
 - Seattle, WA
 - Portland, OR
 - San Francisco, CA



Media Coverage

"Apartheid divestment spurs Beyond Coal campaign" - Daily Tar Heel

"The Case for Fossil-Fuel Divestment" - Rolling Stone

"Student Congress at UNC supports divestment in coal" - Herald-Sun

"To Stop Climate Change, Students Aim at College Portfolios" - **The New York Times**

"Students vote for UNC to divest coal stocks" - News & Observer

"The Next Frontier for Climate Activism: College Investments" - **TIME**

"Divesting From Fossil Fuels Means A Cleaner, Safer And More Resilient Future" - **Forbes**

"UNC-CH students to university: Divest from coal" - Triangle Biz Journal

UNC Student Body Support

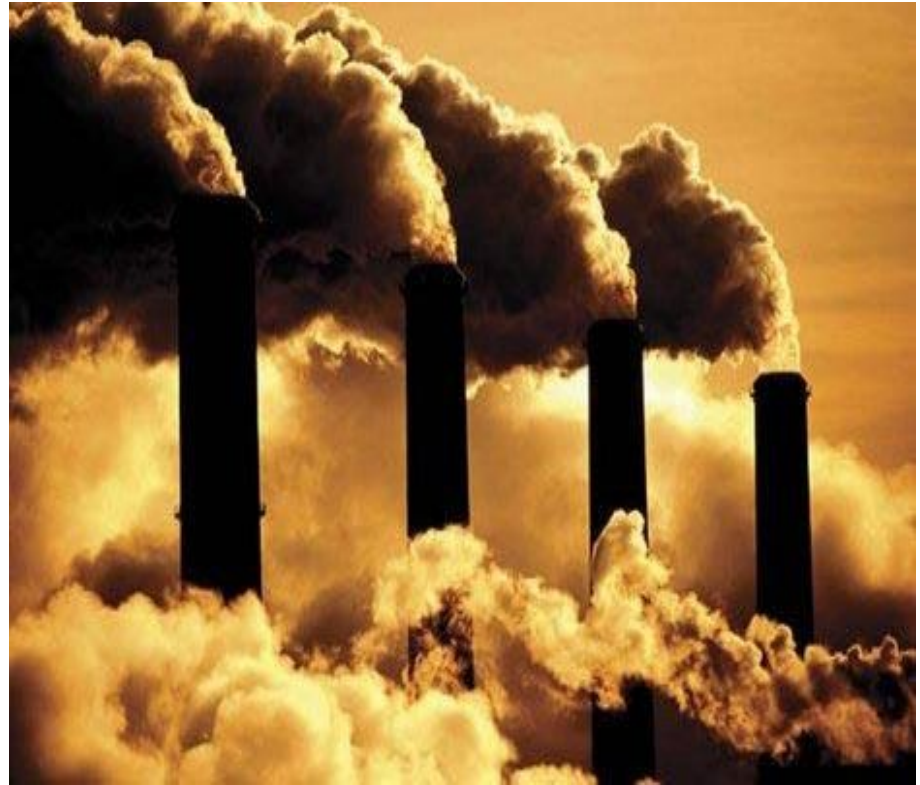
- 77% student support
- Group endorsements
- Support from all 5 SBP candidates last spring
- Student Congress resolution



Why Coal?

Public Health

- Affects public health from cradle to grave
- Cost the US economy \$300 - \$500 billion annually



Why Coal?

Environment

- Most carbon intensive fuel source
- 30% more CO₂ than oil and twice much as natural gas
- Mountaintop-removal (contour) coal mining is one of the most destructive forms of extraction



Why Coal?

Economy

- 120 of 520 coal plants shut down in last 2.5 years
- 19-26% of coal production capacity will be retired by 2016

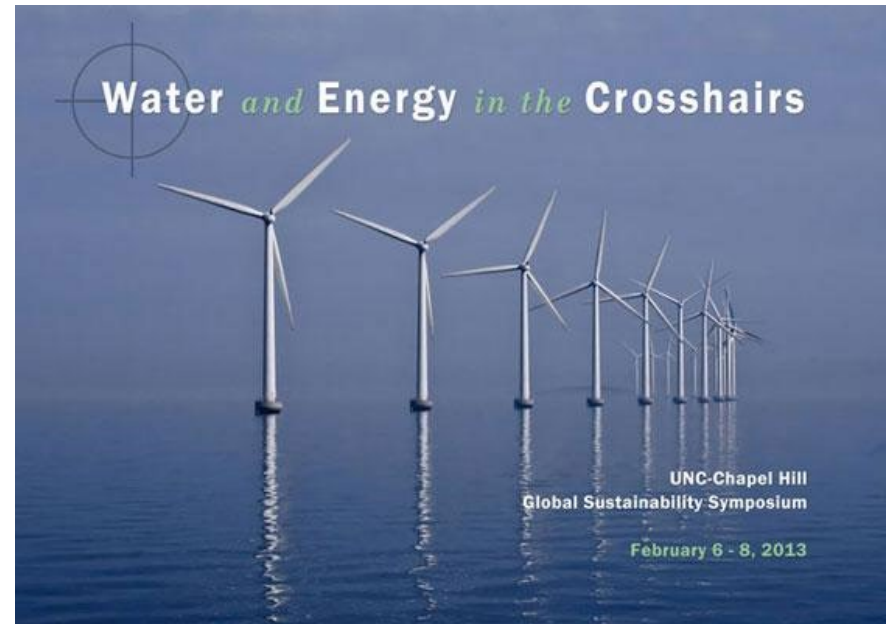
Why Coal?

Over-valuation of coal stocks

- Company value based on current assets
- Assets subject to climate regulation
 - necessary to contain global warming
 - majority of coal reserves left unburnable
- Coal industry hit hardest
 - Investors face risk

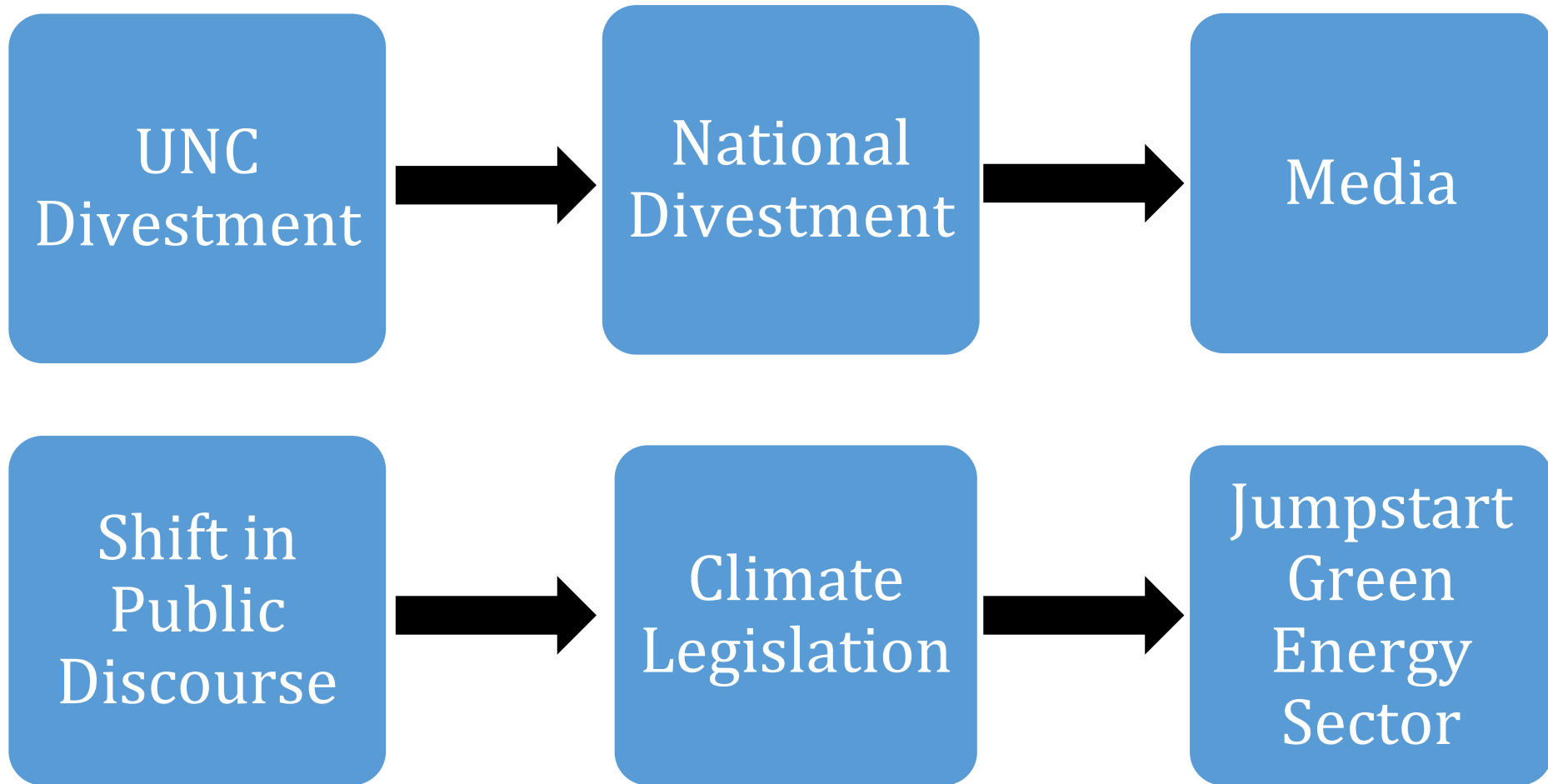
Why Divestment?

- Shows real financial leadership on sustainability



- Social and political tool to raise awareness about the climate crisis

Broad Impacts



Impact on Investment Returns

- Risk and return
- Increased publicity and alumni donations
- Long-term health of endowment

Why Universities?



"If their college's endowment portfolio has fossil-fuel stock, then their educations are being subsidized by investments that guarantee they won't have much of a planet on which to make use of their degree."

-Bill McKibben, *RollingStone* 7/19/12

Why Carolina?

With lux, libertas — light and liberty — as its founding principles, the University has charted a bold course of **leading change** to improve society and **to help solve the world's greatest problems.**



Summary

- **Why Coal?**
- **Why Divestment?**
- **Why Carolina?**

Next Steps - Short Term

1. Establish a working group to research feasibility (Sept - March 2014)
2. Present findings to UNC-CH Board of Trustees for resolution of support (March 2014)
3. Present to UNC-CH Foundation Investment Fund Board of Directors for resolution of support (Spring 2014)
4. Complete divestment from university controlled funds (Fall 2014)

Next Steps - Long Term

1. Communicate with other UNC system schools and affiliates about taking action on resolution (Fall 2013 - Fall 2016)
2. UNC Management Company communicates with external fund managers (Spring 2014 - Fall 2016)
3. Full divestment of entire endowment from coal (Spring 2016)

Questions?

Citations

Energy Action Coalition (2013). The Filthy Fifteen. *We Are Powershift*.

<http://m.powershift.advomatic.com/campaigns/divestcoal/filthy-15>

Miller, Hannah Ruth, (2010). University of North Carolina Students campaign for divestment from apartheid South Africa, 1986-1987. *Global Non-Violent Action Database*. [http://nvdatabase.swarthmore.edu/content/university-north-carolina-students-](http://nvdatabase.swarthmore.edu/content/university-north-carolina-students-campaign-divestment-apartheid-south-africa-1986-1987)

[campaign-divestment-apartheid-south-africa-1986-1987](http://nvdatabase.swarthmore.edu/content/university-north-carolina-students-campaign-divestment-apartheid-south-africa-1986-1987)

UNC-CH Foundation Investment Fund, (2008). UNC Investment Fund, LLC Fiscal Year 2008 Summary Presentation To: The Board of Trustees of The University of North Carolina at Chapel Hill.

<http://www.unc.edu/depts/trustees/PP%201108%20FB%20Investment%20Fund.pdf>

350.org, (2013). Campaigns for fossil fuel divestment. <http://campaigns.gofossilfree.org/>

350.org, (2013). Commitments from campaigns for fossil fuel divestment. <http://gofossilfree.org/commitments/>

Niss, Sarah, (March 2013). Apartheid divestment spurs Beyond Coal campaign. *The Daily Tar Heel*

<http://www.dailytarheel.com/article/2013/03/apartheid-divestment-spurs-new-campaign>

McKibben, Bill. (February 2013). The Case for Fossil-Fuel Divestment. *The Rolling Stone*

<http://www.rollingstone.com/politics/news/the-case-for-fossil-fuel-divestment-20130222?link=mostpopular4>

Childress, Gregory. (May 2013). Student Congress at UNC supports divestment in coal. *Herald Sun*.

<http://www.heraldsun.com/chherald/x1942452067/Student-Congress-at-UNC-supports-divestment-in-coal>

Gillis, Justin. (December 2012). To Stop Climate Change, Students Aim at College Portfolios. *The New York Times*.

http://www.nytimes.com/2012/12/05/business/energy-environment/to-fight-climate-change-college-students-take-aim-at-the-endowment-portfolio.html?pagewanted=all&_r=0

Citations

Walsh, Bryan. (December 2012). The Next Frontier for Climate Activism: College Investments. *TIME Magazine*.

<http://science.time.com/2012/12/11/the-next-frontier-for-climate-activism-college-endowments/>

Yonavjak, Logan. (July 2013). Divesting From Fossil Fuels Means a Cleaner, Safer and More Resilient Future. *Forbes*.

<http://www.forbes.com/sites/ashoka/2013/07/29/divesting-from-fossil-fuels-means-a-cleaner-safer-and-more-resilient-future/>

DeBruyn, Jason. (February 2013.) UNC-CH students to university: Divest from coal. *Triangle Bizjournals*.

<http://www.bizjournals.com/triangle/blog/2013/02/unc-ch-students-to-university-divest.html>

Epstein *et al.* (2011). Full cost accounting for the life cycle of coal. *Annals of the New York Academy of Sciences*.

http://chge.med.harvard.edu/sites/default/files/epstein_full%20cost%20of%20coal.pdf

United States Environmental Protection Agency. (2013). Air Emissions. [http://www.epa.gov/cleanenergy/energy-and-](http://www.epa.gov/cleanenergy/energy-and-you/affect/air-emissions.html)

[you/affect/air-emissions.html](http://www.epa.gov/cleanenergy/energy-and-you/affect/air-emissions.html)

Appalachian Voices, 2013. Learn more about mountaintop removal coal mining. <http://ilovemountains.org/resources>

Editorial Board, (Nov. 2010). Broken promises: University wrongly uses contour mining. *The Daily Tar Heel*.

http://www.dailytarheel.com/article/2010/11/university_wrongly_uses_contour_mining

McKibben, Bill. (July 19, 2012). Global Warming's Terrifying New Math. *Rolling Stone*.

<http://www.rollingstone.com/politics/news/global-warmings-terrifying-new-math-20120719>

Geddes, P. (2013). Do the Investment Math: Building a Carbon-Free Portfolio.

http://www.aperiogroup.com/system/files/documents/building_a_carbon_free_portfolio.pdf

Citations

- Jhaveri, Katyayani. (November 2010). Contracts show mountain coal sources. *The Daily Tar Heel*.
http://www.dailytarheel.com/article/2010/11/contracts_show_mountain_coal_sources
- World Bank. (2012). New Report Examines Risks of 4 Degree Hotter World by End of Century. *World Bank*.
<http://www.worldbank.org/en/news/press-release/2012/11/18/new-report-examines-risks-of-degree-hotter-world-by-end-of-century>
- Parkinson, Giles (2013). Dig, baby, Dig! Citi says coal investments at risk. *Reneweconomy*.
<http://reneweconomy.com.au/2013/dig-baby-dig-citi-says-coal-investments-at-risk-20942>
- Leggett, Jeremy. (2013). Unburnable Carbon 2013. Wasted Capital and Stranded Assets. *Carbon Tracker*. London School of Economics. <http://www.carbontracker.org/wastedcapital>
- Celebi, M., Graves, F., & Russell, C. (2012). Potential Coal Plant Retirements: 2012 Update.
http://www.brattle.com/_documents/UploadLibrary/Upload1082.pdf
- Geddes, P. (2013). Do the Investment Math: Building a Carbon-Free Portfolio .
http://www.aperiogroup.com/system/files/documents/building_a_carbon_free_portfolio.pdf
- Wernau, J. (August 30, 2012). Closure of Chicago's Crawford, Fisk electric plants ends coal era. *Chicago Tribune*.
http://articles.chicagotribune.com/2012-08-30/business/chi-closure-of-chicagos-crawford-fisk-electric-plants-ends-coal-era-20120830_1_fisk-and-crawford-midwest-generation-coal-plants
- Editorial Board (April 2, 2013). The Board of Trustees should have heard coal concerns. *The Daily Tar Heel*.
<http://www.dailytarheel.com/article/2013/04/515a2dc9ab297>

Citations

Largess, J. (March 27, 2013). The Board of Trustees owes us an answer. *The Daily Tar Heel*.

<http://www.dailytarheel.com/article/2013/03/the-board-of-trustees-owes-us-an-answer>

President Obama, B. (June 2013). *Remarks by the President on Climate Change*. Georgetown University, Washington, D.C. <http://www.whitehouse.gov/the-press-office/2013/06/25/remarks-president-climate-change>



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



September 25, 2013



Information Technology Services Overview





ITS Services

Academic, Research & Support

Classroom Technologies

Research Computing Clusters

Computing Labs

Programming Tools

MOOC Support

Learning Tech : Sakai

Teaching & Learning Hotline

Printing Services

Lecture Capture

Help Desk

Infrastructure, Network & Security

Enterprise Operations

Identity Management

Database Administration

Security Monitoring

Enterprise Storage Mgmt

Core Networking & Wireless

Vulnerability Scanning

Firewall Management

IT Risk Assessment

Email, Calendaring

Enterprise Applications & Web

Student Info Systems

Finance & Admin Systems

HR & Payroll Systems

Business Systems

Application Security

Enterprise Reporting

BI and Analytics

Web Publishing

Project Management

University Calendar



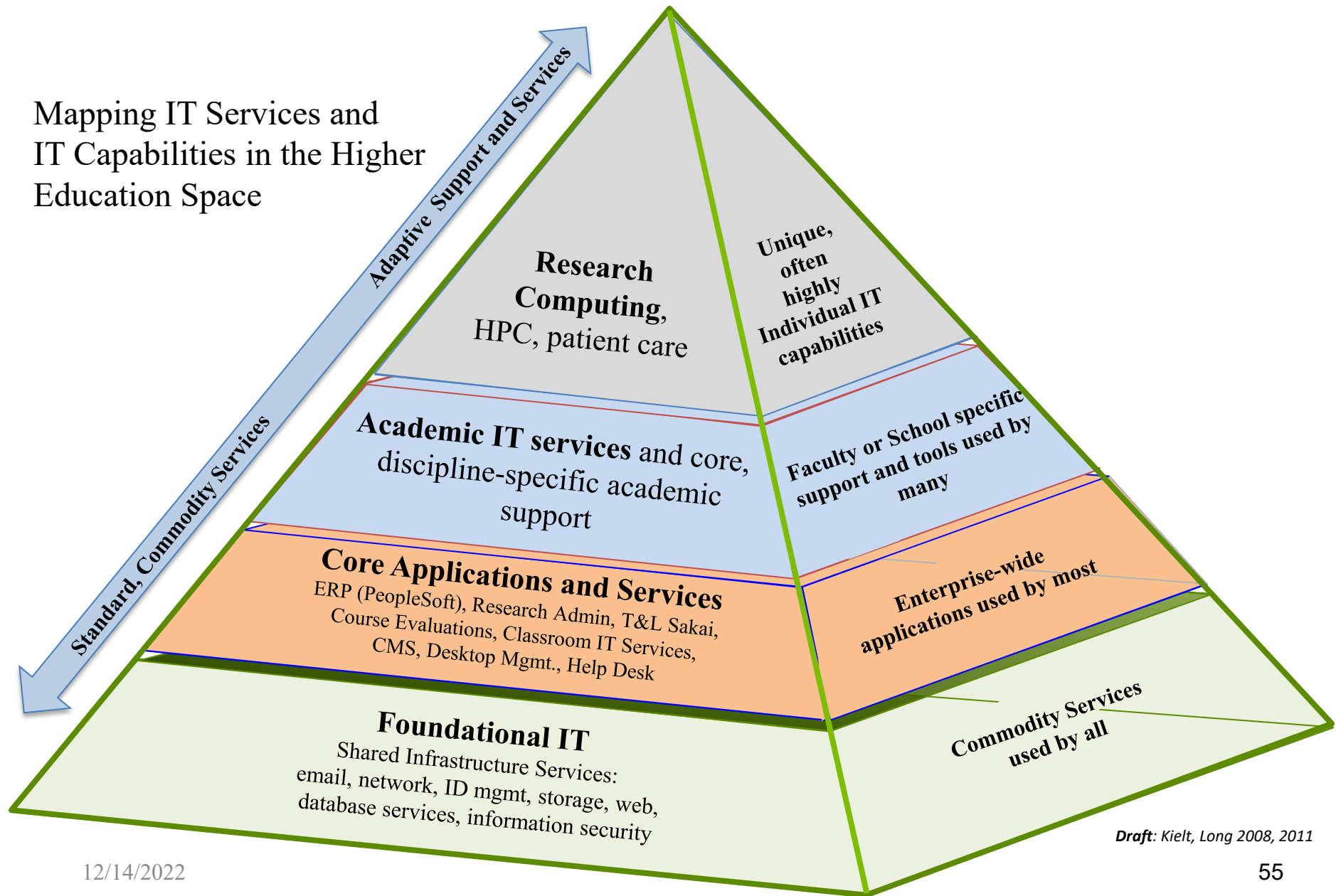
Sample 2013-14 ITS Key Initiatives

- Enhance campus network
 - Residential wireless network – in process
 - Develop a model for broader wireless expansion and maintenance
 - Design and implement core network life cycle program
 - Substantially complete VOIP transition, begin structured unified communications services
- Support completion of implementation of ConnectCarolina (PeopleSoft Finance, HR, & Payroll)
- Create and implement an enterprise reporting and analytics strategy
- Begin de-commission of legacy (i.e., mainframe-based) applications
- Develop a general purpose classroom lifecycle funding model for technology and furnishings
- Create a secure, “high risk data” computational capability





Mapping IT Services and IT Capabilities in the Higher Education Space



Draft: Kielt, Long 2008, 2011



IT by the numbers @ Carolina *

	ITS	University	Total
FTEs (source: 2012 Carolina Counts)	400	477	877
Non-salary IT expenditure (source: 2012 procurement data)	\$31m	\$26m	\$57m
Data centers, server rooms, etc. (source: Space Planning & Occupancy Tracking System (SPOTS))	3	217	220
Data centers, server rooms, etc. - sq. ft. (source: Space Planning & Occupancy Tracking System (SPOTS))	18,000	60,000	78,000
Storage (source: ITS Operations)	7,748 TB	Unknown	Unknown



IT @ Carolina



Complex environment

- Diverse needs
- Diverse data types

Large central footprint, but
also highly de-centralized

Cooperative

Collaborative



High Level SWOT Analysis

Strengths

- Data Center Capacity
- Core network capability
- IT Staff engagement
- Strong operational capability

Weaknesses

- Strong operational focus
- IT Infrastructure
 - Wi-Fi coverage
 - Research computing power resilience
 - Administrative systems
- Vendor management
- Decentralized management of risk

Opportunities

- Mobile and cloud based strategies and services
- Engagement in new research computing paradigms
- Business transformation
- Sustainable funding for classroom technology
- Improved project management

Threats

- Disaster recovery planning and preparedness
- Retention of key personnel
- Information security

Phind the phish

“Phishing” is when email purporting to be from a legitimate source attempts to trick you into volunteering your personal or credential-related information. These messages vary in content, but all claim to be from legitimate sources such as E-Bay, your bank, PayPal, or a university group.

If you receive such a message, you should treat it as spam and simply delete it.



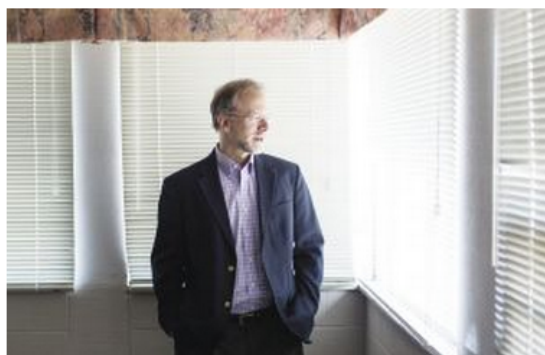
ITS

Research

[f](#)
[t](#)
[+](#)
[in](#)
[e](#)
[p](#)
 Comment (0)

September 13, 2013

Researchers Struggle to Secure Data in an Insecure Age



D.L. Anderson for The Chronicle

Daniel Nelson, director of the U. of North Carolina's research-ethics office, says review-board members used to assume wrongly that investigators knew how to keep digital records private.

[Enlarge Image](#)

discovered spyware on a server housing the medical records of some 180,000 women, participants in a study analyzing mammography results. Though no evidence existed that hackers copied the files, the breach caused a painful feud between the university and the project's

By Paul Voosen

Long before Edward Snowden made his revelations about the National Security Agency, even before the popular rise of Julian Assange and WikiLeaks, the University of North Carolina at Chapel Hill discovered the pain of not securing sensitive data.

Back in 2009, the technical staff of Chapel Hill's medical school

Unleash your own Influence for Individual success and global progress.

UConn

SEARCH • DISRUPT • SUCCEED

uconn.edu/facultyhlring

Most Popular

Most Viewed

Most Commented

1. Graduate-School Enrollments Rise, Mostly Thanks to Foreign Students
2. It's the Little Things That Count in Teaching
3. Researchers Question Agenda in 'Baby Einstein' Study
4. Public Colleges' Quest for Revenue and Prestige Squeezes Needy Students
5. A Dissertation on Pussy Riot?

Job Center



Addressing IT Security Risk

Existing programs	Planned initiatives 2014	Additional Opportunity
Central anti-virus	Border firewall implementation	Firewall maintenance review
Intrusion prevention	Secure storage	Policy review and update
Network monitoring	Distributed data loss prevention	Data classification
Activity logging and pattern detection	InfoSec awareness campaign	Data discovery & inventory
System admin and info security liaison programs	Addressing staff turnover	Data management services





THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



Photo credit: Sam Kittner '85

September 25, 2013



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Division of Finance and Administration

Financial Update



Karol Kain Gray
Vice Chancellor for Finance and Administration
September 25, 2013



UNC

DIVISION OF FINANCE
AND ADMINISTRATION

CAFR AWARD



- The UNC Finance Division earned the University's 18th consecutive Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.
- The award was given for the Comprehensive Annual Financial Report (CAFR).
- This is the association's highest form of recognition in government accounting and financial reporting.



Revenue Budget to Actual (Dollars in Thousands)

	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2012-2013	FY 2012-2013
	July - June Actual	July - June Actual	July - June Actual	July - June Budget	July - June % of Budget
Revenues:					
State Appropriations	\$414,348	\$486,492	\$515,121	\$515,121	100%
Tuition and Fees	348,296	378,551	418,149	421,785	99%
Governmental Contracts and Grants	919,544	988,361	1,007,933	958,050	105%
Non-Governmental Con. and Grants	199,399	212,452	209,068	215,859	97%
Gifts	235,001	261,416	235,062	242,562	97%
Sales and Services	714,184	811,035	825,186	803,860	103%
Investment and Endowment Income	91,582	134,821	137,410	141,991	97%
Other Sources	36,308	68,777	96,469	99,799	97%
Total Revenues	\$2,958,662	\$3,341,905	\$3,444,398	\$3,399,027	101%



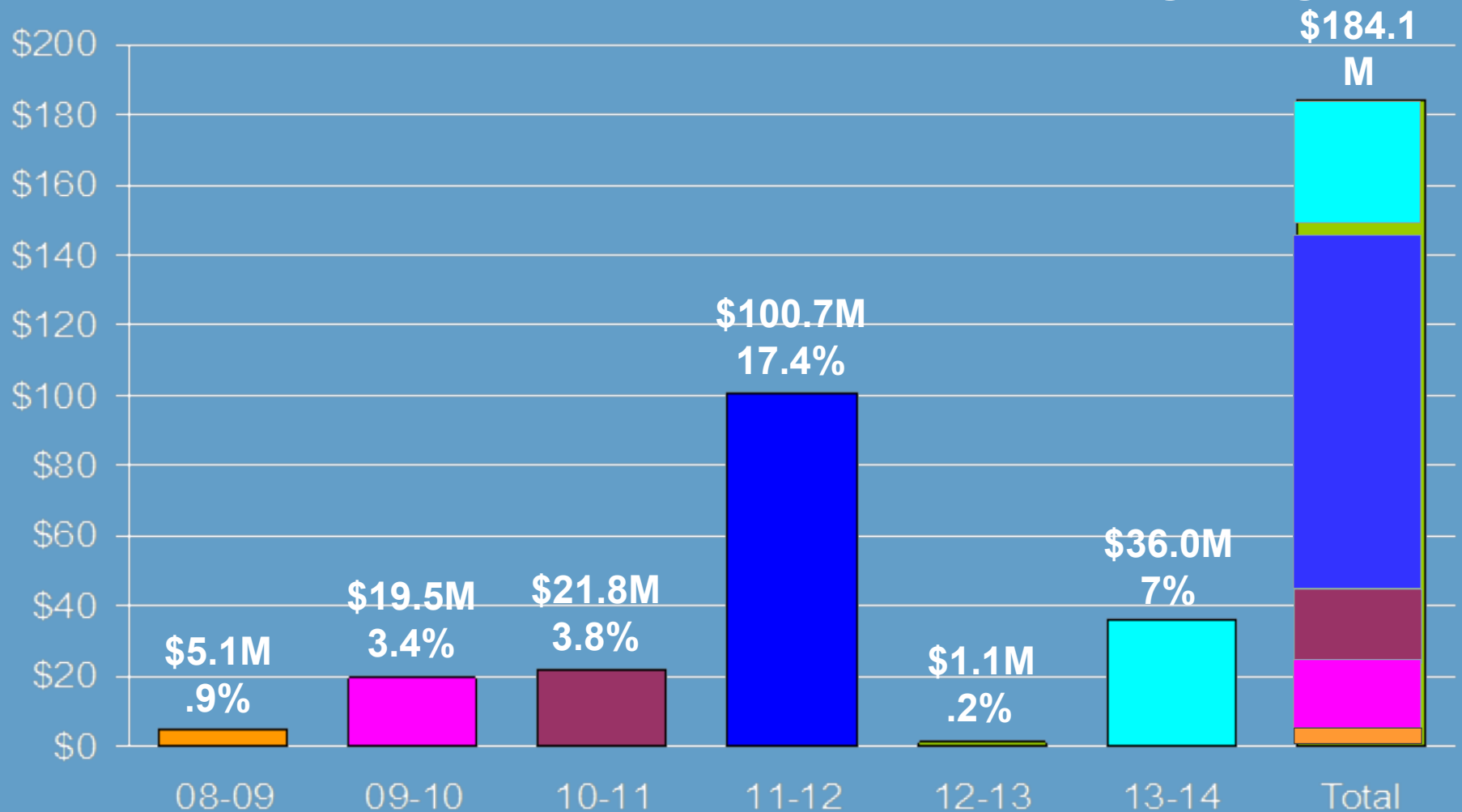
Expense Budget to Actual (Dollars in Thousands)

	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2012-2013	FY 2012-2013
	July - June Actual	July - June Actual	July - June Actual	July - June Budget	July - June % of Budget
Expenses/Transfers/Other:					
Instruction	\$640,757	\$714,199	\$696,098	\$771,939	90%
Organized Research	583,810	636,088	712,644	628,339	113%
Public Service	124,626	130,692	138,703	129,681	107%
Student Services	25,111	26,621	27,709	29,330	94%
Student Financial Aid	281,382	300,398	326,876	318,521	103%
Academic Support	102,793	113,258	117,020	115,977	101%
Institutional Support	86,852	91,927	108,932	106,430	102%
Physical Plant Operations	122,673	139,362	139,042	145,667	95%
Auxiliary Enterprises and Internal Service	336,829	367,035	398,713	439,414	91%
Professional Clinical Services	321,454	399,647	403,733	407,076	99%
Transfers and Other Deductions	75,805	64,124	123,452	61,737	200%
Total Expenses, Transfers & Other	\$2,702,092	\$2,983,351	\$3,192,922	\$3,154,111	101%



The University of North Carolina at Chapel Hill

State Appropriations Recurring Budget Cut





The University of North Carolina at Chapel Hill 2013-14 Reductions

	State Appropriation	Receipts and Other	Total Reduction	% Reduction
Management Flex	\$ 14,981,141	\$ -	\$ 14,981,141	4.1%
Strategic Directions	6,021,695	-	6,021,695	
School of Medicine (Indigent Care)	15,000,000	-	15,000,000	7.0%
Total State Reductions	36,002,836	-	36,002,836	8.6%
UNC Cancer Research Fund	-	8,000,000	8,000,000	
Total Reductions	\$ 36,002,836	\$ 8,000,000	\$ 44,002,836	



The University of North Carolina at Chapel Hill

2013-14 Revenue Sources

Category	State Appropriation	Receipts and Other	Total
Sources			
Campus-Based Tuition	-	\$ 21,666,636	\$ 21,666,636
Enrollment Growth	1,468,900	2,396,605	3,865,505
Building Reserves (Recurring)	5,622,782	-	5,622,782
Total Sources	\$ 7,091,682	\$ 24,063,241	\$ 31,154,923



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Division of Finance and Administration

Repair & Renovation Update



Karol Kain Gray
Vice Chancellor for Finance and Administration
September 25, 2013



2013-2014 Deferred Maintenance Backlog by System

Mechanical	\$259,404,352	36%
Building Code	165,476,610	23%
Architectural	139,553,910	20%
Stormwater	69,974,741	10%
Electrical	53,442,581	7%
Plumbing	24,289,977	3%
Roads	5,000,000	1%
TOTAL	\$717,142,171	



2013-2014 Buildings with Prioritized Deferred Maintenance*

Building Name	Deferred Maintenance
❖ Berryhill Hall	\$24,116,566
Manning Hall	9,330,432
Morehead Planetarium	16,113,683
Hamilton Hall	15,628,336
Wilson Library	50,505,800
Gardner Hall	6,727,200
Bingham Hall	5,450,000
Caldwell Hall	2,287,400
Alumni Building	8,296,500
❖ Carrington Hall	6,343,000

* Based on Six Year Capital Development Plan

❖ Health Affairs Building – all others are Academic Affairs



2013-2014 Buildings with Highest Deferred Maintenance Costs

Building Name	Deferred Maintenance
Wilson Library	\$50,505,800
Walter Davis Library	35,660,195
❖ Mary Ellen Jones *	25,887,900
❖ Berryhill Hall	24,116,566
Phillips Hall	23,803,900
❖ MacNider Hall	22,318,880
Kenan Laboratories	19,007,100
Woollen Gymnasium	17,725,280
Van Hecke-Wettach	17,079,470
❖ Carrington Hall	16,343,000

* Major Renovation is funded

❖ Health Affairs Building – all others are Academic Affairs



**The University of North Carolina at Chapel Hill
FY2013-14
Reduced Repair & Renovation Project Allocation Plan**

Roof Repairs & Replacements

McGavran Greenberg	765,000
Public Safety Building	385,000
Morehead Chemistry Lab	663,326
	<hr/>
	\$ 1,813,326

Repairs - Electrical, Plumbing and HVAC

Howell Hall	1,600,000
Berryhill Hall	400,000
	<hr/>
	\$ 2,000,000

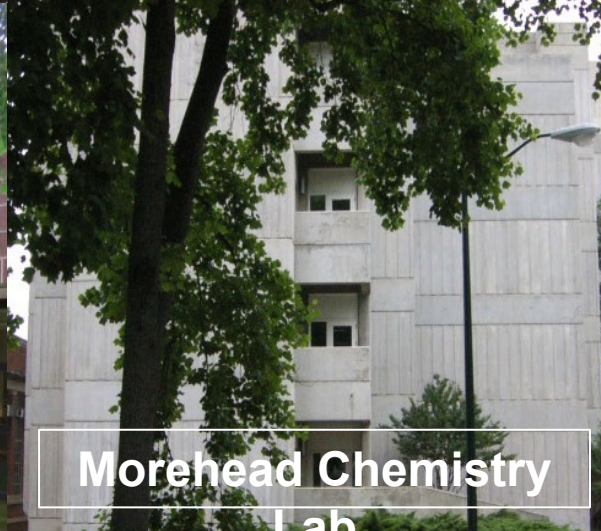
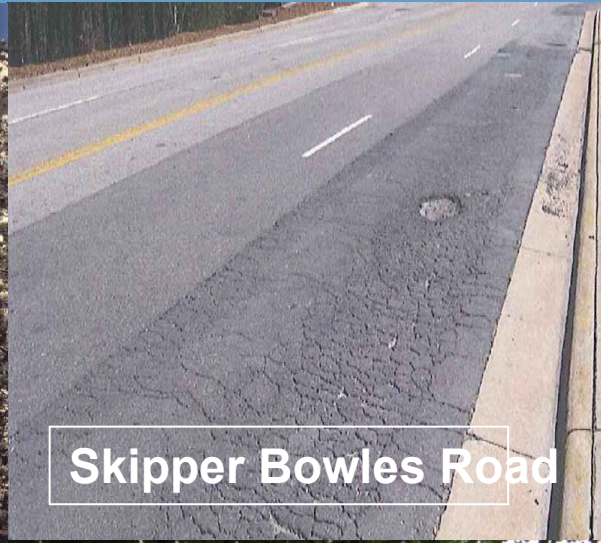
Improvements to roads - Skipper Bowles Road Repair	2,100,000
---	------------------

Total Reduced Repair & Renovation Project Allocation	<u>\$ 5,913,326</u>
---	----------------------------



UNC
DIVISION OF FINANCE
AND ADMINISTRATION

FY2013-14 Projects

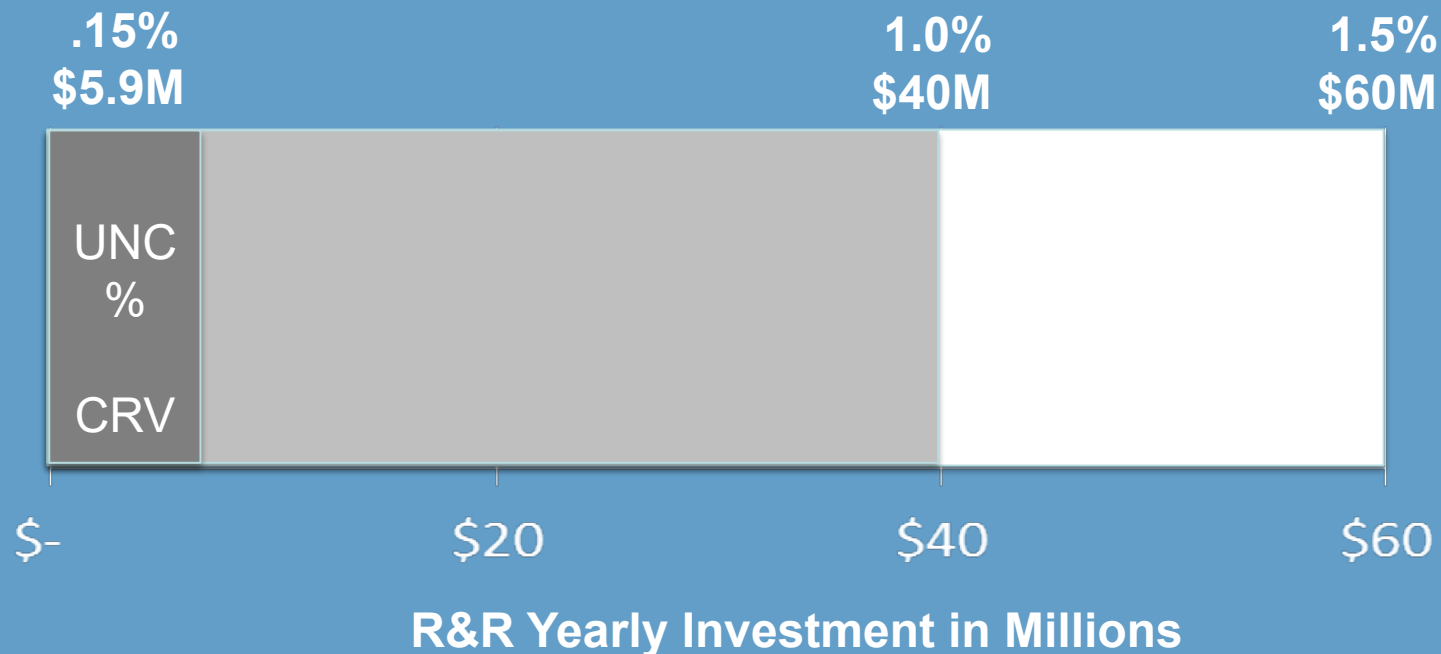


Greenberg



The Association of Physical Plant Administrators (APPA) recommends a yearly R&R investment of between of 1.0% – 1.5% of the Current Replace Value (CRV)

UNC- CH CRV = \$3.9 Billion





Recent Capital Projects

Koury Oral Sciences Exterior



The Koury building was designed by Flad Architects. It is a 216,000 SF academic/research facility for the Dental School. It was completed in January of 2012.

The building is located on the northeast corner of Manning and South Columbia. The project budget for this building was \$117M.



Koury Interior



Recent Capital Projects



Genome Sciences Building

This certified LEED “green” building is 220,000 SF. It contains modern interdisciplinary classrooms and laboratories that integrate faculty from Biology, Chemistry, Computer Sciences, and Statistics and

This 343,000 SF building is slated for completion in 2013. It will have 10 floors and will be a world class, state of the art cancer and major disease research center. The project budget is \$245M.



Imaging Research Building



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



Photo credit: Sam Kittner '85

September 25, 2013

ATTACHMENT

**2013 CAROLINA NORTH
ANNUAL REPORT
FOR INFORMATION**



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

BOARD OF TRUSTEES

SEPTEMBER 2013

2013 CAROLINA NORTH ANNUAL REPORT



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

CAROLINA NORTH DEVELOPMENT AGREEMENT

ANNUAL REPORT | 2012-2013



<http://carolinanorth.unc.edu/NewsandUpdates/PlansReportsStudies>



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

BOARD OF TRUSTEES

SEPTEMBER 2013



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



September 25, 2013



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Development Report

FY 2013 Progress Report	9/20/13	9/20/12	% change
Gifts Received	\$16,221,056	\$15,182,856	6.8%
Grants Received	\$29,500,000	\$37,000,000	-20.3%
Total Cash	\$45,721,056	\$52,182,856	-12.3%