



AGENDA

OPEN SESSION

ACTION ITEMS

1. Consent Agenda

David Boliek Jr., Chair

- a. Approval of the Minutes of September 27, 2023
- b. Advance Planning Spending Authority
 - i. Chapman Hall CryoEM Renovation
- c. Designer Selection
 - i. PIT Stormwater Improvements

2. Endowment Fund Annual Report

Jonathon King, CEO of UNC Management Company

3. Lease Renewal

Gordon Merklein, Associate Vice Chancellor for Real Estate & Campus Enterprises

- RENCI (Renaissance Computing Institute)

4. Property Acquisition by Lease

Gordon Merklein, Associate Vice Chancellor for Real Estate & Campus Enterprises

- Frank Porter Graham

5. Designer Selection

Nathan Knuffman, Vice Chancellor for Finance and Operations

Penny Gordon-Larsen, Vice Chancellor for Research

- Translational Research Building (TRB)

6. Advance Planning Spending Authority

Nathan Knuffman, Vice Chancellor for Finance and Operations

- Porthole Alley Redevelopment

7. Tuition and Fee Proposals

Nathan Knuffman, Vice Chancellor for Finance and Operations

FOR INFORMATION ONLY

(No formal action is requested at this time)

1. Use of Executive Search Firms

David Boliek Jr., Chair

**UNC-CHAPEL HILL BOARD OF TRUSTEES
BUDGET, FINANCE, AND INFRASTRUCTURE COMMITTEE MEETING
Open Session Minutes**

September 27, 2023

Committee Chair David Boliek called the meeting to order at 1:02 a.m. in the Chancellor’s Ballroom at The Carolina Inn. Assistant Secretary Chris McClure called the roll. The following committee members were present:

Chair David L. Boliek, Jr.
Vice Chair Marty Kotis
Jim Blaine
Perrin Jones
Ralph Meekins
Vinay Patel
John Preyer
Malcolm K. Turner
Ramsey White

OPEN SESSION

The following items were presented for action:

Approval of July 26, 2023 Minutes

The Committee reviewed and approved the open session minutes of July 26, 2023. Committee Chair Boliek noted that without objection the item approved would be added to the Consent Agenda for the Full Board meeting.

Approval of Advance Planning Spending Authority and Designer Selection

Vice Chancellor Knuffman presented six designer selection projects for approval:

- Caldwell Hall Accessibility Improvements
- North Campus Elevator Modernizations
- Academic Affairs Restroom Accessibility Upgrades
- Fordham Hall Lab Process – Chilled Water System Replacement
- Lineberger Cancer Research Center Air Flow Reduction
- Morehead Chemistry Lab Renovation Phase II

After discussion and questions, Trustee Patel moved to approve the requests for designer selection. The motion was duly seconded and passed.

Approval of Advance Planning Spending Authority

Vice Chancellor Knuffman presented one request for advance planning spending authority for approval:

- Pit Area Stormwater Improvements

After discussion and questions, Chair Preyer moved to approve the requests for advanced planning spending authority. The motion was duly seconded and passed.

Land Sale to NCDOT (Chatham County)

Gordon Merklein, Associate Vice Chancellor for Real Estate and Campus Enterprises presented a request to approve the sale of approximately 0.8 acres of land in Chatham County to the North Carolina Department of Transportation (NCDOT). Questions and comments were entertained.

Trustee Kotis moved to approve the sale of land to NCDOT. The motion was duly seconded and passed.

Approval of Construction Manager at Risk (CMAR) Selection

Vice Chancellor Knuffman presented a request for construction manager at risk selection for Avery Residence Hall Renovation for approval.

Chair Preyer moved to approve the request for construction manager at risk selection. The motion was duly seconded and passed.

Self-Liquidating Debt

Vice Chancellor Knuffman presented a request for approval to self-liquidate debt for three projects:

- Avery Residence Hall Renovation
- Bingham Hall Renovation
- Chilled Water Infrastructure Project

Chair Preyer moved to approve the request to self-liquidate debt. The motion was duly seconded and passed.

Committee Chair Boliek noted that all the approved items from this committee would be added to the Consent Agenda for a vote by the full Board.

Copies of the presentations are available in the Office of the Assistant Secretary and at bot.unc.edu.

The following item was presented for information:

FY 2023 UNC Investment Fund LLC Performance Update

The Committee heard a FY 2023 UNC Investment Fund LLC Performance Update from Jonathon King, CEO of UNC Management Company.

Finance Update

The Committee heard a finance update from Vice Chancellor Knuffman and Associate Vice Chancellor Merklein. Questions and comments from the Committee were entertained. The Committee also heard a presentation on a Return on Investment Study from Andrew Kelly, Senior Vice President for Strategy and Policy at the UNC System Office.

ADJOURNMENT

There being no further business for the committee, Committee Chair Boliek adjourned the meeting at 2:29 p.m. without objection.

CONSENT AGENDA ITEM*Action Item 1b* ***Advance Planning Spending Authority – Chapman Hall CryoEM Renovation***

Situation: The Committee has for its consideration **ADVANCE PLANNING SPENDING AUTHORITY for the CHAPMAN HALL CRYOEM RENOVATION capital project.**

Background: The UNC Chapel Hill CryoEM core facility was established by the School of Medicine in 2019 with a \$5.8M investment from campus stakeholders to renovate space in the Glaxo building and to purchase and install a Talos Arctica microscope in the space. Since 2019, the core has served more than 121 researchers, 58 labs and 7 companies and has contributed to a large number of high-profile publications. With the growth of the field and innovations in CryoEM applications, there is a need for another microscope with higher resolution and additional technical capabilities. Space in B50/B50A Chapman Hall was identified to meet the specifications for the microscope installation and a feasibility study was completed in January 2023 to estimate the cost. The Director of the Core Facility is applying for a \$2M NIH grant to subsidize the cost of the microscope (\$3.57M). The score for the grant will be available in early November 2023 and funding (if awarded) expected in June 2024. Approval to begin advanced planning will allow the project to begin the design phase. The likelihood of grant funding may dictate if the project continues to construction or pauses to identify sources of funding for the \$2M deficit for the equipment purchase.

The project budget for advance planning is \$120,000 and will be funded by SOM F&A and trust funds.

Assessment: It is recommended that the Committee approve spending authority for this project in the amount indicated.

Action: This item requires a vote by the Committee and a vote by the full Board of Trustees to approve \$120,000 of spending authority for this project.

CONSENT AGENDA ITEM

Action Item 1b ***Increase in Advance Planning Spending Authority – Porthole Alley Redevelopment***

Situation: The Committee has for its consideration **INCREASE IN ADVANCE PLANNING SPENDING AUTHORITY for the PORTHOLE ALLEY REDEVELOPMENT capital project.**

Background: The Porthole Alley Redevelopment project received approval for \$2,000,000 of advance planning spending authority by the Board of Trustees in January 2022, with designer selection approval following in May 2022. An advance planning phase was conducted in summer and fall of 2022. The scope of the project envisioned was to demolish three (3) existing buildings along Porthole Alley and construct two (2) new buildings totaling roughly 150,000 square feet. In early 2023, the amount of funds that could be brought to the project was determined to be less than required to achieve the full scope, forcing a rethinking of the scale and configuration of new construction. In spring of 2023, the University began conversations with the Ackland Art Museum regarding expanding their program space into the new Porthole Alley building. Following a brief study of both spatial requirements and donor capacity, an agreement was reached to move forward with a reconceived project that would have up to 40,000 square feet of space dedicated to the Ackland. The requested increase in advance planning authority would allow for a more thorough and comprehensive definition of the project scope, and the development of the design.

The total project budget for advance planning is \$5,000,000 and will be funded by University Trust Funds.

Assessment: It is recommended that the Committee approve spending authority for this project in the amount indicated.

Action: This item requires a vote by the Committee and a vote by the full Board of Trustees to approve an increase from \$2,000,000 to \$5,000,000 of spending authority for this project.

CONSENT AGENDA ITEM

Action Item 1c ***Designer Selection – Pit Area Stormwater Improvements***

Situation: The Committee has for its consideration **DESIGNER SELECTION of the PIT AREA STORMWATER IMPROVEMENTS capital project.**

Background: Deterioration to subsurface infrastructure has led to inadequate stormwater drainage in the Pit area. Heavy rain events in the recent past have consistently resulted in standing water in the Pit, which is a significant hazard due to the quantity of pedestrian activity through the space. The advance planning phase of this project will determine the most effective course of action to upgrade the infrastructure and replace landscape elements within the affected area.

Advance planning authority of \$150,000 was approved at the September 2023 Board meeting. This amount will be funded through University trust funds.

The project was advertised on September 29, 2023. Nine (9) proposals were received. Three (3) firms were interviewed on October 25, 2023. No members of the Board of Trustees participated in the interviews.

Assessment: It is recommended that the Committee approve selection of the three (3) firms in the following priority order:

1. XXX of XXX, NC
2. XXX of XXX, NC
3. XXX of XXX, NC

The firms were selected for their past performance on similar projects, strength of their HUB partnerships, and experience with campus projects, and the State Construction Office.

Action: This item requires a vote by the Committee and a vote by the full Board of Trustees to approve the three (3) firms in the above priority order.

AGENDA ITEM

Action Item 2

Endowment Fund Annual Report

Situation:

The Committee has for its consideration the acceptance of **THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL ENDOWMENT FUND ANNUAL REPORT** for the Year Ended June 30, 2023.

Background:

UNC Board of Governors' regulations require that the Trustees approve any transfer of Endowment principal or income to the useful possession of the institution.

The Board of Trustees of the Endowment Fund of The University of North Carolina at Chapel Hill held a meeting on October 17, 2023. At that meeting, the Endowment Fund Board of Trustees approved the Annual Report and recommended its acceptance by the UNC-Chapel Hill Board of Trustees.

Assessment:

It is recommended that the Committee accept the Endowment Fund Annual Report and recommend that the full BOT accept and approve the report to be submitted to the UNC Board of Governors.

Action:

This item requires a vote by the Committee and a vote by the full Board of Trustees.

The University of North Carolina at Chapel Hill Endowment Fund

Annual Report: Fiscal Year 2023

Fiscal Year 2023 (“FY 2023”), the twelve-month period ended June 30, 2023, presented a difficult investment environment for those college and university endowments with significant exposure to private equity markets which were weak during the year in contrast to the strong returns generated by public equity markets. Against this backdrop, the University of North Carolina at Chapel Hill Endowment Fund (“Endowment Fund”) recorded its first decrease in market value since 2016, declining by \$66.8 million to end the year at \$2.22 billion. Despite the continued generosity of donors to the Endowment Fund, the combination of negative investment performance and the annual spending distribution exceeded the amount contributed to the Endowment Fund during the year. The components of the \$66.8 million decrease in market value in FY 2023 are 1) net gifts and bequests totaling \$59.7 million added to the Endowment Fund, less 2) the net investment loss of \$8.2 million, less 3) \$118.3 million distributed for expenses and program spending.

Over 99% of the Endowment Fund’s assets are invested in The University of North Carolina at Chapel Hill Foundation Investment Fund, Inc. (“Chapel Hill Investment Fund”), which in turn invests all of its assets in the UNC Investment Fund, LLC (“UNC Investment Fund”). The Endowment Fund also owns several commercial properties in Chapel Hill, North Carolina, that collectively represent less than 1% of the Endowment Fund’s total value.

Following two very strong years in fiscal years 2021 and 2022, the UNC Investment Fund had a difficult year in FY 2023, recording a -0.4% return for the year. The primary cause of this weak performance was the -12.3% return on the UNC Investment Fund’s Private Equity asset class. This loss offset the gains generated by the UNC Investment Fund’s public equity holdings that benefitted from the strong performance in global equity markets. In bear markets, such as that experienced by global equity markets in calendar year 2022, public equities move downward relatively quickly while the corresponding valuation declines in the Private Equity asset class play out over an extended period. The delay in recognizing Private Equity valuation changes results from a combination of factors including the underlying uncertainties in valuing private companies and time lags inherent in the reporting process. Thus, in contrast to losses in the UNC Investment Fund’s public equity holdings that were recorded in FY 2022, a significant portion of the corresponding Private Equity losses carried over into FY 2023. Relative to peers, the UNC Investment Fund’s FY 2023 return ranks in the bottom quartile of the Cambridge Associates’ College and University universe of endowment funds. Most schools in this universe have higher allocations to public equities, which performed well in FY 2023, and lower allocations to private equities accounting for the UNC Investment Fund’s weak relative performance in FY 2023. While hurting the UNC Investment Fund’s return in the most recent fiscal year, Private Equity continues to be the UNC Investment Fund’s best performing asset class over longer time periods and has added significant value even after accounting for the losses in FY 2023. Despite its weak performance in FY 2023, the UNC Investment Fund’s returns continue to rank in the top quartile of the Cambridge Associates’ Universe for the three-, five-, and ten-year periods ended June 30, 2023.

The \$118.3 million distributed from the Endowment Fund for expenses and spending in FY 2023 was computed in accordance with the distribution policy of the Chapel Hill Investment Fund and represents 5.2% of the Endowment Fund’s market value at the beginning of the fiscal year. Funds were distributed to the University for spending on programs supported by the corresponding endowed accounts. The Board of the Chapel Hill Investment Fund will vote on the per-unit distribution amount for FY 2024 at its October 16, 2023 meeting. It is expected that the per-unit amount will be increased at a rate in line with the calendar year 2022 inflation level of 6.4% as measured by the CPI. This increase is consistent with the spending policy objective of increasing the distribution amount by the rate of inflation, as measured by CPI, each year.

Mr. David Boliek served as the Chair of the Endowment Fund Board of Directors during the year. The other members of the Board at the end of FY 2023 were Anne Brennan, David Carroll, John Ellison, Chancellor Kevin Guskiewicz, Lee Lesley, John Preyer, John Townsend, and Brien White.

The Board of Trustees of The University of North Carolina at Chapel Hill has approved all transfers from the Endowment Fund for expenditures as recommended by the Chancellor. All expenditures have been made in accordance with the terms of the applicable gift, devise, or bequest.

Respectfully submitted,

The Board of Trustees of the Endowment Fund
of The University of North Carolina at Chapel Hill

ENDOWMENT FUND
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

Asset Allocation as of June 30, 2023

Long Equity	\$565,894,662	25.5%
Long/Short Equity	315,125,655	14.2%
Diversifying Strategies	204,165,917	9.2%
Fixed Income	133,151,685	6.0%
Private Equity	710,142,321	32.0%
Real Estate	179,754,775	8.1%
Energy & Natural Resources	102,082,959	4.6%
Cash & Other	8,876,779	1.4%
Total	\$2,219,194,754	100.0%

Asset Class and Benchmark Returns
for Fiscal Year Ended June 30, 2023

Public Equity Strategies	10.7%
<i>Blended Equity Benchmark*</i>	<i>13.4%</i>
Non-Equity Strategies	1.8%
<i>Blended Non-Equity Benchmark*</i>	<i>2.1%</i>
Private Partnerships	-9.2%
<i>Blended Composite Benchmark*</i>	<i>-7.1%</i>
Cash & Other	4.0%
<i>90-Day T-Bill</i>	<i>3.6%</i>
 <i>Total UNC Investment Fund</i>	 -0.4%
<i>Strategic Investment Policy Portfolio</i>	<i>3.6%</i>

*Blended benchmarks reflect weighted SIPP benchmarks for the underlying asset classes.

AGENDA ITEM

Action Item 3

Lease Renewal – RENCI (Renaissance Computing Institute)

This request is to extend two leases for approximately 27,500 square feet of rentable office space at 100 Europa Drive, Chapel Hill, NC for use by the Office of the Vice Chancellor for Research. As part of the negotiated terms to extend these two leases, the Landlord has agreed to terminate early a third lease in the building. The early termination of this third lease will reduce the University’s expenses on an annual basis by \$183,000.

Background:

The Office for the Vice Chancellor for Research (OVRC) currently holds three leases at the Europa Center for a total of 33,755 square feet representing a current annual run rate of approximately \$803,000. Two of these leases are used by Renaissance Computing Institute (RENCI) and the third lease is occupied by the Office of Research Information Systems (ORIS). OVCR will consolidate the two departments into a smaller footprint equal to approximately 27,490 square feet with an annual run rate of approximately \$578,000, escalating at 2.5% a year. The proposed terms for the two leases to be renewed are as follows:

	Lease 1	Lease 2
Suites	110, 130, 140, 520, 540, 580, 590, 599	589
Lessor	Europa Center, LLC The Frank Hawkins Kenan 1988 Trust	Europa Center, LLC The Frank Hawkins Kenan 1988 Trust
Rent	\$513,849/annually (\$21.00 psf)	\$63,441/annually (\$21.00 psf)
Escalations	2.5%	2.5%
Premises	24,469 sf	3,021 sf
Op Ex	Gross	Gross
Lease Term	Thirty-six (36) months	Thirty-six (36) months
New Term Expiration	November 30, 2026	November 30, 2026
Renewal Option	Twenty-four (24) months	Twenty-four (24) months

Assessment:

Renaissance Computing Institute has occupied this space since 2016 and there is no room on campus to accommodate relocation to campus at this time. The leases are centrally funded by the University through research funds generated by the Office of the Vice Chancellor for Research. The leased premises contains a data center that is critical to the Institute’s mission. In order to meet the needs of the Renaissance Computing Institute it is recommended that the Committee approve the leases for execution by the University.

Action:

Because this lease’s annual expenditure exceeds the Board delegated authority to the Chancellor’s office, this item requires a vote by the Committee and the full Board of Trustees to approve a motion for the renewal of the two leases on terms described above.

AGENDA ITEM

Action Item 4

Property Acquisition by Lease – Frank Porter Graham Institute (FPG)

Situation

This request is to execute a new lease for approximately 60,500 square feet of rentable office space at 910 Raleigh Road, Chapel Hill, NC for use by the Office of the Vice Chancellor for Research (OVCR). 910 Raleigh Road is a state-owned asset controlled by Chapel Hill Real Estate Holdings, Inc. through a 99-year ground lease with the North Carolina System’s non-profit arm.

Background:

The University currently holds leases at 517 and 521 S. Greensboro Street, Carrboro, NC which are occupied by the OVCR’s Frank Porter Graham Institute (FPG). These two leases expire on December 31, 2023, and FPG will consolidate operations into 910 Raleigh Road. The existing leases at 517 and 521 Greensboro Street have an annual run rate of approximately \$1.3m for 43k sf. FPG will use approximately 39,000 sf of 910 Raleigh Road and the remaining portion of the building will be available for another user.

The University will pay all pass-through expenses required to maintain the building (utilities, janitorial, landscape, insurance, etc.) and fund a capital reserve account not to exceed \$500,000. Based on current data, the rate for the first year is \$742,000 (\$12.25 psf). If collected rent exceeds annual operating expenses and a contribution to a capital reserve fund up to \$500,000, collected rent will be rolled over for the following year. The proposed terms are as follows:

Premises	910 Raleigh Road
Square Feet	60,572
Sub-Lessor	Chapel Hill Real Estate Holdings, Inc.
Rent	\$742,000
Escalations	2.5%
Premises	60,572 sf
Op Ex	Pass through
Lease Term	60 months
New Term Expiration	On or about January 31, 2029
Renewal Option	None

Assessment:

FPG’s consolidation into 910 Raleigh Road will result in projected savings of \$500,000 a year to the University. The lease will be centrally funded through research funds generated by the Office of the Vice Chancellor for Research. In order to meet the needs of FPG it is recommended that the Committee approve this lease for execution by the University.

Action:

Because this lease’s annual expenditure exceeds the Board delegated authority to the Chancellor’s office, this item requires a vote by the Committee and the full Board of Trustees to approve a motion for the execution of the lease on terms described above.

Real Estate Operations

Board of Trustees, November 2023

- Renewal – Two Leases at Europa Center, Chapel Hill, NC for the Office of the Vice Chancellor for Research
- New Lease – 910 Raleigh Road for Office of the Vice Chancellor for Research

Lease Renewal – OVCR

Current Terms

Lease	Suites	Dept.	Lease Expiration	SF	PSF	Annual	Plan
1	110,130,140,520,540,580,590 & 599	RENCI	11/30/23	24,469	\$22.55	\$551,775.95	renew
2	589	RENCI	11/30/23	3,021	\$22.57	\$68,191.20	renew
3	365	ORIS	6/30/24	6,265	\$29.18	\$182,817.36	early termination

Proposed Terms

	Lease 1	Lease 2
Suite(s)	110, 130, 140, 520, 540, 580, 590, 599	589
LESSOR:	Europa Center, LLC The Frank Hawkins Kenan 1988 Trust	Europa Center, LLC The Frank Hawkins Kenan 1988 Trust
LESSEE:	State of North Carolina, UNC-Chapel Hill	State of North Carolina, UNC-Chapel Hill
CURRENT TERM EXPIRATION	November 30, 2023	November 30, 2023
LEASE AMOUNT:	\$513,849.00/annually, with 2.5% annual escalations (\$21.00/psf gross)	\$63,441.00/annually, with 2.5% annual escalations (\$21.00/psf gross)
DESCRIPTION:	24,469 rentable square feet	3,021 rentable square feet
LEASE TERM:	Thirty-six (36) months	Thirty-six (36) months
NEW TERM LEASE EXPIRATION:	November 30, 2026	November 30, 2026
RENEWAL OPTION	Twenty-four (24) months	Twenty-four (24) months

Renaissance Computing Initiative (RENCI) Mission

To develop and deploy data science cyberinfrastructure that helps researchers in academia, government, and business use data to drive discoveries, make informed decisions, and spur economic development.

Office of Research Information Systems (ORIS) Mission

To provide quality IT/IS support to Research offices involved in all aspects of the research enterprise at Carolina. ORIS also designs and maintains cutting-edge information systems for use by faculty and staff within the research community.

New Lease – 910 Raleigh Road

EXPIRE AND EXIT:

- 910 Raleigh Road, Chapel Hill
- 60,572 rentable square foot building controlled by REH, Inc., through a 99-year ground lease with the UNC System Office
- Five-year term between REH and the University
- \$742k/annual rent to cover actual operating expenses and fund a capital reserve fund

CONSOLIDATE TO:

- 517 S. Greensboro Street
 - 24K SF
 - \$650K/annual rent and expense
 - Occupied since 2002 by Frank Porter Graham Institute
- 521 S. Greensboro Street
 - 23K SF
 - \$625K/annual rent and expense
 - Occupied since 2005 by Frank Porter Graham Institute



AGENDA ITEM

Action Item 5

Designer Selection – Translational Research Building (TRB)

Situation:

The Committee has for its consideration **DESIGNER SELECTION of the TRANSLATIONAL RESEARCH BUILDING (TRB) capital project.**

Background:

The Translational Research Building will address Carolina’s need to expand our imaging and virology research and vaccine development programs by providing state-of-the art facilities for basic science research and therapeutic and pre-clinical drug development. This project:

- Provides high containment lab functionality for the study of emerging diseases
- Supports precision health for the study and development of treatments for cancers
- Enhances and expands University pre-clinical programs
- Maintains compliance for the research enterprise
- Support bench to bedside studies

The project budget is \$228,600,000 and will be funded through self-liquidating debt.

The project was advertised on August 22, 2023. Twenty (20) proposals were received. Five (5) firms were interviewed on October 16 and 17, 2023. One member of the Board of Trustees participated in the interviews.

Assessment:

It is recommended that the Committee approve selection of the three (3) firms in the following priority order:

1. XXX of XXX, NC
2. XXX of XXX, NC
3. XXX of XXX, NC

The firms were selected for their past performance on similar projects, strength of their HUB partnerships, and experience with campus projects, and the State Construction Office.

Action:

This item requires a vote by the Committee and a vote by the full Board of Trustees to approve the three (3) firms in the above priority order.

Designer Selection

- Translational Research Building (TRB)



RESEARCH at THE UNIVERSITY of NORTH CAROLINA at CHAPEL HILL

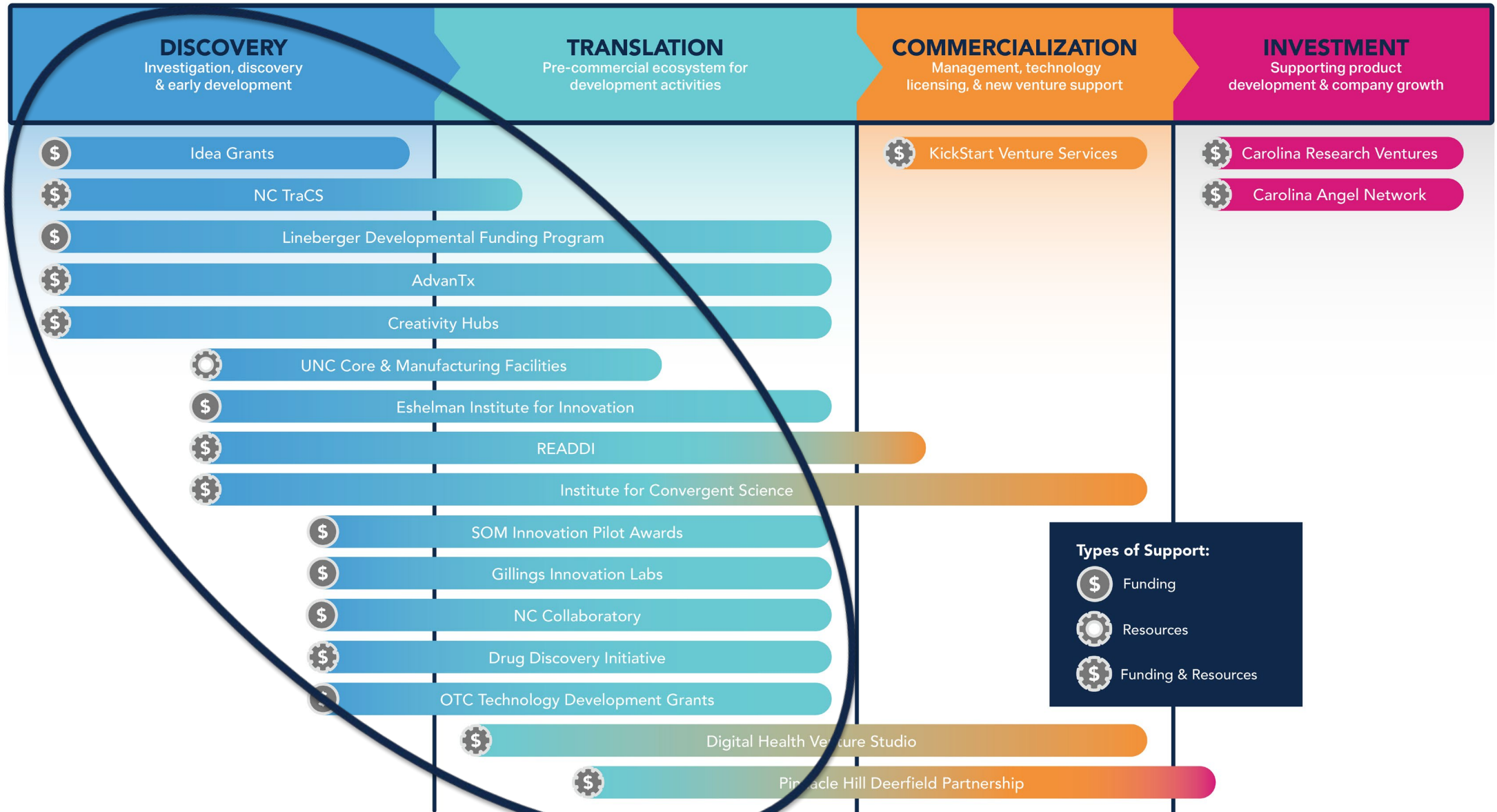
Penny Gordon-Larsen, Vice Chancellor for Research

Carolina's research enterprise

Global leadership in biomedical research & key driver of NC Economy

- We are maxed out of lab space on campus
 - Unable to attract leading talent without space
- We need to close the innovation gap
 - We need labs & equipment required to conduct commercializable research
 - Rapidly translate our discoveries & therapeutics for the public
- We are missing opportunities, because we don't have:
 - High-containment lab space
 - Wet lab
 - Imaging capabilities to facilitate drug discovery
- Without investment, we can not:
 - Increase Carolina's market share of competitive research dollars
 - Compete with top biomedical and academic research institutions across the country

RESEARCH TRANSLATION PIPELINE



THE TRANSLATIONAL RESEARCH BUILDING (TRB)

State-of-the-art facility will allow us to compete with top biomedical and academic research institutions across the country.

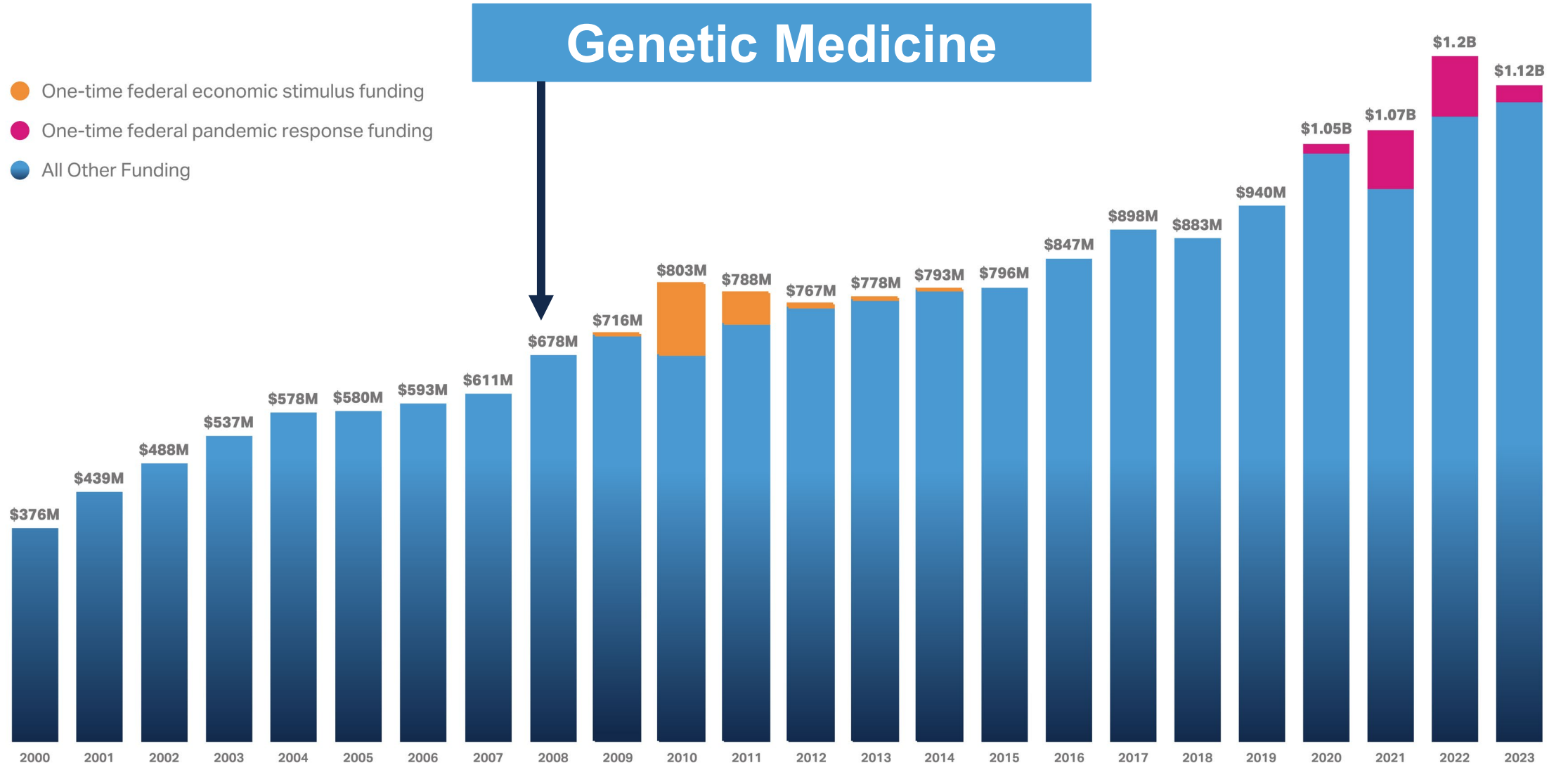
The TRB will:

- Stimulate Carolina's future in science
- Attract top talent
- Enable path-breaking research in infectious disease, cancer and neuroscience
- Create an environment for innovation
- Provide resources for translational science, bench to society
- Create fertile ground for therapeutics, imaging, devices and other commercial products
- Provide best-in-class lab settings for students & trainees
- Cement Carolina's position as a leading public research university



RESEARCH BUILDING INVESTMENT SPURS AWARDS GROWTH

FY 2000 - 2023



Investment in Research Capabilities (\$228.6M)

TRB BY-THE-NUMBERS (Pre-bid estimates)

- Goal: Approx 165,000 square feet total
- Research building, including advanced imaging suites to support basic science & drug discovery
- Increase wet research laboratory space
- 10,000 square feet of high containment lab space
- The TRB will be debt-financed from UNC-Chapel Hill's F&A receipts. No state appropriations are being sought.
- 50% Center, 50% Schools (SOM, CAS, GSPH, ESOP)
- Site Clearing: Summer 2024
- Construction begins: Dec 2025
- Proposed Occupancy: July 2028



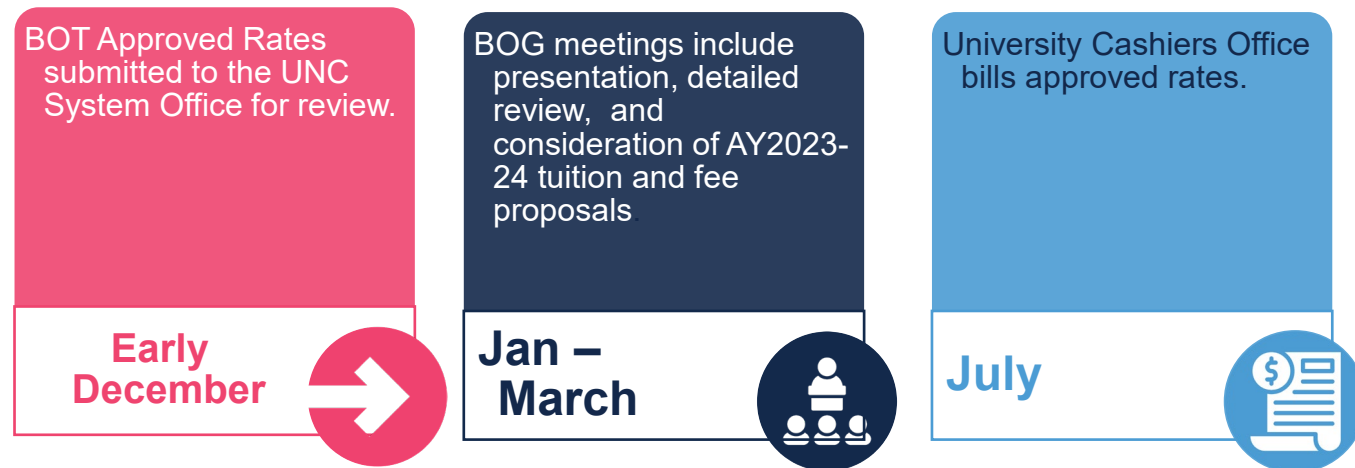
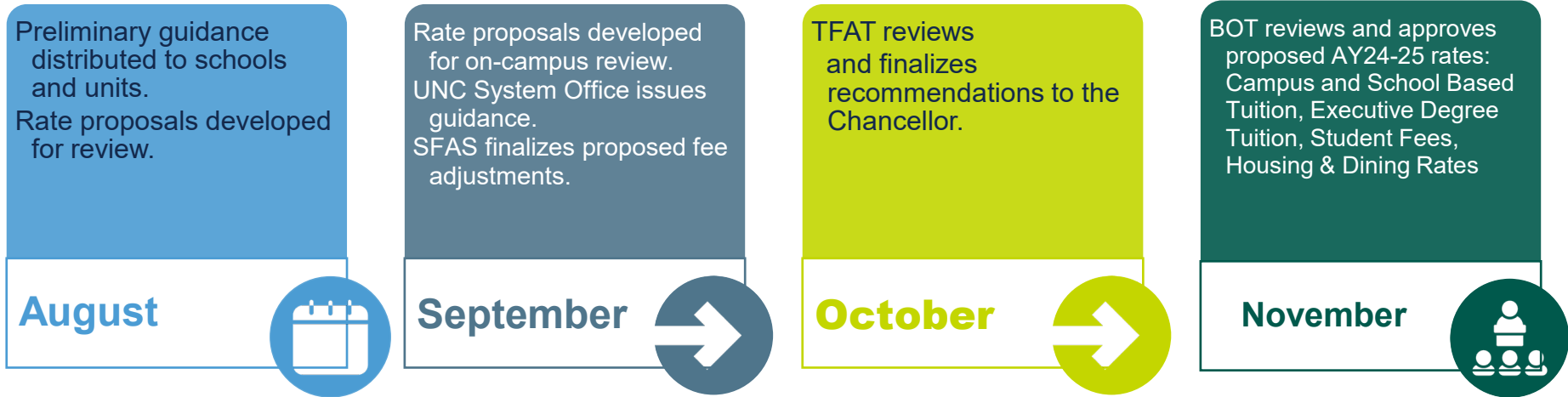
AY2024-25 Tuition and Fees

- Presented to the Board of Trustees for Approval

Agenda

- Review Proposed AY2024-25 Rates for Approval
 - Campus-Based Tuition
 - School-Based Tuition
 - Student Fees
 - Housing
 - Dining

Approval Process Milestones



Committees

TFAT:
Tuition & Fee Advisory
Task Force

SFAS:
Student Fee Advisory
Subcommittee

Tuition & Fees Guidance from UNC System Office

- **Tuition:** increases may only be considered for nonresident undergraduates and graduate students.
- **Mandatory Fees:**
 - Increases may be proposed only if critical to maintaining core activities. BOG will closely scrutinize.
 - Increases may be proposed that are offset by a commensurate decrease to another fee.
 - Total Increases subject to 3% cap.
- **Special Fees:**
 - Increases may be proposed only if critical to cover inflationary increases associated with an existing fee. BOG will closely scrutinize.
 - New fees may only be proposed for newly approved programs.
- **Application fees** may not be proposed.

CURRENT AY2023-24 UNC SYSTEM

Tuition and Student Fees

**The University of North Carolina
Tuition and Fees Applicable to All Regular Full-Time Undergraduate Students
2023-24**

	Tuition		General Fees					Debt Service Fee	Total Fees*	Total Resident Tuition & Fees	Total Nonresident Tuition & Fees	
			Resident	Nonresident	Athletics	Health Services	Student Activities					Educational and Tech. Campus Security
NC State University	6,535.00	29,407.00	232.00	445.00	707.97	439.28	60.00	1,884.25	476.00	2,360.25	8,895.25	31,767.25
UNC-Chapel Hill	7,019.00	37,360.00	279.00	410.15	394.16	442.30	60.00	1,585.61	146.85	1,732.46	8,751.46	39,092.46
East Carolina University	4,452.00	20,729.00	773.00	319.00	718.00	403.00	60.00	2,273.00	445.00	2,718.00	7,170.00	23,447.00
NC A & T State University	3,540.00	17,200.00	870.00	370.00	714.25	483.06	60.00	2,497.31	588.00	3,085.31	6,625.31	20,285.31
UNC Charlotte	3,812.00	18,474.00	824.00	335.00	650.00	622.00	60.00	2,491.00	720.00	3,211.00	7,023.00	21,685.00
UNC Greensboro	4,422.00	20,168.00	811.00	387.00	600.00	480.00	60.00	2,338.00	707.00	3,045.00	7,467.00	23,213.00
UNC Wilmington	4,443.00	20,111.00	819.55	270.00	709.45	534.94	60.00	2,393.94	376.00	2,769.94	7,212.94	22,880.94
Appalachian State University	4,242.00	21,238.00	801.00	345.00	705.00	593.00	60.00	2,504.00	634.00	3,138.00	7,380.00	24,376.00
Fayetteville State University	1,000.00	5,000.00	858.00	296.00	582.00	393.00	60.00	2,189.00	335.00	2,524.00	3,524.00	7,524.00
NC Central University	3,728.00	16,764.00	862.00	337.66	536.40	448.15	60.00	2,244.21	570.00	2,814.21	6,542.21	19,578.21
UNC Pembroke	1,000.00	5,000.00	801.52	215.49	677.84	533.91	60.00	2,288.76	280.84	2,569.60	3,569.60	7,569.60
Western Carolina University	1,000.00	5,000.00	903.00	365.00	657.00	544.00	60.00	2,529.00	523.00	3,052.00	4,052.00	8,052.00
Winston-Salem State University	3,401.00	14,057.44	780.00	375.00	567.68	436.46	60.00	2,219.14	423.00	2,642.14	6,043.14	16,699.58
UNC Asheville	4,122.00	21,470.00	906.00	415.00	839.00	556.00	60.00	2,776.00	394.00	3,170.00	7,292.00	24,640.00
Elizabeth City State University	1,000.00	5,000.00	899.00	395.00	711.00	326.00	60.00	2,391.00	–	2,391.00	3,391.00	7,391.00
UNC School of the Arts (1)	6,497.00	24,231.00	N/A	908.00	770.00	771.00	60.00	2,509.00	–	2,509.00	9,006.00	26,740.00

(1) Does not include High School

* In addition to the fees above, the Board also authorized a \$1 ASG fee which is not included in the total fees amount.

Approved 2/23/23

The University of North Carolina

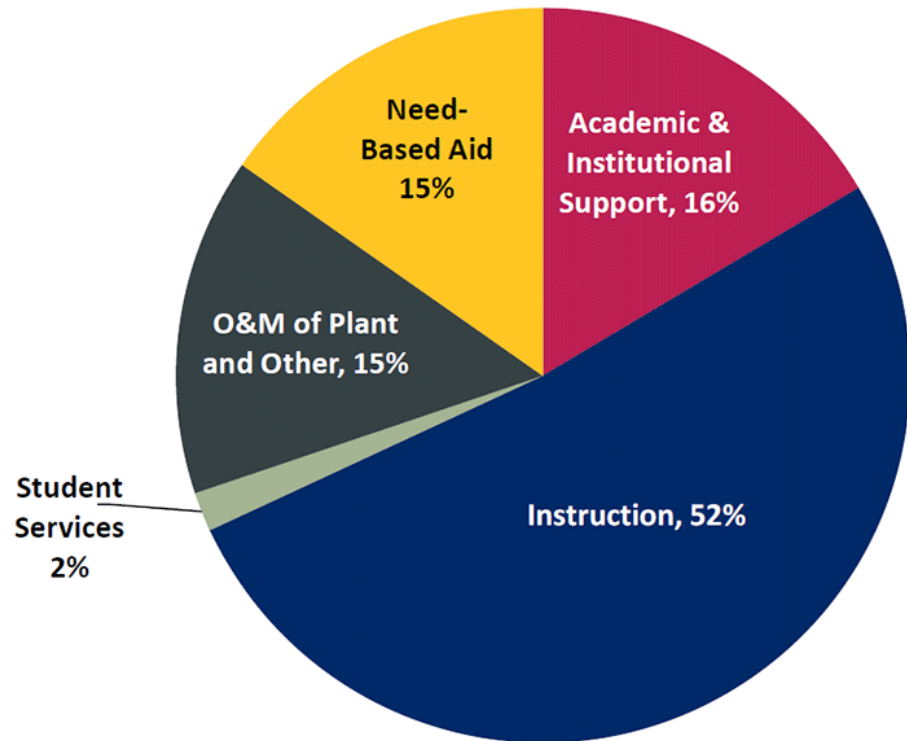
Tuition and Fees Applicable to All Regular Full-Time Graduate Students 2023-24

	Tuition		General Fees					Total General Fees	Debt Service Fee	Total Fees*	Total Resident Tuition & Fees	Total Nonresident Tuition & Fees
	Resident	Nonresident	Athletics	Health Services	Student Activities	Educational and Tech.	Campus Security					
	NC State University	9,459.00	29,433.00	232.00	445.00	707.97	439.28					
UNC-Chapel Hill	10,552.00	28,844.00	279.00	410.15	372.18	442.30	60.00	1,563.63	146.85	1,710.48	12,262.48	30,554.48
East Carolina University	4,749.00	17,898.00	773.00	319.00	718.00	403.00	60.00	2,273.00	445.00	2,718.00	7,467.00	20,616.00
NC A & T State University	4,895.00	17,695.00	870.00	370.00	714.25	483.06	60.00	2,497.31	588.00	3,085.31	7,980.31	20,780.31
UNC Charlotte	4,467.00	19,036.00	824.00	335.00	650.00	622.00	60.00	2,491.00	720.00	3,211.00	7,678.00	22,247.00
UNC Greensboro	5,375.00	19,505.00	811.00	387.00	600.00	480.00	60.00	2,338.00	707.00	3,045.00	8,420.00	22,550.00
UNC Wilmington	4,979.00	20,155.00	819.55	270.00	709.45	534.94	60.00	2,393.94	376.00	2,769.94	7,748.94	22,924.94
Appalachian State University	5,081.00	20,841.00	801.00	345.00	705.00	593.00	60.00	2,504.00	634.00	3,138.00	8,219.00	23,979.00
Fayetteville State University	3,437.97	14,503.38	858.00	296.00	582.00	393.00	60.00	2,189.00	335.00	2,524.00	5,961.97	17,027.38
NC Central University	4,740.00	18,048.00	862.00	337.66	461.80	448.15	60.00	2,169.61	570.00	2,739.61	7,479.61	20,787.61
UNC Pembroke	4,280.00	17,339.00	801.52	215.49	677.84	533.91	60.00	2,288.76	280.84	2,569.60	6,849.60	19,908.60
Western Carolina University	4,568.00	15,287.00	903.00	365.00	657.00	544.00	60.00	2,529.00	523.00	3,052.00	7,620.00	18,339.00
Winston-Salem State University	3,872.00	14,406.61	780.00	375.00	567.68	436.46	60.00	2,219.14	423.00	2,642.14	6,514.14	17,048.75
UNC Asheville	4,914.00	21,236.00	906.00	415.00	839.00	556.00	60.00	2,776.00	394.00	3,170.00	8,084.00	24,406.00
Elizabeth City State University	3,375.43	16,437.13	899.00	395.00	711.00	326.00	60.00	2,391.00	–	2,391.00	5,766.43	18,828.13
UNC School of the Arts	9,696.00	24,399.00	N/A	908.00	770.00	771.00	60.00	2,509.00	–	2,509.00	12,205.00	26,908.00

* In addition to the fees above, the Board also authorized a \$1 ASG fee which is not included in the total fees amount.

Approved 2/23/23

Uses of Tuition 2023-24



Source: <https://cashier.unc.edu/tuition-fees/undergraduate-programs/use-of-tuition-statement/>

- **Academic & Institutional Support** – funds academic and operational administration including University leadership and business functions such as finance, human resources and legal services
- **Instruction** – primarily faculty salaries and benefits, supports all aspects of the direct academic mission of the University
- **Need-Based Financial Aid** – provides tuition-related aid to students with a demonstrated financial need. Need-based financial aid shown is supported solely through tuition receipts.
- **Student Services** – encompasses the student-related administrative needs of the University including admissions, registrar, academic counseling and career counseling
- **Operation & Maintenance (O&M) of Plant and Other Expenses** – contributes to the operation and maintenance of the physical plant, utilities and IT infrastructure

AY2024-25 Rate Recommendations

Campus Based Tuition Increases (CBTI)

CBTI Feedback and Considerations

Rate Considerations

- Top ranked university with strong applicant pool
- Multi-year strategy to close the gap with public peers on undergraduate nonresident rates
- Several years since there has been a graduate market-rate adjustment
- Primary source of revenue to address inflationary pressures and strategic priorities
- Fewer SBTI proposals

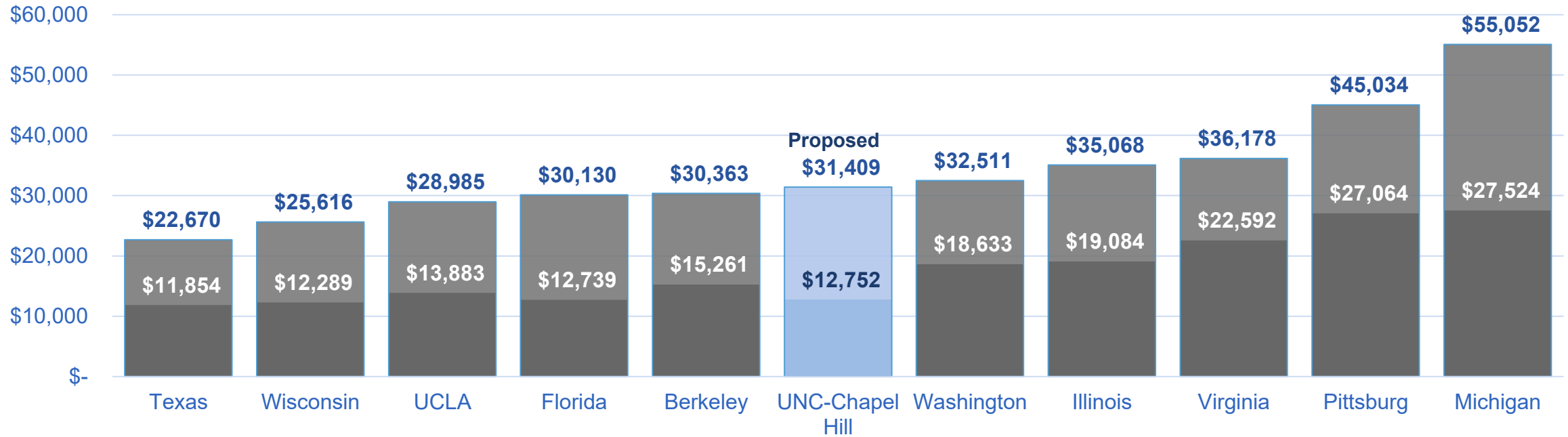
TFAT Committee Feedback

- Importance of maintaining accessibility and affordability
- Potential impact on enrollment
- Impact on graduate student aid

Proposed CBTI AY2024-25

Student Type	Student Type	Current Tuition	Proposed CBTI	Proposed Tuition	% Increase	
Undergraduate	Resident	7,019	0	7,019	0%	
	Nonresident	37,360	1,868	39,228	5%	UG NR Tuition and Fees remain \$3K below AY2023 -24 Public Peer Average
Graduate	Resident	10,552	212	10,764	2%	Proposed rates remain below AY2023-24 Public Peer Average Tuition and Fee Rates
	Nonresident	28,844	577	29,421	2%	

Graduate Tuition and Required Fees Peer Comparison 2023-24

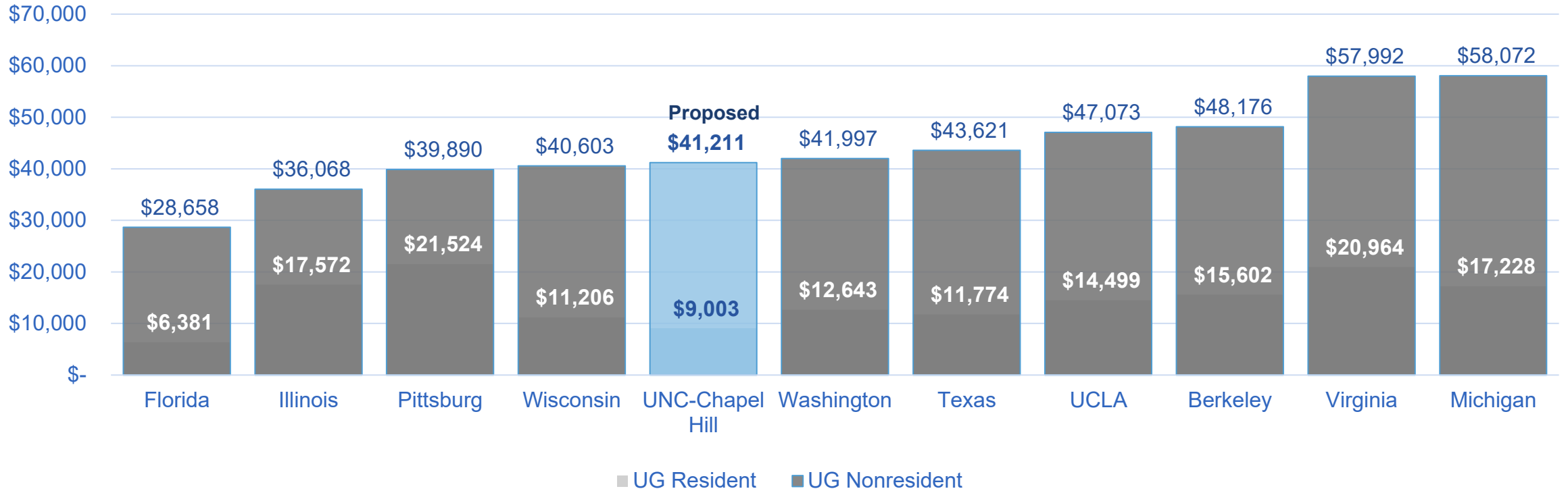


Peer Tuition and Fees Data Source: AAU Data Exchange, Missouri Tuition & Fees Survey, 2023-24 Rates; amounts not available in the Missouri reports were found on the websites of individual institutions, as of September 25, 2023
 Data Prepared by: Institutional Research, & Assessment (IRA), October 5, 2023. **UNC-Chapel Hill rates reflect proposed 2024-25 tuition and fees.**

■ Graduate Resident ■ Graduate Nonresident

UNC-Chapel Hill rates reflect proposed 2024-25 tuition and fees for discussion.

Undergraduate Tuition and Required Fees Peer Comparison 2023-24



Peer Tuition and Fees Data Source: AAU Data Exchange, Missouri Tuition & Fees Survey, 2023-24 Rates; amounts not available in the Missouri reports were found on the websites of individual institutions, as of September 25, 2023
Data Prepared by: Institutional Research, & Assessment (IRA), October 5, 2023. **UNC-Chapel Hill rates reflect proposed 2024-25 tuition and fees.**

UNC-Chapel Hill rates reflect proposed 2024-25 tuition and fees for discussion.

School Based Tuition Increase (SBTI) Proposals

SBTI Feedback and Considerations

Rate Considerations

- Maintaining program quality
- Market-rate adjustments
- Lower funding provided through enrollment funding model
- Addressing unique program needs

TFAT Committee Feedback

- Ensuring student accessibility and affordability
- Unique considerations for online programs
- Potential Impact on Enrollment
- Recognition of Student Input and Feedback

Proposed SBTI AY2024-25

School	Student Type	SBTI	CBTI	Tuition	% Increase	Proposed Uses
Adams School of Dentistry Doctor of Dental Surgery (DDS)	Resident	2,000	212	37,821	6%	<ul style="list-style-type: none"> • Student Aid • Faculty & Staff recruitment and retention • Equipment replacement and improvement • Administration
	Nonresident	3,000	577	66,267	6%	
Hussman School of Journalism and Media Masters Programs: MA in Digital Communication, MS in Media Communication, Certificate in Digital Communication	Resident	1,000	212	16,847	8%	<ul style="list-style-type: none"> • Student Aid • Program personnel expenses
	Nonresident	300	577	33,195	3%	
School of Law Juris Doctorate (JD)	Resident	1,750	212	26,603	8%	<ul style="list-style-type: none"> • Student Aid • Faculty • Advising and programmatic support for students
	Nonresident	1,750	577	47,180	5%	
School of Data Science and Society Master of Applied Data Science (MADS)	Resident	Establish new online degree rates		21,812		<ul style="list-style-type: none"> • Program and personnel support
	Nonresident			31,681		

Student Fees

Proposed AY2024-25 Mandatory Student Fees

- \$12.77 Student Activity Fee increase for the Carolina Union Operating Fee proposed to support:
 - Approved LSI for employees
 - Student wages: approx. 235 student employees
 - Critical repair and infrastructure projects necessary to maintain existing facilities
 - The Union supports the UNC community including 800+ student organizations.
- Other student fees remain unchanged
- UNC-Chapel Hill Student Fees remain the lowest within the UNC System

Undergraduate				
Mandatory Student Fees	2023-24 Fees	Proposed Increase	% Change	2024-25 Fees
Athletics	\$279.00	\$0.00	0.0%	\$279.00
Health Services	410.15	0.00	0.0%	410.15
Student Activities	394.16	12.77	3.4%	406.93
Educational & Technology	442.30	0.00	0.0%	442.30
Campus Security	60.00	0.00	0.0%	60.00
Subtotal – General Fees	\$1,585.61	\$12.77	0.8%	\$1,598.38
Debt Service	146.85	0.00	0.0%	146.85
ASG Fee	1.00	0.00	0.0%	1.00
TOTAL Mandatory Student Fees	\$1,733.46	\$12.77	0.7%	\$1,746.23

Proposed AY2024-25 Mandatory Student Fees

- \$12.77 Student Activity Fee increase for the Carolina Union Operating Fee proposed to support:
 - Approved LSI for employees
 - Student wages: approx. 235 student employees
 - Critical repair and infrastructure projects necessary to maintain existing facilities
 - The Union supports the UNC community including 800+ student organizations.
- Other student fees remain unchanged
- UNC-CH Student Fees remain the lowest within the UNC System

Graduate				
Mandatory Student Fees	2023-24 Fees	Proposed Increase	% Change	2024-25 Fees
Athletics	\$279.00	\$0.00	0.0%	\$279.00
Health Services	410.15	0.00	0.0%	410.15
Student Activities	372.18	12.77	3.4%	384.95
*Educational & Technology	442.30	0.00	0.0%	442.30
*Campus Security	60.00	0.00	0.0%	60.00
Subtotal – General Fees	\$1,563.63	\$12.77	0.8%	\$1,576.40
Debt Service	146.85	0.00	0.0%	146.85
*ASG Fee	1.00	0.00	0.0%	1.00
TOTAL Mandatory Student Fees	\$1,711.48	\$12.77	0.8%	\$1,724.25

Carolina Housing

AY2024-25 Proposed Rates

carolina HOUSING



Historical Rate Considerations

Year	Rate Increase
2018-2019	Residence Halls: 2%
	Baity Hill: 2-3%
2019-2020	Residence Halls: 2%
	Baity Hill: 2-6%
2020-2021	Residence Halls: 2%
	Baity Hill: 2%
2021-2022	Residence Halls: 0%
	Baity Hill: 0%
2022-2023	Residence Halls: 2%
	Baity Hill: 2%
2023-2024	Residence Halls: 5%
	Baity Hill: 7%

- Historically 2-3% annual rate increases
- No rate increase in 2020-2021
- We continually monitor market rate comparisons (sister campuses and off-campus properties)
- Baity Hill rates are well under market, allowing higher rate increases

carolina HOUSING



Needs Driving Proposed Rate Increases

- **Address current backlog of deferred maintenance projects (\$188M, based on a 2011 un-escalated estimate)**

Current projects:

- Avery Renovation: \$32M (offline for 24-25)
 - Morrison Elevator Modernization: \$2M
 - Baity common area HVAC replacement: \$3M
 - Kitchen Fire Suppression Upgrades: \$125K
 - Spencer Sprinkler Head Replacement: \$100K
- **Upgrades for critical systems that are nearing obsolescence**
 - Key box upgrades: \$600K
 - Wireless access point life cycling: \$500K
 - Fire alarm panel upgrades: 200K

carolina HOUSING



Needs Driving Proposed Rate Increases

- **Establish financial position and rate elasticity in preparation for Housing Master Plan capital projects**

Planned projects:

- Parker Teague site, new construction
- Highrise renovations: Craige, Ehringhaus, Hinton James

- **Manage rapidly escalating costs**

- Compensation, legislative salary and benefit adjustments
 - 4% LSI for FY24, 3% LSI for FY25
 - Personnel costs are 34% of annual budget
- Utilities (6% projected increase, \$12M base)
- Maintenance supplies and services

CAROLINA HOUSING

AY2024-25 Rate Options

Room Type	23 - 24 Semester Rate	3% Increase	5% Increase	7% Increase
Residence Halls	\$3,574 - \$4,362	+\$108-\$131/semester +\$24-\$29/month	+\$179-\$219/semester +\$40-\$49/month	+\$251-\$306/semester +\$56-\$68/month
Ram Village Apartments	\$4,216 – \$5,112	+\$127-154/semester +\$28-\$34/month	+\$211-\$256/semester +\$47-\$57/month	+\$296-\$358/semester +\$66-\$80/month
Student Family Housing	\$5,635 – \$6,110	+\$181-\$197/semester +\$36-39/month	+\$302-\$327/semester +\$60-\$65/month	+\$423-\$458/semester +\$85-\$92/month
Graduate Student Housing – Unfurnished	\$3,110 – \$5,635	+\$100-\$181/semester +\$20-\$36/month	+\$167-\$302/semester +\$33-\$60/month	+\$233-\$423/semester +\$47-\$85/month
Graduate Student Housing – Furnished	\$3,435 – \$6,160	+\$111-\$198/semester +\$22-\$40/month	+\$184-\$330/semester +\$37-\$66/month	+\$258-\$462/semester +\$52-\$92/month

CAROLINA HOUSING

- AY2024-25 Rate Recommendation:**
- ➔ 5% Increase in Residence Halls
 - ➔ 5-7% Increase in Ram Village Apartments
 - ➔ 5-7% Increase in Baity Hill Apartments

Room Type	Proposed Increase %	Proposed Increases	Proposed Rates per semester
Residence Halls	5%	+ \$179-219/semester + \$40-49/month	\$3,753 – \$4,581
Ram Village Apartments	5% - 7%	+ \$211-358/semester + \$47-80/month	\$4,427 – \$5,470
Student Family Housing	5% - 7%	+ \$302-458/semester + \$60-92/month	\$6,332 – \$6,996
Graduate Student Housing – Unfurnished	5% - 7%	+ \$233-302/semester + \$47-60/month	\$3,561 – \$6,332
Graduate Student Housing – Furnished	5% - 7%	+ \$258-330/semester + \$52-66/month	\$3,934 – \$6,922

CAROLINA HOUSING

Proposed Rate Increases, Comparative Analysis

Prop. Rate Increase	Expected Revenue Increase	Expected Benefits
3%	\$1.9M	<ul style="list-style-type: none"> Covers <u>most</u> currently known increases to operating costs Requires spending from fund reserve to complete current-year deferred maintenance projects Makes <u>slight</u> mid- and long-term progress toward financial position needed for current Master Plan
5%	\$3.1M	<ul style="list-style-type: none"> Covers <u>all</u> currently known increases to operating costs Should allow for following deferred maintenance projects to be completed out of operating fund: <ul style="list-style-type: none"> Morrison Elevator Modernization: 2M Baity Hill HVAC Project: 3M Key box upgrades: 600K Makes <u>minimal</u> mid- and long-term progress toward financial position needed for current Master Plan
7%	\$4.4M	<ul style="list-style-type: none"> Covers <u>all</u> currently known increases to operating costs Should allow for maintenance projects above (5% level) to be completed out of operating fund, plus: <ul style="list-style-type: none"> Morrison Entry Repair: 250K Parker-Teague design (partial) Makes <u>moderate</u> mid- and long-term progress toward fin. position needed for current Master Plan

Notes:

- All proposed increases keep us under off-campus market
- Baity Hill rates remain well under market, supporting a return to practice of raising those rates slightly more than other buildings.

Carolina Dining Services

AY2024-25 Proposed Meal Plan Rates

Voluntary Meal Plan Pricing Considerations



Historical Rates

- Pre COVID: 2-3% annual increase
- FY22-23, FY23-24: avg meal plan increase 4.6%, 6.8%
- FY22-23, FY23-24 CPI (Dining Away index): 4.7%, 8.0%

Comparable University Pricing

- Similar to other voluntary dining programs
- Lower than average among mandatory dining programs

Needs Driving Proposed Increase



1. Correlate Operating Costs with Inflation Trends

- Since COVID, recovered average dining margins (~4%) but sacrificed some food options and operating hours and delayed deferred capital projects and maintenance
- Increased Food Costs: Meal plan increase below CPI (Dining Away) by -5.2% since 2020
- Increased Labor Costs: CDS employees below wages for market area and UNC equivalent positions

2. Advance Deferred Maintenance and Capital Projects

- \$5M in deferred maintenance projects for Lenoir
- \$5M of current and planned capital projects in next FY

3. Increase Reserves to Enhance Financial Resilience

- Increased financial risk due to:
 - Forecasting food and labor costs 9 months in advance w/ volatile inflation
 - Aging of Lenoir infrastructure
 - Unforeseen events: lost \$300,000 in revenue for Aug. 28 event



Proposed Rate Comparison

Prop. Rate Increase	Avg. Impact Per Meal	Expected Outcomes
7.4%	\$0.99	<ul style="list-style-type: none">• Covers <u>most</u> currently known increases to operating costs• Limits deferred capital projects/maintenance projects to be completed out of operating fund• May reduce reserves and/or reduce same level of existing service



**FINANCE AND
OPERATIONS**