FY 2011-2012 Budget and the Future

Richard L. Mann, Vice Chancellor

Bruce W. Carney, Provost
The University of North Carolina at Chapel Hill

FY 2009-10 – TOTAL REVENUES BY SOURCE
(In Thousands)

<table>
<thead>
<tr>
<th>Source</th>
<th>Revenue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Grants &amp; Contracts (Federal, State, Local and Non-Gov't)</td>
<td>$688,721</td>
<td>28.3%</td>
</tr>
<tr>
<td>Student Tuition &amp; Fees (net)</td>
<td>$249,083</td>
<td>10.2%</td>
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<tr>
<td>State Appropriations</td>
<td>$541,753</td>
<td>22.2%</td>
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<tr>
<td>Private Non-capital Gifts (net) &amp; Grants</td>
<td>$247,994</td>
<td>10.2%</td>
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<tr>
<td>Patient Services (net)</td>
<td>$242,757</td>
<td>10.0%</td>
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<tr>
<td>Sales and Services (net)</td>
<td>$354,439</td>
<td>14.5%</td>
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<tr>
<td>Investment Income (net) &amp; Interest Earnings on Loans</td>
<td>$105,525</td>
<td>4.3%</td>
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<tr>
<td>Other Revenues</td>
<td>$6,485</td>
<td>0.3%</td>
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<td>Other Revenues</td>
<td>$6,485</td>
<td>0.3%</td>
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</tbody>
</table>

**TOTAL = $2,436,757**

SOURCE: 09-10 Comprehensive Annual Financial Report

NOTE: FY 2010-11 Estimated
State Appropriations: $534,685
Tuition & Fees (net): $286,445

FY 2011-12 Estimated
State Appropriations: $470,700
Tuition & Fees (net): $302,200
The University of North Carolina at Chapel Hill

STATE APPROPRIATIONS: 7 YEAR HISTORY
(DOLLARS IN THOUSANDS)

SOURCE: 09-10 Comprehensive Annual Financial Report; Budget Office
STATE APPROPRIATIONS % OF TOTAL REVENUES
7 YEAR HISTORY

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimate</th>
<th>05-06</th>
<th>06-07</th>
<th>07-08</th>
<th>08-09</th>
<th>09-10</th>
<th>10-11</th>
<th>11-12</th>
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<tbody>
<tr>
<td>05-06</td>
<td></td>
<td>21.7%</td>
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<td>06-07</td>
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<td>21.9%</td>
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<td>07-08</td>
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<td>23.5%</td>
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<td>08-09</td>
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<td>24.3%</td>
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<td>09-10</td>
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<td>10-11</td>
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<td>11-12</td>
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<td>17.9%</td>
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</table>

SOURCE: 09-10 Comprehensive Annual Financial Report; Budget Office
The University of North Carolina at Chapel Hill

ADDITIONAL FUNDING – 4 YEAR HISTORY (DOLLARS IN THOUSANDS)

SOURCE: Budget Office
The University of North Carolina at Chapel Hill

ADDITIONAL FUNDING VS. CUTS (RECURRING ONLY)
4 YEAR HISTORY
(DOLLARS IN THOUSANDS)

SOURCE: Budget Office
NOTE: State Appropriations include recurring and nonrecurring funding.

SOURCE: Controller Office
The University of North Carolina at Chapel Hill

ADDITIONAL FUNDING – 4 YEAR HISTORY
(DOLLARS IN THOUSANDS)

SOURCE: Budget Office
RETENTION FIGHTS 2008 - 2011

- No counter offer
- Insufficient funds
- Lost despite counter offer
- Retained
Budget cut to UNC – Chapel Hill

• $100,722,144 (including AHEC).
• $20,000,000 one-time allocation from UNC Health Care System, with $5M going to the School of Medicine.
• We are effectively cutting $80.7M in FY11-12.
• BUT: We must face the $20M, or 3.9%, in FY12-13.
• There is a loss of roughly $5.5M in scholarship support in FY12-13, with another $1.5M at risk.
The University of North Carolina at Chapel Hill

PEER COMPARISON OF STATE APPROPRIATIONS PER FTE STUDENT
5 YEAR HISTORY

SOURCE: UNC-Chapel Hill Office of Institutional Research and Assessment; Budget Office.
*Appropriation does not include funds for AHEC program.
The University of North Carolina at Chapel Hill

PEER COMPARISON OF UNDERGRADUATE RESIDENT TUITION AND FEES (RATES)
FALL OF EACH FISCAL YEAR
A few observations

- Our peers’ cuts have been comparable to or smaller than ours.
- Their tuition levels have climbed more rapidly than have ours.
- In 2011-2012, our resident undergraduate tuition increased $343. The smallest peer increase was $398. The mean was $1,900.
- From 2005-2012, our increase was $2,395. The smallest peer increase was $3,444, and the mean was $4,832.
An observation and recommendations

• UNC Chapel Hill is proud to be a constituent institution within the greater UNC system.
• But we all need to recognize the many different roles each campus serves. Differential tuition is a critical need for the entire system.
• Specifically, there needs to be more flexibility to respond to opportunities based on a combination of state support and tuition.
  – “I don’t mean a sort of year-to-year tuition increases due to inflationary pressures … I mean an adjustment to bring us more in line with our peers” – Tom Ross
Questions and Comments?