

University of North Carolina Budget 101

*Joint Meeting of Budget & Finance and
Public Affairs BOG Committees*



Presentation Outline

- **State Budget 101**
- **Total UNC Budget (sources and uses)**
- **Trends in UNC General Fund Support**
 - **Compare fiscal years 2002-03, 2007-08, and 2012-13**
- **Discussion**



State Budget 101:

Budget by Program Area

	(in billions)	(% of Total)
K-12 Public Education	\$ 7.8	38.6%
UNC System (with private colleges)	2.7	13.4%
Community Colleges	1.1	5.4%
Medicaid	3.1	15.3%
Corrections & Court System	2.3	11.4%
Debt Service	0.7	3.5%
DHHS (excluding Medicaid)	1.6	7.9%
Other (General Govt.)	<u>.9</u>	<u>4.5%</u>
Total	\$20.2	100.0%



State Budget 101:

Budget by Expense Category

	(in billions)	(% of Total)
Salaries & Benefits (excluding health care)	\$12.0	59.4%
Health Care (Medicaid, active and retired employees health insurance)	5.0	24.8%
Debt Service	0.7	3.5%
Other	<u>2.5</u>	<u>12.3%</u>
Total	\$20.2	100.0%



State Budget 101:

Personnel Costs by Program Area

	(% of Total)
K-12 Teachers	39.6%
<u>K-12 Non-teachers</u>	<u>12.8%</u>
K-12 Total	52.4%
UNC System	20.6%
Community Colleges	9.3%
Corrections & Court System	11.5%
Other (General Govt.)	<u>6.2%</u>
Total	100.0%



State Budget 101:

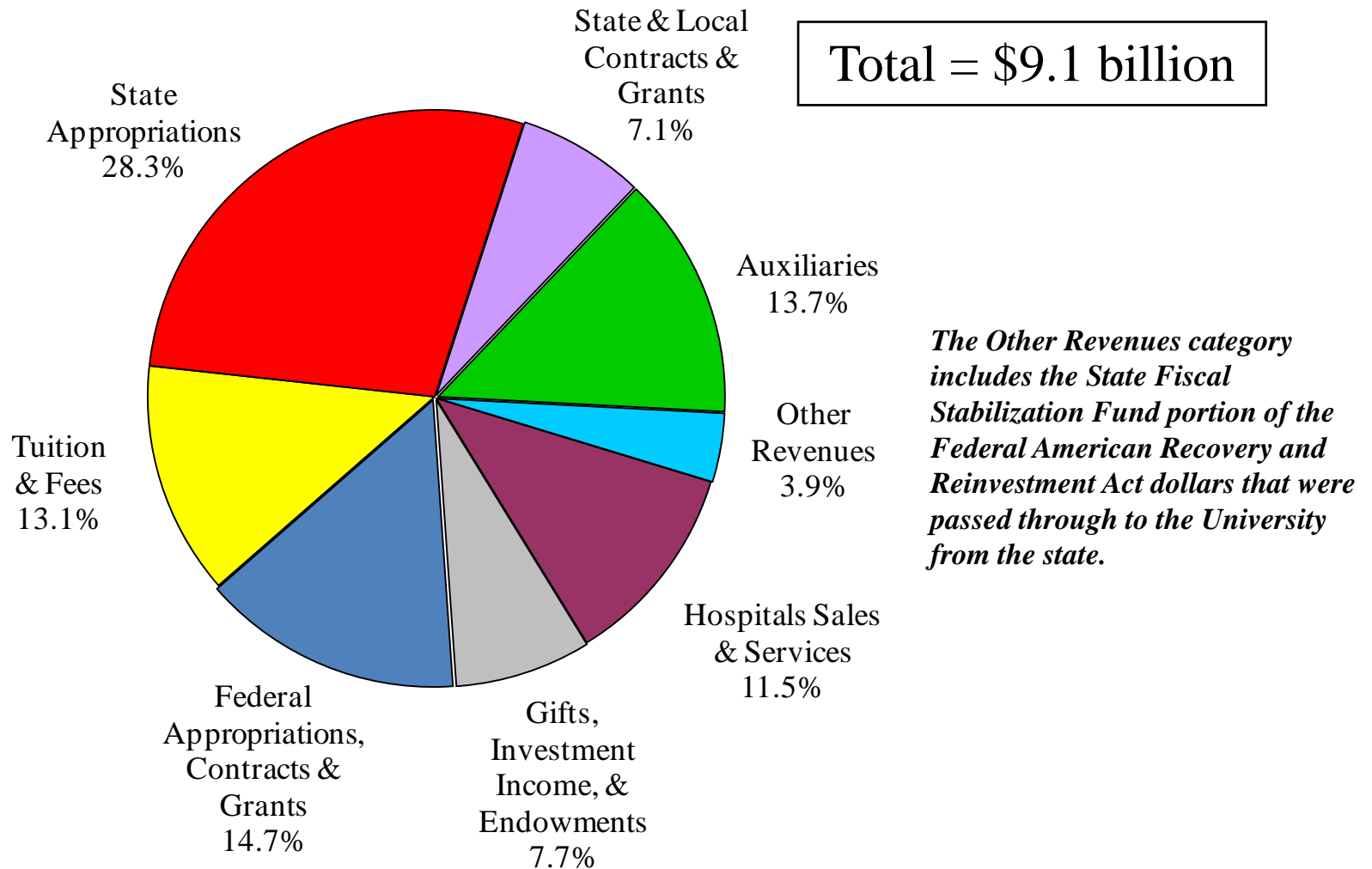
Budget by Revenue Category

	(in billions)	(% of Total)
Individual Income	\$10.5	52.0%
Sales and Use	5.5	27.2%
Corporate and Franchise	1.7	8.4%
Other Tax	1.4	6.9%
Nontax & Transfers	<u>1.1</u>	<u>5.5%</u>
Total	\$20.2	100.0%



Total UNC Budget

2010-11 Sources & Uses (excluding capital)



The University of North Carolina

Source: IPEDS Data

Total UNC Revenues

State Appropriations & Tuition & Fees

General Uses – State Appropriations & Tuition:

- Core instructional, academic support and associated administrative services (includes faculty and staff salaries, library operations, academic advisors, campus safety, information technology, budget and human resources personnel)

Limitations:

- Not allowed to support health centers, student activities, dining facilities, parking decks, athletics, or residence halls

General Uses – Fees:

- Supports specific activities for which students are paying

Limitations:

- Must be used for the purpose for which it was established



Total UNC Revenues Auxiliaries

General Uses:

- **Revenues generated by auxiliary enterprise operations of the institution exist to provide services to the students, faculty, or staff**
- **Auxiliary enterprises are managed as self-supporting activities (includes residence halls, bookstores, food services, student health services, mail centers, and student unions)**

Limitations:

- **Must directly support the operation of the associated activities**



Total UNC Revenues

Auxiliaries

Institution	Auxiliaries Revenues	% of Total
Appalachian State University	\$ 58,674,447	4.70%
East Carolina University *	230,808,408	18.49%
Elizabeth City State University	7,981,799	0.64%
Fayetteville State University	6,099,192	0.49%
North Carolina A & T State University	22,161,356	1.78%
North Carolina Central University	17,388,239	1.39%
North Carolina State University	121,372,203	9.72%
UNC Asheville	9,130,441	0.73%
UNC-Chapel Hill *	604,066,567	48.39%
UNC Charlotte	46,219,694	3.70%
UNC Greensboro	33,662,426	2.70%
UNC Pembroke	13,029,150	1.04%
UNC Wilmington	35,403,149	2.84%
UNC School of the Arts	5,058,433	0.41%
Western Carolina University	25,898,027	2.07%
Winston-Salem State University	11,334,575	0.91%
TOTAL	1,248,288,106	100.00%

** Includes medical revenues*



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Total UNC Revenues

Federal Appropriations, Contracts & Grants

General Uses:

- Debt service on research facilities, research portion of faculty salaries, research personnel and graduate student workers for the project
- Includes Pell grants and other forms of federal financial aid for students

Limitations:

- Restricted by the federal government and monitored for compliance
- Funds cannot be legally diverted for purposes not central to the research mission



Total UNC Revenues

Federal Appropriations, Contracts & Grants

Institution	Federal Appropriations, Contracts & Grants Revenues	% of Total
Appalachian State University	\$ 27,474,831	2.06%
East Carolina University	55,974,807	4.19%
Elizabeth City State University	24,627,359	1.84%
Fayetteville State University	30,489,233	2.28%
North Carolina A & T State University	74,298,200	5.56%
North Carolina Central University	44,845,725	3.35%
North Carolina State University	170,555,149	12.76%
UNC Asheville	7,367,436	0.55%
UNC-Chapel Hill	645,656,906	48.32%
UNC Charlotte	58,959,474	4.41%
UNC Greensboro	61,034,454	4.57%
UNC Pembroke	26,327,698	1.97%
UNC Wilmington	39,649,730	2.97%
UNC School of the Arts	1,058,119	0.08%
Western Carolina University	28,073,125	2.10%
Winston-Salem State University	30,942,965	2.32%
UNC-General Administration	8,953,100	0.67%
TOTAL	1,336,288,311	100.00%



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Total UNC Revenues

Gifts, Investment Income, and Endowments

General Uses:

- **Academics, facilities, student scholarships, and student support**

Limitations:

- **Endowment dollars are typically restricted by the donor and non-transferable to other uses, unless expressly allowed**



Total UNC Revenues

Gifts, Investment Income, and Endowments

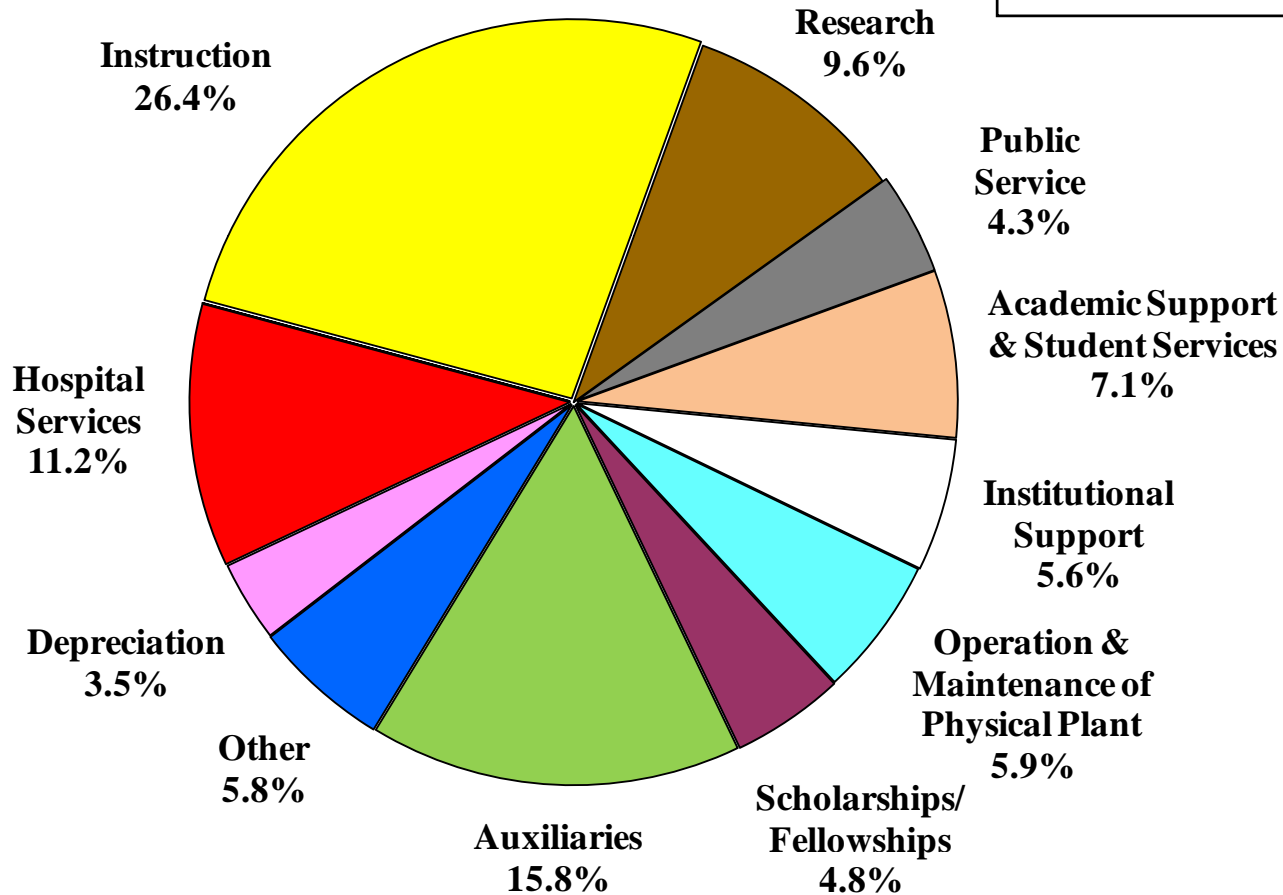
Institution	Gifts, Investment Income, and Endowment Revenues	% of Total
Appalachian State University	\$ 15,804,412	1.91%
East Carolina University	36,232,744	4.39%
Elizabeth City State University	1,938,541	0.23%
Fayetteville State University	3,115,583	0.38%
North Carolina A & T State University	8,676,096	1.05%
North Carolina Central University	4,122,311	0.50%
North Carolina State University	138,778,865	16.81%
UNC Asheville	4,800,090	0.58%
UNC-Chapel Hill	392,883,136	47.58%
UNC Charlotte	18,282,535	2.21%
UNC Greensboro	47,027,440	5.70%
UNC Pembroke	3,224,385	0.39%
UNC Wilmington	17,320,860	2.10%
UNC School of the Arts	5,916,187	0.72%
Western Carolina University	13,483,603	1.63%
Winston-Salem State University	3,656,326	0.44%
UNC-General Administration	17,569,947	2.13%
UNC Hospitals	92,921,813	11.25%
TOTAL	825,754,874	100.00%



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2010-11 Total UNC Expenditures (excluding capital)

Total = \$8.5 billion

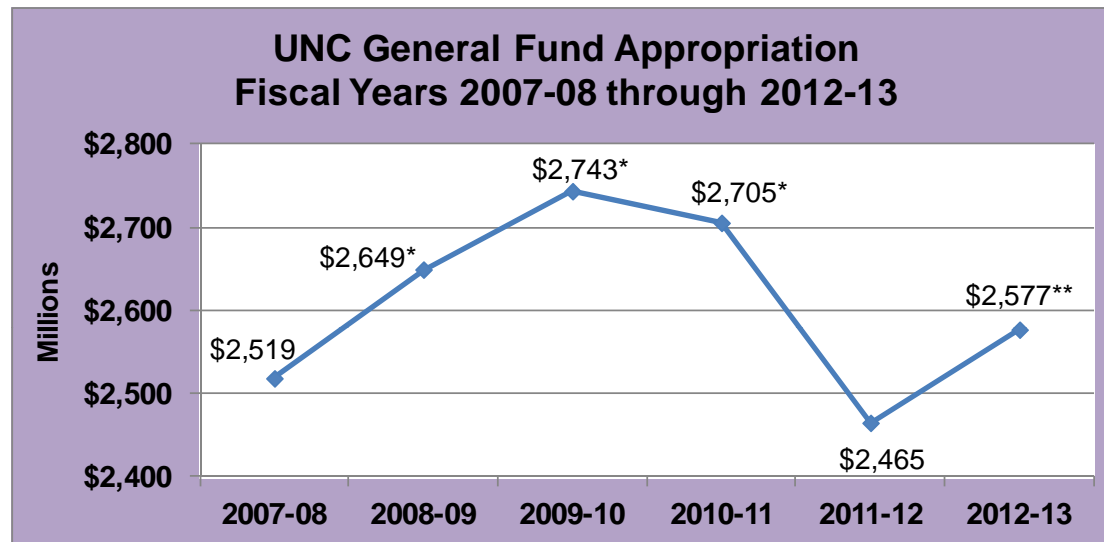


Note: Some research and private/endowment revenues are not available for immediate expenditure.

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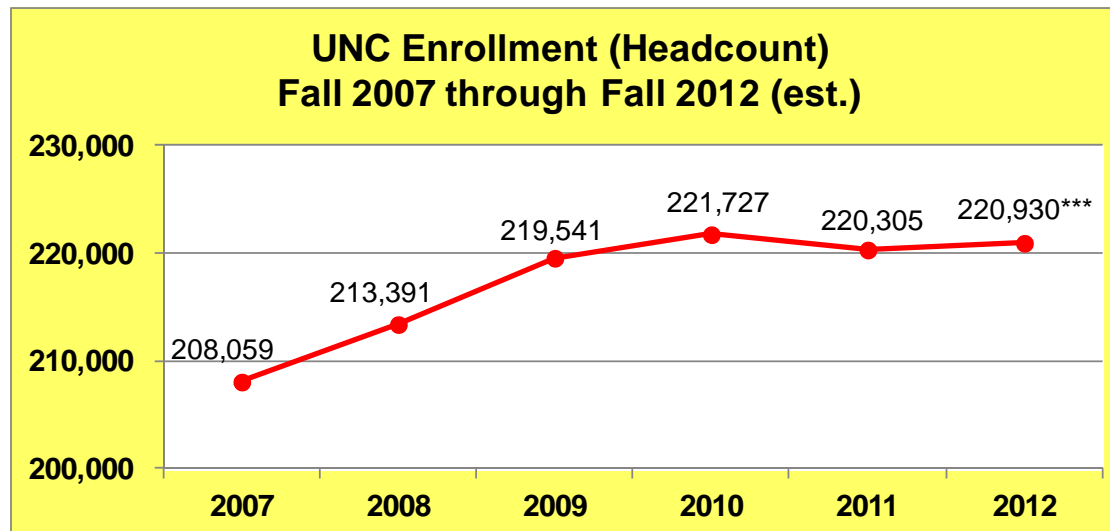
Source: IPEDS Data

Trends in UNC General Fund Support



***ARRA State Fiscal Stabilization Funds were added to these years since they were used to offset state appropriations.**

**** Of the \$112M increase in 2012-13, \$88M is for salaries and benefits.**



*****Preliminary**

Trends in UNC GF Support

Fixed Cost Changes from 2008-09 to 2012-13

- **Fixed costs for utilities have increased by \$14M**
- **Cost of retirement and healthcare benefits have increased almost \$200M**
- **1.2% compensation increases total \$32M**



Trends in UNC General Fund Support

	<u>2002-03</u>	<u>2007-08</u>	<u>Estimated 2012-13</u>	<u>% Change over 07-08</u>
EPA Faculty	11,733	13,983	13,710	(2.0%)
EPA Nonfaculty	3,673	4,710	4,364	(7.3%)
SPA	<u>13,506</u>	<u>15,465</u>	<u>13,986</u>	<u>(9.6%)</u>
TOTAL	28,912	34,158	32,060	(6.1%)
Fall Enrollment (headcount)	176,967	208,059	220,930*	6.2%

**Preliminary*



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Trends in UNC GF Expenditures FY 2003, FY 2008, FY 2012

Classification	FY 2003	FY 2008	FY 2012
Personal Services (ex. salaries & benefits)	76.9%	75.8%	77.6%
Purchased Services (ex. utilities)	12.5%	13.5%	13.4%
Supplies	3.5%	3.4%	3.0%
Property, Plant, and Equipment	6.0%	6.1%	5.0%
Other Expenses and Adjustments	1.1%	1.2%	1.0%
TOTAL	100.0%	100.0%	100.0%



Trends in UNC Personal Services Expenditures FY 2003, FY 2008, FY 2012

Personal Services Expenditure Detail	FY 2003	FY 2008	FY 2012
Salaries and Wages	85.2%	82.4%	79.7%
Employee Benefit Costs	14.8%	17.6%	20.3%
TOTAL	100.0%	100.0%	100.0%



