

2019-21 Repairs and Renovations (R&R) Allocation Model

ISSUE OVERVIEW

The R&R allocation options are proposed for Board action.

The Committee on Budget and Finance appointed a subcommittee to review options for the allocation of general appropriated funds to support a suitable distribution model. The factors considered in development of the allocation model include:

- Gross square footage
- Total number of buildings
- Building condition
- Number of full-time enrolled (FTE) students
- Availability of other resources

The options consider the availability of other resources for capital projects, including carry-forward funds, F&A fund balances, infrastructure fees, and other funding for R&R earmarked projects and negatively weights the ability to pay.

All options include a minimum funding level, identified as a “floor,” and reserve funds for R&R projects at the UNC System Office buildings or other affiliates (NC Arboretum and UNC-TV).

Each allocation model adjusts the weighting of the factors. Option 1 equally weights all five factors. Option 2 weights the building condition. Option 3 weights the number of FTE. Option 4 weights the ability to pay. Option 5 equally weights the physical building factors with the FTE and availability of other funding.

RECOMMENDATION

It is recommended that, when funds are appropriated in the 2019-21 state budget, allocations be made from the Reserve for Repairs and Renovations in accordance with the selected option. It is also recommended that chancellors identify specific projects, consistent with any applicable rules and regulations, to be financed from the institutional allocations and present those projects to the president who shall report to the Joint Legislative Commission on Governmental Operations, as required by legislation.

It is recommended that, upon request through existing approval processes, allocations may be transferred as needed among projects within an institution. It is also recommended that the president be authorized to make further allocations from the reserve.

APPENDIX V

UNC System R&R Allocation Options

\$80,000,000 Total Allocation					Option #1		Option #2		Option #3		Option #4		Option #5		Historical R&R - ACTUAL %					
Institution	Base Model				20% GSF 20% # of Bldgs 20% Condition 20% # of FTE 20% Avail. Res.	% Allocation	12.5% GSF 12.5% # of Bldgs 40% Condition 20% # of FTE 15% Avail. Res.	% Allocation	12.5% GSF 12.5% # of Bldgs 20% Condition 40% # of FTE 15% Avail. Res.	% Allocation	12.5% GSF 12.5% # of Bldgs 20% Condition 15% # of FTE 40% Avail. Res.	% Allocation	12.5% GSF 12.5% # of Bldgs 25% Condition 25% # of FTE 25% Avail. Res.	% Allocation	2015	2016	2017	2018	10-Yr. Avg ('09-'18)	25-Yr. Avg ('94-'18)
	Gross Square Footage (GSF)	# of Bldgs	# of Students	Available Resources																
ASU	2,362,740	40	18,294	\$3,876,787	\$4,299,714	5.4%	\$4,068,676	5.1%	\$4,876,028	6.1%	\$4,374,810	5.5%	\$4,471,182	5.6%	4.6%	6.8%	7.1%	5.4%	2.0%	5.0%
ECU	4,505,190	107	25,348	\$11,607,725	\$7,476,545	9.3%	\$7,537,172	9.4%	\$7,935,431	9.9%	\$6,691,089	8.4%	\$7,336,469	9.2%	9.7%	11.3%	8.0%	8.5%	9.2%	8.8%
ECSU	673,797	27	1,523	\$7,026,462	\$2,000,000	2.5%	\$2,000,000	2.5%	\$2,000,000	2.5%	\$2,560,833	3.2%	\$2,000,000	2.5%	2.8%	2.1%	3.0%	7.2%	2.8%	2.7%
FSU	818,380	28	5,079	\$3,700,601	\$2,212,116	2.8%	\$2,177,431	2.7%	\$2,000,000	2.5%	\$2,878,081	3.6%	\$2,453,720	3.1%	2.8%	2.0%	3.1%	4.9%	2.6%	2.5%
N.C. A&T	2,130,928	63	11,143	\$233,592	\$4,215,505	5.3%	\$4,277,202	5.3%	\$4,233,638	5.3%	\$4,432,010	5.5%	\$4,322,429	5.4%	4.0%	5.3%	4.5%	4.3%	5.1%	5.3%
NCCU	1,389,187	39	7,205	\$2,431,925	\$2,906,782	3.6%	\$2,884,008	3.6%	\$2,882,176	3.6%	\$3,411,918	4.3%	\$3,092,987	3.9%	3.0%	4.4%	5.3%	5.6%	4.7%	4.4%
NC State	8,788,031	305	31,060	\$13,483,323	\$13,792,872	17.2%	\$15,492,819	19.4%	\$13,550,318	16.9%	\$11,760,423	14.7%	\$13,322,161	16.7%	16.0%	20.7%	18.3%	12.0%	17.7%	17.0%
UNCA	894,047	21	3,354	\$935,092	\$2,189,405	2.7%	\$2,000,000	2.5%	\$2,000,000	2.5%	\$2,849,251	3.6%	\$2,315,878	2.9%	2.8%	2.7%	2.4%	4.8%	2.8%	2.4%
UNC-CH	11,023,891	174	27,671	\$30,711,282	\$12,556,296	15.7%	\$12,047,107	15.1%	\$11,702,690	14.6%	\$10,001,414	12.5%	\$11,107,596	13.9%	17.5%	16.5%	15.9%	12.5%	19.2%	19.0%
UNCC	3,486,275	49	26,827	\$6,458,926	\$5,771,517	7.2%	\$5,388,263	6.7%	\$6,704,529	8.4%	\$5,391,141	6.7%	\$5,847,005	7.3%	6.9%	2.6%	7.1%	5.6%	5.6%	5.2%
UNCG	2,793,340	52	17,901	\$3,877,876	\$4,846,677	6.1%	\$4,633,096	5.8%	\$5,245,539	6.6%	\$4,780,189	6.0%	\$4,904,014	6.1%	6.6%	7.3%	5.0%	4.6%	6.2%	6.0%
UNCP	1,196,672	30	6,286	\$1,601,740	\$2,565,652	3.2%	\$2,471,864	3.1%	\$2,527,688	3.2%	\$3,151,977	3.9%	\$2,761,772	3.5%	2.8%	2.0%	2.0%	2.2%	2.9%	2.8%
UNCW	1,744,436	47	14,865	\$3,272,406	\$3,756,190	4.7%	\$3,775,357	4.7%	\$4,228,140	5.3%	\$4,047,742	5.1%	\$4,040,790	5.1%	4.2%	3.5%	3.8%	2.6%	3.2%	3.1%
UNCSA	843,806	33	1,040	\$760,612	\$2,051,960	2.6%	\$2,069,952	2.6%	\$2,000,000	2.5%	\$2,808,845	3.5%	\$2,233,059	2.8%	2.8%	2.0%	3.0%	6.3%	2.4%	2.3%
WCU	1,681,162	30	10,519	\$2,209,502	\$3,227,453	4.0%	\$2,997,479	3.7%	\$3,368,531	4.2%	\$3,598,551	4.5%	\$3,365,691	4.2%	3.7%	4.2%	3.2%	3.5%	3.6%	3.5%
WSSU	1,067,755	31	4,783	\$2,324,383	\$2,131,315	2.7%	\$2,179,575	2.7%	\$2,000,000	2.5%	\$2,860,120	3.6%	\$2,425,249	3.0%	2.8%	2.6%	4.2%	6.2%	2.8%	2.7%
NCSSM	442,877	8	680	\$565,905	\$2,000,000	2.5%	\$2,000,000	2.5%	\$2,000,000	2.5%	\$2,401,606	3.0%	\$2,000,000	2.5%	2.8%	2.0%	2.0%	2.9%	1.0%	0.9%
Total	45,842,514	1,084	213,578	\$95,078,139	\$78,000,000	97.5%	\$78,000,000	97.5%	\$78,000,000	97.5%	\$78,000,000	97.5%	\$78,000,000	97.5%	96.0%	98.0%	98.0%	99.1%	93.7%	93.6%
System Reserve					\$2,000,000	2.5%	\$2,000,000	2.5%	\$2,000,000	2.5%	\$2,000,000	2.5%	\$2,000,000	2.5%	4.0%	2.0%	2.0%	0.9%	6.3%	6.4%
System Total					\$80,000,000	100.0%	\$80,000,000	100.0%	\$80,000,000	100.0%	\$80,000,000	100.0%	\$80,000,000	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes: - System Office, UNCTV and NC Arboretum will be addressed from reserve balance.

- # Students is based on Full-Time Equivalent (Fall 2018), including undergraduate and graduate students, degree-seeking only, and excludes fully online student enrollment

- Available Resources defined as Change in F&A Fund Balance (Revenues less Expenses) + Carryforward (2.5%) + Infrastructure Fee Revenue + R&R-Related Capital Earmarks (all items budgeted in SCIF or otherwise) - System-approved reductions

Model parameters:		
\$ Floor (Min. per University)	\$2,000,000	
% Floor (Min. per University)	2.50%	
System Reserve	2.50%	

Condition factors:	Multiplier	% GSF
Condition 1	1.0x	16.7%
Condition 2	1.3x	22.2%
Condition 3	1.7x	27.8%
Condition 4	2.0x	33.3%
Condition 5	0.0x	0.0%
Total appropriated GSF		100.0%

20.0%
20.0%
20.0%
20.0%
20.0%

12.5%
12.5%
40.0%
20.0%
15.0%

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12.5%
12.5%
20.0%
15.0%
40.0%

12.5%
12.5%
25.0%
25.0%
25.0%

Gross Square Footage
of Buildings
Condition
of Students
\$ Avail. Resources
TOTAL

Highest Allocation - Number of Schools
Second Highest Allocation - Number of Schools

1	1	5	10	0
3	4	2	1	13

Highest Allocation - Number of Schools
Second Highest Allocation - Number of Schools

APPENDIX V

UNC System R&R Allocation - Option 5

Approved by BOG - 9/20/2019

\$80,000,000 Total Allocation					Option #5	
Institution	Base Model				12.5% GSF 12.5% # of Bldgs 25% Condition 25% # of FTE 25% Avail. Res.	% Allocation
	Gross Square Footage (GSF)	# of Bldgs	# of Students	Available Resources		
ASU	2,362,740	40	18,294	\$3,876,787	\$4,471,182	5.6%
ECU	4,505,190	107	25,348	\$11,607,725	\$7,336,469	9.2%
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UNC-CH	11,023,891	174	27,671	\$30,711,282	\$11,107,596	13.9%
UNCC	3,486,275	49	26,827	\$6,458,926	\$5,847,005	7.3%
UNCG	2,793,340	52	17,901	\$3,877,876	\$4,904,014	6.1%
UNCP	1,196,672	30	6,286	\$1,601,740	\$2,761,772	3.5%
UNCW	1,744,436	47	14,865	\$3,272,406	\$4,040,790	5.1%
UNCSA	843,806	33	1,040	\$760,612	\$2,233,059	2.8%
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WSSU	1,067,755	31	4,783	\$2,324,383	\$2,425,249	3.0%
NCSSM	442,877	8	680	\$565,905	\$2,000,000	2.5%
Total	45,842,514	1,084	213,578	\$95,078,139	\$78,000,000	97.5%
System Reserve					\$2,000,000	2.5%
System Total					\$80,000,000	100.0%

Notes: - System Office, UNC-TV, and NC Arboretum will be addressed from reserve balance.

- # Students is based on Full-Time Equivalent (Fall 2018), including undergraduate and graduate students, degree-seeking only, and excludes fully online student enrollment

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Model parameters:	
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% Floor (Min. per University)	2.50%
System Reserve	2.50%

Condition factors:	Multiplier	% GSF
Condition 1	1.0x	16.7%
Condition 2	1.3x	22.2%
Condition 3	1.7x	27.8%
Condition 4	2.0x	33.3%
Condition 5	0.0x	0.0%
Total appropriated GSF		100.0%