

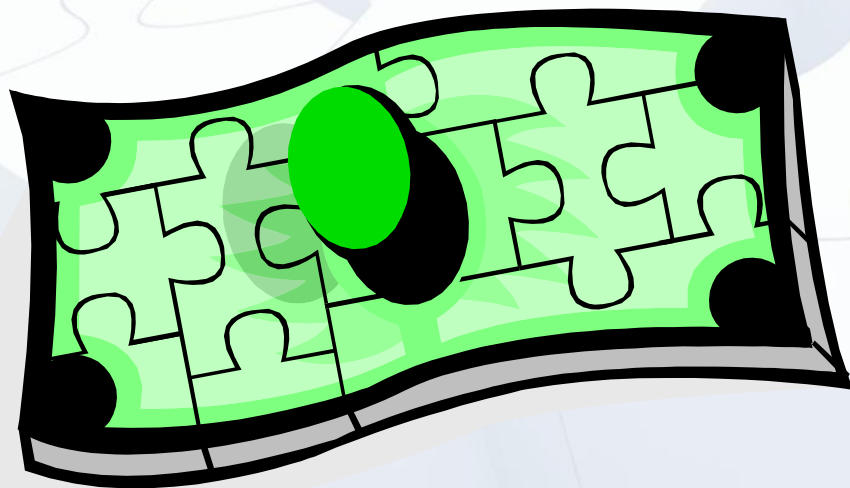


Latest on Budget Situation



What We Know

- Some State Budget Cuts
- Building Debt
- New Revenue Opportunity
- The Process for Budget Allocation



SPH Impact from State Cuts

FY09

- \$263K permanent cut** (-1%)
- \$471K temporary cut** (-2%)
- \$471K temporary cut** (-2%)
- \$267K temporary cut** (-1%)
- \$267K temporary cut** (-1%)

State spending freeze

State employee furlough



FY10

No pay increases for state employees

- \$1.2M permanent cut** (-5.4%)



FY11

No pay increases for state employees

- \$1.1M permanent cut** (-4.9%)
- \$715K temporary cut** (-3.5%)



FY12

- \$1.0M permanent cut** (-5%)



**Total Permanent State Budget Cuts So Far =
\$3.6 Million or 17% of FY08 Base**

Building Debt

496 K annual debt service

6.5 M principal balance owed on building debt

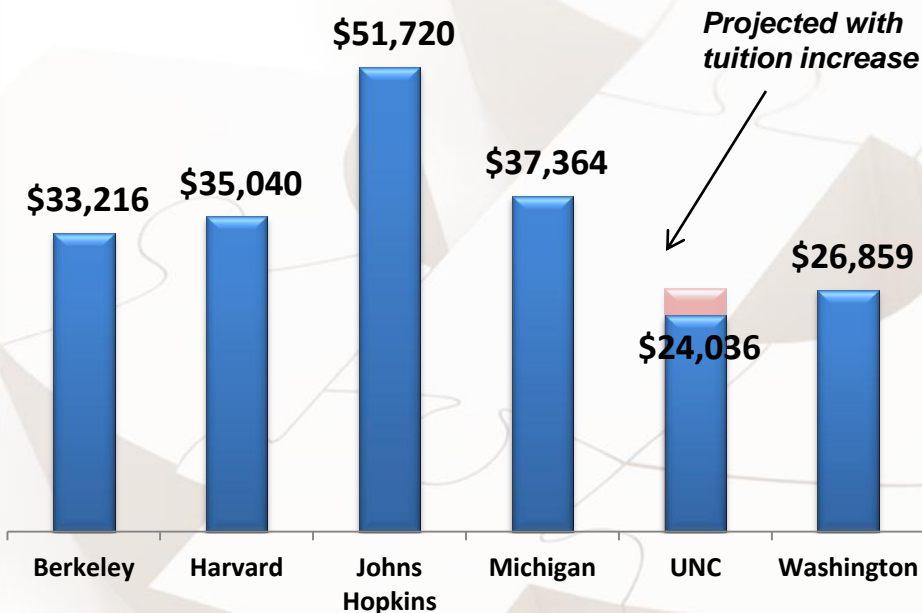
BUILDING DEBT PAID

(no more debt service)

**\$500K = to 5-7 Jobs
Saved!**

Opportunity to Increase Revenue

SPH Tuition Compared to Peers



Tuition as of academic year 2010-2011, does not include university or course specific fees.

School Based Tuition Increase 2011-12

MPH, MSPH and MHA \$1,000 Increase

DrPH and MSEE New \$1,200

33% to Financial Aid





Annual Budget Process

Dec
Jan

Provost's Office issues budget instructions
Speculation begins about next FY
(Governor discusses budget and NC Legislature convenes)
Mid-year actual budget performance analyzed
GA and others begin asking for various reports

This Year's
focus on F&A
and
Ctrs/Institutes

Feb
Mar

Enrollment increase proposals due from departments
SPH submits budget report to Provost's Office
New faculty start-up requests submitted
Allocation model scenario analysis for dept budgets

No new
enrollment
increase
funds— only
cut plans

April
May

Budget hearing with Provost's Office
Foundation board reviews and approves budget
Endowment income projected for year end
School based tuition and fee increases reviewed by BOG

Fee and tuition
increases
approved

Annual Budget Process

June
July

Faculty salary increase plans reviewed with Dean
Legislature finalizes state salary increases (LSI)
Legislature finalizes budget allocation to University System
School distributes plans for allocation to departments
Endowment income posted to accounts
Prior FY F&A carry forward posted

No LSI or
Salary
Increases This
Year

Aug
Sept

GA allocates budget to UNC
Provost's Office issues state budget allocation to schools
SPH issues state budget allocation to departments/units
Annual raise process (ARP) for EPA employees
Actual gift revenue from prior FY confirmed
Fee and tuition revenue adjusted per fall census

Expect only
allocation of
cuts—no new
budget

Oct
Nov

F&A permanent allocation confirmed
State carry forward/withhold allocated
Foundation audit review

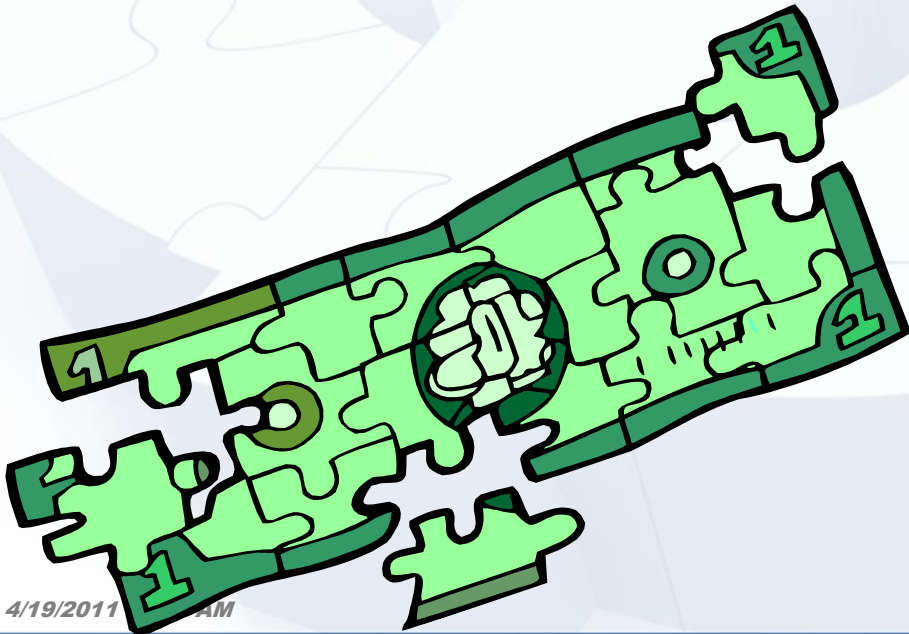
Expect no state
carry forward
and possible
withhold of
F&A

Expect some
additional
revenue from
tuition and fees



What We DON'T Know

- Total Amount of FY12 Cuts
- F&A Withhold
- New Tuition Revenue Amounts
- Salary Changes





FY12 Additional State Budget Cuts Impact on SPH

10% State Budget Cut

- **13 course sections**
- **4% of faculty**
 - *6 tenure/tenure-track*
 - *4 fixed-term*
 - *11 adjunct faculty positions*
- **30% (44) TA's**
- **3% (11) staff positions**

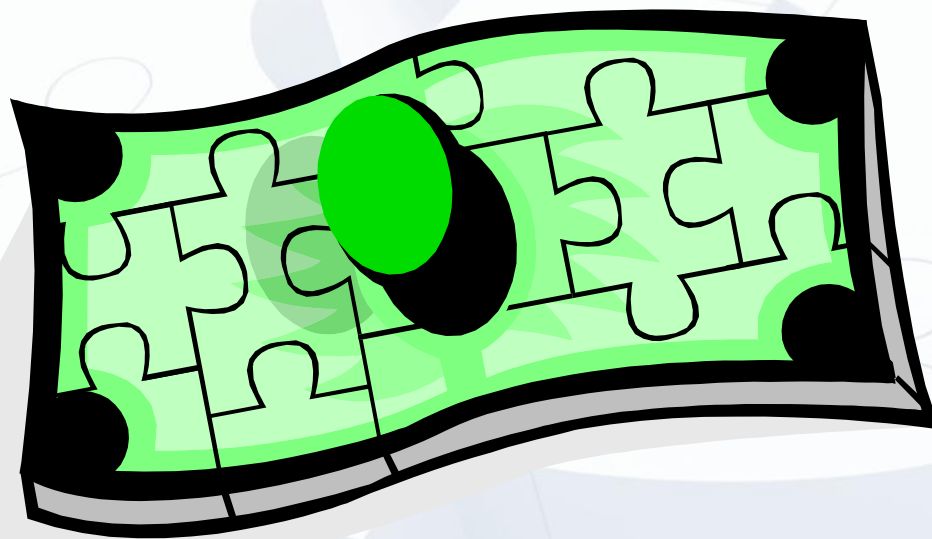
15% State Budget Cut

- **21 course sections**
- **6% of faculty**
 - *9 tenure/tenure-track*
 - *6 fixed-term*
 - *17 adjunct faculty positions*
- **38% (54) TA's**
- **6% (22) staff positions**



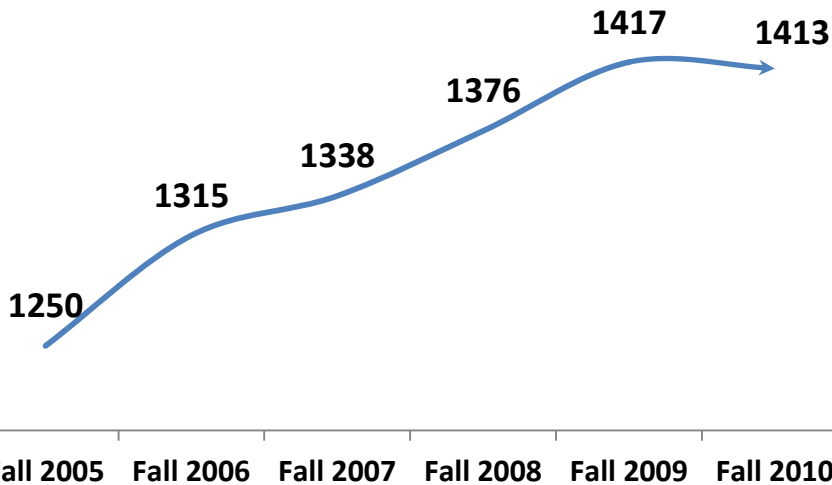
What We Know

**SPH is financially sound
And well positioned for a
prosperous future!**

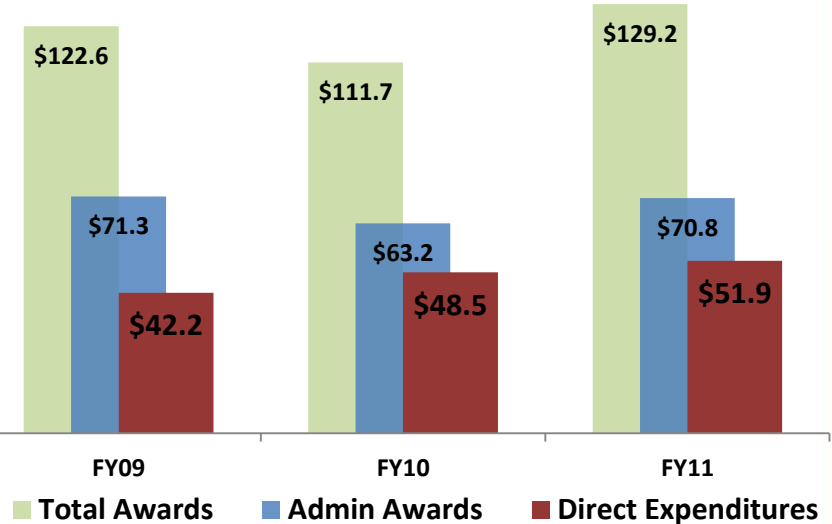


Key Financial Indicators

Student Enrollment (FTE)



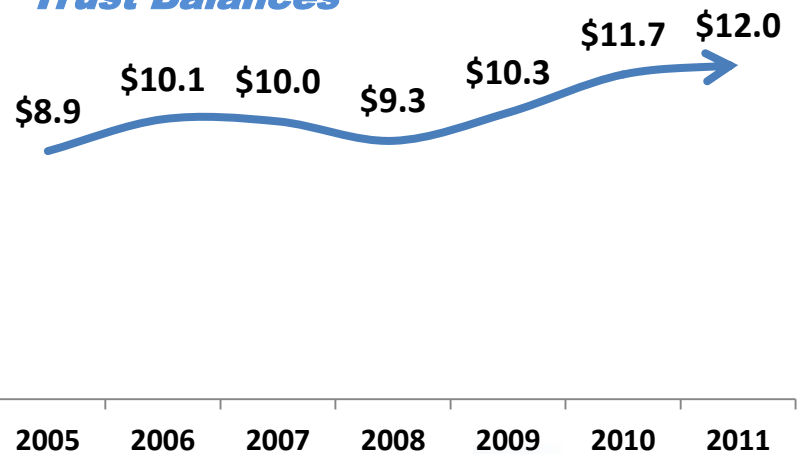
Research Awards & Directs



Market Value



Trust Balances





Questions

