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# NCCentral

## UNIVERSITY

### All Funds Budget

Board of Trustees

April 23, 2024

# All Funds Budget Initiative – UNC System

## Background:

- Budgeting is a common best practice that supports strategic resource allocation in support of institutional strategic priorities.
- Historically, the primary revenue streams for the UNC System were state appropriations and tuition, which are both part of the state General Fund and governed by state budgeting processes.
- Over time, Institutional Trust Funds (non-state funds), have grown significantly (now half of UNC System revenues) and are now included as part of a formal budgeting process and submitted to the UNC Board of Governors for approval.

# NCCU Budget Development

- The budget process is engaging and in line with strategic priorities;
- Departmental end users can see in real time how projections match to actuals as they develop projections for the next year
- Supports budget development based on SCH production so that the University can easily move to realign resources with growth areas and /or non-growth areas as well as targeted initiatives that either recur or are one-time.

# Role of the Board - Action

- Beginning with FY 22, the Board of Trustees shall be presented with a comprehensive operating budget (all-funds budget template provided by UNC System) for the institution, reflecting both **General Fund** and **Institutional Trust Fund** operating revenues and expenditures.
- The budget is to be reviewed and approved by the Board.

# Role of the Board - Understanding

## Development of an All Funds Budget:

- Resource alignment with strategic priorities
- Promote stewardship and financial sustainability
- Better understand the impact of discrete decisions on the broader financial picture
- Improve transparency and campus engagement
- Strengthen the fiduciary responsibility of the Board of Trustees

# Strategic Priorities – All Funds Budget

Throughout the all-funds budget development, campus leadership is expected to identify opportunities to repurpose existing funds to better align resources and strategic priorities. Institutions must **provide a written narrative of no more than two pages** explaining how the all-funds budget reflects investment in mission-aligned activities.

Specifically, the narrative should address how the campus is allocating its resources to accomplish the following:

- Progress towards system-wide strategic goals.
- Progress towards institution-specific strategic goals.
- Improved efficiency.
- Financial sustainability and enterprise risks.

# NCCU Budget Request

- While NCCU through the base budget is not receiving any net new funding (with exception of auxiliary fee increases), current resources have been strategically repurposed to meet the current and future goals and objectives. As such the University has adopted a strategy to redeploy and realign existing resources, including the use of vacant positions to achieve the University's most pressing needs.
- The University is also strategically allocating auxiliary, trust and indirect funds to support the overall mission and objectives
- The budget was developed through the lens of one budget with many parts, versus several individual budgets. This allows the University to develop and budget and allocate its' resources with a singular goal in mind.
- The following slides provide a high-level summary of the actions set forth in the FY2024-25 All Funds budget request.

# NCCU Budget Request – Academic Affairs

- The Academic Affairs budget provides the base to directly support the strategic priorities of the University of North Carolina System, North Carolina Central University and the Division of Academic Affairs with an emphasis on:
  - ➤ **Student achievement and success by expanding retention efforts and support for academic programs;**
  - ➤ **Programmatic excellence by strengthening the design and implementation of courses across different instructional modes;**
  - ➤ **Professional development for further advancement of faculty and staff; and**
  - ➤ **Community support and partnerships by aligning programs with educational and workforce needs.**



# NCCU Budget Request – Academic Affairs

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- In addition the Academic Affairs budget request across the schools and colleges, reflects the adjustment for the FY 2024-25 enrollment reduction. In order to reset for continued growth, the reduction was achieved through the realignment of resources from areas with little to no growth. During this process, areas of focus for continued high growth or focused growth (programs that have been slated for future growth) were also identified. This allows the University to push forward while mitigating the enrollment reduction.
- Additionally, emphasis on initiatives to support recruitment and retention. Additional resources have been redirected to support both undergraduate and graduate admissions, University College and upper division retention efforts, inclusive of graduate programs and the School of Law.
- The budget also reflects the newest entity, Project Kitty Hawk as its own cost center.

# NCCU Budget Request – Student Affairs

- The budget request for Student Affairs reflects continued efforts to enhance the Career and Professional Development Center to ensure career readiness of our students that connects with the existing academic programs.
- Funding has also been strategically allocated to support students' sense of connection both on campus and within the larger community of Durham. Funding also supports expanding student activities hosted in the Student Center and across campus.
- In Housing and Residence life, additional funding has been allocated (through tuition and fee request) to support maintenance and renovation related to life safety and ADA compliance.

# NCCU Budget Request – Administration and Finance

- The budget request for Administration and Finance reflects an effort to collaborate with other University partners to achieve overall University objectives, this includes funding in EHS that support the expansion of research and insures compliance with all compliance agencies regarding health and safety.
- In facilities, funding for a true preventative maintenance program is being sought, using some existing facilities vacancies and repurposing funding to support master contract usage.
- In Police and Public Safety the strategic use of campus security funding to support initiatives that create a sense of presence, provide ongoing threat assessment training and necessary equipment for campus safety. Security positions are also being repurposed to provide strategic patrols.
- An overall increase in dining services (tuition and fee increase) allows the University to continue in its' commitment to offer high quality retail services throughout the campus. It also allows for strategic investment in infrastructure improvements that are sorely needed, with particular emphasis on the main dining room (Pearson Dining Hall).

# NCCU Budget Request –Athletics

- In Athletics, the budget reflects strategic efforts pointed to fundraising and game guarantees that allow full support of coaches as well infrastructure support.
- Operational efficiencies have been achieved by partnering with Administration and Finance, Campus Enterprises and Academic Affairs to relieve the budget of some administrative costs and focus more exclusively on full athletic costs including rising travel (inflationary), and scholarship support.
- The budget also reflects the addition of the legislatively approved state appropriation from the sports wagering bill.

# NCCU Budget Request – ITS & Other Administrative Units

- Additional funding for ITS to support continued efforts around cyber security and use of technology
- The All Funds budget also reflects funding requests in support of continuing operations in Human Resources, Legal Affairs and Communication and Marketing.
- Funding has also been allocated to continue the readiness activities of Advancement for a capital campaign.

# NCCU Budget Request

- Prior to submission to the NCCU Board of Trustees, this information was reviewed by the Chancellor, ELT and ELC for feedback, discussion and future planning



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### QUESTIONS?

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