



## THE UNIVERSITY OF NORTH CAROLINA SYSTEM

As part of a system-wide Fall 2020 scenario-planning assignment, the UNC System Office of Budget and Finance worked with each of the 17 UNC System institutions to produce the enclosed document.

This document contains financial models and scenario plans to identify potential worst-case scenarios resulting from COVID-19. These scenario plans were directed by Chair Ramsey of the Board of Governors and provide important consideration and data for continuing UNC System operations and providing instruction and essential services to our students, faculty, and staff. The document was developed and formatted by the UNC System Office as a compilation of constituent institution submissions.

On July 17, Chair Ramsey said in a statement that “This scenario-planning directive is an important part of our Board’s responsible oversight as we continue to confront and adapt to an unprecedented and unpredictable situation. This financial analysis gives us an essential understanding of a situation that we hope not to be facing.”

The System Office developed a planning worksheet for FY 2020-21 for compiling this information in a consistent format identifying both potential revenue impact and expense levers System-wide and for each institution. The seven potential scenarios assume various enrollment decreases, ranging from a minimum of 2% through a maximum of 50%, with an emphasis on the -2% through -10% models. Variable decreases in revenue and expenses were also incorporated into each financial model.

# University of North Carolina System COVID19 – Estimated Revenue Impact Scenario Summary

## Estimated Revenue Impact Scenario Planning for 2020-21

									"New Normal" (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
UNC System	Impact Percentage							Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
	A	B	C1	C2	C3	D	E								
<b>Anticipated Revenue Impacts</b>															
Enrollment (FTE)	0.0%	0.0%	-2.0%	-5.0%	-10.0%	-25.0%	-50.0%	219,701	-	-	(4,394)	(10,985)	(21,970)	(54,925)	(109,851)
State Appropriation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	\$ 2,668,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	0.0%	0.0%	-2.0%	-5.0%	-10.0%	-25.0%	-50.0%	\$ 1,210,500,000	\$ -	\$ -	\$ (24,210,000)	\$ (60,525,000)	\$ (121,050,000)	\$ (302,625,000)	\$ (605,250,000)
Student Fees (net)	0.0%	0.0%	-2.0%	-40.6%	-43.8%	-53.1%	-68.8%	\$ 598,500,000	\$ -	\$ -	\$ (11,970,000)	\$ (243,140,625)	\$ (261,843,750)	\$ (317,953,125)	\$ (411,468,750)
Financial Aid (external)	0.0%	0.0%	-2.0%	-5.0%	-10.0%	-25.0%	-50.0%	\$ 706,000,000	\$ -	\$ -	\$ (14,120,000)	\$ (35,300,000)	\$ (70,600,000)	\$ (176,500,000)	\$ (353,000,000)
Athletics (less fees)	0.0%	-25.0%	-50.0%	-50.0%	-50.0%	-50.0%	-50.0%	\$ 245,800,000	\$ -	\$ (61,450,000)	\$ (122,900,000)	\$ (122,900,000)	\$ (122,900,000)	\$ (122,900,000)	\$ (122,900,000)
Housing (net)	0.0%	0.0%	-45.2%	-45.5%	-46.0%	-47.5%	-50.0%	\$ 305,500,000	\$ -	\$ -	\$ (138,086,000)	\$ (139,002,500)	\$ (140,530,000)	\$ (145,112,500)	\$ (152,750,000)
Dining (net)	0.0%	-25.0%	-45.2%	-45.5%	-46.0%	-47.5%	-50.0%	\$ 201,500,000	\$ -	\$ (50,375,000)	\$ (91,078,000)	\$ (91,682,500)	\$ (92,690,000)	\$ (95,712,500)	\$ (100,750,000)
Parking	0.0%	0.0%	-45.2%	-45.5%	-46.0%	-47.5%	-50.0%	\$ 53,500,000	\$ -	\$ -	\$ (24,182,000)	\$ (24,342,500)	\$ (24,610,000)	\$ (25,412,500)	\$ (26,750,000)
Sales, Services, & Other Aux.	0.0%	-15.0%	-30.0%	-30.0%	-30.0%	-30.0%	-30.0%	\$ 483,300,000	\$ -	\$ (72,495,000)	\$ (144,990,000)	\$ (144,990,000)	\$ (144,990,000)	\$ (144,990,000)	\$ (144,990,000)
Patient Services	0.0%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	\$ 720,000,000	\$ -	\$ (36,000,000)	\$ (36,000,000)	\$ (36,000,000)	\$ (36,000,000)	\$ (36,000,000)	\$ (36,000,000)
Research & Grants	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	\$ 1,410,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	\$ 1,023,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>								<b>\$ 9,626,500,000</b>	<b>\$ -</b>	<b>\$ (220,320,000)</b>	<b>\$ (607,536,000)</b>	<b>\$ (897,883,125)</b>	<b>\$ (1,015,213,750)</b>	<b>\$ (1,367,205,625)</b>	<b>\$ (1,953,858,750)</b>
Percent Change								100%	0.0%	-2.3%	-6.3%	-9.3%	-10.5%	-14.2%	-20.3%

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Potential Expense Levers (cumulative as you move from left to right)</b>							
Instruction, Student Services, Academic & Institutional Support	No Changes		- Hiring freeze and redirect lapsed salaries. - Across-the-board reductions in discretionary spending (i.e. travel, supplies, etc.) - Delay scheduled replacements by 1 year (IT, furniture, equipment, etc.) - Rely more heavily on adjunct professors (to the extent allowed by SACS)		- Consolidation of administrative functions - Consider 9-month contracts for student-focused positions. - Increase faculty teaching load and/or student-to-faculty ratio		
Student Auxiliaries and Fee Activities	No Changes	- Fund balance depletion - Reduce services - Furloughs in areas where services are limited		- Closure of student health centers, unions, rec centers, etc. for fall - Closure of student housing and dining halls for fall - Redirect fund source for debt service			
Sales & Services	No Change	-Reduce operating hours		- Discontinue sales and service activities - Furlough or elimination of staff			
Contracts & Grants	No Change	-Hiring freeze and reduction of certain research activity		- Discontinue research in certain areas - Deplete F&A fund balances and fund shift or eliminate admin that relies on F&A			
Gifts & Investments	No Change	-Suspend capital or other projects relying on fundraising or interest income		- Reduce of financial aid funded from gifts/endowments - Examine ROI of fundraising resources			

Appalachian State University – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	18,582	-	-	(372)	(929)	(1,858)	(4,646)	(9,291)
State Appropriation	\$ 150,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 85,000,000	\$ -	\$ -	\$ (1,700,000)	\$ (4,250,000)	\$ (8,500,000)	\$ (21,250,000)	\$ (42,500,000)
Student Fees (net)	\$ 45,000,000	\$ -	\$ -	\$ (900,000)	\$ (18,281,250)	\$ (19,687,500)	\$ (23,906,250)	\$ (30,937,500)
Financial Aid (external)	\$ 45,000,000	\$ -	\$ -	\$ (900,000)	\$ (2,250,000)	\$ (4,500,000)	\$ (11,250,000)	\$ (22,500,000)
Athletics (less fees)	\$ 16,000,000	\$ -	\$ (4,000,000)	\$ (8,000,000)	\$ (8,000,000)	\$ (8,000,000)	\$ (8,000,000)	\$ (8,000,000)
Housing (net)	\$ 23,000,000	\$ -	\$ -	\$ (10,396,000)	\$ (10,465,000)	\$ (10,580,000)	\$ (10,925,000)	\$ (11,500,000)
Dining (net)	\$ 16,000,000	\$ -	\$ (4,000,000)	\$ (7,232,000)	\$ (7,280,000)	\$ (7,360,000)	\$ (7,600,000)	\$ (8,000,000)
Parking	\$ 2,000,000	\$ -	\$ -	\$ (904,000)	\$ (910,000)	\$ (920,000)	\$ (950,000)	\$ (1,000,000)
Sales, Services, & Other Aux.	\$ 20,000,000	\$ -	\$ (3,000,000)	\$ (6,000,000)	\$ (6,000,000)	\$ (6,000,000)	\$ (6,000,000)	\$ (6,000,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ 9,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 35,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 446,000,000</b>	<b>\$ -</b>	<b>\$ (11,000,000)</b>	<b>\$ (36,032,000)</b>	<b>\$ (57,436,250)</b>	<b>\$ (65,547,500)</b>	<b>\$ (89,881,250)</b>	<b>\$ (130,437,500)</b>
Percent Change	100%	0.0%	-2.5%	-8.1%	-12.9%	-14.7%	-20.2%	-29.2%

Appalachian State University Response

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Instruction, Student Services, Academic & Institutional Support	No Changes		<p><b><u>Budget Reduction Strategies (Personnel)</u></b></p> <p>Current Staffing Levels:</p> <ul style="list-style-type: none"> <li>• Faculty Employees: 1,470 (775 Tenure Track/695 Non-Tenure Track); Total Salary: \$82.2M</li> <li>• EHRA-NF Employees: 404 (337 State-Funded/67 Non-State Funded); Total Salary: \$29.5M</li> <li>• SHRA Employees: 950 (787 State-Funded/163 Non-State Funded); Total Salary: \$44.8M</li> </ul> <p>Beginning with Scenario C3, would need to consider temporary and/or permanent reductions in faculty and administrative staff (dependent upon OSHR/BOG approval). This may include the following options in order of financial impact (positive to negative)</p> <ul style="list-style-type: none"> <li>• Implementation of temporary furloughs (up to 12 months) as needed; may require 60-day notice under WARN Act. Would generate greatest amount of savings and require least amount of time to implement</li> <li>• Temporary salary reductions for EHRA Non-Faculty employees (if necessary; would require 30-day notice and savings would be minimal in comparison to furloughs as this is the smallest population of employees on campus)</li> <li>• Reductions-in-Force (RIF) – May require up to 90-day notice for EHRA employees and up to 365-day notice for SHRA employees. Would require payouts of earned vacation time as well as severance pay with benefits.</li> <li>• Consider retirement incentives to encourage retirement of long-term employees (requires OSHR/BOG approval)</li> <li>• Hiring freeze on all non-essential vacant positions</li> <li>• Within SACS guidelines, hire adjuncts and lecturers on a year-to-year basis into positions reserved for tenure-track faculty until financial situations affording tenure-track positions return</li> <li>• Where possible, shift any State-funded employees over to non-State sources (e.g. move Advancement salaries over to ASU Foundation funds)</li> </ul>				
				<p><b><u>Budget Reduction Strategies (Operating)</u></b></p> <ul style="list-style-type: none"> <li>• Further reduce non-essential operating expenses</li> <li>• Rescind Off-Campus Scholarly Assignments (OCSA)</li> <li>• Eliminate low enrolled courses unless required for graduation and consider as possible self-study</li> <li>• Reorganize departments to create efficiencies</li> <li>• As tuition revenues decline, reduces amount of tuition which can be applied to need-based aid and graduate assistantships</li> </ul>		<p><b><u>Budget Reduction Strategies (Operating)</u></b></p> <ul style="list-style-type: none"> <li>• Items outline in C1-C3</li> <li>• Consider further departmental reorganizations</li> <li>• Adjust class sizes and teaching loads to meet financial challenges</li> <li>• Streamline gen-ed courses</li> <li>• Return Lab School to Public School district (requires legislative/BOG approval)</li> </ul>	
Student Auxiliaries and Fee Activities: Education & Technology	No Changes	<ul style="list-style-type: none"> <li>• Fund balance depletion (still required to pay debt service on capital leases)</li> <li>• Delay previously scheduled equipment and classroom upgrades</li> <li>• Further reduce non-essential operating expenses</li> </ul>	<p><b><u>Budget Reduction Strategies (Personnel)</u></b></p> <ul style="list-style-type: none"> <li>• Implementation of temporary furloughs (up to 12 months) as needed; may require 60-day notice under WARN Act.</li> <li>• Hiring freeze and/or elimination of all non-essential vacant positions</li> </ul> <p><b><u>Budget Reduction Strategies (Operating)</u></b></p> <ul style="list-style-type: none"> <li>• Fund balance depletion (still required to pay debt service on capital leases)</li> <li>• Delay previously scheduled equipment and classroom upgrades</li> <li>• Further reduce non-essential operating expenses</li> <li>• Consider further departmental reorganizations</li> </ul>				



	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Student Auxiliaries and Fee Activities: Campus Services	No Changes	<ul style="list-style-type: none"> <li>Fund balance depletion (still required to pay debt service)</li> <li>Reduce services and hours/days of operations</li> <li>Increase touchless/contactless operations</li> <li>Auxiliary operations would continue funding scholarships at a reduced level</li> </ul>	<p><b><u>Budget Reduction Strategies (Personnel)</u></b></p> <p>Current Staffing Levels:</p> <ul style="list-style-type: none"> <li>EHRA-NF Employees: 2 (Non-State Funded); Total Salary: \$200K</li> <li>SHRA Employees: 191 (11 State-Funded/180 Non-State Funded); Total Salary: \$7.1M</li> </ul> <p>Would need to consider temporary and/or permanent reductions in staff (dependent upon OSHR/BOG approval). This may include the following options in order of financial impact (positive to negative):</p> <ul style="list-style-type: none"> <li>Implementation of temporary furloughs (up to 12 months) as needed; may require 60-day notice under WARN Act.</li> <li>Temporary salary reductions for EHRA Non-Faculty employees (if necessary; would require 30-day notice and savings would be minimal in comparison to furloughs as this is the smallest population of employees on campus)</li> <li>Reductions-in-Force (RIF) – May require up to 90 day-notice for EHRA employees and up to 365-day notice for SHRA employees. Would require payouts of earned vacation time as well as severance pay with benefits.</li> <li>Hiring freeze and/or elimination of non-essential vacant positions</li> </ul> <p><b><u>Budget Reduction Strategies (Operating)</u></b></p> <ul style="list-style-type: none"> <li>Fund balance depletion (still required to pay debt service)</li> <li>Closure of dining facilities would begin with Scenario C-1, winter break operational mode would begin with Scenario D</li> <li>Eliminate parking operations</li> <li>Reduce payments to AppalCART/revert to holiday bus route schedule</li> <li>Auxiliary Operations would discontinue funding scholarships</li> </ul>				
Student Auxiliaries and Fee Activities: Athletics	Athletics has already submitted a furlough plan in which has since been approved, and additionally, has implemented planned operating budget reductions including the elimination of three sports (men's soccer/tennis/indoor track & field)		<p><b><u>Budget Reduction Strategies (Operating)</u></b></p> <ul style="list-style-type: none"> <li>Fund balance depletion (still required to pay debt service)</li> <li>Assess potential elimination of additional sports</li> <li>Further reduce non-essential operating expenses</li> <li>Consider further departmental reorganizations</li> </ul> <p><b><u>Budget Reduction Strategies (Personnel)</u></b></p> <p>Current Staffing Levels:</p> <ul style="list-style-type: none"> <li>EHRA-NF Employees: 83 (Non-State Funded); Total Salary: \$6.7M</li> <li>SHRA Employees: 19 (Non-State Funded); Total Salary: \$800K</li> </ul> <p>Would need to consider temporary and/or permanent reductions in staff (dependent upon OSHR/BOG approval). This may include the following options in order of financial impact (positive to negative):</p> <ul style="list-style-type: none"> <li>Implementation of temporary furloughs (up to 12 months) as needed; may require 60-day notice under WARN Act. In comparison to options 2 &amp;3, would generate greatest amount of savings and require</li> <li>Temporary salary reductions for EHRA Non-Faculty employees (if necessary; would require 30 days notice and savings would be minimal in comparison to furloughs as this is the smallest population of employees on campus)</li> <li>Reductions-in-Force (RIF) – May require up to 90 days notice for EHRA employees and up to 365 days notice for SHRA employees. Would require payouts of earned vacation time as well as severance pay with benefits.</li> <li>Hiring freeze or elimination of non-essential vacant positions</li> </ul>				

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Student Auxiliaries and Fee Activities: Student Affairs	No Changes	<ul style="list-style-type: none"> <li>No changes in housing or fee-supported areas</li> <li>Fund balance depletion (required to pay debt service)</li> <li>Reduced services and furloughs in areas where services are limited</li> </ul>	<p><u>Current Staffing Levels:</u></p> <ul style="list-style-type: none"> <li>EHRA-NF Employees: 91 (Non-State Funded); Total Salary: \$5.9M</li> <li>SHRA Employees: 170 (Non-State Funded); Total Salary: \$6.8M</li> <li>Student Fee-supported areas would begin fund balance depletion</li> <li>Reduction of services and implementation of furloughs or temporary salary adjustments in areas where services are limited</li> <li>Continue to offer access to student health, counseling and wellness/prevention services via Zoom for Healthcare platform similar to spring 2020. Continue to offer in-person services for students living off-campus</li> <li>Continue to offer University Recreation programming in electronic formats similar to spring 2020. If allowed by State, offer limited in-person opportunities to exercise in recreation facilities for off-campus students who remain in Boone</li> <li>Continue to offer programming in Campus Activities, Leadership Education, Intercultural Student Affairs in electronic format similar to Spring 2020</li> <li>Continue to offer career services to students in an electronic format similar to Spring 2020</li> <li>Continue to host online career fairs for students</li> <li>Housing would have 100% revenue loss for this scenario, not a partial amount based on enrollment changes. Housing would begin depleting fund balance and implementing furloughs in areas where able based on facility and operational needs; Utilization of housing fund balance to pay debt service</li> </ul>	<ul style="list-style-type: none"> <li>Closure of Student Health Center, Student Union and Campus Recreation Centers for Fall 2020 semester</li> <li>Closure of student housing for fall semester except for students who have nowhere to live (similar to Spring 2020) and offer housing in one building to limit operational expenses</li> <li>Reduce or temporarily eliminate programming for recreation, campus activities, leadership education, intercultural student affairs, and career services</li> <li>Furlough of all non-essential employees in areas where able based on facility and operational needs as well as temporary salary reductions among essential EHRA Non-Faculty personnel (per UNC System guidance)</li> <li>Utilization of fund balances to pay debt service</li> </ul>			
Sales & Services	No Change	<ul style="list-style-type: none"> <li>Increase touchless/contactless operations</li> </ul>	<ul style="list-style-type: none"> <li>Reduce Bookstore operations to minimal level</li> <li>Reduce Post Office operations to minimal franchise authority levels</li> <li>Transition to 100% online activities</li> <li>Furlough or elimination of all non-essential staff (included in Campus Services staffing data reflected above); temporary salary reductions for essential EHRA Non-Faculty employees (per UNC System guidance)</li> </ul>				
Contracts & Grants	<p>No Change</p> <p>In the event that the University were to experience a reduction in research grants, the following strategies may be implemented:</p> <ul style="list-style-type: none"> <li>Hiring freeze and reduction of certain research activity</li> <li>Discontinue research in certain areas</li> <li>- Deplete F&amp;A fund balances and fund shift or eliminate admin that relies on F&amp;A</li> </ul>						
Gifts & Investments	No Change	Suspend capital or other projects relying on fundraising or interest income	<ul style="list-style-type: none"> <li>Reduce of financial aid funded from gifts/endowments</li> <li>Examine ROI of fundraising resources</li> </ul>				

East Carolina University – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	25,459	-	-	(509)	(1,273)	(2,546)	(6,365)	(12,730)
State Appropriation	\$ 310,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 140,000,000	\$ -	\$ -	\$ (2,800,000)	\$ (7,000,000)	\$ (14,000,000)	\$ (35,000,000)	\$ (70,000,000)
Student Fees (net)	\$ 55,000,000	\$ -	\$ -	\$ (1,100,000)	\$ (22,343,750)	\$ (24,062,500)	\$ (29,218,750)	\$ (37,812,500)
Financial Aid (external)	\$ 65,000,000	\$ -	\$ -	\$ (1,300,000)	\$ (3,250,000)	\$ (6,500,000)	\$ (16,250,000)	\$ (32,500,000)
Athletics (less fees)	\$ 23,000,000	\$ -	\$ (5,750,000)	\$ (11,500,000)	\$ (11,500,000)	\$ (11,500,000)	\$ (11,500,000)	\$ (11,500,000)
Housing (net)	\$ 24,000,000	\$ -	\$ -	\$ (10,848,000)	\$ (10,920,000)	\$ (11,040,000)	\$ (11,400,000)	\$ (12,000,000)
Dining (net)	\$ 22,000,000	\$ -	\$ (5,500,000)	\$ (9,944,000)	\$ (10,010,000)	\$ (10,120,000)	\$ (10,450,000)	\$ (11,000,000)
Parking	\$ 4,000,000	\$ -	\$ -	\$ (1,808,000)	\$ (1,820,000)	\$ (1,840,000)	\$ (1,900,000)	\$ (2,000,000)
Sales, Services, & Other Aux.	\$ 18,000,000	\$ -	\$ (2,700,000)	\$ (5,400,000)	\$ (5,400,000)	\$ (5,400,000)	\$ (5,400,000)	\$ (5,400,000)
Patient Services	\$ 215,000,000	\$ -	\$ (10,750,000)	\$ (10,750,000)	\$ (10,750,000)	\$ (10,750,000)	\$ (10,750,000)	\$ (10,750,000)
Research & Grants	\$ 50,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 946,000,000</b>	<b>\$ -</b>	<b>\$ (24,700,000)</b>	<b>\$ (55,450,000)</b>	<b>\$ (82,993,750)</b>	<b>\$ (95,212,500)</b>	<b>\$ (131,868,750)</b>	<b>\$ (192,962,500)</b>
Percent Change	100%	0.0%	-2.6%	-5.9%	-8.8%	-10.1%	-13.9%	-20.4%

East Carolina University Response

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Auxiliaries – Athletics, Housing, Dining, Parking, Sales, Services, Other	No Changes	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>• \$27,540 Athletics Scholarships from Vending</li> <li>• \$5,778,245 Dining Operations and Student Programs</li> <li>• \$771,844 Supplies, Equipment, &amp; Services</li> <li>• \$97,382 Travel, Training, &amp; Professional Development</li> <li>• \$4,454,000 Athletic Expenses: Training Table, Charters, Recruiting, Competitions, Equipment and Uniforms</li> <li>• \$974,840 Bookstore Purchases for Resale, Travel, Student and Temp Workers</li> </ul>	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>• \$55,080 Athletics Scholarships from Vending</li> <li>• \$1,217,881 Supplies, Equipment, &amp; Services</li> <li>• \$144,067 Travel, Training, &amp; Professional Development</li> <li>• \$18,951,817 Dining, Cleaning, and Maintenance of Facilities</li> <li>• \$200,000 Services and Clinical Care in Student Health</li> <li>• \$2,791,680 Bookstore Purchases for Resale, Travel, Student and Temp employ, Parking Lot Maintenance</li> <li>• \$11,608,000 Suspend Athletic Operations</li> </ul>	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>• \$55,080 Athletics Scholarships from Vending</li> <li>• \$1,170,237 Supplies, Equipment, &amp; Services</li> <li>• \$135,640 Travel, Training, &amp; Professional Development</li> <li>• \$18,789,817 Dining Operations, Cleaning, Maintenance of Facilities, Utilities, Travel, Supplies, Scholarships</li> <li>• \$500,000 Student Program Expenditures and Services in Student Affairs</li> <li>• \$2,803,680 Bookstore Purchases for Resale, Travel, Student and Temp employment, Parking Lot Maintenance and Patrol, and Transit</li> <li>• \$11,608,000 Suspend Athletic Operations</li> </ul>	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>• \$55,080 Athletics Scholarships from Vending</li> <li>• \$1,000,000 Housing Programs and Student Health Services</li> <li>• \$1,170,237 Supplies, Equipment, &amp; Services</li> <li>• \$135,641 Travel, Training, &amp; Professional Development</li> <li>• \$18,789,817 Dining Operations, Cleaning, Maintenance of Facilities, Utilities, Scholarships</li> <li>• \$2,823,680 Bookstore Purchases for Resale, Travel, Student and Temp employment, Parking Lot Maintenance and Patrol, and Transit</li> <li>• \$11,608,000 Suspend Athletic Operations</li> </ul>	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>• \$55,080 Athletics Scholarships from Vending</li> <li>• \$1,500,000 Housing Programs and Student Health Services</li> <li>• \$1,170,236 Supplies, Equipment, &amp; Services</li> <li>• \$135,641 Travel, Training, &amp; Professional Development</li> <li>• \$18,951,817 Dining, Cleaning, and Maintenance of Facilities</li> <li>• \$2,883,680 Bookstore Purchases for Resale, Travel, Student and Temp employ, Parking Lot Maintenance</li> <li>• \$11,608,000 Suspend Athletic Operations</li> </ul>	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>• \$55,080 Athletics Scholarships from Vending</li> <li>• \$368,902 Housing Programs</li> <li>• \$1,170,236 Supplies, Equipment, &amp; Services</li> <li>• \$135,641 Travel, Training, &amp; Professional Development</li> <li>• \$20,000,000 Dining, Cleaning, and Maintenance of Facilities</li> <li>• \$2,883,680 Bookstore Purchases for Resale, Travel, Student and Temp employ, Parking Lot Maintenance</li> <li>• \$11,608,000 Suspend Athletic Operations</li> </ul>

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Auxiliaries Continued– Athletics, Housing, Dining, Parking, Sales, Services, Other Auxiliaries – Athletics, Housing, Dining, Parking, Sales, Services, Other	No Changes	<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$96,000 - RIF SHRA or EHRA Non-Faculty</li> <li>• \$1,728,530 Furlough or Not Fill Vacant SHRA or EHRA Positions</li> <li>• \$21,619 Furlough or Not Fill EHRA Faculty</li> </ul>	<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$4,449,081 Furlough or Not Fill SHRA or EHRA Non-Faculty</li> <li>• \$82,394 Furlough or Not Fill EHRA Faculty</li> </ul>	<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$4,242,844 Furlough or Not Fill SHRA or EHRA Non-Faculty</li> <li>• \$82,394 Furlough or Not Fill EHRA Faculty</li> <li>• \$262,308 RIF SHRA or EHRA Non-Faculty</li> </ul>		<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$4,431,430 Furlough or Not Fill SHRA or EHRA Non-Faculty</li> <li>• \$82,394 Furlough or Not Fill EHRA Faculty</li> <li>• 262,308 RIF SHRA or EHRA Non-Faculty</li> </ul>	<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$5,233,759 Furlough or Not Fill SHRA or EHRA Non-Faculty</li> <li>• \$82,394 Furlough or Not Fill EHRA Faculty</li> <li>• 262,308 RIF SHRA or EHRA Non-Faculty</li> </ul>
		<b>Implications:</b> Athletics won't to be competitive in Division I  Significant furloughs in auxiliaries, including Student Dining, Parking, Housing, Student Health, Student Stores, Print Shop, and Academic Affairs which will significantly curtail operations and available services	<b>Implications:</b> Athletics would not be competing, therefore, we would honor our scholarships, pay debt service, and suspend athletic operations  Significant furloughs in auxiliaries, including Student Dining, Parking, Housing, Student Health, Student Stores, Print Shop, and Academic Affairs which will significantly curtail operations and available services	<b>Implications:</b> Athletics would not be competing, therefore, we would honor our scholarships, pay debt service, and suspend athletic operations  Reduced Student Affairs Student Programs and Services  Significant furloughs and/or RIFs in auxiliaries, including Student Dining, Parking, Housing, Student Health, Student Stores, Print Shop, and Academic Affairs which will significantly curtail operations and available services	<b>Implications:</b> Athletics would not be competing, therefore, we would honor our scholarships, pay debt service, and suspend athletic operations  Reduced Student Affairs Student Programs and Services  Significant furloughs and/or RIFs in auxiliaries, including Student Dining, Parking, Housing, Student Health, Student Stores, Print Shop, and Academic Affairs which will significantly curtail operations and available services	<b>Implications:</b> Athletics would not be competing, therefore, we would honor our scholarships, pay debt service, and suspend athletic operations  Reduced Student Affairs Student Programs and Services  Significant furloughs and/or RIFs in auxiliaries, including Student Dining, Parking, Housing, Student Health, Student Stores, Print Shop, and Academic Affairs which will significantly curtail operations and available services	<b>Implications:</b> Athletics would not be competing, therefore, we would honor our scholarships, pay debt service, and suspend athletic operations  Reduced Student Affairs Student Programs and Services  Significant furloughs and/or RIFs in auxiliaries, including Student Dining, Parking, Housing, Student Health, Student Stores, Print Shop, and Academic Affairs which will significantly curtail operations and available services



	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Student Fees	<ul style="list-style-type: none"> <li>No Changes</li> </ul>	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>\$112,133 Bus Routes</li> <li>\$15,095 Contracted Services</li> <li>\$5,089 Graduation Expenditures</li> <li>\$3,536 Reserves</li> <li>\$122,026 Supplies, Equipment, &amp; Services</li> <li>\$191,909 Technology and Software for Students and Faculty</li> <li>\$23,510 Travel, Training, &amp; Professional Development</li> </ul>	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>\$262,797 Contracted Services</li> <li>\$103,367 Graduation Expenditures</li> <li>\$45,000 Reserves</li> <li>\$2,117,609 Supplies, Equipment, &amp; Services</li> <li>\$1,859,817 Technology and Software for Students and Faculty</li> <li>\$421,096 Travel, Training, &amp; Professional Development</li> <li>\$4,395,673 Athletic Expenses: Training Table, Charters, Recruiting, Competitions, Equipment and Uniforms</li> <li>\$1,500,000 Bus Routes, Travel, Operations, Utilities in Student Affairs</li> <li>\$4,426,508 Student Program Expenditures and Services in Student Affairs</li> </ul>	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>\$2,159,661 Eliminate New Technology Requests, Classroom Technology Refreshes, LMS Training and Support, Student Printing Subsidy, and Pirate Techs, Reduce Network Refresh</li> <li>\$283,318 Contracted Services</li> <li>\$111,318 Graduation Expenditures</li> <li>\$45,000 Reserves</li> <li>\$2,194,992 Supplies, Equipment, &amp; Services</li> <li>\$457,831 Travel, Training, &amp; Professional Development</li> <li>\$4,837,648 Athletic Expenses: Training Table, Charters, Recruiting, Competitions, Equipment and Uniforms</li> <li>\$4,490,664 Bus Routes, Travel, Operations, Utilities in Student Affairs</li> <li>\$2,000,000 Student Program Expenditures and Services in Student Affairs</li> </ul>	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>\$2,600,838 Eliminate New Technology Requests, Classroom Technology Refreshes, LMS Training and Support, Student Printing Subsidy, and Pirate Techs, Reduce Network Refresh</li> <li>\$347,497 Contracted Services</li> <li>\$135,172 Graduation Expenditures</li> <li>\$45,000 Reserves</li> <li>\$2,427,639 Supplies, Equipment, &amp; Services</li> <li>\$498,310 Travel, Training, &amp; Professional Development</li> <li>\$6,708,030 Bus Routes, Travel, Operations, Utilities in Student Affairs</li> <li>\$2,000,000 Student Program Expenditures and Services in Student Affairs</li> <li>\$3,813,573 Suspend Athletic Operations</li> </ul>	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>\$3,728,838 Eliminate New Technology Requests, Classroom Technology Refreshes, LMS Training and Support, Student Printing Subsidy, and Pirate Techs, Reduce Network Refresh, IT Positions, and Software/Hardware Contracts</li> <li>\$471,792 Contracted Services</li> <li>\$174,929 Graduation Expenditures</li> <li>\$45,000 Reserves</li> <li>\$3,160,346 Supplies, Equipment, &amp; Services</li> <li>\$641,505 Travel, Training, &amp; Professional Development</li> <li>\$10,365,813 Bus Routes, Travel, Operations, Utilities in Student Affairs</li> <li>\$1,904,493 Student Program Expenditures and Services in Student Affairs</li> <li>\$6,003,447 Suspend Athletic Operations</li> </ul>	

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Student Fees Continued	No Changes	<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$496,702 Furlough or Not Fill SHRA or EHRA Non-Faculty</li> <li>• \$130,000 Reduce Temp &amp; Student Wages</li> </ul>	<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$5,457,606 Furlough or Not Fill SHRA or EHRA Non-Faculty</li> <li>• \$120,000 Reduce Graduate Assistantships</li> <li>• \$1,590,477 Reduce Temp &amp; Student Wages</li> <li>• \$43,800 RIF SHRA or EHRA Non-Faculty</li> </ul>	<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$22,636 Furlough or Not Fill EHRA Faculty</li> <li>• \$5,548,266 Furlough or Not Fill SHRA or EHRA Non-Faculty</li> <li>• \$200,000 Reduce Graduate Assistantships</li> <li>• \$1,664,303 Reduce Temp &amp; Student Wages</li> <li>• \$46,863 RIF SHRA or EHRA Non-Faculty</li> </ul>	<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$22,636 Furlough or Not Fill EHRA Faculty</li> <li>• \$8,219,855 Furlough or Not Fill SHRA or EHRA Non-Faculty</li> <li>• \$120,000 Reduce Graduate Assistantships</li> <li>• \$2,012,805 Reduce Temp &amp; Student Wages</li> <li>• \$267,395 RIF SHRA or EHRA Non-Faculty</li> </ul>	<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$45,272 Furlough or Not Fill EHRA Faculty</li> <li>• \$8,657,335 Furlough or Not Fill SHRA or EHRA Non-Faculty</li> <li>• \$120,000 Reduce Graduate Assistantships</li> <li>• \$2,040,432 Reduce Temp &amp; Student Wages</li> <li>• \$453,298 RIF SHRA or EHRA Non-Faculty</li> </ul>	
		<b>Implications:</b> Furloughs will negatively affect employee morale and retention  Reduced bus routes which will take students longer to get to campus  Reduced student employment opportunities  Reduced technology and software for student learning	<b>Implications:</b> Athletics won't be competitive in Division I  Drastic reduction in ed & tech staff, technology, and software to support student learning  Fewer student programs, longer bus wait times, which will adversely impact students getting to class on time.  Reduced Dining services for students and staff. Reduced Campus Living Residence Hall programs, which connect students to the university and helps student retention  Furloughs will significantly reduce available student services in addition to negatively affecting employee morale and retention Reduced graduate assistantships may affect enrollment  Reduced student employment opportunities Reduced training and professional development may affect compliance and increase risk	<b>Implications:</b> Athletics would not be competing, therefore, we would honor our scholarships, pay debt service, and suspend athletic operations  Drastic reduction in ed & tech staff, technology, and software to support student learning  Fewer programs, activities, and career services for students. Longer bus wait times which will adversely impact students getting to class on time. Reduction in Dining Services for students & staff. Reduction in Campus Living Residence Hall programs which connects students to the university and helps student retention  Furloughs will significantly reduce available student services in addition to negatively affecting employee morale and retention  Reduced graduate assistantships may affect enrollment  Reduced student employment opportunities Reduced training and professional development may affect compliance and increase risk			



	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Tuition Revenue	No Changes	<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$23,611 Furlough or Not Fill CSS</li> <li>• \$1,221,783 Furlough or Not Fill EHRA Faculty</li> <li>• \$1,027,472 Furlough or Not Fill SHRA or EHRA Non-Faculty</li> <li>• \$89,561 Reduce Graduate Assistantships</li> <li>• \$156,813 Reduce Salary Reserves</li> <li>• \$1,153 Reduce Temp &amp; Student Wages</li> </ul>	<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$28,953 Fund EHRA or SHRA Positions by Foundations</li> <li>• \$59,027 Furlough or Not Fill CSS</li> <li>• \$3,054,455 Furlough or Not Fill EHRA Faculty</li> <li>• \$2,527,259 Furlough or Not Fill SHRA or EHRA Non-Faculty</li> <li>• \$223,902 Reduce Graduate Assistantships</li> <li>• \$423,385 Reduce Salary Reserves</li> <li>• \$2,886 Reduce Temp &amp; Student Wages</li> </ul>	<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$93,861 Fund EHRA or SHRA Positions by Foundations</li> <li>• \$118,053 Furlough or Not Fill CSS</li> <li>• \$6,108,912 Furlough or Not Fill EHRA Faculty</li> <li>• \$4,607,581 Furlough or Not Fill SHRA or EHRA Non-Faculty</li> <li>• \$447,805 Reduce Graduate Assistantships</li> <li>• \$853,269 Reduce Salary Reserves</li> <li>• \$5,772 Reduce Temp &amp; Student Wages</li> <li>• \$350,000 RIF SHRA or EHRA Non-Faculty</li> </ul>	<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$686,474 Fund EHRA or SHRA Positions by Foundations</li> <li>• \$295,134 Furlough or Not Fill CSS</li> <li>• \$15,272,278 Furlough or Not Fill EHRA Faculty</li> <li>• \$11,696,841 Furlough or Not Fill SHRA or EHRA Non-Faculty</li> <li>• \$1,119,512 Reduce Graduate Assistantships</li> <li>• \$1,515,350 Reduce Salary Reserves</li> <li>• \$14,432 Reduce Temp &amp; Student Wages</li> <li>• \$1,061,812 RIF SHRA or EHRA Non-Faculty</li> </ul>	<b>Personnel Reductions:</b> <ul style="list-style-type: none"> <li>• \$1,287,918 Fund EHRA or SHRA Positions by Foundations</li> <li>• \$756,145 Furlough or Not Fill CSS</li> <li>• \$30,544,556 Furlough or Not Fill EHRA Faculty</li> <li>• \$23,304,823 Furlough or Not Fill SHRA or EHRA Non-Faculty</li> <li>• \$2,239,025 Reduce Graduate Assistantships</li> <li>• \$2,703,863 Reduce Salary Reserves</li> <li>• \$28,862 Reduce Temp &amp; Student Wages</li> <li>• \$2,812,248 RIF SHRA or EHRA Non-Faculty</li> </ul>	
		<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>• \$101,964 Travel &amp; Professional Development</li> <li>• \$177,643 Supplies, Equipment, &amp; Services</li> </ul>	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>• \$100,343 Equipment &amp; Contracts</li> <li>• \$343,769 Supplies &amp; Services</li> <li>• \$236,021 Travel &amp; Professional Development</li> </ul>	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>• \$106,118 Maintenance Contracts</li> <li>• \$815,221 Supplies, Equipment, &amp; Services</li> <li>• \$493,408 Travel, Training, Professional Development &amp; Memberships</li> </ul>	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>• \$2,058,138 Supplies, Equipment, &amp; Services</li> <li>• \$137,000 Maintenance Contracts</li> <li>• \$64,925 Reserves &amp; Memberships</li> <li>• \$1,078,104 Travel, Professional Development, &amp; Contracts</li> </ul>	<b>Operating Reductions:</b> <ul style="list-style-type: none"> <li>• \$4,529,678 Supplies, Equipment, &amp; Services</li> <li>• \$137,000 Maintenance Contracts</li> <li>• \$199,688 Reserves</li> <li>• \$1,456,194 Training, Travel, Professional Development &amp; Memberships</li> </ul>	

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Tuition Revenue Continued	No Changes		<b>Implications:</b> Furloughs will negatively affect employee morale and retention  Reduced graduate assistantships may affect enrollment  Reduced training and professional development may affect compliance		<b>Implications:</b> Furloughs will negatively affect employee morale and retention  Reduced graduate assistantships may affect enrollment  Reduced training and professional development may affect compliance  Reduced supplies, equipment, contracts, and services will negatively affect student programs and campus services and the protection and upkeep of assets	<b>Implications:</b> In addition to negatively affecting employee morale and retention, furloughs at this level will adversely affect increase faculty loads and operations including possible shut down of programs and services to students, employees, and community  Reduced graduate assistantships will affect enrollment  Reduced training and professional development may affect compliance  Reduced supplies, equipment, contracts, and services will negatively affect student programs and campus services and the protection and upkeep of assets  RIFs will likely result in reduced services to students, employees, and other constituencies, increase response times, and increase compliance risks  Foundations will have difficulty funding additional positions for these dollar amounts	
Financial Aid	No Changes		Progressively reduce financial aid awarded to students. Would likely affect student recruitment and retention and result in larger write-offs and bad debt.  Analysis indicates unmet need is one of the most important factors for student success.				
Patient Services	No Changes	<b>Reductions:</b> <ul style="list-style-type: none"> <li>\$3,024,267 Furlough or Not Fill SHRA, CSS, or EHRA Non-Faculty</li> <li>\$4,960,983 Furlough EHRA Faculty</li> <li>\$2,764,750 Reduce Supplies, Equipment, &amp; Services</li> </ul> Drastically reduces ability to take care of patients and provide necessary student educational experiences					
Research and Grants	No Changes		Grant funding is not spent until it is received so we would adjust for any reduction in new grant awards by performing less externally funded research				

Elizabeth City State University – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	1,664	-	-	(33)	(83)	(166)	(416)	(832)
State Appropriation	\$ 40,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 1,500,000	\$ -	\$ -	\$ (30,000)	\$ (75,000)	\$ (150,000)	\$ (375,000)	\$ (750,000)
Student Fees (net)	\$ 2,000,000	\$ -	\$ -	\$ (40,000)	\$ (812,500)	\$ (875,000)	\$ (1,062,500)	\$ (1,375,000)
Financial Aid (external)	\$ 9,500,000	\$ -	\$ -	\$ (190,000)	\$ (475,000)	\$ (950,000)	\$ (2,375,000)	\$ (4,750,000)
Athletics (less fees)	\$ 200,000	\$ -	\$ (50,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
Housing (net)	\$ 2,500,000	\$ -	\$ -	\$ (1,130,000)	\$ (1,137,500)	\$ (1,150,000)	\$ (1,187,500)	\$ (1,250,000)
Dining (net)	\$ 1,000,000	\$ -	\$ (250,000)	\$ (452,000)	\$ (455,000)	\$ (460,000)	\$ (475,000)	\$ (500,000)
Parking	\$ 100,000	\$ -	\$ -	\$ (45,200)	\$ (45,500)	\$ (46,000)	\$ (47,500)	\$ (50,000)
Sales, Services, & Other Aux.	\$ 300,000	\$ -	\$ (45,000)	\$ (90,000)	\$ (90,000)	\$ (90,000)	\$ (90,000)	\$ (90,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 7,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 64,900,000</b>	<b>\$ -</b>	<b>\$ (345,000)</b>	<b>\$ (2,077,200)</b>	<b>\$ (3,190,500)</b>	<b>\$ (3,821,000)</b>	<b>\$ (5,712,500)</b>	<b>\$ (8,865,000)</b>
Percent Change	100%	0.0%	-0.5%	-3.2%	-4.9%	-5.9%	-8.8%	-13.7%

## Elizabeth City State University Response

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Tuition Revenue	No Change	No Change	<ul style="list-style-type: none"> <li>Suspension of all University travel using state funds</li> </ul>	<ul style="list-style-type: none"> <li>Suspension of all University sponsored travel using state funds</li> <li>Reduction in operation budgets for supplies</li> </ul>	<ul style="list-style-type: none"> <li>Suspension of all University sponsored travel using state funds</li> <li>Reduction in operation budgets for supplies and personnel costs</li> </ul>	<ul style="list-style-type: none"> <li>Permanent personnel reduction of administrative and operation positions</li> <li>Increase faculty overload</li> <li>Possibility of reduction of underperforming academic programs</li> <li>Consolidation of administrative functions and consider 9-month contracts for student-focused positions</li> <li>Note: Realignment of ECSU Academic Programs occurred in FY20</li> </ul>	
Student Fees		No Change	<ul style="list-style-type: none"> <li>Reduce allocations to student activity operations for fall (i.e. homecoming activities)</li> <li>Furlough of non-essential staff positions</li> </ul>			<ul style="list-style-type: none"> <li>Close of student health, rec centers and furlough all non-essential staff positions that are not required</li> </ul>	
Athletics		<ul style="list-style-type: none"> <li>Elimination of fall sports - reduction in travel budget and supplies</li> <li>Possibly furlough of staff</li> </ul>	<ul style="list-style-type: none"> <li>Elimination of fall sports - reduction in travel budget and supplies</li> <li>Reduce supplies and travel budget</li> <li>Personnel reduction of admin and operational positions and/or furlough of all positions</li> </ul>	<ul style="list-style-type: none"> <li>Elimination of fall sports - reduction in travel budget and supplies</li> <li>Reduce supplies and travel budget</li> <li>Personnel reduction of administrative and operational positions and/or furlough of all positions</li> <li>Repackage of scholarships</li> </ul>			
Housing		No Change	<ul style="list-style-type: none"> <li>Closure of all facilities except for Viking Village (debt covenant)</li> <li>Furlough associated employees</li> <li>Reduce administrative staff and remaining operational staff</li> </ul>			<ul style="list-style-type: none"> <li>Close all Facilities</li> <li>Furlough all employees associated with those halls</li> <li>Reduce admin staff and remaining operational staff</li> <li>Redirect fund source for debt service</li> </ul>	
Dining		<ul style="list-style-type: none"> <li>Reduce retail/dining location hours of service</li> <li>Possibility furlough of staff</li> </ul>	<ul style="list-style-type: none"> <li>Close all retail locations; reduce main dining hall to one service per day; furlough employees associated with retail locations</li> </ul>				
Parking		No Change	<ul style="list-style-type: none"> <li>Suspend ALL parking operations; furlough employees related to parking</li> </ul>				
Sales, Services, & Other Auxiliaries		<ul style="list-style-type: none"> <li>Reduce operating hours of Post Office, Ticket Office, Bookstore,</li> </ul>					

Fayetteville State University – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	5,575	-	-	(112)	(279)	(558)	(1,394)	(2,788)
State Appropriation	\$ 55,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 11,000,000	\$ -	\$ -	\$ (220,000)	\$ (550,000)	\$ (1,100,000)	\$ (2,750,000)	\$ (5,500,000)
Student Fees (net)	\$ 6,000,000	\$ -	\$ -	\$ (120,000)	\$ (2,437,500)	\$ (2,625,000)	\$ (3,187,500)	\$ (4,125,000)
Financial Aid (external)	\$ 26,000,000	\$ -	\$ -	\$ (520,000)	\$ (1,300,000)	\$ (2,600,000)	\$ (6,500,000)	\$ (13,000,000)
Athletics (less fees)	\$ 150,000	\$ -	\$ (37,500)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)
Housing (net)	\$ 5,000,000	\$ -	\$ -	\$ (2,260,000)	\$ (2,275,000)	\$ (2,300,000)	\$ (2,375,000)	\$ (2,500,000)
Dining (net)	\$ 3,500,000	\$ -	\$ (875,000)	\$ (1,582,000)	\$ (1,592,500)	\$ (1,610,000)	\$ (1,662,500)	\$ (1,750,000)
Parking	\$ 300,000	\$ -	\$ -	\$ (135,600)	\$ (136,500)	\$ (138,000)	\$ (142,500)	\$ (150,000)
Sales, Services, & Other Aux.	\$ 1,000,000	\$ -	\$ (150,000)	\$ (300,000)	\$ (300,000)	\$ (300,000)	\$ (300,000)	\$ (300,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 14,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 122,050,000</b>	<b>\$ -</b>	<b>\$ (1,062,500)</b>	<b>\$ (5,212,600)</b>	<b>\$ (8,666,500)</b>	<b>\$ (10,748,000)</b>	<b>\$ (16,992,500)</b>	<b>\$ (27,400,000)</b>
Percent Change	100%	0.0%	-0.9%	-4.3%	-7.1%	-8.8%	-13.9%	-22.4%

## Fayetteville State University Response

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Tuition Revenue	No Change	No Change	<ul style="list-style-type: none"> <li>• Reductions in operational spending; i.e. travel, equipment, supplies &amp; services, etc.</li> <li>• Hiring freeze of all non-essential positions</li> <li>• Hire adjunct professors where possible</li> <li>• Furlough or eliminate part-time staff</li> </ul>			<ul style="list-style-type: none"> <li>• Consolidation of administrative operations</li> <li>• Furlough or elimination of positions</li> <li>• Increase faculty teaching load</li> </ul>	
Student Fees		No Change	<ul style="list-style-type: none"> <li>• Deplete fund balance</li> <li>• Reduce student activities and events</li> <li>• Furloughs positions where student health, student center, and student activity services are limited</li> </ul>	<ul style="list-style-type: none"> <li>• Closure or student center and student health center</li> <li>• Eliminate student activities and events; i.e. homecoming</li> <li>• Furloughs all positions supporting student health, student center, and student activities</li> </ul>			
Athletics		<ul style="list-style-type: none"> <li>• Suspension of all fall sports and events; i.e. homecoming</li> <li>• Reductions in operational spending; i.e. travel, equipment, supplies &amp; services, etc.</li> <li>• Furlough of all positions</li> <li>• Hiring freeze of administrative and operational positions</li> </ul>		<ul style="list-style-type: none"> <li>• Elimination of scholarships</li> <li>• Elimination of sports</li> <li>• Elimination of employee positions</li> </ul>			
Housing		No Change	<ul style="list-style-type: none"> <li>• Deplete fund balance</li> <li>• Reduction in hours of operation; dining hall and all retail locations</li> <li>• Furlough/eliminate part-time staff</li> </ul>	<ul style="list-style-type: none"> <li>• Closure of residential halls</li> <li>• Furloughs all employees supporting residential halls</li> </ul>			
Dining		<ul style="list-style-type: none"> <li>• Reduction in hours of operation; dining hall and all retail locations</li> <li>• Furlough/eliminate part-time staff</li> </ul>	<ul style="list-style-type: none"> <li>• Deplete fund balance</li> <li>• Reduction in hours of operation; dining hall and all retail locations</li> <li>• Furlough/eliminate part-time staff</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction in services; dining hall one meal per day</li> <li>• Closure of all retail locations</li> <li>• Furlough or eliminate employees</li> </ul>			
Parking		No Change	<ul style="list-style-type: none"> <li>• Reduce parking operations</li> <li>• Furlough positions in areas where services are reduced</li> </ul>	<ul style="list-style-type: none"> <li>• Suspend all parking operations</li> <li>• Furlough of all employees</li> </ul>			
Sales, Services, and Other Auxiliaries		<ul style="list-style-type: none"> <li>• Reduce hours of operations and auxiliary related services</li> <li>• Furloughs or elimination of positions in areas where services are reduced</li> <li>• Eliminate part-time staff</li> </ul>	<ul style="list-style-type: none"> <li>• Discontinue operations and all services</li> <li>• Furlough or eliminate employees</li> </ul>				
Contracts & Grants		<ul style="list-style-type: none"> <li>• Hiring freeze, furloughs and reductions in activity</li> </ul>	<ul style="list-style-type: none"> <li>• Deplete F&amp;A fund balances</li> <li>• Furlough or eliminate administrative and operational staff</li> </ul>				

North Carolina A&T State University – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	11,766	-	-	(235)	(588)	(1,177)	(2,942)	(5,883)
State Appropriation	\$ 95,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 50,000,000	\$ -	\$ -	\$ (1,000,000)	\$ (2,500,000)	\$ (5,000,000)	\$ (12,500,000)	\$ (25,000,000)
Student Fees (net)	\$ 24,000,000	\$ -	\$ -	\$ (480,000)	\$ (9,750,000)	\$ (10,500,000)	\$ (12,750,000)	\$ (16,500,000)
Financial Aid (external)	\$ 50,000,000	\$ -	\$ -	\$ (1,000,000)	\$ (2,500,000)	\$ (5,000,000)	\$ (12,500,000)	\$ (25,000,000)
Athletics (less fees)	\$ 3,000,000	\$ -	\$ (750,000)	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)
Housing (net)	\$ 10,000,000	\$ -	\$ -	\$ (4,520,000)	\$ (4,550,000)	\$ (4,600,000)	\$ (4,750,000)	\$ (5,000,000)
Dining (net)	\$ 13,000,000	\$ -	\$ (3,250,000)	\$ (5,876,000)	\$ (5,915,000)	\$ (5,980,000)	\$ (6,175,000)	\$ (6,500,000)
Parking	\$ 1,500,000	\$ -	\$ -	\$ (678,000)	\$ (682,500)	\$ (690,000)	\$ (712,500)	\$ (750,000)
Sales, Services, & Other Aux.	\$ 4,000,000	\$ -	\$ (600,000)	\$ (1,200,000)	\$ (1,200,000)	\$ (1,200,000)	\$ (1,200,000)	\$ (1,200,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ 35,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 26,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 311,500,000</b>	<b>\$ -</b>	<b>\$ (4,600,000)</b>	<b>\$ (16,254,000)</b>	<b>\$ (28,597,500)</b>	<b>\$ (34,470,000)</b>	<b>\$ (52,087,500)</b>	<b>\$ (81,450,000)</b>
Percent Change	100%	0.0%	-1.5%	-5.2%	-9.2%	-11.1%	-16.7%	-26.1%



## North Carolina A&T State University Response

Dear Bill and Clinton:

This communication and accompanying schedules are in response to the request from Chair Ramsey and the Board of Governors related to Fall 2020 Budget preparations. The following items were requested:

1. A report from each chancellor on the financial impact of closing their campus and reducing tuition and room and board fees.
2. A plan from each chancellor to reduce their budgets by between 25% and 50%, to account for the reduced revenue resulting from campus reduced enrollment under various degrees of closure.
3. How the cancellation of fall athletics will impact each campus and their specific plans for shortfalls in revenue.

The Fall 2020 Scenario Planning Schedule received from the Finance team served as the basis for addressing requests 1 and 2. Please see the attached schedule entitled “NCAT Fall 2020 Reduction Scenario Planning – July 24, 2020.” This schedule details the actions required to meet the reductions at the various scenarios. It is important to note that budget reductions at the magnitude of 25% and 50% would significantly impact the operations of the University and would require flexibility to execute actions that campuses currently do not possess.

As it relates to assessing the impact of canceling of Fall Athletics, we unfortunately have found this scenario to be a reality. In assessing the impact, the most critical revenue losses are in football and sponsorship revenues. When netting the savings generated from reduced travel, game day, facilities, and other expenses, we anticipate the net impact to the University to approximate \$350,000 or 2.5% of the total Athletics Budget.

Please let us know if you have further questions.

Sincerely,

Harold L. Martin, Sr.  
Chancellor

North Carolina A&T State University Response Continued

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Tuition Revenue	No Change	No Change	<ul style="list-style-type: none"> <li>• Suspension of all University sponsored travel using state funds</li> <li>• Restrict supplies and materials to essential/ mandatory only</li> </ul>	<ul style="list-style-type: none"> <li>• Hiring freeze for all state funded positions</li> <li>• Reduce number of adjuncts - insure full workload for all permanent faculty</li> <li>• Increase student-faculty ratio on all online courses</li> <li>• Reduce library hours, furlough 10% of employees</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce number of fixed term faculty</li> <li>• Consolidate academic programs</li> <li>• Program closure for low producing programs</li> <li>• Reduce student programming office hours</li> <li>• Reduce IT services not associated with E&amp;T fee (reduction for E&amp;T noted under student fees), furlough 25% of workforce related to those areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Discontinue select academic programs, Reduction in force for faculty and staff (20%)</li> <li>• Reduce service levels information technology, compliance, and Advancement,</li> <li>• Consolidation of all administrative functions, employees associated with student focused functions move to 9-month contracts</li> <li>• Reduce general education course scheduling</li> <li>• Close library, furlough associated employees</li> <li>• Suspend all preventative maintenance activities, furlough associated employees, reduce housekeeping to minimal for building standards, furlough associated employees, deplete University Reserves</li> </ul>	<ul style="list-style-type: none"> <li>• Declare financial exigency by academic department</li> <li>• Release or furlough tenured faculty (will require BOG policy change)</li> <li>• Suspend all help desk activities</li> <li>• Suspend all state funded research activities, furlough associated employees not paid by grants or other sources</li> </ul>

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Student Fees	No Change	No Change	<ul style="list-style-type: none"> <li>Reduce allocations to student activity operations for fall</li> <li>Elimination of budget for homecoming activities, reduce operations of Health Center, furlough nonessential staff, reduce non-personnel expenses, depletion of fund balance, use CARES Act funding to support mission critical operation</li> </ul>	<ul style="list-style-type: none"> <li>Temporary closure of student center and recreation center, furlough associated employees; reduce utility footprint with building closures; reduce E&amp;T funding to support replacement technology equipment for one year</li> <li>Further reduction in student activities funding - reduce SGA budget, furlough employees related to student activities that will be suspended for fall</li> </ul>	<ul style="list-style-type: none"> <li>10% reduction in force for all employees related to Student Services - suspending of all student programming</li> <li>Permanent reduction of Student Health Services by 25%, inclusive of employees</li> <li>25% reduction of IT services, inclusive of employees</li> </ul>	<ul style="list-style-type: none"> <li>Increase number of furloughed employees by additional 25%</li> <li>Pay debt service from available fund balance remaining</li> </ul>	<ul style="list-style-type: none"> <li>Increase number of permanently personnel and non-personnel expenses by additional 25%</li> <li>Pay debt service from available fund balance remaining</li> </ul>
Financial Aid		No Change	<ul style="list-style-type: none"> <li>Enrollment decline - fewer students to award aid from external sources (federal and state)</li> </ul>	<ul style="list-style-type: none"> <li>Further enrollment decline</li> <li>Reduce number of students awarded aid-based enrollment</li> </ul>			
Athletics		<ul style="list-style-type: none"> <li>Elimination of fall sports - reduction in travel budget and supplies</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of game day expenses, advertising, uniform expenses, and team travel, deplete fund balances</li> </ul>	<ul style="list-style-type: none"> <li>Permanent reduction of 10% of Athletics personnel expenses, elimination of athletics program(s)</li> </ul>			
Housing		No Change	<ul style="list-style-type: none"> <li>Closure of the majority of residence halls for which there is no debt covenant; furlough employees associated with those halls</li> <li>Reduce administrative and operational staff, reduce other non-personnel expenses, suspend repair and renovation projects, and capital outlays, use of available fund balances</li> </ul>	<ul style="list-style-type: none"> <li>Permanent reduction in workforce for 10% of staff previously Furloughed</li> <li>Permanent 10% of remaining admin and operational employees</li> </ul>	<ul style="list-style-type: none"> <li>Furlough 90% of employees, permanently reduce personnel and non-personnel expenses by 25%, close older residence halls</li> </ul>	<ul style="list-style-type: none"> <li>Furlough 90% of employees, close all residence halls aside from suite styles and apartments</li> </ul>	

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Dining	No Change	<ul style="list-style-type: none"> <li>Revise food service contract</li> <li>Reduce retail location hours of service</li> <li>Limit hours of main dining hall</li> <li>Use fund balance to support deficit</li> </ul>	<ul style="list-style-type: none"> <li>Close all retail locations; reduce Williams dining hall to one service per day</li> <li>Reduce staff associated with maintaining the facilities to part time, reduce non-personnel expenses, use fund balances, eliminate support of other initiatives (scholarships, sponsorships, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Close remaining dining operations (main hall) utilize catering operations for any students who remain on campus</li> <li>Move contract to catering only</li> <li>Utilize fund balance for remaining contract obligations and maintenance of bare minimum operation</li> </ul>			
Parking		<ul style="list-style-type: none"> <li>No Change</li> </ul>	<ul style="list-style-type: none"> <li>Suspend ALL transportation operations; furlough the majority employees related to parking and shuttle services, use fund balance for debt service payments</li> </ul>	<ul style="list-style-type: none"> <li>Permanently reduce 10% of personnel and non-personnel expenses listed in C-1</li> </ul>	<ul style="list-style-type: none"> <li>All activities suspended; use fund balance to make debt service payment for fall</li> </ul>		
Sales, Services, and Other Auxiliaries		<ul style="list-style-type: none"> <li>No Change</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of ancillary services, reduced hours for post office, ticket office and one card office</li> <li>Reduction of scholarship support</li> <li>furlough of majority of staff supporting these areas</li> <li>Depletion of fund balance</li> </ul>	<ul style="list-style-type: none"> <li>Same Action as C1 - ancillary services suspended</li> <li>10% of personnel and non-personnel expenses permanently reduced</li> </ul>	<ul style="list-style-type: none"> <li>Same Action as C1 - ancillary services suspended</li> </ul>		

North Carolina Central University – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	7,291	-	-	(146)	(365)	(729)	(1,823)	(3,645)
State Appropriation	\$ 85,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 35,000,000	\$ -	\$ -	\$ (700,000)	\$ (1,750,000)	\$ (3,500,000)	\$ (8,750,000)	\$ (17,500,000)
Student Fees (net)	\$ 14,000,000	\$ -	\$ -	\$ (280,000)	\$ (5,687,500)	\$ (6,125,000)	\$ (7,437,500)	\$ (9,625,000)
Financial Aid (external)	\$ 35,000,000	\$ -	\$ -	\$ (700,000)	\$ (1,750,000)	\$ (3,500,000)	\$ (8,750,000)	\$ (17,500,000)
Athletics (less fees)	\$ 2,500,000	\$ -	\$ (625,000)	\$ (1,250,000)	\$ (1,250,000)	\$ (1,250,000)	\$ (1,250,000)	\$ (1,250,000)
Housing (net)	\$ 12,000,000	\$ -	\$ -	\$ (5,424,000)	\$ (5,460,000)	\$ (5,520,000)	\$ (5,700,000)	\$ (6,000,000)
Dining (net)	\$ 8,000,000	\$ -	\$ (2,000,000)	\$ (3,616,000)	\$ (3,640,000)	\$ (3,680,000)	\$ (3,800,000)	\$ (4,000,000)
Parking	\$ 1,500,000	\$ -	\$ -	\$ (678,000)	\$ (682,500)	\$ (690,000)	\$ (712,500)	\$ (750,000)
Sales, Services, & Other Aux.	\$ 3,500,000	\$ -	\$ (525,000)	\$ (1,050,000)	\$ (1,050,000)	\$ (1,050,000)	\$ (1,050,000)	\$ (1,050,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ 13,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 219,500,000</b>	<b>\$ -</b>	<b>\$ (3,150,000)</b>	<b>\$ (13,698,000)</b>	<b>\$ (21,270,000)</b>	<b>\$ (25,315,000)</b>	<b>\$ (37,450,000)</b>	<b>\$ (57,675,000)</b>
Percent Change	100%	0.0%	-1.4%	-6.2%	-9.7%	-11.5%	-17.1%	-26.3%

## North Carolina Central University Response

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Instruction, Student Services, Academic Support, & Institutional Support	No Change	No Change	<ul style="list-style-type: none"> <li>• Suspension of all state funded travel</li> <li>• Restrict travel and materials to essential only</li> <li>• Hiring freeze on all non-essential state funded positions</li> <li>• Reduce library hours, furlough related employees</li> <li>• Consolidate academic programs</li> <li>• Reduce hours for administrative offices, implement related furloughs or reduced salary based on hours</li> <li>• Reduce IT services (not associated with E&amp;T fee); furlough 25% or workforce</li> <li>• Reduce number of adjuncts and fixed term faculty, ensure full workload for tenured faculty</li> </ul>			<ul style="list-style-type: none"> <li>• Consolidation of administrative functions</li> <li>• Consider 9-month contracts for student-focused positions.</li> <li>• Increase faculty teaching load and/or student-to-faculty ratio</li> <li>• Suspend all preventative maintenance activities</li> <li>• Reduce housekeeping to minimal building standards, furlough associated employees</li> <li>• Suspend state funded research activities</li> <li>• Declare financial exigency by department; release or furlough tenured faculty (requires BOG policy change)</li> </ul>	
Student Auxiliaries and Fee Activities		<ul style="list-style-type: none"> <li>• Reduce allocation to student activity operations for fall</li> <li>• Elimination of Homecoming budgets with no fall sports</li> <li>• Furloughs in areas where services are limited</li> <li>• Suspension of all Fall sports (Athletics); furlough related staffs</li> <li>• Suspension of transportation and shuttle services</li> </ul>			<ul style="list-style-type: none"> <li>• Closure of Campus Center, Student Rec Facility, Student Health Center</li> <li>• Closure of student housing and dining halls for fall</li> <li>• Closure of Eagle Card Office</li> <li>• 50% Reduction of University Print Shop</li> <li>• Redirect fund source for debt service</li> <li>• Reduce E&amp;T funding to support related technology replacement</li> <li>• Reduction of all student activity funding; no SGA budget</li> <li>• Suspend R&amp;R for Housing and Dining facilities</li> <li>• Furlough of all related employees</li> <li>• Utilize fund balance to service debt</li> <li>• Suspension of all parking operations</li> </ul>		
Sales & Services		<ul style="list-style-type: none"> <li>• Reduce operating hours of Post Office and Bookstore</li> <li>• Close ticket office for fall semester</li> </ul>	<ul style="list-style-type: none"> <li>• Discontinue sales and service activities</li> <li>• Furlough or elimination of staff</li> </ul>				
Contracts & Grants		<ul style="list-style-type: none"> <li>• Hiring freeze and reduction of state funded research activity</li> </ul>				<ul style="list-style-type: none"> <li>• Discontinue research for state funded grants</li> </ul>	
Gifts & Investments		<ul style="list-style-type: none"> <li>• Suspend capital or other projects relying on fundraising or interest income</li> </ul>				<ul style="list-style-type: none"> <li>• Reduce of financial aid funded from gifts/endowments</li> <li>• Examine ROI of fundraising resources</li> </ul>	

North Carolina State University – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	32,525	-	-	(650)	(1,626)	(3,252)	(8,131)	(16,262)
State Appropriation	\$ 425,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 260,000,000	\$ -	\$ -	\$ (5,200,000)	\$ (13,000,000)	\$ (26,000,000)	\$ (65,000,000)	\$ (130,000,000)
Student Fees (net)	\$ 85,000,000	\$ -	\$ -	\$ (1,700,000)	\$ (34,531,250)	\$ (37,187,500)	\$ (45,156,250)	\$ (58,437,500)
Financial Aid (external)	\$ 55,000,000	\$ -	\$ -	\$ (1,100,000)	\$ (2,750,000)	\$ (5,500,000)	\$ (13,750,000)	\$ (27,500,000)
Athletics (less fees)	\$ 80,000,000	\$ -	\$ (20,000,000)	\$ (40,000,000)	\$ (40,000,000)	\$ (40,000,000)	\$ (40,000,000)	\$ (40,000,000)
Housing (net)	\$ 45,000,000	\$ -	\$ -	\$ (20,340,000)	\$ (20,475,000)	\$ (20,700,000)	\$ (21,375,000)	\$ (22,500,000)
Dining (net)	\$ 35,000,000	\$ -	\$ (8,750,000)	\$ (15,820,000)	\$ (15,925,000)	\$ (16,100,000)	\$ (16,625,000)	\$ (17,500,000)
Parking	\$ 10,000,000	\$ -	\$ -	\$ (4,520,000)	\$ (4,550,000)	\$ (4,600,000)	\$ (4,750,000)	\$ (5,000,000)
Sales, Services, & Other Aux.	\$ 100,000,000	\$ -	\$ (15,000,000)	\$ (30,000,000)	\$ (30,000,000)	\$ (30,000,000)	\$ (30,000,000)	\$ (30,000,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ 340,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 235,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 1,670,000,000</b>	<b>\$ -</b>	<b>\$ (43,750,000)</b>	<b>\$ (118,680,000)</b>	<b>\$ (161,231,250)</b>	<b>\$ (180,087,500)</b>	<b>\$ (236,656,250)</b>	<b>\$ (330,937,500)</b>
Percent Change	100%	0.0%	-2.6%	-7.1%	-9.7%	-10.8%	-14.2%	-19.8%



**MEMORANDUM**

TO: Clinton Carter, UNC System Senior Vice President for Finance and Administration and CFO

FROM: Charles A. Maimone, NCSU Vice Chancellor, Finance and Administration

SUBJECT: NC State Response to BOG Chair Ramsey's Request for Budget Reduction Planning

DATE: July 24, 2020

On behalf of Chancellor Woodson, I'm submitting NCSU response to the request from BOG Chair Ramsey that the UNC System Office conduct a quantitative analysis to address these three questions:

1. Financial impact of closing campus and reducing tuition and room and board fees.
2. A plan from each chancellor to reduce their budgets by between 25% and 50%, to account for the reduced revenue resulting from campus reduced enrollment under various degrees of closure.
3. How the cancellation of fall athletics will impact each campus and their specific plans for shortfalls in revenue.

We offer the following analysis for NC State. Using the assumption of a 25% and 50% reduction in fall enrollment, we have calculated the financial impact to each of the functional areas identified by the UNC System Office template as primary functional areas common to all campuses.

It should be noted that given our current trends in enrollment, and preparation work for the fall semester, we do not see a scenario in which a 25% or 50% reduction in enrollment is likely to occur at NC State. Given the magnitude of the 25% and 50% revenue reduction scenarios, we assume that in both cases, the campus would be closed and all classes would have moved online.

Without relief from external sources, NC State's three primary expense levers will be:

1. Use of Available Fund Balances - Consume available fund balances, thus eliminating all maintenance, renovation and expansion plans. The remaining balances will be held as emergency funds for debt service payments and other unavoidable expenses.
2. Reduce staffing by leveraging available authority for COVID-19 related temporary emergency furloughs, temporary salary reductions and reductions in force.
3. Reduce operating expenses and renegotiate all service contracts to the extent possible while meeting reduced operating requirements.

**Impact to Revenue by Function**

<b>Estimated Revenue Impact Scenario Planning for 2020-21 Fall 2020 Semester Only</b>	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
<b>NCSU</b>	<b>Scenario D</b>	<b>Scenario E</b>
<b>Anticipated Revenue Impacts</b>		
Tuition Revenue (net)	\$ (65,000,000)	\$ (130,000,000)
Student Fees (net)	\$ (45,156,250)	\$ (58,437,500)
Financial Aid (external)	\$ (13,750,000)	\$ (27,500,000)
Athletics (less fees)	\$ (40,000,000)	\$ (40,000,000)
Housing (net)	\$ (21,375,000)	\$ (22,500,000)
Dining (net)	\$ (16,625,000)	\$ (17,500,000)
Parking	\$ (4,750,000)	\$ (5,000,000)
Sales, Services, & Other Aux.	\$ (30,000,000)	\$ (30,000,000)
Patient Services	\$ -	\$ -
Research & Grants	\$ (17,000,000)	\$ (17,000,000)
Gifts & Investments	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ (253,656,250)</b>	<b>\$ (347,937,500)</b>
Percent Change	-15.2%	-20.8%

### **Impact to Expenses by Function**

- Both scenarios require a significant reduction in operating expenditures (65% for 6 months) and depletion of cash balances (90% of all available funds). While this short term strategy addresses the immediate deficit, reductions of this magnitude would have long term effects on the units delaying critical maintenance of facilities, equipment replacement and increased risk of not meeting future debt service obligations.
- Both scenarios require reductions in personnel. For the 50% scenario Athletics will need to reduce personnel costs by 86.6% for the next 6 months, Dining by 18.4% Housing by 15.8%, and the student fee units would need to reduce personnel expenses by 83%.
- In developing reduction strategies, all efforts were made to protect instructional positions and core academic services. However, some critical academic support roles, such as advising, likely would need to be reduced.

### **Impact to Athletics (Question #3)**

Specifically, to address question #3, regarding how the cancellation of fall athletics will impact each campus and their specific plans for shortfalls in revenue.

- We are waiting for decisions by the NCAA and ACC conference about fall sports.
- NC State Athletics, student fees represent only 7% of total revenues. NC State Athletics relies heavily on TV revenue, Ticket Sales and ACC Distribution to support the Athletics program. Football and Men's Basketball are the primary sources of these revenues.

- We will attempt to renegotiate personnel and sponsor contracts along with establishing procurement restrictions. Based on our initial scenarios - scenarios in which we meet our current employment contract terms and remain committed to scholarship obligations - we will not be able to rely on available fund balance, personnel and operating reductions to totally cover the shortfall in Athletics. Cancellation of fall sports will require additional fund raising and debt refinancing to address the balance of such a shortfall.

### **Notes for your consideration**

#### **Current On-campus Activity**

In addition to our efforts over the spring and summer to reactive research and return faculty and laboratory assistants to campus, Student Athletes, Resident Assistants, Research Assistants and Teaching Assistants have begun returning to campus. Many have already moved into our residence halls. Our approach moving forward - to closing the campus - would need to address each of several major functional operations as separate and distinct.

- For example, our Research enterprise was reactivated in April and has avoided any reduction in revenues.
- Additionally, our Agriculture and Industrial Extension services have been reactivated and are returning to near full operations, which include activities and programming in all counties across the state.

If we are forced to close NC State's main campus, we will likely - under every scenario - continue on-campus research and on-site extension activities. We would allow our corporate private partners to continue work on Centennial Campus.

We would need to honor our obligations to students living on campus, who do not have any alternative shelter (housing and dining) options. We are monitoring Housing and Dining payments which are on pace to generate the budgeted revenue.

The number of faculty and staff members returning to campus has increased each month to care for buildings and grounds, and to prepare classrooms and laboratories for our scheduled fall opening. As noted above, closing would require unique and distinct consideration for each of these different segments of our university community.

#### **Enrollment Status**

Our undergraduate enrollment is on pace and tracking the same as last year with an increase in total registered credit hours. Graduate student enrollment is trending lower but we are closing the gap as we near opening. For both Graduate and Undergraduates, our worst case planning scenarios involve a maximum 10% reduction in enrollment revenues.

We sent tuition and fee bills to students on July 8, informing all students that we do not plan to reimburse tuition and fee payments should we move online. Payments received for the first 14 days compare favorably to the same time last year. We are tracking every week and anticipate our collections will match last year's collection with the possible exception of Graduate enrollment.

#### **Conclusion**

Under all scenarios discussed above, we are confident that NC State will continue to be able to provide instruction, research and extension services. All courses taught face to face or as hybrids would move online and continue, thereby preserving tuition and fee revenue. If the pandemic

requires NC State to close campus facilities, classes and fee services will continue as on-line services.

Major enterprises impacted directly by a campus closure, such as Continuing Education, Athletics, Veterinary Teaching Hospital, Housing, Dining and Transportation, would experience significant revenue loss – likely in the 25% to 50% range. However, each unit continues to plan for reducing expenses by using strategies made available to the university including furloughs, reduction in force, and temporary salary reductions.

cc: Chancellor Woodson

University of North Carolina Asheville – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	3,296	-	-	(66)	(165)	(330)	(824)	(1,648)
State Appropriation	\$ 40,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 15,000,000	\$ -	\$ -	\$ (300,000)	\$ (750,000)	\$ (1,500,000)	\$ (3,750,000)	\$ (7,500,000)
Student Fees (net)	\$ 8,500,000	\$ -	\$ -	\$ (170,000)	\$ (3,453,125)	\$ (3,718,750)	\$ (4,515,625)	\$ (5,843,750)
Financial Aid (external)	\$ 10,000,000	\$ -	\$ -	\$ (200,000)	\$ (500,000)	\$ (1,000,000)	\$ (2,500,000)	\$ (5,000,000)
Athletics (less fees)	\$ 1,000,000	\$ -	\$ (250,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)
Housing (net)	\$ 7,000,000	\$ -	\$ -	\$ (3,164,000)	\$ (3,185,000)	\$ (3,220,000)	\$ (3,325,000)	\$ (3,500,000)
Dining (net)	\$ 4,000,000	\$ -	\$ (1,000,000)	\$ (1,808,000)	\$ (1,820,000)	\$ (1,840,000)	\$ (1,900,000)	\$ (2,000,000)
Parking	\$ 500,000	\$ -	\$ -	\$ (226,000)	\$ (227,500)	\$ (230,000)	\$ (237,500)	\$ (250,000)
Sales, Services, & Other Aux.	\$ 500,000	\$ -	\$ (75,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 8,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 98,500,000</b>	<b>\$ -</b>	<b>\$ (1,325,000)</b>	<b>\$ (6,518,000)</b>	<b>\$ (10,585,625)</b>	<b>\$ (12,158,750)</b>	<b>\$ (16,878,125)</b>	<b>\$ (24,743,750)</b>
Percent Change	100%	0.0%	-1.3%	-6.6%	-10.7%	-12.3%	-17.1%	-25.1%

Mr. Randy Ramsey  
Chairman, UNC Board of Governors  
910 Raleigh Road  
Chapel Hill, North Carolina 27514

**Office of the Chancellor**  
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July 24, 2020

Dear Governor Ramsey,

Please find attached UNC Asheville's requested Fall 2020 Budget Scenario planning narrative. This document highlights the financial impact of UNC System directive scenarios B, C1, C2, C3, D, and E together with enrollment declines of 2%, 5%, 10%, 25%, and 50%.


This planning narrative was developed by Vice Chancellor for Budget and Finance John Pierce and me together with all UNC Asheville Senior Staff members contributing to the final document. I recently briefed all Faculty Department Chairs and Academic Program Directors, the University Budget Committee, the Faculty Senate Executive Committee, and the Staff Council Executive Committee about this directive to solicit their insight and comments. The UNC Asheville senior staff, general staff and faculty leaders are committed to implementing the best possible health and safety protocols and to ensuring that our campus and the University System sustain enrollment and revenue and remain fiscally prudent during the global pandemic.

Our current enrollment numbers for the incoming first-year and transfer classes remain strong with very little melt during the last four weeks. UNC Asheville's continuing student numbers are solid, indicating strong student retention from Spring 2020 to Fall 2020.

Course instruction for Fall 2020 are planned in three formats: in-person (40%), hybrid (30%), and online (30%). We have seen an increase in student requests for more online or hybrid classes, and our faculty remain flexible to offer course instruction that provides the best educational experience for all UNC Asheville students.

Please call me directly with any question or concern about UNC Asheville's plans for Fall 2020. Thank you for your leadership and guidance as we prepare to return to in-person instruction that is so valuable to our academic mission.

Best regards,



Nancy J. Cable, Ph.D.  
Chancellor

Cc: Dr. William Roper, UNC System Interim President  
Mr. Peter Hans, UNC System President-Elect  
Mr. Clinton Carter, UNC System CFO



**UNC System University Online Only Scenario Planning for Fall 2020**  
**University of North Carolina Asheville**  
**July 24, 2020**

**Scenario B – Social distancing only**

**UNC Asheville estimated shortfall: \$1.325M**

1. The potential largest expense is unreimbursed COVID-19 expenditures for health and safety, and for social distance protocols. We would aggressively seek reimbursement through federal and state grants (for example, we are confirmed to receive a NC Policy Collaboratory Grant of \$665,000 for research, student health advocates, rapid response and community social bridging in the 18 counties of WNC).
2. We would not anticipate a \$1M dining loss in a social distancing only situation (we will social distance in dining facilities by decreasing indoor capacity and increasing outdoor seating and take-out options). If dining revenues decline by \$500K, we will reduce dining contractor payments who could then reduce their contract employees commensurate with the revenue decline.
3. We would reduce faculty and staff travel, which would save about \$500K. We would reduce our athletic expenses with a reduction in fall sport travel and game management costs due to a reduced fall sports program and no spectators. Our fall Athletics programs are not heavily dependent on revenues from ticket sales or gate receipts.

**Scenario C1 – Online only; enrollment down 2%; retain fees; no housing and dining income**

**UNC Asheville estimated shortfall: \$6.718M**

1. As identified in the UNC Asheville Revitalization Plan presented to System leaders in December, spending per student for the last four years has been significantly below peer and UNC System benchmarks and our employee turnover is a significant concern. A projected shortfall of over \$6M will exacerbate the current lack of fiscal capacity at UNC Asheville and deepen our financial constraints.
2. In addition to the travel and other savings noted in Scenario B, and without housing and dining revenue, we would reduce our dining program resulting in lower payments to our dining contractor, and would reduce housing staff to a skeleton crew level. This will likely produce at least \$2.5M to address the shortfall in revenue.



3. During the last two fiscal years of ongoing budget constraint, we have left vacant 71 open positions (mostly administrative positions) which generated annual operating savings of almost \$3M. We would continue to leave vacant those open positions.

4. We might also consider drawing down \$1.3M in endowment earnings, and would likely implement a University-wide reduction in operating budgets of 5-10%, saving about \$1.6M in operational expenses.

**Scenario C2 – Online only; enrollment down 5%; loss of fee and tuition revenue from enrollment decline**

**UNC Asheville estimated shortfall: \$10.785M**

1. In addition to leaving vacant our open positions and the hiring freeze implemented by the UNC System in March 2020, we would consider adopting an equitable program of employee furloughs that would protect some positions with a base salary of \$45,000 or less and that would allow some non-faculty staff to furlough a portion of their pay and time at work. We would reduce temporary employees to only those necessary for skeleton operations and we would scale back, but not eliminate completely, student employment. Library expenditures would be temporarily reduced and adjunct faculty would be scaled back to mission critical levels. Athletic operations would be reduced.

2. In addition to the savings identified above, we would consider reducing facilities operations to a skeleton crew, and furloughing other administrative positions in Human Resources, Finance, Info Tech, Institutional Research, Community Engagement, and the Osher Lifelong Learning Institute, thereby generating operational scale savings of over \$3.0M. We would scale back student union and campus recreation operations, and consider adopting a deeper furlough program to further reduce expenditure. At this level, we would consider reducing some academic administrative functions, and likely keep open current unfilled faculty positions. We would also likely consider repurposing a small amount of existing reserves. Certain positions would be considered for 9-month employment versus 12 months.

**Scenario C3 – Online Only; Enrollment down 10%, other assumptions the same as Scenario C2**

**UNC Asheville estimated shortfall: \$12.358M**

1. In addition to the expense reductions identified in Scenario C2, the added \$1.573M shortfall would likely result from depleting certain fund balances (we are beginning our first-ever comprehensive campaign and would not want to reduce our fundraising resources at this time).

2. Staff would work to secure funds from federal and state resources and grants if possible. We would continue to scale back non-essential services and personnel to meet this extreme estimated budget shortfall.

3. Student employees and all temporary employees would likely be considered for furloughs, or lay-offs, all operating budgets would be reduced by 20-25%, any open positions would

remain vacant unless tied to health and safety, and all university outreach to community partnerships would be paused.

**Scenario D – Online Only; Enrollment down 25%, other assumptions consistent with Scenario C3**

**UNC Asheville estimated shortfall: \$14.7M**

1. We believe that it is highly unlikely Scenario D and Scenario E will occur. We currently expect that projected enrollment will be sustained even if the UNC System determines that we must shift to online instruction only. UNC Asheville student course registration for classes from all cohorts has been strong through the last two months: returning student retention is slightly stronger than previous years, incoming first year student numbers remain solid at 600, and inbound transfer student cohort is also very strong at over 300 students.
2. Even if, in the face of the active virulence of COVID-19 at this time, some students do not return to the residence halls, we project that our headcount and FTE enrollment will remain solid.
3. Our estimated revenue shortfall in Scenarios D and E is less than the amounts indicated in the UNC System template, primarily because, as was voted by the Board of Governors on July 23, 2020, each institution will charge full tuition and fees regardless of instructional format.
4. We would not consider any increase to the faculty teaching load because our faculty teaching load (4/4) is the highest in the UNC System. We would consider additional voluntary and non-voluntary furloughs and would further consolidate academic administrative functions. We would also work to reduce vendor contractual commitments for flexibility. Without the ability to impact faculty in a way that would be equitable to the impact we would ask of staff in terms of any reductions to salary, furloughing or any other strategies, we would have a difficult time achieving these savings.
5. Scenario D, as for all 17 institutions, would challenge our academic mission and administrative efficacy, would prompt accreditation concerns, and would seriously jeopardize the existing robust research underway at UNC Asheville in sciences, social sciences, public health, and the humanities.

**Scenario E – Online Only; Enrollment down 50%, other assumptions consistent with Scenario D**

**UNC Asheville Estimated loss: \$18.4M**

1. We believe that this scenario is even less likely than Scenario D.
2. We would use our remaining cash reserves, suspend at least 75% of our administrative and academic operations for as short a duration as possible, and make a passionate plea to all federal, state, and community entities for financial support if we had to weather this unlikely storm.

3. As noted recently, this scenario may essentially be a liquidation event for many, if not most, of the universities in the UNC System.

University of North Carolina at Chapel Hill – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	27,857	-	-	(557)	(1,393)	(2,786)	(6,964)	(13,929)
State Appropriation	\$ 545,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 290,000,000	\$ -	\$ -	\$ (5,800,000)	\$ (14,500,000)	\$ (29,000,000)	\$ (72,500,000)	\$ (145,000,000)
Student Fees (net)	\$ 135,000,000	\$ -	\$ -	\$ (2,700,000)	\$ (54,843,750)	\$ (59,062,500)	\$ (71,718,750)	\$ (92,812,500)
Financial Aid (external)	\$ 155,000,000	\$ -	\$ -	\$ (3,100,000)	\$ (7,750,000)	\$ (15,500,000)	\$ (38,750,000)	\$ (77,500,000)
Athletics (less fees)	\$ 100,000,000	\$ -	\$ (25,000,000)	\$ (50,000,000)	\$ (50,000,000)	\$ (50,000,000)	\$ (50,000,000)	\$ (50,000,000)
Housing (net)	\$ 50,000,000	\$ -	\$ -	\$ (22,600,000)	\$ (22,750,000)	\$ (23,000,000)	\$ (23,750,000)	\$ (25,000,000)
Dining (net)	\$ 18,000,000	\$ -	\$ (4,500,000)	\$ (8,136,000)	\$ (8,190,000)	\$ (8,280,000)	\$ (8,550,000)	\$ (9,000,000)
Parking	\$ 10,000,000	\$ -	\$ -	\$ (4,520,000)	\$ (4,550,000)	\$ (4,600,000)	\$ (4,750,000)	\$ (5,000,000)
Sales, Services, & Other Aux.	\$ 305,000,000	\$ -	\$ (45,750,000)	\$ (91,500,000)	\$ (91,500,000)	\$ (91,500,000)	\$ (91,500,000)	\$ (91,500,000)
Patient Services	\$ 505,000,000	\$ -	\$ (25,250,000)	\$ (25,250,000)	\$ (25,250,000)	\$ (25,250,000)	\$ (25,250,000)	\$ (25,250,000)
Research & Grants	\$ 865,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 510,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 3,488,000,000</b>	<b>\$ -</b>	<b>\$ (100,500,000)</b>	<b>\$ (213,606,000)</b>	<b>\$ (279,333,750)</b>	<b>\$ (306,192,500)</b>	<b>\$ (386,768,750)</b>	<b>\$ (521,062,500)</b>
Percent Change	100%	0.0%	-2.9%	-6.1%	-8.0%	-8.8%	-11.1%	-14.9%

## UNC System Fall 2020 Scenario Planning

### UNC Chapel Hill Submission

The COVID-19 global pandemic continues to pose a substantial and indeterminate threat to the financial health and sustainability of the University of North Carolina at Chapel Hill (“UNC-CH” and “University”). The University faces significant uncertainty for all major revenue sources and has incurred large, unexpected costs to date as a result of COVID-19.

Given this uncertainty, the University implemented several management actions in spring 2020 intended to preserve financial flexibility in the wake of the pandemic. These include elimination of non-essential expenditures, restrictions on hiring and salary adjustments, and postponement of construction projects. As the University prepares to reopen in fall 2020, we anticipate significant additional expenses to ensure the on-campus safety and health of the campus-community. The need for financial aid will also likely increase due to significant losses in income for many of our students and their families. Federal and state relief funds have only partially offset incurred revenue losses and estimated reopening expenses to date.

In accordance with the Board of Governor’s request for scenario planning, the following expense analysis provides a preliminary view of actions that UNC-CH would take under each scenario provided. UNC-CH recognizes the critical financial implications of any changes in operational status and has responded to the scenarios in kind. In all scenarios, the University intends to continue the budget management measures implemented in spring 2020. These measures would be complemented by reductions to fund balance, personnel, and operating expenses as discussed in the scenarios below.

When evaluating the expense actions contemplated under the scenarios, please note the following considerations. The scenarios focus on enrollment declines and assume auxiliary impacts are directly tied to enrollment changes. While this assumption is not supported by auxiliary operations and revenue models at UNC-CH, the following expense analysis does not change the scenarios. Enrollment reports and tuition and fee collections to date indicate minimal impact to UNC-CH enrollment for fall 2020 and suggest enrollment declines of 25 or 50 percent are extremely unlikely. Additionally, sponsored research achieved a new record in FY20 with revenues exceeding \$1B. With UNC-CH’s ongoing leadership in coronavirus research and the premium on research activity, this upward trend is expected to continue.

### Scenario Analysis for Fall 2020

#### *Scenario A*

Scenario A states zero revenue impact in fall 2020. Under this scenario, UNC-CH would proceed with budget measures put in place in spring 2020. These measures include elimination of non-essential expenditures, restrictions on hiring and salary adjustments, and postponement of construction projects.

#### *Scenario B*

Scenario B assumes fall 2020 operation with full social distancing in place and students able to remain on campus throughout the semester. This scenario assumes no reduction in tuition and fee revenue but does include revenue losses in athletics, dining, sales and outside services, as well as patient services. UNC-CH expense management actions under this scenario will depend on the financial standing of each affected unit, particularly any available unit fund balance. At the revenue impacts assumed in this

scenario, the University anticipates using fund balances to absorb these losses (excluding athletics). Fund balance depletion, while mitigating impacts in the short term, would be extremely difficult in the case of sustained losses. Additionally, utilizing fund balance to cover revenue loss delays critical capital projects and renovations and increases pressures on existing debt payments.

UNC-CH Athletics is primarily funded from four major sources: ticket sales, media, conference distributions, and external funding. If college athletics is disrupted or postponed, each of these major sources would be threatened. Under Scenario B, the substantial impact in UNC-CH Athletics revenue loss would necessarily result in a reduction of operating expenses and personnel to the extent allowable under existing legal authority. In scenarios where revenue loss is greater than 50 percent (scenarios C1-E), such financial impacts would require borrowing or gifts to support ongoing operations in addition to the actions taken under Scenario B.

### *Scenarios C1-C3*

Scenarios C1-C3 assume two, five, and ten percent enrollment reductions with corresponding reductions in tuition, student fees, and auxiliary revenue. Without external funding relief, UNC-CH would rely on three main levers to cover expenses: 1) fund balance depletion; 2) reduction in staff leveraging all authorities granted on personnel actions; and 3) reduction in operating expenses for campus units.

For housing, dining, parking, and other auxiliaries, UNC-CH anticipates using fund balances to absorb these losses. This short-term strategy undermines the best practice of maintaining three months of operating reserves on hand, hurts capital and physical plant renovation investment, and significantly limits flexibility in the long-term. However, fund balance depletion allows UNC-CH to forestall more drastic measures in personnel and operating expense reduction.

### *Scenarios D,E*

Scenarios D and E present worst-case scenarios of 25 and 50 percent reductions to enrollment accompanied by sizeable impacts to other revenue sources. Under these scenarios, and without external funding relief, UNC-CH would be required to implement extraordinary, unprecedented, and wide-ranging actions. These would include complete depletion of fund balances and substantial program and personnel reductions across the University.

University of North Carolina Charlotte – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	27,133	-	-	(543)	(1,357)	(2,713)	(6,783)	(13,567)
State Appropriation	\$ 260,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 120,000,000	\$ -	\$ -	\$ (2,400,000)	\$ (6,000,000)	\$ (12,000,000)	\$ (30,000,000)	\$ (60,000,000)
Student Fees (net)	\$ 100,000,000	\$ -	\$ -	\$ (2,000,000)	\$ (40,625,000)	\$ (43,750,000)	\$ (53,125,000)	\$ (68,750,000)
Financial Aid (external)	\$ 90,000,000	\$ -	\$ -	\$ (1,800,000)	\$ (4,500,000)	\$ (9,000,000)	\$ (22,500,000)	\$ (45,000,000)
Athletics (less fees)	\$ 7,500,000	\$ -	\$ (1,875,000)	\$ (3,750,000)	\$ (3,750,000)	\$ (3,750,000)	\$ (3,750,000)	\$ (3,750,000)
Housing (net)	\$ 40,000,000	\$ -	\$ -	\$ (18,080,000)	\$ (18,200,000)	\$ (18,400,000)	\$ (19,000,000)	\$ (20,000,000)
Dining (net)	\$ 23,000,000	\$ -	\$ (5,750,000)	\$ (10,396,000)	\$ (10,465,000)	\$ (10,580,000)	\$ (10,925,000)	\$ (11,500,000)
Parking	\$ 12,000,000	\$ -	\$ -	\$ (5,424,000)	\$ (5,460,000)	\$ (5,520,000)	\$ (5,700,000)	\$ (6,000,000)
Sales, Services, & Other Aux.	\$ 7,500,000	\$ -	\$ (1,125,000)	\$ (2,250,000)	\$ (2,250,000)	\$ (2,250,000)	\$ (2,250,000)	\$ (2,250,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ 45,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 22,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 727,000,000</b>	<b>\$ -</b>	<b>\$ (8,750,000)</b>	<b>\$ (46,100,000)</b>	<b>\$ (91,250,000)</b>	<b>\$ (105,250,000)</b>	<b>\$ (147,250,000)</b>	<b>\$ (217,250,000)</b>
Percent Change	100%	0.0%	-1.2%	-6.3%	-12.6%	-14.5%	-20.3%	-29.9%





# UNC CHARLOTTE

## Office of the Chancellor

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July 24, 2020

Mr. Randall C. Ramsey, Chair  
UNC Board of Governors

Dear Chairman Ramsey:

I am pleased to submit UNC Charlotte's revenue reduction analysis in accordance with your request dated July 14, 2020.

Of particular note is that the anticipated revenue impacts for Scenarios C2, D, and E assume no receipts of mandatory fees, as was directed by the System Office for this analysis. In light of the action taken by the Board of Governors at its meeting yesterday, the ability to charge mandatory fees will significantly change the projected impact to revenues under those scenarios. I want to thank the Board of Governors for this support and its ongoing commitment to UNC Charlotte and our students.

As I discussed with you earlier this week, our leadership team, faculty, and staff have been working diligently to develop the plans to safely reopen our campus in the fall. We are eager to welcome our students, faculty and staff back and to resume campus life.

I look forward to working with the Board of Governors, President Hans, and the System Office as we strive to provide North Carolinians with access to an excellent educational experience.

Please do not hesitate to contact me if you have any questions about our submission.

Very truly yours,

Sharon L. Gaber  
Chancellor



## **UNC Charlotte**

### **Narrative for UNC System Revenue Reduction Scenario Planning**

*The information and template do not reflect the Board of Governors action this week to clarify that mandatory fees will be charged for the 2020-21 academic year regardless of any changes in instructional format that may occur.*

For the purpose of this exercise, UNC Charlotte assumes that the reduction in student enrollment and resulting tuition and fees is driven by the pandemic, both directly and indirectly. The direct concerns include uncertainty about reopening plans for the state, any unforeseen legislation related to the state budget (i.e., forced furloughs at a state level), and potential resurgence of COVID-19 cases that could further impact operations on campus. The indirect concerns include the inability of students to pay due to students' or parents' loss of employment or other capacity to pay. We further assume that, in addition to reduced tuition and fee revenue in fall 2020, we will have a second year of impact in general funds from appropriations as the impact to appropriations follows the tuition impact by more than a year. This is due to the timing inherent in the funding formula for changes in enrollment that will result in lower appropriations. In addition, the loss of appropriations due to enrollment declines far exceeds the reduction in tuition revenue. Finally, the assumptions built into this model do not reflect the Board of Governors action allowing assessment of mandatory fees. The ability to charge mandatory fees has a significant positive impact on our ability to sustain campus operations.

Maintaining flexibility regarding housing and dining operations will be important for campuses with bond covenants that will be noncompliant at the suggested levels of revenue reduction. Many campuses, including UNC Charlotte, are required to maintain stated debt service coverage ratios as part of covenants on their bond portfolios. Our covenant is based on revenue and debt service for housing and dining combined. Under our specific covenant, if we fail to meet this ratio in any given fiscal year the effect is limited to required disclosures, but could have a detrimental impact on our debt rating. Failure to achieve the required ratio in two consecutive years is considered an event of default. In addition, budget scenarios C1 through E, assume very large reductions in housing revenue which would result not only in noncompliance with the debt service coverage ratio, but also provide insufficient cash to service the debt. The only way to rectify this situation would be to operate housing and dining in a way that would not require 1) refunding large portions of revenue or 2) making drastic cuts in expenses that would preclude offering appropriate services to students who still need those services. Our top priority is safety of our students, faculty, and staff, but within the boundaries of safety there will likely be varying alternatives for levels of operations in student housing. This requires flexibility to determine how we will manage housing in regards to remaining open or closing. As a fee for service, it will be difficult to make a case for retaining housing fees if we are required to have students vacate the residence halls. This would not be the case if we are able to continue safely operating housing even at a reduced level; this also directly impacts dining.



Lastly, we assume that treatment modalities will improve in the next year (by summer of 2021) to the point that full operations of the campus will be possible. While technology and safety will continue to be important in new ways, we assume that our enrollment in fall 2021 will result from "normal" factors and will remain at least flat relative to fall 2020. Because we assume that our enrollment will remain flat or grow between fall 2020 and fall 2021, we would respond to losses resulting from current year enrollment declines by prioritizing temporary measures to reduce costs including, but not limited to, a hiring freeze on vacant positions and reducing or eliminating overtime; utilizing salary reductions, furloughs, and/or reductions in force would be a last resort. We would also make reductions in other-than-personnel expenses. It is also important to note that the reductions directed in the template are based on annual, not semester, amounts although the exercise is intended to focus on fall 2020 enrollment only.

In analyzing the specific impact of these reductions to Athletics revenue, we have determined that we will be able to absorb these reductions on a one-time occurrence. While the cancellation of fall sports creates revenue losses, primarily from ticket sales, guarantees and sponsorships, we would realize significant cost savings from avoiding associated expenses related to team travel, game operations, officiating, marketing, ticket operations, and other miscellaneous cost related to competitions (less medical/injury, reduced equipment replacement, etc). Coupling these reductions with the fact that UNC Charlotte has historically budgeted conservatively and has been good stewards of resources, we are able to withstand these projected losses for this fall. And depending on the severity of the reduction, we have also modeled targeted furloughs for all staff above a certain pay rate, as well as proactively prepared to reduce operational budgets for every unit.

In responding to the System Office's proposed revenue reduction analysis, we used the following chart and determined our most likely response under each scenario:

Estimated Revenue Impact Scenario Planning for	"New Normal" (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
UNC	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>							
Enrollment (FTE)	-	-	(543)	(1,357)	(2,713)	(6,783)	(13,567)
State Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ -	\$ -	\$ (2,400,000)	\$ (6,000,000)	\$ (12,000,000)	\$ (30,000,000)	\$ (60,000,000)
Student Fees (net)	\$ -	\$ -	\$ (2,000,000)	\$ (40,625,000)	\$ (43,750,000)	\$ (53,125,000)	\$ (68,750,000)
Financial Aid (external)	\$ -	\$ -	\$ (1,800,000)	\$ (4,500,000)	\$ (9,000,000)	\$ (22,500,000)	\$ (45,000,000)
Athletics (less fees)	\$ -	\$ (1,875,000)	\$ (3,750,000)	\$ (3,750,000)	\$ (3,750,000)	\$ (3,750,000)	\$ (3,750,000)
Housing (net)	\$ -	\$ -	\$ (18,080,000)	\$ (18,200,000)	\$ (18,400,000)	\$ (19,000,000)	\$ (20,000,000)
Dining (net)	\$ -	\$ (5,750,000)	\$ (10,396,000)	\$ (10,465,000)	\$ (10,580,000)	\$ (10,925,000)	\$ (11,500,000)
Parking	\$ -	\$ -	\$ (5,424,000)	\$ (5,460,000)	\$ (5,520,000)	\$ (5,700,000)	\$ (6,000,000)
Sales, Services, & Other Aux.	\$ -	\$ (1,125,000)	\$ (2,250,000)	\$ (2,250,000)	\$ (2,250,000)	\$ (2,250,000)	\$ (2,250,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ -	\$ -	\$ (2,250,000)	\$ (2,250,000)	\$ (2,250,000)	\$ (2,250,000)	\$ (2,250,000)
Gifts & Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ -</b>	<b>\$ (8,750,000)</b>	<b>\$ (48,350,000)</b>	<b>\$ (93,500,000)</b>	<b>\$ (107,500,000)</b>	<b>\$ (149,500,000)</b>	<b>\$ (219,500,000)</b>
Percent Change	0.0%	-1.2%	-6.7%	-12.9%	-14.8%	-20.6%	-30.2%



**Scenario A: "New Normal"**

No response required.

**Scenario B: Social Distancing Only**

Under the social distancing scenario, the template shows that UNC Charlotte would incur a total loss of revenue of \$8.75M (1.2%). This would primarily be covered by postponing the start of some self-liquidating capital projects (\$5M) and reducing the fund balance reserves in Athletics and other receipt-supported auxiliary units (\$3M). Each following scenario assumes that all the changes from the previous scenarios (cumulatively) will take place, plus the new reductions identified.

**Scenario C1: Online Fall 2020; Enrollment -2% Δ + Mandatory Fees**

Under this 2% enrollment reduction scenario, student tuition revenues and the concurrent reductions in fees for UNC Charlotte is \$48.35M (6.7%). Similar to the social distancing scenario, some of this reduction can be covered with postponing additional capital projects (\$7M) and further reducing auxiliary fund balance reserves (\$27M). However, reductions in housing and dining reserves would eventually result in an inability to pay our debt service. (The issue of the covenant on our bond portfolio is related to actions necessitating a refund of revenue which is separate from the ability to maintain sufficient cash to actually service the debt.) In addition, the impact of the enrollment decline would result in a reduction or elimination of some student workers and temporary positions, not filling vacant positions, and furloughing some campus staff (\$1M). Furthermore, a drop in enrollment would translate to a reduction in external student financial aid administered by the University on behalf of students (\$2M) and we would have to forego much needed infrastructure repairs and maintenance items (\$3M). The total of new changes in this section added to the total from the previous section brings us to reductions totaling \$48M.

**Scenario C2: Online Fall 2020; Enrollment -5% Δ**

A 5% enrollment reduction would result in a total loss of \$93.5M (12.9%) in student tuition revenues and fees for UNC Charlotte. In addition to increasing the expense reductions listed in the previous scenarios by an additional \$33M, the Parking and Transportation Services area would eliminate planned bus purchases and would be at risk of defaulting on various contracts (\$2M). Furthermore, the university would postpone the replacement of major computer and equipment needs for another year (\$5M), continue current limits on travel and professional development for faculty and staff (\$3M), and make additional reductions in operations (\$3M). The total of new changes in this section added to the cumulative total from the previous sections brings us to reductions totaling \$94M.

**Scenario C3: Online Fall 2020; Enrollment -10% Δ**

Should UNC Charlotte experience a 10% reduction in student tuition revenues and the concurrent reductions in fees, the total loss of revenue would be \$107.5M (14.8%). Because the cost structure of most core mission functions is overwhelmingly personnel, it is not reasonable to assume that a 10% enrollment reduction in FY 2020-



21 can be met with a 10% reduction in non-personnel costs in the General Fund. Given the multi-year impact, reductions for tuition revenues would have to be met with expense reductions that lean directionally toward personnel. However, the impact differs in auxiliaries where the impact is felt in the fiscal year in which the reduction in enrollment takes place. In addition to increasing the amounts for the items listed in the previous scenarios by \$13M, various student events will be reduced or cancelled (\$1M). The total of new changes in this section added to the cumulative total from the previous sections brings us to reductions totaling \$108M.

#### **Scenario D: Online Fall 2020; Enrollment -25% Δ**

A 25% decrease in enrollment would push the campus toward financial exigency. Even if the tactics identified for the above scenarios were fully deployed, we would fall drastically short of covering the lost revenue. In housing and dining alone we would need to reduce expenses by 60% to avoid violating our bond covenant and this level of reduction would reduce services at a magnitude unacceptable to students. This would, in turn, even further reduce revenue. We would likely have to identify academic programs to close or temporarily curtail and the associated faculty reductions would necessitate a declaration of financial exigency. Although not as extreme as the following scenario, the results on campus operations would be similar and for similar reasons.

#### **Scenario E: Online Fall 2020; Enrollment -50% Δ**

Unless there was a very significant and immediate infusion of cash from the State of North Carolina or other external-to-campus source, a 50% decrease in enrollment revenues (tuition and appropriations) would precipitate an "orderly shutdown" of campus. Here's why:

- UNC Charlotte has moved deliberately toward a safe, face-to-face campus opening. This opening includes what is projected to be a "full house" (overall flat enrollment) and a record freshman class, typical in recessions as enrollment is countercyclical. In order to teach those students in three modalities - face-to-face, hybrid, and remote - we have engaged faculty, instructional technologists, information technology professionals, and others - in a demanding race to be prepared for fall semester. In order to open a safe campus, we have engaged housing and dining staff in restructuring their operations and engineers of all types, cleaning professionals, and others to ensure that air handling and sanitation meet the new needs of campus. In summary, the human capital of the University has been operating flat-out to prepare for face-to-face opening and will continue to do so; this has a significant cost to the University.
- Should enrollment and enrollment-driven revenues drop by 50%, only a significant and immediate infusion of cash can avoid an exigency situation. By the point at which such an enrollment drop would be known, in mid-September, nearly 25% of the fiscal year would be complete. In a cost structure that is 70% personnel, under no circumstance can eliminating other-than-personnel expenses address a gap of that magnitude. Because of the costs of a shutdown including the cost of benefits for furloughs, termination costs for a reduction-in-force, and the time required for approvals of employee severance, the campus cannot reduce costs fast enough. While depleting fund balances would occur,

the magnitude and speed of the decrease would result in shut-down, as it would in the private sector absent government intervention.

- The cost reductions required to try to address rapid revenue decreases would make it unlikely if not impossible to sustain the operations needed to generate student enrollment.

University of North Carolina Greensboro – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	18,249	-	-	(365)	(912)	(1,825)	(4,562)	(9,124)
State Appropriation	\$ 180,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 70,000,000	\$ -	\$ -	\$ (1,400,000)	\$ (3,500,000)	\$ (7,000,000)	\$ (17,500,000)	\$ (35,000,000)
Student Fees (net)	\$ 40,000,000	\$ -	\$ -	\$ (800,000)	\$ (16,250,000)	\$ (17,500,000)	\$ (21,250,000)	\$ (27,500,000)
Financial Aid (external)	\$ 55,000,000	\$ -	\$ -	\$ (1,100,000)	\$ (2,750,000)	\$ (5,500,000)	\$ (13,750,000)	\$ (27,500,000)
Athletics (less fees)	\$ 3,000,000	\$ -	\$ (750,000)	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)
Housing (net)	\$ 27,000,000	\$ -	\$ -	\$ (12,204,000)	\$ (12,285,000)	\$ (12,420,000)	\$ (12,825,000)	\$ (13,500,000)
Dining (net)	\$ 16,000,000	\$ -	\$ (4,000,000)	\$ (7,232,000)	\$ (7,280,000)	\$ (7,360,000)	\$ (7,600,000)	\$ (8,000,000)
Parking	\$ 4,000,000	\$ -	\$ -	\$ (1,808,000)	\$ (1,820,000)	\$ (1,840,000)	\$ (1,900,000)	\$ (2,000,000)
Sales, Services, & Other Aux.	\$ 8,500,000	\$ -	\$ (1,275,000)	\$ (2,550,000)	\$ (2,550,000)	\$ (2,550,000)	\$ (2,550,000)	\$ (2,550,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ 30,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 45,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 478,500,000</b>	<b>\$ -</b>	<b>\$ (6,025,000)</b>	<b>\$ (28,594,000)</b>	<b>\$ (47,935,000)</b>	<b>\$ (55,670,000)</b>	<b>\$ (78,875,000)</b>	<b>\$ (117,550,000)</b>
Percent Change	100%	0.0%	-1.3%	-6.0%	-10.0%	-11.6%	-16.5%	-24.6%






Franklin D. Gilliam, Jr.  
*Chancellor*

**Date:** July 24, 2020

**To:** Dr. Bill Roper, Interim President, UNC System

**From:** Franklin D. Gilliam, Jr., Chancellor 

**Re:** UNCG Budget Scenario Planning

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Please find attached UNC Greensboro's Budget Scenario Planning spreadsheet. For the past few months our faculty and staff have been working extremely hard on plans to welcome students back to campus this Fall, guided by these core principles – the health and safety of our community; our steadfast commitment to academic excellence; and commitment to offering programs and unique opportunities that are essential to a vibrant campus experience. For your reference we have also attached our Return to Campus document, which has been shared with our students and parents, to illustrate the breadth and depth of our preparations.

This scenario planning exercise reveals impacts that could potentially range from significant to catastrophic for UNCG. In several of the scenarios, the result would jeopardize the momentum we've generated since my arrival five years ago (i.e. record enrollment, number one ranking in the state on social mobility, record research and fundraising, \$1B economic impact in the Piedmont Triad region, meeting all of the UNC System's strategic performance metrics).

In the most extreme scenarios, the budget reduction would do damage with significant lasting negative impacts. UNCG would be less able, or potentially unable, to effectively prepare thousands of students for productive careers in the North Carolina workforce, creating a long-term negative impact on our economy. More immediately, the livelihoods of hundreds and perhaps thousands of employees would be adversely affected – particularly given that public higher education is such a labor- and capital-intensive industry. In the United States, total higher education industry spending is greater than \$650 billion annually. UNCG is an annual \$500 million plus enterprise and is no exception to that labor and capital structure. Approximately 65% of UNCG's expenses are personnel cost: salary and benefits.

The core of any university is academics, student life, research, and economic impact in its community. For our primary constituents – students – time to graduation will be extended and graduation rates will decline. Many students will stopout or drop out, negatively impacting their socioeconomic mobility and the state's ability to generate an educated workforce. For our employees – who provide or support education, research, and community impact – terminations, layoffs, and furloughs will result. These losses will deeply impair our ability to provide excellence across the range of services that UNCG currently provides.

Following is a summary of those impacts. UNCG will use most of the expense levers listed in the planning spreadsheet provided as a template to accomplish a balanced budget. Scenarios D and E will lead to a much smaller UNCG with budget reductions of \$78.9 million and \$117.5 million respectively. Both scenarios D and E will lead to hundreds of terminations and widespread furloughs across the University. No employee category will be exempt or untouched. These actions will have a negative impact on our students' progress to degree, knowledge production, and the local economy. Scenarios C1, C2, C3, D, and E will require terminations, layoffs, and furloughs of faculty, and SHRA and EHRA staff. Essentially, scenarios D and E will certainly put UNCG at risk of survival as a strong Research 2 university, and reduce substantially our capacity to produce graduates who are ready to thrive in the North Carolina workforce (teachers, nurses, business leaders, etc.).

### **Academics**

Under scenarios D and E, there will be widespread termination of experienced non-tenure track faculty. Even with these widespread terminations, we will still have to take personnel actions with tenure track faculty. Thus, we believe scenarios D and E will require the System to declare fiscal exigency to allow termination of tenure track faculty. We cannot get to a balanced budget and maintain excellence without resorting to strategic cuts in academic programs, student life, and all aspects of administration. Information technology investment, library investment, scholarly activity, and research and economic development will all be seriously curtailed or eliminated. Our ability to market our academic programs and drive enrollment growth will be seriously curtailed or eliminated based on communications cuts. The end result would be a gut-punch to the degree offerings available to students, as well as a serious decline in contributing applied research to the Piedmont Triad region, state, and nation.

### **Enrollment and University Advancement**

In business terms, enrollment and advancement are our sales force. Terminations, layoffs, and furloughs in these areas will result in a decrease in our ability to generate external revenue. Increased revenue from enhanced student enrollment and philanthropy are critical for UNCG in the COVID and post-COVID world. We must have a robust enrollment management operation given the looming enrollment crisis, namely the decline of high school graduates post-2025. Having and maintaining a strong fundraising team is critical for any university to compete in what has become a hypercompetitive higher education marketplace. This is particularly salient for UNCG given that we planned to launch a campaign in September 2020 (now, theoretically, pushed back to September 2021). Scenarios D and E will lead to a significant loss of employees in advancement and enrollment, seriously degrading our ability to grow revenue when most needed.

### **Student Life**

Student life programming plays a major role in students' academic success and plays a major role in our ability to recruit and retain students. Cuts across scenarios C1, C2, C3, D, and E will result in closed residence halls, cuts to programs that retain, counsel, and challenge students; and reductions to health and wellness services that will likely result in increased mental health challenges and costs. In addition, UNCG has made significant investments in student success. As a result, UNCG is among one of just a few schools to meet our System strategic performance metrics. Cuts across all scenarios put these System-mandated goals in jeopardy. Multiple sports would need to be cut, resulting in UNCG not meeting current NCAA minimum requirements (14 sports) to compete in Division I. In scenarios D and E, the best case would be to have a Division III athletic program.

### **Finance and Administration**

The most dramatic impact on finance and administration will be two-fold: furloughs, layoffs, and terminations, coupled with reduction in key services that feed, house, and transport our students. Additionally, our ability to maintain our campus will be significantly degraded. UNCG already has greater than \$450 million in deferred maintenance. Scenarios C1, C2, C3, D, and E will require us to further delay maintenance, putting the viability of dozens of capital assets at risk while putting the health and safety of our students, staff, and faculty at risk. Pending debt payments based on revenue from student fees could face default, as state funds cannot be expended on housing, dining, parking, or athletic debt. Strategic financial investment in UNCG's future will be seriously degraded. In addition, compliance with federal and state laws and UNC System regulations would be seriously impacted.

In short, the significant achievements over the last five years and the resultant momentum that is catapulting UNCG – and our state – forward would be stunted. Retreating from R2, DI status will taint our status as the #1 university in North Carolina for social mobility. It would put at risk the academic engine that today is producing hundreds of nurses, teachers, and local business leaders each year. Put another way, given the makeup of our student population, we will no longer be able to take such a vast array of students and enable them to transform their lives, and those of their families, in some cases for generations. With 80% of our alums living in our state, the results of such actions would severely hamper the development of the middle class in North Carolina.

University of North Carolina at Pembroke – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	6,857	-	-	(137)	(343)	(686)	(1,714)	(3,429)
State Appropriation	\$ 80,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 10,000,000	\$ -	\$ -	\$ (200,000)	\$ (500,000)	\$ (1,000,000)	\$ (2,500,000)	\$ (5,000,000)
Student Fees (net)	\$ 9,500,000	\$ -	\$ -	\$ (190,000)	\$ (3,859,375)	\$ (4,156,250)	\$ (5,046,875)	\$ (6,531,250)
Financial Aid (external)	\$ 23,000,000	\$ -	\$ -	\$ (460,000)	\$ (1,150,000)	\$ (2,300,000)	\$ (5,750,000)	\$ (11,500,000)
Athletics (less fees)	\$ 1,000,000	\$ -	\$ (250,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)
Housing (net)	\$ 7,500,000	\$ -	\$ -	\$ (3,390,000)	\$ (3,412,500)	\$ (3,450,000)	\$ (3,562,500)	\$ (3,750,000)
Dining (net)	\$ 5,000,000	\$ -	\$ (1,250,000)	\$ (2,260,000)	\$ (2,275,000)	\$ (2,300,000)	\$ (2,375,000)	\$ (2,500,000)
Parking	\$ 500,000	\$ -	\$ -	\$ (226,000)	\$ (227,500)	\$ (230,000)	\$ (237,500)	\$ (250,000)
Sales, Services, & Other Aux.	\$ 3,000,000	\$ -	\$ (450,000)	\$ (900,000)	\$ (900,000)	\$ (900,000)	\$ (900,000)	\$ (900,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 6,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 146,500,000</b>	<b>\$ -</b>	<b>\$ (1,950,000)</b>	<b>\$ (8,126,000)</b>	<b>\$ (12,824,375)</b>	<b>\$ (14,836,250)</b>	<b>\$ (20,871,875)</b>	<b>\$ (30,931,250)</b>
Percent Change	100%	0.0%	-1.3%	-5.5%	-8.8%	-10.1%	-14.2%	-21.1%

## University of North Carolina at Pembroke Response

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Instruction, Student Services, Academic Support, & Institutional Support	UNCP has been scenario planning for the past month on reductions. Here are the strategies we are and/or will deploy to meet budget constraints:						
	No Change	No Change	<ul style="list-style-type: none"> <li>• Continue hiring freeze and only replace critical positions</li> <li>• Utilize attrition/retirements as an opportunity to reorganize or disseminate work amongst remaining team members</li> <li>• Deploy furlough and RIF options to reduce expenditures in underperforming units</li> <li>• Utilize current EHRA non-teaching staff qualified to teach under accreditation standards to absorb one course</li> <li>• Teaching faculty will absorb one additional course in their load</li> <li>• Increase number of students in courses to reduce number of course sections when feasible</li> <li>• Implement strategic reductions in operating/discretionary spending (i.e. travel, supplies, etc.)</li> <li>• Delay scheduled replacements and/or non-priority maintenance by 1 year (IT, furniture, equipment, etc.)</li> <li>• Rely on adjunct professors (to the extent allowed by SACS)</li> <li>• Downsize/Right size/Streamline administrative/business support operations to a required level versus preferred level</li> <li>• Explore outsourcing to generate cost savings</li> <li>• Conduct low productivity exercise to identify underperforming programs that can be eliminated</li> </ul>				
Student Auxiliaries and Fee Activities (see attachment for additional detail)	<ul style="list-style-type: none"> <li>• Continue hiring freeze and only replace critical positions</li> <li>• Utilize attrition/retirements as an opportunity to reorganize or disseminate work amongst remaining team members</li> <li>• Right size/reduce services based on student population (hours/products)</li> <li>• Renegotiate contracts for our bookstore/dining operations with our provider (ex. actual cost plus 5%)</li> <li>• Reduce operating/discretionary spending to maintain strict fund balances for operations with debt to maintain 1-year payment reserve</li> <li>• Shutter buildings to reduce operational and energy costs</li> <li>• Furlough employees to maintain a workforce driven by student population</li> <li>• Discuss athletic program discontinuation</li> <li>• Shutter more expensive licensed dining locations to reduce costs</li> <li>• Pay off debt early in areas with healthy cash balance to reduce annual costs</li> <li>• Explore refinancing debt for longer terms if needed due to budget impact/student population impact</li> <li>• Increase fund raising efforts to support various student programs that are critical to student success</li> </ul>						
Sales & Services	<ul style="list-style-type: none"> <li>• Examine what services provide value and prioritize services we would like to maintain.</li> <li>• Eliminate underutilized sales and service operations</li> <li>• Explore opportunities to outsource services to reduce costs</li> <li>• Continue hiring freeze and only replace critical positions</li> <li>• Utilize attrition/retirements as an opportunity to reorganize or disseminate work amongst remaining team members</li> <li>• Furlough/RIF staff to rightsized operation for current population</li> </ul>						
Contracts & Grants	<ul style="list-style-type: none"> <li>• Mandate salary support for all employees involved in research project in all new proposals</li> <li>• Merge duties in our small operation to reduce staffing expenses by at least 1 FTE</li> <li>• Utilize F &amp; A to wrap up projects coming to a close to maintain reputation</li> </ul>						
Gifts & Investments	<ul style="list-style-type: none"> <li>• Utilize attrition/retirements as an opportunity to reorganize or disseminate work amongst remaining team members</li> <li>• Deploy furloughs and RIF options but maintain high performance team</li> <li>• Reset remaining team to increase efficient fundraising efforts for student support programs</li> <li>• Implement salary initiatives for fundraisers to generate percentage of their salary to support operation</li> </ul>						

## UNCP - Attachment

### Parking

Reduction	
2%	\$ (226,000) Our parking operation is extremely lean with no debt and a healthy reserve to accommodate a 50% loss in revenue.
5%	\$ (227,500) However, the reserve was being built to support the new campus parking upgrades to include gated lots that would fold
10%	\$ (230,000) into the future campus controlled access plan. With the current budget uncertainty, we are still in a good position to
25%	\$ (237,500) move forward using will hold our plans for parking upgrades until we have a better outlook on parking.
50%	\$ (250,000)

### Dining

Reduction	
2%	\$ (2,250,000) We contract our dining operation to Sodexo Management, Inc. They provide full-service dining and catering management
5%	\$ (2,250,000) on our campus. For all of the proposed scenarios, we will negotiate reduced rates for their food service delivery to our
10%	\$ (2,250,000) campus as we did in the spring at the onset of the impacts of COVID-19. Similar to our approach in the spring, we
25%	\$ (2,250,000) implemented a layered approach of shuttering the more expensive licensed operations and maintaining services solely in
50%	\$ (2,250,000) our main dining hall on a reduced schedule. Our operation will be driven solely by student demand. The employees who run the Sodexo operation are not UNCP employees and will not require payouts if the operation is shuttered. In addition, we are in a good position to pay the remaining debt owed to Sodexo for the investment made in our School of Business dining operation in the amount of \$991,597 using leftover fund fundraised for the construction project.

**Note: Our unique population of students suffer from a greater degree of food insecurity than most campus populations. We will have to work strategically with our CARE Resource center to proactively support students with this challenge.**

### Housing

Reduction	
2%	\$ (4,294,000) For all of the proposed scenarios, we will prioritize the placement of students in our facilities that have debt obligations
5%	\$ (4,322,500) and shutter those buildings that do not. This will have a domino effect on the reduction of staff, utilities, and operating
10%	\$ (4,370,000) expenses. However, no plan will allow us to eliminate insurance premiums. We were able to utilize CARES institutional
25%	\$ (4,512,500) funds to reimburse our housing operation for spring refunds. We will hold these funds in our reserve to cover debt
50%	\$ (4,750,000) payments.

**The impact of significant budget cuts in any scenario will reduce the investment in student engagement programs which have been critical to our retention efforts for our population of students.**

### Athletics

Reduction	
2%	\$ (500,000) Our athletic conference is currently discussing if there will be fall sports. At this time, we have frozen all expenditures with the exception of salary. We have our furlough plan ready for approval depending on the conference decision. We
5%	\$ (500,000) have also been able to recoup a very small amount of funds from CARES HMSI funds for replacement revenue. However,
10%	\$ (500,000) we will begin implementing the first wave of budget cutting strategies to include furloughs in the next three week
25%	\$ (500,000) dependent on conference decisions and student enrollment. We have actively began fundraising efforts to help subsidize
50%	\$ (500,000) athletic expenses to support our student athletes in these uncertain times. We have also found ourselves additional course sections (due to room capacity limits and social distancing) and will utilize qualified coaches to assist with teaching. Lastly, we are discussing the implications of sunseting women's golf and football to accommodate the budget situation due to impact of COVID-19 and decreased enrollment.

### Student Fees

Reduction	
2%	\$ (190,000) With the limitations surrounding gatherings due to COVID-19, we are actively resetting the options to offer our students
5%	\$ (3,859,375) an engaged experience on our campus as well as see a natural reduction in expenses to support reduced
10%	\$ (4,156,250)
25%	\$ (5,046,875)
50%	\$ (6,531,250)

University of North Carolina Wilmington – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	15,801	-	-	(316)	(790)	(1,580)	(3,950)	(7,901)
State Appropriation	\$ 150,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 80,000,000	\$ -	\$ -	\$ (1,600,000)	\$ (4,000,000)	\$ (8,000,000)	\$ (20,000,000)	\$ (40,000,000)
Student Fees (net)	\$ 35,000,000	\$ -	\$ -	\$ (700,000)	\$ (14,218,750)	\$ (15,312,500)	\$ (18,593,750)	\$ (24,062,500)
Financial Aid (external)	\$ 28,000,000	\$ -	\$ -	\$ (560,000)	\$ (1,400,000)	\$ (2,800,000)	\$ (7,000,000)	\$ (14,000,000)
Athletics (less fees)	\$ 4,000,000	\$ -	\$ (1,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)
Housing (net)	\$ 21,000,000	\$ -	\$ -	\$ (9,492,000)	\$ (9,555,000)	\$ (9,660,000)	\$ (9,975,000)	\$ (10,500,000)
Dining (net)	\$ 13,000,000	\$ -	\$ (3,250,000)	\$ (5,876,000)	\$ (5,915,000)	\$ (5,980,000)	\$ (6,175,000)	\$ (6,500,000)
Parking	\$ 4,000,000	\$ -	\$ -	\$ (1,808,000)	\$ (1,820,000)	\$ (1,840,000)	\$ (1,900,000)	\$ (2,000,000)
Sales, Services, & Other Aux.	\$ 4,000,000	\$ -	\$ (600,000)	\$ (1,200,000)	\$ (1,200,000)	\$ (1,200,000)	\$ (1,200,000)	\$ (1,200,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ 12,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 50,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 401,000,000</b>	<b>\$ -</b>	<b>\$ (4,850,000)</b>	<b>\$ (23,236,000)</b>	<b>\$ (40,108,750)</b>	<b>\$ (46,792,500)</b>	<b>\$ (66,843,750)</b>	<b>\$ (100,262,500)</b>
Percent Change	100%	0.0%	-1.2%	-5.8%	-10.0%	-11.7%	-16.7%	-25.0%



University of North Carolina Wilmington Response

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Tuition Revenue	No Change	No Change	<ul style="list-style-type: none"> <li>Reduction/delay in purchase of goods and services (\$1.6M)</li> </ul>	<ul style="list-style-type: none"> <li>Reduction/delay in purchase of goods and services (\$1.8M)</li> <li>Delay scheduled replacement of equipment (\$1.5M)</li> <li>Delay or freeze new hires in Institutional Support Units and Academic Affairs (\$0.7M)*</li> </ul>	<ul style="list-style-type: none"> <li>Reduction/delay in purchase of goods and services (\$2.3M)</li> <li>Delay scheduled replacement of equipment (\$2.5M)</li> <li>Delay or freeze new hires in Institutional Support Units and Academic Affairs (\$3.2M)*</li> </ul>	<ul style="list-style-type: none"> <li>Reduction/delay in purchase of goods and services (\$2.5M)</li> <li>Delay scheduled replacement of equipment (\$2.5M)</li> <li>Delay or freeze new hires in Institutional Support Units and Academic Affairs (\$3.2M*)</li> <li>Pause launch of new degree programs (\$5.5M)</li> <li>Apply furloughs to areas to appropriately scale to demand (\$6.3M)</li> <li>As most programs at UNCW either have stable or growing enrollment, we would try to avoid the elimination of entire degree programs as such cuts would cause further revenue impacts (creating a perpetual revenue spiral)</li> </ul>	<ul style="list-style-type: none"> <li>Reduction/delay in purchase of goods and services (\$5M)</li> <li>Delay scheduled replacement of equipment (\$5M)</li> <li>Delay or freeze new hires in Institutional Support Units and Academic Affairs (\$3.2M)*</li> <li>Pause launch of new degree programs (\$5.5M)</li> <li>Apply furloughs to areas to appropriately scale to demand (\$21.3M)</li> <li>As most programs at UNCW either have stable or growing enrollment, we would try to avoid the elimination of entire degree programs as such cuts would cause further revenue impacts (creating a perpetual revenue spiral)</li> </ul>
			*These are separate and discrete from positions delayed or frozen in auxiliary or fee supported areas described below				
Student Fees			<ul style="list-style-type: none"> <li>Will eliminate programming and activities proportionate to existing fee allocations that support athletics, health services, student activities, ed. &amp; technology, and security (see attachment for more details)</li> </ul>				
Financial Aid			<ul style="list-style-type: none"> <li>Automatic offsetting expense</li> </ul>				

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Athletics	No Change	<ul style="list-style-type: none"> <li>Would be achieved via a \$600K reduction in travel expenses attributable to shorter seasons in all sports, \$200K reduction in marketing expenses and \$200K reduction in event and game day operations (predominately temporary labor). These cuts will deeply impact the experience of our student athletes and be a significant loss to students, alumni and all Sea Hawk fans. Sports is a meaningful tool in our development and recruiting operations, but the loss is hard to measure directly. On the other hand, not having a football program materially reduces our exposure in this area (as our athletic budget is not reliant upon football ticket revenue to subsidize other operations).</li> </ul>	<ul style="list-style-type: none"> <li>Include all expense reductions in scenario B (\$1M)</li> <li>Consider reductions to sports portfolio (\$1M)</li> </ul>				
Housing	No Change	No Change	<ul style="list-style-type: none"> <li>The revenue shortfall will primarily be offset with reductions in facility expenses and furloughing of staff.</li> <li>Fund balance will be utilized to cover the following fixed cost:</li> <li>Debt service - this could potentially have a negative impact on our credit rating and limit future growth opportunities</li> <li>Applicable payments for insurance and utilities</li> </ul>				
Dining		<ul style="list-style-type: none"> <li>Vendor contract with Aramark would be adjusted consistent with the drop in meal plans which resulted in the aforementioned loss of revenue</li> </ul>	<ul style="list-style-type: none"> <li>Vendor contract with Aramark would be adjusted consistent with the drop in meal plans which resulted in the aforementioned loss of revenue</li> <li>Fund balance will be used to cover the fall debt service payments</li> </ul>				
Parking	No Change	No Change	<ul style="list-style-type: none"> <li>Eliminate temp employees and furlough staff</li> <li>Fund balance to cover debt service and fixed cost</li> </ul>				
Sales, Services, and Other Auxiliaries		<ul style="list-style-type: none"> <li>Would scale services and staffing across auxiliary and campus support lines of business to offset the loss in revenue (\$0.6M)</li> </ul>	<ul style="list-style-type: none"> <li>Would scale services and staffing across auxiliary and support services to offset the loss in revenue (\$0.7M)</li> <li>Reduce contribution to academic scholarship fund provided through bookstore (\$0.5M)</li> </ul>				
Contracts & Grants	No Change	No Change	<ul style="list-style-type: none"> <li>Teaching buy-out and other research related expenses would be reduced (\$0.6M)</li> </ul>				

# UNCW- Attachment

Mandatory Fee Impact Chart						
Fee Type & Programing	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E	Activities Impacted
Athletics	205,884	4,182,019	4,503,713	5,468,794	7,077,263	Supports athletic department salaries, team travel and operations.
Health Services	58,212	1,182,431	1,273,388	1,546,256	2,001,038	Supports salaries, maintenance and operation of the student health center.
<b>Student Activities</b>						
Media	3,325	67,539	72,734	88,320	114,297	Used to defray the cost of the various campus-wide student publications including the student newspaper, a literary magazine, and a radio station, and TV channel.
SGA	14,088	286,163	308,176	374,213	484,276	All ocated to the SGA for distribution to campus organizations for activities that they deem are in the best interest of the student body.
Campus Life (Student Union)	36,682	745,104	802,420	974,367	1,260,946	Supports the operation and programming of the Student Union.
Rec & Intramurals	67,250	1,366,025	1,471,103	1,786,340	2,311,734	Supports the cost of operating and maintaining the intramural recreational sports program and other physical education programs.
Postal	3,987	80,990	87,220	105,909	137,059	Covers cost of maintaining a full service U.S. Postal Service contract station.
Athletic Facilities	28,575	580,425	625,074	759,018	982,258	Athletic Facility Operations Fee supports the cost of regular maintenance of the athletic facilities, fields, and grounds including the cost of salaries and benefits for maintenance
Cultural Events	11,417	231,900	249,739	303,254	392,447	Cultural Events Fee support cultural initiatives organized by offices and departments across campus including events and activities related to the arts, diversity and inclusion, and community engagement.
ID/Debit Card Office	3,190	64,792	69,776	84,728	109,647	Supports the University's ID Card operations and support. The ID card is used for identification purposes, a library card, and as a campus card for dining and vending .
Leadership	6,114	124,184	133,737	162,395	210,158	Supports the Leadership Center and the mission to cultivate a dynamic, experiential, and student-centered environment that provides opportunities for leadership .
Commencement	8,506	172,778	186,068	225,940	292,393	Funds the commencement events.
The Green Initiative Fund	2,658	53,993	58,146	70,606	91,373	The Green Initiative Fee provides funding to promote sustainability and green ambassador efforts.
Ed & Tech	142,193	2,888,305	3,110,482	3,777,014	4,887,901	The Ed & Tech Fee is Used by colleges and schools to equip and operate computing and scientific laboratories, which supplement classroom instruction. The fee is also used by central administration to support and maintain the technical infrastructure on campus.
Campus Security Fee	7,974	161,979	174,439	211,819	274,119	Used to assist in campus-based and UNC system-wide safety and security initiatives, staffing and security measures.
Campus Rec. Facility*	53,428	1,085,261	1,168,742	1,419,187	1,836,595	Debt Service fees are pledged to support the construction and/or renovations.
Union Fee*	46,517	944,879	1,017,562	1,235,611	1,599,025	Debt Service fees are pledged to support the construction and/or renovations.
*Notes that fund balance will be required to offset a fixed cost or mandatory obligation to the university.						

University of North Carolina School of the Arts – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	1,075	-	-	(21)	(54)	(107)	(269)	(537)
State Appropriation	\$ 35,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 11,000,000	\$ -	\$ -	\$ (220,000)	\$ (550,000)	\$ (1,100,000)	\$ (2,750,000)	\$ (5,500,000)
Student Fees (net)	\$ 4,500,000	\$ -	\$ -	\$ (90,000)	\$ (1,828,125)	\$ (1,968,750)	\$ (2,390,625)	\$ (3,093,750)
Financial Aid (external)	\$ 6,500,000	\$ -	\$ -	\$ (130,000)	\$ (325,000)	\$ (650,000)	\$ (1,625,000)	\$ (3,250,000)
Athletics (less fees)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Housing (net)	\$ 2,500,000	\$ -	\$ -	\$ (1,130,000)	\$ (1,137,500)	\$ (1,150,000)	\$ (1,187,500)	\$ (1,250,000)
Dining (net)	\$ 2,000,000	\$ -	\$ (500,000)	\$ (904,000)	\$ (910,000)	\$ (920,000)	\$ (950,000)	\$ (1,000,000)
Parking	\$ 100,000	\$ -	\$ -	\$ (45,200)	\$ (45,500)	\$ (46,000)	\$ (47,500)	\$ (50,000)
Sales, Services, & Other Aux.	\$ 4,000,000	\$ -	\$ (600,000)	\$ (1,200,000)	\$ (1,200,000)	\$ (1,200,000)	\$ (1,200,000)	\$ (1,200,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 69,100,000</b>	<b>\$ -</b>	<b>\$ (1,100,000)</b>	<b>\$ (3,719,200)</b>	<b>\$ (5,996,125)</b>	<b>\$ (7,034,750)</b>	<b>\$ (10,150,625)</b>	<b>\$ (15,343,750)</b>
Percent Change	100%	0.0%	-1.6%	-5.4%	-8.7%	-10.2%	-14.7%	-22.2%

University of North Carolina School of the Arts Response

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Instruction, Student Services, Academic Support, & Institutional Support	No Change	No Change	<ul style="list-style-type: none"> <li>Hiring freeze and redirect lapsed salaries.</li> <li>Across-the-board reductions in discretionary spending (i.e. travel, supplies, etc.)</li> <li>Delay scheduled recapitalization by 1 year (IT, vehicles, furniture, equipment, etc.)</li> <li>Utilize adjunct professors, guest artists, temp employees to reduce costs/increase flexibility</li> </ul> <p>NOTE: UNCSCA's conservatory educational model limits ability to leverage economies of scale.</p> <p>UNCSCA's integrated residential HS program is not fully reflected in this exercise, but creates unique needs and budget demands associated with residential HS students.</p>			<ul style="list-style-type: none"> <li>Consolidation of functions and organizational restructure</li> <li>Consider 9-month contracts for student-focused positions.</li> <li>Increase faculty teaching load and/or student-to-faculty ratio</li> <li>UNCSCA wide flexible furloughs</li> </ul> <p>NOTE: Scenarios D and E trigger financial exigency for UNCSCA"</p>	
Student Auxiliaries and Fee Activities		<ul style="list-style-type: none"> <li>Utilize existing fund balances</li> <li>Reduce services</li> <li>Furloughs in areas where services are reduced</li> </ul> <p>NOTE: UNCSCA's size and model limit ability to generate large fund balances for contingencies</p>		<ul style="list-style-type: none"> <li>Closure of impacted auxiliary programs/functions for fall</li> <li>Closure of student housing and dining halls for fall</li> <li>Redeploy other resources to fund debt service</li> <li>Furlough of auxiliary employees</li> <li>Flexible furloughs across the board</li> <li>Institute RIFs and Early Retirement Initiatives</li> </ul> <p>NOTE: UNCSCA's options to extreme financial challenges would include "mothballing" facilities and associated furloughs</p>			
Sales & Services		<ul style="list-style-type: none"> <li>Reduce operating hours</li> </ul>	<ul style="list-style-type: none"> <li>Discontinue sales and service activities</li> <li>Furlough or elimination of staff</li> </ul> <p>NOTE: UNCSCA's size hinders our ability to generate significant revenues to compensate for financial challenges and sustain prolonged economic trials</p>				
Contracts & Grants	Not Applicable for UNCSCA						
Gifts & Investments	No Change	<ul style="list-style-type: none"> <li>Suspend capital or other projects relying on fundraising or investment income</li> </ul>			<ul style="list-style-type: none"> <li>Reduce amount of financial aid funded from gifts/endowments</li> <li>Examine ROI of fundraising resources</li> </ul>		

Western Carolina University – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	11,105	-	-	(222)	(555)	(1,111)	(2,776)	(5,553)
State Appropriation	\$ 130,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 18,000,000	\$ -	\$ -	\$ (360,000)	\$ (900,000)	\$ (1,800,000)	\$ (4,500,000)	\$ (9,000,000)
Student Fees (net)	\$ 25,000,000	\$ -	\$ -	\$ (500,000)	\$ (10,156,250)	\$ (10,937,500)	\$ (13,281,250)	\$ (17,187,500)
Financial Aid (external)	\$ 30,000,000	\$ -	\$ -	\$ (600,000)	\$ (1,500,000)	\$ (3,000,000)	\$ (7,500,000)	\$ (15,000,000)
Athletics (less fees)	\$ 4,000,000	\$ -	\$ (1,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)
Housing (net)	\$ 19,000,000	\$ -	\$ -	\$ (8,588,000)	\$ (8,645,000)	\$ (8,740,000)	\$ (9,025,000)	\$ (9,500,000)
Dining (net)	\$ 17,000,000	\$ -	\$ (4,250,000)	\$ (7,684,000)	\$ (7,735,000)	\$ (7,820,000)	\$ (8,075,000)	\$ (8,500,000)
Parking	\$ 2,500,000	\$ -	\$ -	\$ (1,130,000)	\$ (1,137,500)	\$ (1,150,000)	\$ (1,187,500)	\$ (1,250,000)
Sales, Services, & Other Aux.	\$ 1,500,000	\$ -	\$ (225,000)	\$ (450,000)	\$ (450,000)	\$ (450,000)	\$ (450,000)	\$ (450,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ 6,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 13,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 266,500,000</b>	<b>\$ -</b>	<b>\$ (5,475,000)</b>	<b>\$ (21,312,000)</b>	<b>\$ (32,523,750)</b>	<b>\$ (35,897,500)</b>	<b>\$ (46,018,750)</b>	<b>\$ (62,887,500)</b>
Percent Change	100%	0.0%	-2.1%	-8.0%	-12.2%	-13.5%	-17.3%	-23.6%



July 24, 2020

Dear Interim President Roper, President-elect Hans and Chairman Ramsey,

Please find attached the completed template from Western Carolina University for the Budget/Revenue Scenario Planning. We have taken this exercise seriously and provided the requested information. I have shared our response with our university governance leaders and engaged directly with senior administrative leaders. In addition, my leadership team and I continue active planning for the fall semester and a range of potential revenue and budget shortfalls.

In contemplating the scope and depth of the proposed scenarios offered here, it becomes quickly apparent that our ability to deliver our academic, research, and regional service mission would be rendered effectively impossible, particularly at the level of 25-50%. Cuts in scenarios C1-C3 would have a significant and negatively substantial impact on our university across all divisions with serious erosion in our delivery of instruction and in the total student experience. Cuts in scenarios D and E would be simply devastating to our students, our faculty and staff, and our region, resulting in catastrophic furloughs and terminations that would threaten our ability to deliver even the most minimal level of operations; no person or unit on campus would be unaffected. As you begin review of WCU's response as well as the other UNC System campus responses, I ask you to keep a few thoughts in mind.

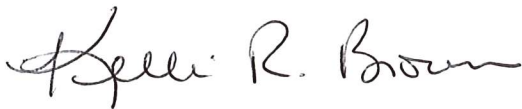
- WCU's campus community has come together to develop effective instructional plans for the fall semester, including meaningful face to face components, while working diligently to ensure the well-being of those living and working on campus.
- WCU faculty and staff have done tremendous work in preparing for a range of instructional modalities and we are currently prepared for classes to be delivered via a range of face-to-face (F2F), hybrid (including both F2F and online components), and online modalities. Only a very small percentage of our residential students received an online-only course schedule for the fall.
- To date, our enrollment numbers reflect an increase over point-in-time data from last fall and we expect enrollment to be slightly up or stable this fall.
- Retention and graduation rates at WCU have been on a steady increase for the past decade. Our freshman retention rate has improved from a previous plateau of around 70% to consistent performance at around 80% and we are poised to continue that strong performance. Four and six-year graduation rates have risen almost ten percentage points, respectively, in the same period.



- A successful reopening this fall with residential instruction and student life amidst the ongoing global pandemic will hinge largely on the confidence and focus of our faculty and staff. We are working extremely hard to preserve morale and confidence as we move forward.
- WCU leadership continues to plan for the fall in coordination with our local and regional partners. The success of our region depends heavily on the continued success of the University. WCU is the second largest employer in all of far Western North Carolina (only the Casino employs more) with an economic impact of more than half a billion dollars in WNC alone; nearly \$1billion state-wide.

Thank you for your consideration of our response to the planning exercise. We recognize that budget/revenue planning is necessary in the best of times and critically essential during these unprecedented days. I couldn't be more proud of what our University has accomplished over the past months. I am certain that together we will emerge from this crisis with a renewed commitment to our region and our State as higher education will be a critical driver of economic excellence for North Carolina in a post-pandemic world.

Sincerely yours,

A handwritten signature in cursive script that reads "Kelli R. Brown". The signature is written in black ink and is positioned above the printed name and title.

Kelli R. Brown  
Chancellor

Western Carolina University Response Continued

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Tuition Revenue	No Change	No Change	<ul style="list-style-type: none"> <li>New positions planned for growth with growth funds will not be filled</li> </ul>		<ul style="list-style-type: none"> <li>\$6M New positions planned for growth will not be filled</li> <li>\$1M Non-personnel operating budgets (travel, services, supplies) will be reduced</li> <li>\$2M furloughs will be instituted</li> </ul>		
Student Fees		No Change	<ul style="list-style-type: none"> <li>Reserves (fund balance) will be used (70%); furloughs/ staff reductions instituted (20%)</li> <li>Non-personnel operating budgets (travel, services, supplies) will be reduced (10%).</li> </ul>				
Financial Aid		No Change	<ul style="list-style-type: none"> <li>We believe financial aid distributions will vary directly with enrollment. i.e. 2% fewer enrolled will equate to 2% fewer awards. We don't believe any adjustments need to be made here.</li> </ul>				
Athletics		<ul style="list-style-type: none"> <li>Loss of revenue due to social distancing would actually be \$250k and will be offset by reduced game day costs and fewer personnel to handle crowds</li> </ul>	<ul style="list-style-type: none"> <li>Expenses associated with games will not be incurred. Furloughs and staff reductions will be implemented in targeted areas.</li> <li>Non-personnel operating budgets (travel, services, supplies) will be reduced.</li> </ul>				
Housing		No Change	<ul style="list-style-type: none"> <li>\$7M offset from reserves</li> <li>\$1.6M mothball of buildings, creating utility, staff and maintenance savings</li> </ul>	<ul style="list-style-type: none"> <li>\$7M offset from reserves</li> <li>\$1.7M mothball of buildings, creating utility, staff and maintenance savings</li> </ul>	<ul style="list-style-type: none"> <li>\$7M offset from reserves</li> <li>\$2M mothball of buildings, creating utility, staff and maintenance savings</li> </ul>	<ul style="list-style-type: none"> <li>\$7M offset from reserves</li> <li>\$2.5M mothball of buildings, creating utility, staff and maintenance savings</li> </ul>	
Dining		<ul style="list-style-type: none"> <li>Meal Plan revenue would not be impacted as long as enrollment isn't changed.</li> <li>Retail sales would be impacted. In a worst-case scenario, the university would forgo 100% of commissions (\$ 75k).</li> <li>This would not require changes and would be covered by reserves.</li> </ul>	<ul style="list-style-type: none"> <li>Variable costs would not be incurred (food, most labor, utilities, etc).</li> <li>Our agreement with outsource provider limits our exposure to only debt service, not variable costs.</li> <li>Debt would be covered from reserves.</li> </ul>				
Parking		No Change	<ul style="list-style-type: none"> <li>Reserves (fund balance) will be used (90%) and furloughs/ staff reductions instituted (10%).</li> </ul>				
Sales & Services		Losses offset from reserves					
Contracts & Grants		No Change	<ul style="list-style-type: none"> <li>Research and grant dollars at WCU would not be impacted by a move to virtual instruction.</li> </ul>				

Winston Salem State University – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	4,787	-	-	(96)	(239)	(479)	(1,197)	(2,393)
State Appropriation	\$ 65,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ 14,000,000	\$ -	\$ -	\$ (280,000)	\$ (700,000)	\$ (1,400,000)	\$ (3,500,000)	\$ (7,000,000)
Student Fees (net)	\$ 9,500,000	\$ -	\$ -	\$ (190,000)	\$ (3,859,375)	\$ (4,156,250)	\$ (5,046,875)	\$ (6,531,250)
Financial Aid (external)	\$ 23,000,000	\$ -	\$ -	\$ (460,000)	\$ (1,150,000)	\$ (2,300,000)	\$ (5,750,000)	\$ (11,500,000)
Athletics (less fees)	\$ 450,000	\$ -	\$ (112,500)	\$ (225,000)	\$ (225,000)	\$ (225,000)	\$ (225,000)	\$ (225,000)
Housing (net)	\$ 10,000,000	\$ -	\$ -	\$ (4,520,000)	\$ (4,550,000)	\$ (4,600,000)	\$ (4,750,000)	\$ (5,000,000)
Dining (net)	\$ 5,000,000	\$ -	\$ (1,250,000)	\$ (2,260,000)	\$ (2,275,000)	\$ (2,300,000)	\$ (2,375,000)	\$ (2,500,000)
Parking	\$ 500,000	\$ -	\$ -	\$ (226,000)	\$ (227,500)	\$ (230,000)	\$ (237,500)	\$ (250,000)
Sales, Services, & Other Aux.	\$ 2,500,000	\$ -	\$ (375,000)	\$ (750,000)	\$ (750,000)	\$ (750,000)	\$ (750,000)	\$ (750,000)
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 16,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 145,950,000</b>	<b>\$ -</b>	<b>\$ (1,737,500)</b>	<b>\$ (8,911,000)</b>	<b>\$ (13,736,875)</b>	<b>\$ (15,961,250)</b>	<b>\$ (22,634,375)</b>	<b>\$ (33,756,250)</b>
Percent Change	100%	0.0%	-1.2%	-6.1%	-9.4%	-10.9%	-15.5%	-23.1%

## Winston Salem State University Response

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Instruction, Student Services, Academic Support, & Institutional Support	No Change	No Change	<ul style="list-style-type: none"> <li>• Further reduce travel, supplies and materials to essential only</li> <li>• Enhance oversight of hiring of all positions with priority of essential</li> <li>• Hiring freeze on all non-essential state funded positions and redirect lapse salaries</li> <li>• Review hours of operation for all essential services and eliminate non-essential services</li> <li>• Assess Academic Programs</li> <li>• Reduce contracts and services; delay equipment replacements to the extent possible</li> <li>• Review and reduce IT services to the extent possible, delay system upgrades and contractual services</li> <li>• Consolidation of administrative functions</li> </ul>			<ul style="list-style-type: none"> <li>• Consider 9-month contracts for student-focused positions. Reduce course offerings</li> <li>• Increase faculty teaching load and/or student-to-faculty ratio</li> <li>• Adjust preventive maintenance cycles"</li> </ul>	
Student Auxiliaries and Fee Activities		<ul style="list-style-type: none"> <li>• Fund balance depletion</li> <li>• Reduce/Eliminate external community services</li> <li>• Furlough in areas where services are reduced/limited</li> </ul> Reduce Athletic Program Operation"		<ul style="list-style-type: none"> <li>• Closure of Student Health Center and Campus Centers</li> <li>• Significantly reduce opening of student residential halls based upon outstanding debt obligation levels</li> <li>• Significantly reduce student services and student engagement options for the fall</li> <li>• Redirect fund source for debt service</li> <li>• Furlough of all employees related to center closures</li> </ul>			
Sales & Services		<ul style="list-style-type: none"> <li>• Close Ticket Office for Fall semester - Furlough Staff</li> <li>• Reduce operating hours of Service Units</li> <li>• Reduce/eliminate external community Service Units</li> <li>• Furlough Staff "</li> </ul>	<ul style="list-style-type: none"> <li>• Discontinue or reduce sales and service activities as practical within contract management</li> <li>• Furlough or elimination of staff</li> </ul> Make adjustments in Parking and Shuttle Services				
Contracts & Grants			<ul style="list-style-type: none"> <li>• Hiring freeze and reduction of certain research activity</li> </ul>		<ul style="list-style-type: none"> <li>• Discontinue research in certain areas</li> <li>• Review Trust fund balances and fund shift, where possible</li> </ul>		
Gifts & Investments			<ul style="list-style-type: none"> <li>• Suspend capital or other projects relying on fundraising or interest income</li> </ul>		<ul style="list-style-type: none"> <li>• Reduce financial aid funded from gifts/endowments</li> <li>• Examine ROI of fundraising resources</li> </ul>		

North Carolina School of Science and Math – Estimated Revenue Impact Scenarios

Estimated Revenue Impact Scenario Planning for 2020-21		“New Normal” (status quo)	Social Distancing Only	Online Fall 2020 Enroll: -2% Δ + Mand. Fees	Online Fall 2020 Enroll: -5% Δ	Online Fall 2020 Enroll: -10% Δ	Online Fall 2020 Enroll: -25% Δ	Online Fall 2020 Enroll: -50% Δ
Revenue Source	Annual Budget	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
<b>Anticipated Revenue Impacts</b>								
Enrollment (FTE)	680	-	-	(14)	(34)	(68)	(170)	(340)
State Appropriation	\$ 23,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Revenue (net)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student Fees (net)	\$ 500,000	\$ -	\$ -	\$ (10,000)	\$ (203,125)	\$ (218,750)	\$ (265,625)	\$ (343,750)
Financial Aid (external)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Athletics (less fees)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Housing (net)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dining (net)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales, Services, & Other Aux.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts & Investments	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 25,500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (10,000)</b>	<b>\$ (203,125)</b>	<b>\$ (218,750)</b>	<b>\$ (265,625)</b>	<b>\$ (343,750)</b>
Percent Change	100%	0.0%	0.0%	0.0%	-0.8%	-0.9%	-1.0%	-1.3%

## North Carolina School of Science and Math Response

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario C3	Scenario D	Scenario E
Instruction, Student Services, Academic Support, & Institutional Support	No Change	No Change	<ul style="list-style-type: none"> <li>Use savings from foodservice, health clinic, athletics to offset reduced funding</li> <li>Reduce temporary staff funding and/or do not fill vacant positions</li> </ul>			<ul style="list-style-type: none"> <li>Use savings from foodservice, health clinic, athletics to offset reduced funding</li> <li>Reduce temporary staff funding and do not fill and/or eliminate vacant positions</li> </ul>	
Student Auxiliaries and Fee Activities		<ul style="list-style-type: none"> <li>NCSSM student fees are made up of revenue from summer programs. The timing of the collections will not affect fall revenues</li> <li>NCSSM does not charge students tuition, room &amp; board, or other mandatory service fees.</li> <li>A reduction in enrollment does not negatively impact NCSSM from a financial perspective.</li> <li>Reduction of food service, health clinic services, and athletics would result in a \$500,000-\$750,000 savings.</li> </ul>					
Sales & Services		No Change	<ul style="list-style-type: none"> <li>Discontinue foodservice and health clinic services</li> <li>Reduce contracted staff</li> </ul>				
Contracts & Grants		Not Applicable to NCSSM					
Gifts & Investments		Not Applicable to NCSSM					

NCSSM is not anticipating a loss in enrollment for Fall 2020. If the decision is made to go fully remote, NCSSM's competition would come from the K-12 market in North Carolina.

Many K-12 schools in NC have already announced plans to go fully remote for high schools for the Fall 2020 semester. NCSSM would anticipate a potential increase in demand for our on-line courses, which would increase our overall enrollment.\