

**House Budget Talking  
Points: June 1, 2009**

- We understand the severity of this economic recession and the extremely difficult choices the House is being forced to make to balance the State budget.
- The \$337 million (11.1%) in cuts proposed for the University in the draft House budget would have severe and lasting negative impacts on student access and the quality of education our universities can offer. By comparison, Governor Perdue proposed cuts to the University totaling \$168 million (5.5%), while the Senate recommended cuts of \$35 million (1.2%).
- ACCESS: Student access to a public college education would be severely restricted under the House proposal.
  - o The draft House plan would raise **annual** tuition for every UNC student by 8% or up to \$200 **generating** \$34.8 million, all of which would flow directly to the General Fund to help close the budget shortfall—thereby putting higher education further out of the reach of many North Carolina families.
  - o The proposal would rescind the tuition increases previously approved by the Board of Governors—**averaging** 2.8% or \$68 for resident undergraduates, with nonresidents and graduate students paying significantly higher dollar increases. Under the BOG-approved plan, campuses would set aside more than half (\$12.5 million) of the new revenues generated for need-based financial aid. The remaining \$11.5 million from Board-approved tuition increases would have been used to help cover specific critical campus needs. Those critical needs would go unmet under the House plan.
  - o The House budget not only removes this \$12.5 million in need-based aid that would have gone to our campuses from the BOG tuition increase, it also reduces EARN scholarship funding by \$43.6 million in 2009-10 and eliminates the entire funding of \$100 million in 2010-11. These cuts in need-based aid would undoubtedly reduce access to a college education for low-income students.
  - o The draft House budget also proposes to cap our 2010-11 enrollment at current levels, resulting in thousands of North Carolina students from every walk of life being denied admission to a UNC campus.
- QUALITY: The net funding reduction of \$337 million proposed by the House equates to an 11.1% budget cut for the University.
  - o The proposed cut is greater than the current state appropriations of our seven smallest campuses combined.
  - o If cuts of that magnitude are implemented, students on every UNC campus will see 1) larger classes; 2) less student advising and counseling; 3) higher student/faculty ratios; 4) lower retention and graduation rates; 5) delayed classroom upgrades and laboratory renovations; 6) fewer security personnel; 7) reductions in library services; and 8) reductions in maintenance.
- MANAGEMENT FLEXIBILITY: Decisions are best made by those closest to the customer. Our chancellors and the president will best be able **to manage** how cuts are made with the least amount of harm to our students and instruction. We respectfully request that UNC maintain full budget management flexibility. The House budget only gives us flexibility on 41% of our cuts.
- While it takes generations to build a great University like UNC, that hard-won quality and reputation will erode quickly if it is not adequately funded and sustained.