

Value Statement of the UNC Board of Governors

The current economic recession undoubtedly will require the legislature to make reductions in the budgets of the constituent institutions of the University of North Carolina. The General Assembly has been very generous to the University, and the Board acknowledges our obligation to be a team player and accept our fair share of cuts needed to balance the state's budget. We remain concerned, however, that budget reductions that are recurring and cuts that are in excess of 5% would cause permanent harm to the University's academic core, and it is our hope that the General Assembly will keep reductions within these levels. We further urge the General Assembly to provide the University full flexibility in managing necessary budget reductions so that our chancellors can make management decisions that are in the best long-term interests of their respective campuses.

In light of the state's worsening fiscal outlook, our chancellors have prepared potential budget reduction scenarios as requested by the Governor. As the true extent and nature of state budget cuts become known and the President and the chancellors refine their reduction plans, it is imperative that cost-saving measures implemented by the campuses reflect the priorities of the Board of Governors. While the process for determining how and what to cut will be as individual as the campuses themselves, the overarching themes and priorities outlined below should help guide and inform the decision-making process on every UNC campus:

1. Protect UNC's commitment to teaching, research, and public service. These core missions must be preserved at every institution, with academic instruction taking highest priority. A sharp focus on mission and academic integrity should drive each campus' budget-cutting strategy, and necessary reductions should be targeted to weaker and/or nonessential programs that are not deemed critical to the institution's core mission.
2. Sustain academic excellence, high quality, and affordability.
3. In keeping with the University's ongoing PACE initiative, explore ways of achieving cost savings and improving efficiencies and effectiveness in all operations, and continue to demonstrate sound financial management and fiscal accountability. To that end, prioritize all programs and services before beginning the budget-cutting process.
4. Across-the-board reductions should be utilized only as a last resort. Consider strategic vertical cuts that would reduce or eliminate lower productivity and/or less essential programs and centers that no longer contribute in as meaningful a way to the campus' modern mission as they once did. Where feasible and appropriate, face-to-face courses that are eliminated should be made available through high-quality on-line instruction via UNC Online.
5. Campuses are encouraged to continue their commitment to be more outward-facing, collaborative on a systemwide basis, and regionally engaged. Priorities identified in the UNC Tomorrow Commission's final report will continue to provide a roadmap for the University. To the extent feasible, implement reductions in a manner that does the least damage to priorities identified in the report.