

## APPENDIX M

### Amendment to the 2007-09 Budget Priorities

At its November meeting, the Board of Governors approved its *2007-09 Budget Priorities*. It is now recommended that the *Budget Priorities* be amended to include a request for funds to support research and programs at North Carolina Central University School of Law. The request will be added as Item 7B in the *Regional and Statewide Transformation and Competitiveness* section of the 2007-09 biennial budget priorities.

During the process of campus requests for budget priorities, the Chancellors submitted items to General Administration on August 4, 2006, so that additional work and discussions could take place before the Board of Governors considered the budget priorities in October and November. After the campus items were submitted, NCCU received a letter from the American Bar Association (ABA) reaffirmation team concerning their evaluation as part of the reaccreditation process of NCCU's Law School. The ABA team expressed concerns about the disproportionate use and dependency on federal Title III funding to support core Law School activities. The ABA team also strongly recommended that NCCU's Law School expand and enhance academic and student support services. The disproportionate use and dependency on Title III funding, as well as the modest academic and student support services, has been exacerbated by state budget reductions and lack of increases in state funding for inflation. In order to address the concerns of the ABA team, it is recommended that a portion of these needs be covered from the realigned Title III funds, from an increase in tuition, and from additional state appropriations.

During the campus-initiated tuition and fees proposal process, NCCU proposed a four-year tuition increase that would have resulted in a \$6,000 tuition increase for new students and a \$3,500 increase for current students. The supplemental revenue from the proposed tuition increase would have provided for additional funding for addressing the ABA team's concern

about dependence on Title III, faculty retention through salary competitiveness, and additional financial aid to students. Upon receiving the tuition request, it became evident that a different solution was needed to ensure that adequate state funding was available to support the School of Law. During the UNC-GA Committee review of the campus tuition and fee proposals, the group recommended reviewing the way the state supports the NCCU School of Law, without passing along large tuition increases for students that would result in a 135% increase for new students in fiscal year 2007-08, and an overall four-year impact of a 225% increase in tuition rates for new students. To accomplish the goal of reasonable tuition rate increases and increased level of state support for core activities, General Administration and NCCU staff developed a strategy to address the critical budgetary issues.

For the 2007-08 academic year, it was recommended that tuition rates be increased by \$1,000 for all students, which translates to a 37% increase. It is further proposed to allow NCCU to increase tuition \$1,000 for fiscal years 2008-09, 2009-10 and 2010-11. The Law School would still remain in the lowest quarter of its peer institutions with these increases. These funds would support the transition of personnel from Title III Funds, increase faculty salaries, and provide need-based financial aid to “hold students harmless.”

The realigned Title III funds will be used to partially address needed enhancements to programs and academic support that will augment student success and the Law School’s stature among its peer institutions. Additional initiatives are needed to advance the Law School by creating and enhancing distinctive centers and institutes. NCCU School of Law would like to capitalize on the success of the BRITE program by building expertise on related issues into the law program. NCCU’s Biotech and Pharmaceutical Law Institute and Dispute Resolution Institute would allow this to happen.

It is recommended that the Board of Governors amend the 2007-09 biennial budget request to seek \$2.5 million in fiscal year 2007-08 and an additional \$2.5 million in 2008-09 to support the transition from Title III funds, make enhancements to academic and student services, and provide additional programs through the Biotechnology and Pharmaceutical Law Institute and the Dispute Resolution Institute.