

University Highlights from 2010 Legislative Session

The University of North Carolina is grateful to the General Assembly for recognizing the importance of funding public higher education in North Carolina, particularly given the economic crisis facing the state. The final budget allows the University to protect the academic core so we can provide our students a quality education. Now more than ever, it is critical that UNC is able to prepare students with the necessary skills to attract new high wage paying jobs to North Carolina.

Reductions: On top of the \$50.6 million in cuts for 2010-11 assigned to the University during the 2009 session, UNC received additional cuts totaling \$91.5 million. Those new reductions include a \$70-million management flexibility cut, \$2.5 million in reductions to advertising, and the elimination of the tuition differential for nonresident students on full *athletic* scholarships (\$9.4 million).

Highest Priorities: The Board of Governors' highest priorities received funding:

- Full funding for enrollment growth, including \$5.6 million requested to accommodate increases over projections;
- Full funding for need-based financial aid (\$34.8 million non-recurring); and
- Restoration of operating reserves for new buildings (\$19 million recurring and \$4.8 million non-recurring).

Tuition: The General Assembly adopted the alternative tuition proposal put forward by the Board of Governors, thereby restoring a \$34.7-million reduction to the University's budget. Each UNC campus—subject to the President's approval—was authorized to increase tuition rates by up to an additional \$750 per student to offset the impact of management flexibility reductions. A full 20% of tuition revenues generated by the supplemental increase must go to need-based financial aid.

Salaries: The General Assembly provided no funding for salary increases for state employees. UNC did receive flexibility to use certain state funds for faculty retention and to use non-state funds to make other salary adjustments. In addition, the President and Chancellors were authorized to implement furloughs as required to meet budget reductions, including any reversions issued by the Governor.

Other Funding Priorities: UNC received appropriations for other priorities including:

- Distinguished Professors Endowment Trust Fund;
- North Carolina Research Campus at Kannapolis;
- NCSU and NC A&T Colleges of Engineering and EPIC at UNCC; and
- ECU Dental School and ASU Health & Wellness/Allied Health.

Capital: The General Assembly did not authorize any new capital projects, but did authorize the issuance of certificates of participation for University-wide repairs and renovations (\$60 million) and equipment (\$22 million).

Policy Agenda: Five items from the University's legislative agenda were approved:

- Adjust allocation of Repairs and Renovation funds for 2010-11 (50% to UNC);
- Allow campuses to retain energy savings to reinvest in other energy projects;
- Increase the informal bonding limit to \$500,000;
- Continue the study to consolidate need-based and career-based financial aid; and
- Consolidate all annual teacher education reports.

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