2010 Legislative Priorities of the University of North Carolina

The University of North Carolina’s top priority this session is students; providing access to North Carolinians, meeting the increased demand for financial aid, and maintaining quality by protecting the Academic Core.

Tuition
The Board of Governors and President Bowles offer an alternative proposal to the legislatively mandated tuition increases for 2010-2011 adopted in the 2009 budget.

Proposed Alternative Board of Governors’ Tuition Increase:
- Provides predictability and affordability for students and families consistent with the 4-year tuition plan.
- Average increase of $130 (5.2%) for in-state undergraduate students
- Average increase of $461 (3.4%) for out-of-state undergraduate students
- Board requires revenues to remain on the campuses, with 51% ($17.4 million) of revenues dedicated to need-based financial aid, 25% ($8.6 million) to retention and graduation efforts, and 24% ($8.4 million) to other critical needs.
- Tuition-generated need-based financial aid is critical to campus efforts to meet increased student need that cannot be covered with existing resources.

Current 2010-2011 Budget Tuition Increase Set by Legislature:
- Places a larger burden on in-state students, with 86% of revenue generated by North Carolina residents, compared to only 66% under the Board’s proposal
- Average increase for in-state undergraduates would be $180 (7.2%)
- Average increase for out-of-state undergraduates would be $200 (1.4%)
- Revenue generated by the tuition increase would flow to the state’s General Fund

Need-Based Financial Aid
Financial aid need is up across the campuses. 71% of UNC students are applying for financial aid, compared to only 66% last year. Increased need, coupled with the loss of the EARN program ($20 million or $4,000 per student), has put additional strain on families and students. Financial aid offices are unable to meet the need.

A total of $45.8 million (recurring) is required for Need-Based Financial Aid. This is in addition to need-based aid generated from tuition revenue. In order to meet this demonstrated need, we ask the General Assembly to:
- Preserve the $11 million (recurring) of existing funding;
- Restore $12 million (recurring) to cover the non-recurring appropriation from FY 2009-10; and
- Fund $22.8 million to cover the increased need for financial aid.

Minimize Cuts
In 2009, UNC permanently cut administrative costs by 18%, while keeping permanent academic cuts to 0.3%, protecting our Academic Core.
- $294.3 million in recurring and non-recurring reductions in FY 2009-10
- 96.5% ($162.5 million) of the permanent cuts were made in administration
- The University has done its part during the budget crisis, absorbing an additional 5% ($134.4 million non-recurring) holdback for FY 2009-10.
- Additional permanent cuts would damage the Academic Core, forcing the campuses to further:
  o Increase class size and reduce section offerings;
  o Eliminate faculty;
  o Reduce lab and library hours;
  o Eliminate student programs;
  o Reduce tutoring & advising services; and
  o Eliminate additional administrative positions tied to academic and financial integrity.