UNC President Erskine Bowles today issued the following statement on the draft 2010-11 state budget released today by the House Appropriations Subcommittee on Education:

The draft budget approved today by the House Appropriations Subcommittee on Education presents an enormous challenge for the University, and more importantly, for our students. New cuts proposed for the University exceed $175 million, significantly higher than those proposed by either the Governor ($104 million) or the Senate ($54 million). These cuts are in addition to $50.6 million of cuts already incorporated in the 2010-11 budget during the last legislative session. If this budget were adopted by the full General Assembly, these cuts—now in excess of $225 million in a single year—would lead to the loss of 1,700 positions across the University. Fully understanding the impacts of these reductions will take some time; in all of our previous analyses, we never imagined that reductions would reach this level.

The House budget does allow the University to retain $34.8 million of receipts generated from the tuition increases. Additionally the budget provides enrollment funding for new students of $5.6 million. In response to the Board’s request for $34.9 million for need-based financial aid, the budget provides only $12 million. Financial aid is critically important for needy students and both the Governor and the Senate had proposed to fully fund the Board’s request. In addition, the House budget contains a special provision that caps the University’s enrollment growth in 2011-12 to 1%, denying qualified students access to the knowledge and skills they need to compete for jobs.

We clearly have an enormous challenge ahead of us as we try to improve this budget, both as it advances through the House and while it is under consideration by the conferees. This level of cuts would force us to reduce the numbers of students that we can accept on our campuses. Our current students would find themselves in far larger classes and would find that courses they need for graduation are no longer offered or are only offered sporadically. In the long term, this budget would have significant adverse effects on the State’s economy and the prosperity of all North Carolinians. We must have an educated workforce to attract the jobs of the future in a knowledge-based global economy.

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