



THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL

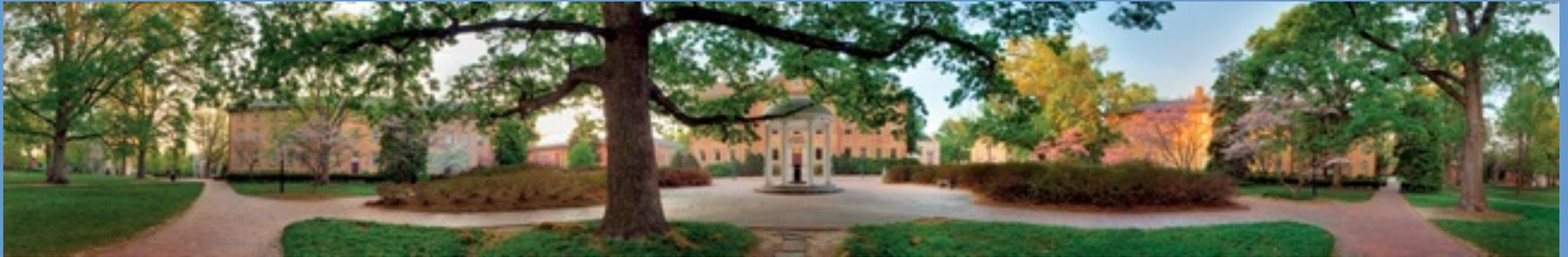


Photo by Sam Kittner

Legislative and Budget Update  
External Relations/University Advancement Committee  
of the Board of Trustees  
March 27, 2013

# 2013-2015 NC General Assembly Refresher

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- 170 Legislators (120 House and 50 Senate)
- 40% faced no competition in the general election
- 60% of members will be in either their first or second term
- Republicans retained majority in both House and Senate, expanding margin in House to a veto-proof supermajority (77R-43D)



# UNC Bill Tracking

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- As of 3/22/13, staff is tracking over 50 introduced bills, with more to come.
- Examples of tracked bills:
  - *HB 156 - Honest Lottery Act*
  - *HB 328 - Revise Auditor's Responsibilities*
  - *HB 208 - Ban the Box*
  - *SB 125 - Public Meeting/Records Law Violations*
  - *SB 187 - PM2.5 Studies on Humans Unlawful*
  - *SB 190 - Gun on Educational Property/Stored in Locked Car*
  - *SB 398 - Governor's Budget*



# Governor's Recommended 2013–15 Budget

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- Budget is structured around three main priorities
  - *Economy, Education and Efficiency/Transformation in State Government*
- General Fund budget recommendation totals \$20.6 billion
  - *\$11.4 billion (56%) supporting education –related spending*
- Authorizes no new debt, no tax increases
- Maintains and enhances reserves in excess of \$900 million
- Leaves \$130.8 million in FY 2013-14 and \$332.3 million in FY 2014-15 “on the table”
- Consensus revenue forecast assumes modest growth for FY 2013-15 biennium



# Governor's Budget – UNC System

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- Budget recommendation represents a 5.4 % decrease or \$138.5 million reduction in FY 2013-14
- Major FY 2013-14 reductions include:
  - \$110.7 “management flex” for UNC campuses and GA
  - Strategic directions efficiency reductions of \$25.8 million
  - Additional tuition increases for non-resident students (over BOG-approved rates) that reduce state appropriations
  - Repeal resident tuition for nonresident scholarship students
- Major FY 2013-14 expansion investments support UNC strategic directions recommendations at \$19.6 million



# Governor's Budget – UNC System and Other

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- Recommendation funds enrollment growth and building reserves for both years of the biennium
- Replenishes statewide reserves for repairs and renovations (\$150 million) and rainy day fund (\$200 million)
- 1% recurring compensation increase for all state employees



# Areas of University Concern

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- Magnitude of recurring management flexibility reduction
- Size of additional nonresident tuition increases and ability of campuses to actually collect those receipts (also, receipts recommended to go to general fund, not remain on campuses for financial aid)
- UNC System would receive only 33% of statewide repair and renovations monies, rather than customary 50%
- No recurring funds identified for need-based financial aid, resulting in a \$25 million reduction for program, coupled with increases in tuition and fees



# Next Steps in Budget Process

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- Senate and House Full Appropriations Committee received briefing from State Budget Director on March 21, 2013
- Senate and House subcommittees will review recommendations in more detail
- Senate budget process anticipated to run through April/first of May; House budget process would run from middle to end of May
- Conference process early June
- Conference report approved/budget adopted by June 30, 2013





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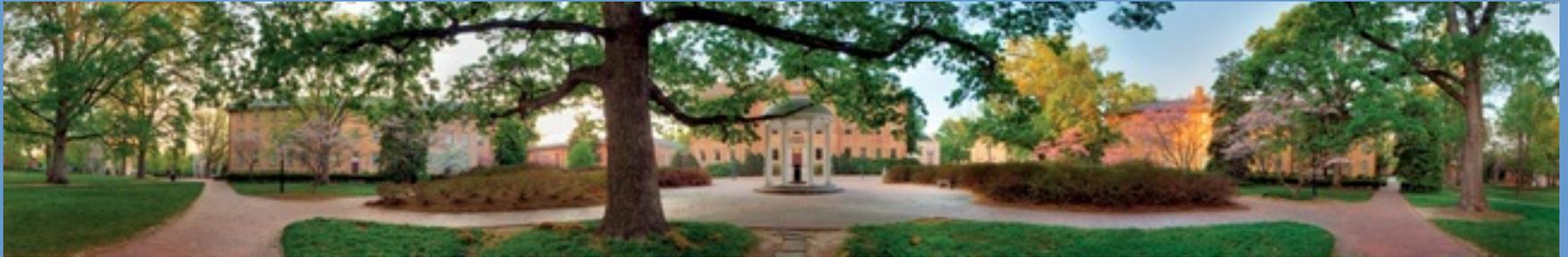


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