Today, we received preliminary recommendations from the House sub-committee on educational appropriations.  Please recall that this is only a preliminary recommendation that will, most likely, change several times before it is finally approved by the House.  Once the House has approved the budget, there will be a conference committee appointed to work out differences between the House and Senate budgets.

As expected, the preliminary House budget calls for significantly deeper cuts than does the Senate.   UNC is asked to reduce the budget by 11.1 percent.  There also is indication that need-based financial aid will not be fully funded and that in 2010-2011, there may be no additional enrollment funding.

In the coming days, this budget will undoubtedly be modified.  We are working to help the House understand the implications of this level of potential cut on the education of the people of North Carolina.  I will keep you informed as the situation progresses.

Please also be aware that the House is recommending a $256 increase in tuition to help off-set the expected deficit in state funding.  This will help somewhat, but it will not replace all funds that are lost.  You also should be aware that this recommended tuition increase is in lieu of the campus initiated tuition that was approved by the Board of Governors.

In addition to focusing on the House budget, I have asked the Provost and vice chancellors to begin planning for possible additional budget cuts.  Given the continuing recession in North Carolina, it is possible that the budget situation could continue to deteriorate even after the legislature formally adopts a new budget.  Therefore, we will develop contingency plans for reductions of as much as 12 percent.  We will not implement these plans without further discussion and communication.

Despite the state budget, I hope that you are having a good summer.

John Bardo