**Faculty Assembly Report to Senate**

Faculty Assembly met Friday, January 20. The meeting theme was the *future and funding of public higher education*.

Charlie Perusse, Vice President for Finance, gave an update on the budget and tuition. Per-student appropriations from the general fund have fallen 12.9%; UNC would need 342M from the state to remain at pre-2008 levels. Tuition increases are averaging 9.6 % in-state, 5.4 % out-of-state.

Tom Ross, President, The University of North Carolina, reported that revenue collections are up about 150M, but there are structural shortfalls amounting to about 350M and the money will be used to maintain current expenditures. The current budget has 9.1M cut for UNC and no tuition increase. He is looking at four sources of revenue: internal (save and prioritize), fund-raising (alumni giving), state support (the largest contribution), and tuition. Will likely ask for tuition increase per campus to be front-loaded over two years, with 10 % maximum in the first year and the second year below 4 %.

Suzanne Ortega gave an update on performance funding, which aims to align budgets with academic goals. A model should have common core indicators, but allow for institutional differences. Core indicators include: freshman-sophomore retention; degree efficiency (number of degrees awarded per undergraduate fte); 6 yr graduation rates (good national data); and two campus-specific measures.

Representatives from The John William Pope Center for Higher Education Policy reported their recommendations for ‘increasing the quality of education in North Carolina.’ They recommend UNC a) review enrollment policies, b) work with community colleges, c) evaluate programs, d) re-evaluate research, e) reconsider graduate degree programs, f) consider differential tuition, g) consider online education carefully, and h) re-vamp education schools.

Representative from NC Policy Watch and NC Budget and Tax Center reported on ‘progressive’ alternatives to current legislative priorities. These include well-funded public structures and services; tax modernization and reform; preserve affordable public education; and voter-owned elections. By 2018, 59 % of jobs will require post-secondary training; only about 38.5 % of working age population has the skills. They recommend a ‘birth to career’ pipeline and increase in percentage of the state budget spent on education.