

March 17, 2009

UNC President Erskine Bowles today issued the following statement regarding Governor Beverly Perdue's proposed 2009-11 state budget:

This is the toughest economic climate we have faced in North Carolina in my 63 years. For that reason, I was not surprised that Governor Perdue had to make some very difficult decisions in order to balance her proposed state budget. North Carolina is fortunate to have a governor who is willing to do her homework and make the tough calls—even the ones I may not like.

All of us in the University appreciate the magnitude of this economic crisis and the impact it is having on North Carolina's ability to support vital public services such as education. Keeping that in mind, when I met with the Governor in February, I only asked that she do three things:

1. Provide us funding for enrollment growth for the 220,000 students we will have responsibility for next year. She did that.
2. Provide us with adequate funding for need-based financial aid so that every North Carolinian who is eligible to attend a UNC campus can do so. She did that.
3. Hold our budget cuts to 5%, make them non-recurring, and give us full flexibility in determining where and how to make them. We asked for full flexibility in managing necessary cuts because I have always found in the business world that those closest to the customer make the best decisions about how to use limited resources. I asked that the cuts be non-recurring—rather than permanent—because I know that no one would cut education substantially if not for this economic crisis. The people of North Carolina know that an educated workforce is critical to our economic future. Therefore, I asked that the duration of any unavoidable cuts match the length of the economic crisis—so that when we come out of this economic crisis, the University and the Community Colleges will have the resources we need to ensure that our citizens have the training, knowledge, and skills to compete successfully in today's knowledge-based global economy. Because of the magnitude of the economic challenges we face, Governor Perdue felt she had no choice but to cut our base budget appropriations by a net amount of \$167.9 million—and she proposes that we be given flexibility to determine how only half of those cuts would be managed. Most importantly, 92% of the proposed cuts would be permanent cuts. This, I think, may be the biggest problem in the proposed education budget, and if enacted, could result in the loss of hundreds of jobs across the University.

Clearly, we will work with the Governor and the legislature as the budget process moves forward. We will continue to be team players because we understand that in these times no one will have all the resources they need. I will also do all I can in this process to protect the academic core of the University, since our state's and our people's ability to compete successfully with the world's best and brightest depend on our doing just that.