

# Division of Business and Finance

State Budget Update

April 19, 2013



**North Carolina Agricultural and Technical State University**



# GOVERNOR'S BUDGET

- The General Assembly Budget discussions begin with the Governor issuing his proposed budget for the two-year period beginning July 1, 2013.
- The Governor presented his proposed budget on March 20, 2013.
- As it relates to the top priorities for the UNC campuses, such as enrollment growth and building reserves of approximately \$50 million, the Governor's Budget funds these items.



# GOVERNOR'S BUDGET (Continued)

- The Budget also partially funds the UNC System Strategic Plan Initiatives with approximately \$19.6 million.
- The Budget also partially provides funding for Repairs and Renovations in the amount of \$50 million.



# GOVERNOR'S BUDGET REDUCTIONS

- The Budget proposes approximately \$144 million in reductions in areas such as operational efficiencies of \$34 million and flexibility reductions of \$110 million.
- The Budget also proposes an additional increase to nonresident tuition of 12.3% for 6 UNC Schools (including NC A&T) and 6% for all other campuses.
- The Budget proposes repeal of resident tuition for special nonresident students.



# POTENTIAL IMPACT TO NORTH CAROLINA A&T

- If the reductions were allocated in direct proportion of our appropriation as a percentage of the total UNC Appropriation, North Carolina A&T Appropriation would be reduced by \$9 million.
- The Appropriation would be offset by the nonresident tuition increases and repeal of the resident tuition provision by approximately \$3.7 million.
- At North Carolina A&T, the budget would increase nonresident tuition by an additional \$1,700 for undergraduate students and \$1,900 for graduate students, bringing total tuition increases to 17.3% and 22.3%, respectively.
- There are 41 talented students who currently benefit from the in-state provision. The repealing of this provision would result in an increase in financial aid of \$500,000



# Next Steps

- The Governor's Budget is the first step in the process.
- The Senate will deliberate and propose a budget in late April.
- The House will then propose a budget in late May.
- Both Houses of the General Assembly will confer and send a final budget to the Governor for his approval in June.



## NEXT STEPS (Continued)

- The UNC System Leadership recommends that the campuses plan for a potential reduction from 2% to 5%.
- At North Carolina A&T, we are asking our Divisions to prepare for a potential additional reduction of \$3 million or 3%.
- This additional reduction is in addition to our planned reduction of \$6.4 million that we discussed at our February Board of Trustees Meeting.



Questions.....

