



To: Faculty, Staff and Students

From: Chancellor Kenneth E. Peacock

Subject: Governor Perdue's proposed 2011-13 state budget

Date: February 18, 2011

Yesterday, Governor Beverly Perdue released her proposed budget for the 2011-2013 biennium. Following her announcement, UNC System President Tom Ross issued the following statement:

UNC President Tom Ross today issued the following statement on Governor Beverly Perdue's proposed 2011-13 state budget:

Given the economic climate and the size of the projected revenue shortfall, Governor Perdue had to make some very difficult decisions in order to balance her proposed state budget. All of us in the University appreciate the challenges she faced and are grateful that she identifies potential ways to avoid even more severe cuts that certainly would cause permanent damage to our institutions. We are particularly thankful that she recognizes the critical importance of our enrollment growth funding and need-based financial aid, although those needs would be only partially met, as well as operating reserves for new buildings. In addition, revenues from tuition increases would stay on the campuses to provide more need-based financial aid and help reduce the impact of proposed budget cuts.

As our state struggles to work its way out of this recession, affordable access to higher education has never been more important to North Carolina's economic recovery and long-term competitiveness. That's why I am deeply concerned that additional cuts of the magnitude proposed would place academic programs across the University in jeopardy and require the loss of more than 1,500 jobs. With fewer faculty, staff, and course sections, many more students would not be able to obtain the courses and academic services they need to graduate on time. Given that the University has already absorbed \$620 million in cuts and mandated reversions over the past four years, requiring the elimination of over 900 administrative positions, it is simply impossible to absorb further budget cuts without adversely affecting the quality of the academic experience for our students. While the Governor has proposed a

small pool of funding for statewide repairs and renovations, I am also increasingly worried about the \$2.1-billion backlog of unmet R&R needs across the University. University facilities are valuable state assets, and unless we are provided adequate resources to maintain them properly, we put that taxpayer investment and public safety at risk. We stand ready to work with the Governor and the legislature to preserve both access and educational quality.

The Governor's proposed budget can be found on the Appalachian State University budget website: www.chancellor.appstate.edu/budget.

As you may recall from years past, the Governor's budget is just the first step in a long process of developing and approving a state budget for the next two years. As more information is made available, I will share it with you.