

Ross confronts cuts in first year

By Daniel Wiser
State & National Editor

UNC-system President Thomas Ross has been forced to grapple with a systemwide cut of 15.6 percent or \$414 million in state funding during his first year in office, including a cut of almost 18 percent, or more than \$100 million, at UNC-Chapel Hill.

The Daily Tar Heel talked with Ross about state funding cuts, tuition levels and his new responsibilities as president.

DTH: How difficult has it been to deal with a substantial cut in your first year in office?

Thomas Ross: It's certainly in modern times the most significant financial challenge the University has faced. To enter into a job and have the daunting task that we've had in trying to manage through extreme financial situations — it's difficult.

This is now the fifth year in a row, so the system is feeling the toll of the budget cuts.

I knew it was going to be this way when I came, and I think in some ways that's part of the reason I came, because I'm committed to being certain that the University of North Carolina survives and survives with the level of excellence like we've had in the past.

DTH: What strategy did you employ in meetings with legislators to lower state funding cuts?

TR: We tried to focus on the fact that we had already suffered \$620 million in cuts and reversions in the last four years... and that the



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cuts of the level they were talking about, certainly at the beginning of the process, would have been permanently devastating to the University.

I tried to emphasize the impact on students — this was the year that the additional cuts were going to cut the classroom. I don't think there's any question it's going to — it already has.

I was trying to emphasize financial aid because, as we know now, 6,000 students that received aid last year won't receive it this year.

I hope that where we ended up, we can make it through this without permanent damage and, over time, reinvest in the University and build it to the kind of high quality system we've always had.

DTH: Why did UNC receive the largest cut among all the system schools, including institutions of comparable size like N.C. State University?

TR: We took into account the fact that some of our entities can't charge tuition to offset cuts. And that's one place where there's a difference between Chapel Hill and State, that the agricultural extension program that falls under State is not a part of that institution. It's part of their budget but they're not allowed to charge tuition.

We looked at the availability of other funds. Carolina's state appropriation makes up for a little less than 25 percent of its budget and it makes up over 40 percent of State's budget.

DTH: UNC administrators had previously expressed interest in supplemental tuition increases to offset state funding cuts. Did they change their minds after you advised against more increases?

TR: Certainly some additional tuition increases would help, but what I have said to Chancellor Thorp is that everyone, including the Board of Governors, is looking now at the peer groups that we use to compare campuses.

We're going to refresh that process and make sure we have the right peer groups, and we're going to go through a quite detailed analysis of where we are in tuition and whether or not we think it should be adjusted.

And I think that Chancellor Thorp, hearing that — hearing that we're serious about taking a hard look at where we are — was more than willing to go along with our decision.

DTH: You also now have the responsibility of overseeing the UNC Health Care system. Is it still your position that you don't want to sell Rex Healthcare, a subsidiary of UNC Health that WakeMed has offered to purchase?

TR: I don't know if I've ever said we won't sell Rex, but what I had said is that we weren't looking to sell it. I've also said I've yet to see a good reason why we would sell it. It's very important as an inte-

grated part of our health system. We've not engaged in a publicity battle over this; I think WakeMed has spent a lot of time on newspaper ads and radio ads in trying to convince people that this is a good idea.

We've instead tried to take a business like approach to this, forming a committee on the board that is looking closely at the offer and trying to gather the facts. They'll make a recommendation to the full Health Care Board and the board will consider that recommendation.

DTH: What is your vision for the system moving forward as schools attempt to do more with less after \$1 billion in state funding cuts during the last five years?

TR: It seems that we're going to need to make the case to rebuild some of the resources that we've lost. We'll also have to check priorities and reallocate resources to be sure that we're putting them in the right place.

There are a lot of things that the University does to affect the people of North Carolina, whether or not they attend the University or there's a University branch in their town. The University has been a real driver for economic growth in the state, and we don't want to lose that.

And it's not really what my vision is. This is about what the vision of the people of North Carolina is and was when the University was formed.

A version of this story ran in the July 14 issue of The Daily Tar Heel.

Contact the State & National Editor at state@dailytarheel.com.

SUN SETS ON OPERATIONS



DTH FILE/ERIN HULL

The University's Medical Air Operations, previously based at Horace Williams Airport, moved to the Raleigh-Durham International Airport at the end of July. The airport is set to close for UNC's Carolina North project. Visit dailytarheel.com for the full story.

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