

TUITION REMISSION EXCHANGE PROGRAM STUDY

University of North Carolina

and

North Carolina Community College System

D R A F T

March 24, 2006

EXECUTIVE SUMMARY

**The University of North Carolina and North Carolina Community College System
Tuition Remission Exchange Program Study**

The University of North Carolina Board of Governors recommended as a top priority on its list of 2005 Non-Budget Legislative Initiatives that a study be conducted on the feasibility of offering a Tuition Waiver Exchange Program between The University of North Carolina and the North Carolina Community College System. As a result, legislation was enacted during the 2005 Long Session of the North Carolina General Assembly that called for the University of North Carolina Board of Governors and the State Board of Community Colleges to conduct such a study under which full-time employees of the University would be allowed to take a specified number of courses at a community college and full-time employees of a community college would be allowed to take a specified number of courses at a university, without paying tuition. The Boards are to report the results of the study to the Joint Legislative Education Oversight Committee by April 1, 2006.

In accordance with the legislation, a joint committee, made up of representatives from the University of North Carolina and the North Carolina Community College System, was established in October 2005, to conduct a tuition waiver exchange program study and make recommendations to the respective Boards.

In order to prepare this report, the committee completed the following tasks:

- Identified, as background information, other similar tuition waiver programs now available to University and Community College employees.
- Researched current national trends at other institutions of higher education.
- Identified advantages and disadvantages of offering a Tuition Waiver Exchange Program.
- Examined the impact of such a program on distance education and on-line coursework.
- Examined the University's and Community College's capacity to collect, analyze and report program data.
- Conducted an employee survey to ascertain whether University and Community College employees would be interested in taking advantage of such a program.
- Examined the costs to the University and the Community College System of funding such a program.
- Prepared a report that includes recommendations for the respective Boards' consideration.

Recommendations:

As a result of this study, it became evident that funding would be needed from the General Assembly to support a tuition exchange program between the University and the Community College System and that it would be more appropriate to characterize this program as a Tuition Remission Exchange Program rather than a Tuition Waiver Exchange Program. Since the University and Community College System would not be able to implement such a program without funding, the committee recommends implementation of a Tuition Remission Exchange Program contingent upon the availability of funding as well as consideration of the following:

- A Tuition Remission Exchange Program should be established as a separate and distinct program but using the current UNC Employee Tuition Waiver Program as a model.

- In accordance with the study legislation, only permanent full-time employees of the University of North Carolina and the Community College System, who work 30 hours or more per week (75% time or more), would be eligible to participate in this program.
- An eligible University or Community College employee would be allowed to take one course per semester, not to exceed two courses per academic year, and have the tuition waived. The waiver of any fees for an employee shall be limited according to institutional policy as determined by that institution's respective board.
- Campus policy must specify under what circumstances, if any, a student may receive a waiver for receipts-supported courses such as summer school. However, recreational extension courses offered at community colleges would be excluded under the program.
- The ability for an employee to take a course under this program would be dependent upon class space availability.
- This program should in no way affect the admissions requirements at a particular university or college and all existing policies should remain in effect for the degree candidate admissions and registration process.
- Courses taken under this program do not have to be job-related but should encourage workforce development.
- The UNC Board of Governors and the State Board of Community Colleges should make a joint request that the General Assembly provide an appropriation for the loss of tuition receipts that would normally be paid by students that is estimated to be approximately \$7.7 million for Community College employees to take courses at the University and \$1.3 million for University employees to take courses at the Community Colleges for the academic year.
- The respective Boards should also request that the General Assembly appropriate enrollment growth funds to the University and the Community College System for employees participating in the Tuition Remission Exchange Program to ensure that all campuses have the appropriate funding to serve employees participating in the program. The funding to support enrollment growth is approximately \$12.9 million for Community College employees to take courses at the University and \$3.2 million for University employees to take courses at the Community Colleges.
- Upon enactment of enabling legislation, the committee recommends a July 1, 2007 program effective date.

DRAFT
(March 24, 2006)

The University of North Carolina and North Carolina Community College System

TUITION REMISSION EXCHANGE PROGRAM STUDY

INTRODUCTION

The University of North Carolina Board of Governors included the expansion of the Tuition Waiver Program as a top priority on its list of 2005 Non-Budget Legislative Initiatives. As part

of this expansion, the Board recommended that a study on the feasibility of offering a Tuition Waiver Exchange Program between the University of North Carolina and the North Carolina Community College System be conducted.

During the 2005 Long Session of the North Carolina General Assembly, legislation was enacted that called for the Board of Governors of The University of North Carolina and the State Board of Community Colleges to study the feasibility of a Tuition Waiver Exchange Program under which full-time employees of the University would be allowed to take a specified number of courses at a community college without paying tuition, and full-time employees of a community college would be allowed to take a specified number of courses at a university without paying tuition. (See Attachment 1.) The Boards are to report the results of this study to the Joint Legislative Education Oversight Committee by April 1, 2006.

STUDY COMMITTEE

In October 2005, a committee was established to conduct a Tuition Waiver Exchange Program study and make recommendations to the respective Boards. The joint committee was made up of representatives from the University of North Carolina and the North Carolina Community College System and met four times during the period of November 2005 to February 2006. The committee was composed of the following members:

- Mr. Kennon D. Briggs, Community College Lead, Vice President-Business and Finance, N.C. Community College System Office
- Dr. George Dixon, Admissions Consultant, UNC General Administration
- Ms. Diana Haywood, Director of Data Administration, UNC General Administration
- Dr. Bob Ireland, Vice President-Student Services, Wake Technical Community College
- Ms. Barbara Kenyon, Community College faculty representative, Associate Vice President of College Development, Office of the President, Wake Technical Community College
- Ms. Kitty McCollum, UNC Lead, Associate Vice President-Human Resources and University Benefits Officer, UNC General Administration
- Ms. Claudia Odom, Assistant Vice President-Finance, UNC General Administration
- Mr. Clarence Page, UNC Staff Employee Forum representative, N.C. A&T State University
- Dr. Jim Sadler, Associate Vice President-Academic Planning, UNC General Administration
- Mr. David Sullivan, Legal Counsel, N.C. Community College System Office
- Dr. Sandra Williams, Vice President-Administration, N.C. Community College System Office

BACKGROUND INFORMATION ON EXISTING PROGRAMS

UNC Tuition Waiver Program

North Carolina General Statute §116-143 authorizes the Board of Governors of the University of North Carolina to provide regulations under which a full-time faculty member and a full-time staff member may “during the period of normal employment enroll for not more than one course

per semester in the University of North Carolina free of charge for tuition, provided such enrollment does not interfere with normal employment obligations and further provided that such enrollments are not counted for the purpose of receiving general fund appropriations.” (See Attachment 2.)

Regulations adopted by the President of the University provide for a waiver of tuition and fees and define “tuition” to mean the tuition charged for credit instruction, regardless of when the instruction occurs or by what means it is delivered. “Fees” are those student fees required for attendance at an institution related to credit instruction, regardless of when the instruction occurs or by what means it is delivered. Campus policy must specify under what circumstances, if any, a student may receive a waiver for receipts-supported courses.

Regulations further define a “full-time faculty member” and “full-time staff member” to mean a person who is employed by an employing institution in a permanent job position on a recurring basis and who works 30 or more hours per week for nine or more months per calendar year and shall include: (1) personnel of the United States armed forces during the time they are assigned under military orders to an ROTC program of a constituent institution of the University of North Carolina as a permanent change of stations and (2) civilian personnel federally employed 30 or more hours per week on a continuing basis in a position adjunct to an ROTC program at a constituent institution of the University of North Carolina. An “employing institution” is an institution of the University of North Carolina, including the North Carolina School of Science and Mathematics, University of North Carolina Health Care System at Chapel Hill, and General Administration. “Year” is defined for this purpose as a fall semester, spring semester and the summer sessions that follow or courses taken as distance education.

Prior to conferral of the privilege of waiver of tuition and/or fees, the chancellor (or the chancellor’s delegate) of the employing institution makes an administrative determination that enrollment in the course will not interfere with the satisfactory performance of the employee’s normal employment obligations. The chancellor (or the chancellor’s delegate) of the enrolling institution makes an administrative determination that the employee seeking to enroll under the tuition/fee waiver is academically eligible for admission to the course and that there is space available for that enrollment in the course.

North Carolina Community College Tuition Waiver Program

The General Assembly has not provided a statutory waiver of tuition for community college employees as has been provided for full-time university faculty and staff. In addition, community college employees are not eligible to participate in the Academic Assistance Program (discussed below) as community college employees are specifically exempt from the provisions of the State Personnel Act. However, some community colleges do permit permanent employees to take not more than one free course per semester and have the tuition waived, excluding summer school. Unlike the University, which allows an employee to take a course at any of the 16 constituent institutions, tuition waived courses may only be taken at the specific community college where the employee works.

Academic Assistance Program for Employees Subject to the State Personnel Act

The State Personnel Commission provides for an Academic Assistance Program that is available to all State and University employees subject to the State Personnel Act, who are permanent, time-limited permanent, or probationary and trainee after satisfactory performance for a period of not less than three months. This is a program designed for the purpose of workforce planning and development. It provides for reimbursement of academic costs if funds are available at the agency level, and/or time off the job if the course is available only during working hours. Academic costs include in-state tuition, fees and course/lab fees. Academic courses are defined as a course/degree provided by an accredited community college, college and/or university. In order for an employee to be eligible to take a course under this program it must be deemed to have direct benefit to the organization. The improved knowledge, skills and abilities gained by the employee should benefit the individual in completion of his or her current and/or potential job duties.

Other Tuition Waivers

North Carolina General Statute 115B-2:

The constituent institutions of the University of North Carolina and the community colleges, as defined in North Carolina General Statute §115D-2(2), shall permit the following persons to attend classes for credit or noncredit purposes without the required payment of tuition in accordance with North Carolina General Statute §115B-2:

- (1) Legal residents of North Carolina who have attained the age of 65. [See also G.S. 115D-5(b).]
- (2) Any person who is the survivor of a law enforcement officer, firefighter, volunteer firefighter, or rescue squad worker killed as a direct result of a traumatic injury sustained in the line of duty.
- (3) The spouse of a law enforcement officer, firefighter, volunteer firefighter, or rescue squad worker who is permanently and totally disabled as a direct result of a traumatic injury sustained in the line of duty.
- (4) Any child, if the child is at least 17 years old but not yet 23, whose parent is a law enforcement officer, firefighter, volunteer firefighter, or rescue squad worker who is permanently and totally disabled as a direct result of a traumatic injury sustained in the line of duty. Eligibility for a waiver shall not exceed 48 months if seeking a baccalaureate degree; otherwise, the number of months required to complete the educational program to which the child is applying.

Persons attending classes under these provisions must meet admission and other standards considered appropriate by the educational institution and are counted in the computation of enrollment for funding purposes (see G.S. 115B-4). The University of North Carolina shall accept these persons only on a space available basis. The University of North Carolina Board of Governors and the State Board of Community Colleges each have promulgated rules for implementation of these provisions.

North Carolina General Statute §115D-5(b):

The State Board of Community Colleges may provide by general and uniform regulations for waiver of tuition and registration fees for:

- persons not enrolled in elementary or secondary schools taking courses leading to a high school diploma or equivalent certificate,
- training courses for volunteer firemen, local fire department personnel, volunteer rescue and lifesaving department personnel, local rescue and lifesaving department personnel,
- Radio Emergency Associated Citizens Team (REACT) members when the REACT team is under contract to a county as an emergency response agency,
- local law-enforcement officers,
- patients in State alcoholic rehabilitation centers,
- all full-time custodial employees of the Department of Correction, employees of the Department's Division of Community Corrections and employees of the Department of Juvenile Justice and Delinquency Prevention required to be certified under Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission,
- trainees enrolled in courses conducted under the New and Expanding Industry Program,
- clients of sheltered workshops, clients of adult developmental activity programs, students in Health and Human Services Development Programs,
- juveniles of any age committed to the Department of Juvenile Justice and Delinquency Prevention by a court of competent jurisdiction,
- prison inmates, and
- members of the North Carolina State Defense Militia as defined in G.S. 127A-5 and as administered under Article 5 of Chapter 127A of the General Statutes.

North Carolina General Statute §115D-20(4):

Tuition shall be waived where local administrative boards and local school boards have established cooperative programs in the areas they serve to provide for college courses to be offered to qualified high school students with college credits to be awarded to those high school students upon the successful completion of the courses. Provided, further, that during the summer quarter, persons less than 16 years old may be permitted to take noncredit courses on a self-supporting basis, subject to rules of the State Board of Community Colleges.

CURRENT NATIONAL TRENDS

In an effort to gain perspective on current national trends related to tuition waivers and tuition waiver exchange programs, the committee researched practices at other higher education institutions throughout the United States. Of the 50 higher education systems surveyed, 25 responded to the following three questions: (1) Does the system offer a tuition waiver program? (2) Does the university have a tuition exchange program? (3) Are the community college and university systems managed by the same governing board? Detailed survey responses can be found in Attachment 3.

According to survey findings, most of the higher education systems offered a tuition waiver benefit to employees. Fourteen systems reported having some type of tuition waiver benefits although most systems do not offer an exchange program between the community college and university systems. Three different approaches were used to provide waiver benefits that included: (1) statewide employee tuition waiver benefits, (2) university system-wide tuition waiver benefits for the community college and university system and (3) tuition waiver exchange programs between the community college and university.

Three states/universities were identified as leaders in offering tuition waiver exchange benefits to community colleges and university employees. Kentucky reported that all public employees are eligible for tuition waivers from public institutions while the University of Alaska and the North Dakota University systems offer tuition waivers to both the university and community college system employees. The state of South Carolina allows tuition waivers for both community college and university employees but does not have a tuition waiver exchange program.

Mississippi reported that each respective university allows a 50% tuition waiver for employees and their dependents but this waiver does not extend across universities. Although Virginia does not currently have a tuition waiver exchange program, legislation has been proposed that would allow in-state graduates of Virginia's two-year institutions to continue paying the two-year tuition and fee rates after transferring to a four-year institution in Virginia. The University of California system employees who are enrolled full-time in nursing or part-time in any other instructional program receive a two-thirds reduction in the university education and registration fees. In the state of Illinois, the higher education system does not have a statewide tuition waiver exchange program in place. However, individual universities can choose to grant discretionary waivers to community college employees subject to the approval of the Illinois Board of Higher Education since they do not fall under current defined waiver guidelines.

ADVANTAGES OF OFFERING A TUITION WAIVER EXCHANGE PROGRAM

Human capital is our most valuable asset. It is incumbent upon the University and the Community College System to invest in this asset and provide the necessary tools that will help improve an employee's chances of becoming more proficient and productive. According to the American Institutes for Research, there is a sense of "social trust" whereby employees rely on those with formal responsibility to develop appropriate policies and programs that will facilitate opportunities for professional growth. Poor performance is often the result of inadequate preparation. It is difficult for one to "do well" that which he or she does not "know well." Thus, knowledge becomes a key component of productivity and lack of knowledge can easily foster poor and/or unproductive performance.

Offering an employee the opportunity to increase his or her knowledge makes good business sense. Often, employees that need education most are least able (financially) to afford it. By providing employees with an opportunity to access classes free of charge, the North Carolina Community College System and the University of North Carolina mutually benefit by yielding enhanced proficiency and productivity growth. By leveraging the assets of both systems for the mutual as well as cross benefit of each, higher education in North Carolina will be enhanced and, the State, as well as those we educate, will benefit.

The committee believes that this exchange program will be perceived as a positive benefit by employees and will improve the competitiveness of the benefits package for the University and the Community Colleges. It also provides an opportunity for the University and Community Colleges to extend higher education opportunities to employees and encourage the development of the workforce by providing a link to job training, by making available professional development opportunities, by providing for career path and succession planning opportunities, and by providing employees with a means for credentialing or receiving certification.

From the Community College's perspective, the program will also provide for expanded and equitable educational and advancement opportunities. This is important due to the wide range of community college size, location, and capacity. By utilizing distance education, community college staff and faculty can take classes wherever they are offered regardless of distance or cost. This will enable faculty and staff of remote or very small institutions to remain as well trained and up-to-date as their counterparts who live and work much closer to the state's universities and colleges.

In order for North Carolina's educational systems to continually improve and meet the workforce needs of an increasingly complex and technological economy, it is imperative that the state's 2- and 4-year colleges collaborate and cooperate. This is especially true for community college faculty in highly competitive technology and health fields. In order for these instructors to stay abreast of change and incorporate it into their curriculum, they desperately need to expand their knowledge and skills as teachers. The proposed system will encourage the exchange or transfer of technology, a vital pre-requisite for economic expansion.

A particularly critical need for North Carolina community colleges is for their faculty to obtain the advanced degree credentials needed to teach in academic programs that prepare students to transfer to UNC baccalaureate programs. In the five academic years from 1999-2000 to 2004-2005, community college transfers to UNC baccalaureate programs increased 41 percent, from 5,588 to 7,880. With an expanding number of pre-major articulation agreements being developed that complement the existing Comprehensive Articulation Agreement, it is likely that even more community college students will select community college academic degree programs that enable transfer to a UNC institution. Increasingly, accreditation standards require that community college teachers in these academic transfer programs hold a master's degree or 18 hours of advanced education in their subject area.

The University of North Carolina and the North Carolina Community College System are both widely recognized as two of the nation's premiere educational systems. However, as many of the 16 universities and 58 colleges in the systems expand and grow, the need for a new generation of leaders is looming. Many of the faculty and staff who guided the establishment and development of these proud systems are nearing retirement, and it is critical that an equally talented and trained workforce replace them. Only by offering advanced educational opportunities at very low costs and by employing a distance education format can the next generation of leaders be assured.

Distance Education

Distance education, both through site-based and online courses, has the potential to increase greatly the educational access opportunities for community college and university faculty and staff. The 58 colleges in the North Carolina Community College System provide distance learning courses in an attempt to meet the growing needs for instructional delivery in their service areas. In the past six years, across the Community College System, distance learning course delivery has grown to the current level of 15% of all curriculum registrations. In 2004-05, distance learning delivery totaled 180,924 enrollments. These were composed of online instruction (76.5%), videoconferencing (5%), telecourses/teleweb (9.5%), and hybrid courses (9%) - a blended combination of face-to-face and online instruction. Most colleges also provided web supplements for traditional courses. There were 54,327 enrollments recorded in web-supplemented or assisted courses. Similar growth rates have been identified in Occupational and Continuing Education online courses.

In addition to the 58 community colleges and their associated satellite campuses located throughout the state, the NC Community College System supports The Virtual Learning Community (VLC), a collaborative effort of all community colleges to increase the quality and availability of online learning and support services. Over 200 curriculum and continuing education courses are offered through VLC. The Community College System offers nine Associate of Applied Science Degrees and eleven Associate of Art Degrees (transferable to the UNC System) through the VLC. In addition to the courses developed for the VLC, well over 1,500 online curriculum courses have been developed and offered across the Community College System.

The locations of the 58 community colleges and the online courses offered by these colleges will allow UNC employees wishing to take a community college course the ability to drive to a campus site that is reasonably nearby or they may supplement a campus based degree program with courses taken online.

Community college faculty and staff have comparable opportunities to access UNC courses and degree programs due to extensive distance education offerings available from UNC institutions. In addition to the 16 UNC campus locations, UNC institutions offer 145 off-campus site-based degree programs at locations throughout the state. Of these, 119 degree programs (71 baccalaureate completion and 48 graduate) are offered at 30 community colleges. The baccalaureate programs serve community college students who wish to obtain a four-year degree in their home community, and many of the graduate programs serve community college faculty who need to upgrade their credentials. Other UNC site-based distance programs are located nearby community colleges at places such as hospitals, public schools, and military bases. In addition to these site-based programs, UNC institutions offer 85 online degree programs (48 graduate and 37 baccalaureate) that are available to individuals at any community college. Thus, for community college faculty and staff to take UNC courses, the option may be for them simply to walk over to the classroom on the community college campus where a UNC degree program is being offered or to take the courses online at their desktop computer terminal. This convenient access to UNC degree programs will be useful for both community college faculty and staff who seek to earn a higher degree. (An additional advantage for registration in a UNC distance education course, as compared to an on-campus course, is that individuals would pay substantially less in course-related fees.)

It is likely that a Tuition Waiver Exchange Program would encourage additional community college faculty and staff to seek a baccalaureate or graduate degree through enrollment in a UNC site-based distance program or an online degree program—a positive outcome as long as UNC institutions are able to afford to offer these opportunities. Concerns expressed by UNC distance education directors about a tuition waiver exchange with the community colleges include the fact that four-year institutions would be foregoing a larger amount of tuition than would two-year institutions under such an arrangement. Some UNC degree programs located at community college sites already enroll a substantial number of community college staff, faculty, and administrators. If these individuals were able to take a course for free each semester with no enrollment funding accruing for these registrations, the UNC institution offering the course may not be able to recover the costs associated with offering the course.

Summer School

The General Assembly does not provide funding for classes held during the summer. However, 61% (3,534) of community college faculty are on nine-month contracts, and would clearly benefit if this program included summer school as an option. In addition, Community College faculty with 18-hour teaching loads generally do not have time to take classes during the regular academic year. Moreover, because there are fewer classes during the summer months, a significant portion of the 2,574 staff members throughout the State's 58 community colleges would also have more time to devote to tuition-free courses. This may, in some situations, also be the case for University staff employees. Summer classes are typically less likely to be filled with native students, thus permitting an influx of tuition-free students without taking spaces required by paying students.

Because of the tremendous interest displayed in the employee survey by Community College employees, summer school enrollment in this program may be needed to meet the demand. At Wake Tech, for example, 57% of the 700 full-time employees surveyed reported an interest in taking classes. Therefore, the committee believes that unless there is additional funding allocated for this purpose, the best solution is for each University campus and Community College campus to set its own policy and specify under what circumstances, if any, a student may receive a waiver for receipts-supported courses such as summer school.

Financial Implications

The committee examined the costs of funding the tuition waiver exchange program. The two primary cost considerations in funding this program are the loss of tuition receipts that would normally be paid by students, and the funding of enrollment growth that would result from employees taking classes at a campus of either the University or a Community College. The concept of a "tuition waiver" necessarily means that a person who registers for a class and normally pays tuition at the time of registration would no longer do so. In effect, the tuition is "waived." The potential problem created by a tuition waiver is that while a campus budgets tuition receipts, it would never actually realize those receipts. This would have the effect of jeopardizing a campus' spending authority. Under the Executive Budget Act (General Statute 143-27), appropriations allocated to an educational institution are in addition to the receipts generated by them. If an educational institution fails to realize its budgeted receipts, it must make corresponding reductions in spending. Therefore, the receipts lost to tuition waiver should

be replaced with appropriations. This is also consistent with recent statutory changes made by the 2005 Session of the General Assembly (General Statute 143-11, as amended) that requires that the budget include an accurate projection of receipts.

As a result of survey research conducted within both systems, the number and type of courses in which employees indicated a desire to enroll were identified. From that information, a cost estimate of lost tuition receipts was derived. The cost estimate to state funds for replacing the lost tuition receipts is approximately \$7.7 million for Community College employees to take courses at the University and \$1.3 million for University employees to take courses at the Community Colleges for the academic year.

The second cost of funding the tuition exchange program is the funding of enrollment growth that would result from employees taking classes at a campus of either the University or a Community College. Enrollment growth occurs when more students are admitted to an institution than are budgeted by the institution. Enrollment is measured in terms of full-time equivalents (FTE). This is derived by calculating the number of credit hours that a student takes each term. The funding to support enrollment growth is approximately \$12.9 million for Community College employees to take courses at the University and \$3.2 million for University employees to take courses at the Community Colleges.

Enrollment growth creates financial pressures for an institution when it must employ additional faculty and staff to provide both the instruction to and support of students. While employees of either institution would not need the full array of student services, they would need access to the library, laboratories, counseling, guidance and other facilities and services available to all students. Throughout the history of the University and Community College systems, the General Assembly has always funded enrollment growth. It is recommended that the General Assembly appropriate enrollment growth funds to the University and the Community College System for employees participating in the Tuition Waiver Exchange Program to ensure that all campuses have the appropriate funding to serve employees taking classes.

In as much as the faculty and staff of both higher education systems are the “face to the adult learners,” those who teach and support students every day, it is only appropriate that we invest in them as our greatest asset. This investment in human capital, through our respective systems of higher education, serves to enhance the quality of instruction and services delivered to adult learners. From a business sense, the return on the educational investment of learning opportunities to employees of both systems yields a dividend not only to the employees, but also to those whom we serve--students. A Tuition Waiver Exchange Program is but a small investment that will pay double the dividend.

EMPLOYEE SURVEY

The University of North Carolina General Administration and the North Carolina Community College System, in collaboration with their respective campuses, conducted an employee survey to determine whether permanent employees in the University of North Carolina would be interested in taking a course offered at any of the 58 North Carolina Community Colleges, and whether Community College employees would be interested in taking a course offered at any of

the 16 UNC constituent institutions, if the tuition were waived. The University had approximately a 14% response rate while the community college system had approximately a 56% response rate to the survey. (See Attachment 4 for UNC survey results and Attachment 5 for Community College survey results.)

Results of UNC Survey:

In collaboration with the 16 constituent institutions and UNC Health Care System, UNC General Administration conducted an electronic survey via the web. The survey site was open for approximately 10 days. Of the approximately 43,000 University employees at the 16 campuses, UNC Health Care System and General Administration, there were 6,287 responses. Of those responding, 1,360 indicated they were faculty members, 1,138 indicated they were EPA non-faculty employees, and 3,728 indicated they were SPA (staff) employees. Of the responses received, 1,519 indicated that they would be interested in taking one course per academic year, 3,506 indicated that they would be interested in taking one course per semester, and 1,262 indicated that they would *not* be interested in taking courses at a community college during the 2006-2007 academic year. Of the responses received, 3,300 indicated that courses taken would not fulfill a requirement for a community college degree, while 1,788 indicated that the courses taken would fulfill a community college degree. There were 2,534 respondents who indicated that the primary purpose for taking a course would be for general professional development, 1,733 who indicated that the primary purpose would be education and training directly related to their job, and 827 for personal interest. The top five fields of study that were of interest to respondents included Business Technologies (2,360), Arts and Sciences (1,430), General Education (1,234), Health Sciences (1,170) and Economic and Workforce Development (791). When asked whether the respondent had taken a course at a North Carolina Community College during the past three years, 473 indicated that they had taken a course in the 2004-05 academic year, 389 in the 2003-04 academic year, and 520 in the 2002-03 academic year.

Results of Community College Survey:

The North Carolina Community College System, in collaboration with the 58 Community Colleges, conducted an electronic survey via the web. Of the approximately 11,497 employees at the 58 community colleges and the system office, there were 6,429 responses. Of those responding, 2,926 indicated that they were faculty members and 3,503 indicated that they were staff members. Of the responses received, 2,185 faculty members and 2,290 staff indicated that they would be interested in attending a class at UNC and 741 faculty and 1,213 staff indicated that they would *not* be interested. There were 1,874 faculty and 1,972 staff who indicated that they would take a class within their field of instruction and 1,368 faculty and 1,465 staff outside their field. There were 925 faculty and 1,220 staff who would take an undergraduate level class and 1,832 faculty and 1,683 staff who would be interested in taking a graduate level class. The top five undergraduate fields of study that were of interest to both faculty and staff respondents included Business and Management (including MBA) (737), Education (601), Community College Administration (434), Fine Arts (356), and History (280). The top five graduate fields of study included Education (1,179), Community College Administration (974), Business and Management (including MBA) (716), Social Work – Counseling (306), and English (297).

RECOMMENDATIONS

Tuition Remission Exchange Program

As a result of this study, it became evident that funding would be needed from the General Assembly to support an exchange program and that it would be more appropriate to characterize this program as a Tuition Remission Exchange Program, rather than a Tuition Waiver Exchange Program. Therefore, this program shall be referred to as a Tuition Remission Exchange Program hereinafter. In addition, since the University and Community College System would not be able to implement such a program without funding, the committee recommends that implementation be contingent upon the availability of funding.

Program Structure

The committee recommends that this program be established as a separate and distinct program but using the current UNC Employee Tuition Waiver Program as a model. It is recommended that an eligible university or community college employee be allowed to take one course per semester, not to exceed two courses per academic year, and have the tuition waived. "Eligible university or community college" shall mean any of the University of North Carolina 16 constituent institutions including the North Carolina School of Science and Mathematics, the UNC Health Care System and General Administration, and the 58 North Carolina Community Colleges including the Community College system office. "Tuition" shall mean the tuition charged for credit instruction, regardless of when the instruction occurs or by what means it is delivered. The waiver of any fees for an employee shall be limited according to institutional policy as determined by that institution's respective board.

Admission Standards

The committee recommends that this program in no way affect the admissions requirements at a particular university or college and that all existing policies shall remain in effect for the admissions and registration process. Prior to the conferral of the privilege of tuition remission, the employee must be determined to be academically eligible for admission to the course by the enrolling institution and there must also be space available for that enrollment in the course. This program should emulate the existing tuition waiver program currently offered to UNC employees and, therefore, have no adverse affect on degree-seeking students.

Employee Eligibility

In accordance with the study legislation, the committee recommends that permanent full-time employees who work 30 hours or more per week (75% time or more) be eligible to participate in this program. In addition, the committee recommends that the ability for an employee to take a course during his or her regular work schedule be left to the discretion of management, provided any work time missed is made up at a later time since time away from work to take a course under this program is not considered work time.

Nature of Coursework

The committee recommends that courses taken under this program do not have to be job-related but that the program should encourage development of the workforce by providing: (1) a link to job training, (2) professional development opportunities, (3) career path opportunities, (4) succession planning opportunities, and (5) a means for credentialing or receiving certification. However, recreational extension courses that include hobby and leisure classes such as dance,

crafts, personal interest, etc., offered at the community colleges would not be included as a part of this program since these courses are self-supporting.

Course Parameters

The committee recommends that the number of courses an employee may take parallel the UNC Tuition Waiver Program that allows up to two courses per academic year, including summer school if permitted by the campus. The ability for an employee to take a tuition remission course would need to be dependent upon class space availability.

Funding

The committee recommends that the UNC Board of Governors and the State Board of Community Colleges make a joint request that the General Assembly provide an appropriation for the loss of tuition receipts that would normally be paid by students that are estimated to be approximately \$7.7 million for Community College employees to take courses at the University and \$1.3 million for University employees to take courses at the Community Colleges for the academic year. The Boards should also request that the General Assembly appropriate funds to both the University and the Community College System for enrollment growth for employees participating in the Tuition Remission Exchange Program to ensure that all campuses have the appropriate funding to serve employees taking classes. The funding to support enrollment growth is approximately \$12.9 million for Community College employees to take courses at the University and \$3.2 million for University employees to take courses at the Community Colleges.

Data Collection and Reporting

If a Tuition Remission Exchange Program is implemented, the University and Community College System would need to collect participant information in order to assess the program's success. The committee examined the capacity of both systems to collect and analyze the necessary data and generate reports and determined that there are current systems in place that would adequately meet this need.

Distance Education and On-Line Coursework

Because of the wide availability both of site-based UNC distance education programs offered at or nearby community college campuses and of numerous UNC online degree programs, it is possible that a majority of community college tuition-waiver registrations would be in UNC distance education courses. The same is a possibility for the registrations in the online programs at the community colleges. Because UNC campuses generally maintain separate on-campus and off-campus enrollment budgets, this possible pattern of course registrations may have the effect of creating an undue burden on UNC distance programs. For example, some UNC distance programs have been created with community college faculty as a targeted audience in order to help them upgrade their degree credentials. If the audience is able to take most of its degree courses without paying tuition, and the UNC institution in turn does not receive state enrollment funding for the instruction because no tuition was collected, then it may become economically unfeasible to offer the degree program at all. Thus, if tuition and enrollment funds are not appropriated, some method of limiting the number of course waiver registrations may need to be devised.

Summer School

The committee recommends that it be left to the discretion of each University and Community College campus to set its own policy regarding the inclusion of tuition-waived summer school courses under this program. However, the number of tuition-waived courses that an eligible employee may take under this program shall not exceed two per academic year. Any summer school courses taken under this program would count toward the two per academic year limit.

Access to Course Availability

At UNC, course information is easily accessible via each campus's web site. In the Community College system, there is an annual publication updated for all 58 colleges that provides course offering information and is available via the web, although they do not yet have online registration at all of the 58 campuses. In addition, the University and Community College employees would be able to take advantage of a wealth of resources provided through the College Foundation of North Carolina (CFNC). CFNC.org provides a web site where prospective students may apply online to any of the North Carolina public universities and community colleges. It provides a mechanism that allows adult learners to more effectively plan their academic future by making available information about matching careers with one's interests and personality.

Program Assessment

The University and Community College System will assess the status of the Tuition Remission Exchange Program after it has been in place for two years to determine its success. At that time, the committee recommends evaluation of the following: level of participation; any issues that might arise related to parity; financial implications with respect to any loss of tuition receipts and funding related to enrollment growth; the impact of the program on distance education, online coursework, and summer school; benefits to the workforce; on a longer term basis, affect on employee retention; and other issues that may arise over the two-year implementation period.

Attachments: 5