

Adopted 02/09/73
 Amended 06/18/73
 Amended 07/12/74
 Amended 06/11/93
 Amended 02/14/03
 Amended 07/01/07

ESTABLISHING TUITION AND FEES

The General Assembly shall provide that the benefits of The University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense. –North Carolina Constitution, Article IX, Section 9

I. ESTABLISHING TUITION

This citation from the North Carolina Constitution sets the parameters for establishing resident tuition rates at the constituent institutions of The University of North Carolina. The constitutional provisions for setting tuition are codified in General Statute 116-11(7), which states, in part, *"The Board (of Governors) shall set tuition and required fees at the institutions, not inconsistent with actions of the General Assembly."* This statute governed the setting of tuition rates for both resident and nonresident students from 1971 through 1999 during which time the Board of Governors recommended no tuition increases except as required by statute. This policy outlines the framework to be followed by the Board in establishing tuition levels for constituent institutions,¹ commencing with academic year 2003-2004. Tuition is charged to students enrolled in academic programs during regular terms, summer sessions or through off-campus distance instruction and is used to partially defray the costs of general academic and administrative operations of campuses, including academic programs and faculty and administrative salaries and benefits.

1. *Board-initiated Tuition Rates*

A. *Undergraduate Tuition – General Policy*

The appropriate tuition policy at the undergraduate level encourages students to pursue academic and intellectual interests without regard to program costs. Accordingly, no difference in tuition between undergraduate programs will occur within an institution, and there will be only minimal differences in undergraduate tuition among campuses in similar institutional categories as defined by the Board to reflect both varying missions and contrasting costs of education. Deviation in

¹ Consistent with GS 116-143, no tuition or fees may be charged to students in the high school program at the North Carolina School of Science and Mathematics. Service charges may be established consistent with Section II.2. below.

undergraduate tuition among campuses in different institutional categories will be based upon institutional offerings and will be reasonable.

B. Graduate and Professional Tuition – General Policy

The Board will attempt to extend the principle that tuition be set as low as practicable to graduate and professional students as well as those at the undergraduate level. The financial structure and educational purposes of graduate and professional education, however, are sufficiently different from undergraduate education that distinct tuition policies at the graduate and professional level will be permitted. The application of what is “practicable” varies by level of instruction for a number of reasons, and those differences will be reflected in the tuition policies associated with each.

The Board will apply Article IX, Section 9 of the North Carolina Constitution to graduate and professional level students but with the realization that the costs, sources of funds and purposes of graduate and professional education are materially different from undergraduate education. Tuition for graduate and professional students will be set with an understanding that tuition revenues may be needed to maintain and increase the excellence of the University’s graduate and professional programs. In setting tuition rates, the Board will consider the need to provide access to these programs for students irrespective of their financial capacity as well as the desire to attract and retain the best students to serve North Carolina’s needs in each field.

C. Tuition for Nonresident Students - General Policy

Under General Statute 116-144, the Board of Governors is required to set tuition rates for nonresident students at levels “...*higher than the rates charged residents of North Carolina and comparable to the rates charged nonresident students by comparable public institutions nationwide.* . . .” In complying with the statute, the Board will set tuition for nonresident students after considering the results of a review of rates set by comparable public institutions nationwide. The Board will further consider the need for tuition remissions for nonresident graduate students when setting tuition rates and tuition remission policies.

D. Process for Setting Board-initiated Tuition Rates

- i. Proposed increases in general tuition rates are to be recommended by the President for consideration by the Board. The President will seek counsel from University Chancellors and a committee of campus representatives appointed by each chancellor, before making the recommendations for tuition changes. The committee of campus representatives appointed by each chancellor will include students.
- ii. The President, the chancellors and the committee of campus representatives will consider a number of factors in deciding whether

to recommend changes to general tuition rates in any given year. After the President recommends any action to the Board of Governors, the Board will also consider those factors, which include:

- a. Availability of State general fund revenue to maintain quality and access within the campuses of the University of North Carolina;
 - b. Evidence of institutional efforts to manage costs through increases in productivity, budget flexibility, and/or efficiency improvements;
 - c. Analysis of the impact of tuition and fee charges on student access to the campuses of the University of North Carolina as measured by the college-going rate and other metrics so as not to limit access to the University;
 - d. Changes in various price and income indices (e.g., North Carolina per capita personal income, Consumer Price Index, Higher Education Price Index);
 - e. The current level of student charges (tuition, fees, room and board) at UNC institutions and whether campuses have proposed campus or program tuition differentials for the budget period that would be in addition to general increases in tuition;
 - f. Analysis of student indebtedness levels within the University, viewed in the context of student attrition rates;
 - g. Availability of financial aid and tuition remission and amount of unmet need. Financial aid should be reviewed in the context of the different missions of the institutions, the diverse capacities of the institutions to provide financial assistance and the contrasting needs of students attending the institutions.
- iii. In academic years ending in odd numbers (e.g., June 30, 2003, the long session of the General Assembly), the Board will act by October of the preceding year or when it adopts its biennial budget request to establish the University's general tuition rates for the next academic year. This timing allows Board action on tuition to be incorporated into the University's budget request as part of its overall financing plan. In academic years ending in even numbers when the Board prepares a supplemental budget request, the Board will set Board-initiated tuition rates in conjunction with its establishment of campus-initiated tuition rates.

2. *Campus-initiated Tuition Rates*

- A. Campuses may request increases in tuition to provide revenue for specific purposes and programs. Revenue generated from a campus-initiated change in tuition rates will be accounted for in the budget of the originating campus and transferred within the institution by the chancellor in accordance with the priorities identified in the approved campus proposal.

B. *Undergraduate Tuition*

The Board recognizes that campuses may experience circumstances that suggest that an across-the-board change in undergraduate tuition may be needed at one or more institutions. In the event that circumstances lead a campus or campuses to the conclusion that a change in undergraduate tuition rates is needed, campuses are permitted to bring proposals for undergraduate tuition changes before the Board for its consideration. Campuses wishing to submit requests for undergraduate tuition changes will conduct a process that includes consultation with participation by students. A campus will consider the following factors when creating an undergraduate tuition proposal.

- i. Availability of State general fund revenue to maintain quality and access within the campuses of the University of North Carolina;
- ii. Evidence of institutional efforts to manage costs through increases in productivity, budget flexibility, and/or efficiency improvements;
- iii. Analysis of the impact of tuition and fee charges on student access to the campuses of the University of North Carolina as measured by the college-going rate and other metrics so as not to limit access to the University;
- iv. Changes in various price and income indices (e.g., North Carolina per capita personal income, Consumer Price Index, Higher Education Price Index);
- v. The current level of student charges (tuition, fees, room and board) at UNC institutions and whether campuses have proposed campus or program tuition differentials for the budget period that would be in addition to general increases in tuition;
- vi. Analysis of student indebtedness levels within the University, viewed in the context of student attrition rates;
- vii. Availability of financial aid and tuition remission and amount of unmet need. Financial aid should be reviewed in the context of the

different missions of the institutions, the diverse capacities of the institutions to provide financial assistance and the contrasting needs of students attending the institutions.

- viii. A plan for the intended use of additional tuition receipts (e.g., needed improvements to the educational program, funding for competitive salary increases, financial aid, etc.)

3. *Graduate and Professional Tuition*

The Board of Governors will permit individual campuses to initiate requests for Board approval of different base or program tuition rates at the graduate and professional level. If a campus explores the possibility of developing such a request, it will present evidence to ensure that students in the affected graduate and/or professional programs have been consulted. Tuition for graduate and professional students will be set with an emphasis on maintaining and increasing the excellence of the campus' graduate and professional programs as well as ensuring access. To the extent possible, there should be full tuition remission for graduate assistants to improve a campus' competitiveness in recruiting and retaining highly qualified nonresident graduate students.

In reviewing potential criteria to recommend as a basis for deciding when specific graduate or professional tuition differentials may be appropriate at a particular institution, a flexible policy framework that allows judgments to be reached based on a number of factors is preferable either to cost-based formulas or to discipline or program typologies that treat all academic or professional programs the same. In particular, a flexible approach based on the unique factors associated with specific programs is desirable because of the potential mix of graduate and professional programs that one may find within any given school or college; e.g., a professional school may offer a Ph.D. program in addition to one or more professional degree programs. Therefore, the campuses will consider the following factors in developing graduate and professional school tuition proposals.

- A. The anticipated impact of a proposed change on program quality;
- B. The projected impact of a proposed change in tuition on access for North Carolina residents;
- C. The availability of student financial aid for students with economic need and of tuition remission;
- D. The extent to which current and prospective students can afford possible increases in tuition;
- E. The relationship of projected tuition revenue to institutional and/or program costs;
- F. Tuition and fees, net of remissions and waivers, charged by peer institutions or programs, as compared to tuition and fees, net of remissions, at the UNC

- institution or program (the public subsidy received by students at public institutions or programs in the peer set, including the UNC institution or program in question, will also be identified as part of the comparison);
- G. A plan for the intended use of additional tuition receipts (e.g., needed improvements to the educational program, funding for competitive salary increases, financial aid, etc.); and
 - H. Assistantships or grant support for graduate students;
 - I. Analysis of student indebtedness levels within the University.
4. *Timing and Review of Board Action*
- The Board will act by February of each year, or as soon as possible thereafter, to establish the University's campus-initiated tuition rates for the next academic year. Setting campus-initiated tuition rates by February will permit students and their families to know in early spring what their tuition charges for the fall semester will be, assuming consistency between the actions of the Board of Governors and the General Assembly. Moreover, an institution is required to submit a one-time report at the end of the first full biennium following an approved campus-initiated tuition rate increase in order to confirm that the additional revenues were used as the Board intended in approving the campus request. This will ensure the accountability of a campus for its tuition proposals as well as enable the Board to maintain the University's accountability to the State.
5. *Tuition Requests in Context of Long Range Plans*
- All proposals for campus-based tuition increases will include the campus' plan for other tuition increases for a prospective period of five years, including the year of the current application.
6. *Individual Consideration of Campus Request*
- The Board will review each campus-based tuition request on an individual basis, within the context of the University's long range plan, the need for Board-initiated tuition increases, the state's economic environment, and the financial impact on students. The Board is obligated to exercise its discretion in granting, modifying or denying a campus request.

II. ESTABLISHING FEES.

The Board of Governors is responsible for establishing fees at the constituent institutions of the University consistent with the philosophy set forth in the North Carolina constitution. Fees will be charged only for limited, dedicated purposes and shall not be used to defray the costs of general academic and administrative operations of campuses,

including academic programs and faculty and administrative salaries and benefits. Consistent with the above citation, the Board will make every effort to keep fees for students as low as possible while providing the revenues needed to support the purposes for which the fees are charged.

Each year, the Board establishes the fees listed below. All fees established shall be based upon the recommendation of the chancellor, the institutional Board of Trustees, and following his or her review, the President. Excluding the application fee charged to prospective students, all fees set by the Board are annual fees. Once an annual fee has been established, semester rates, summer rates, and part-time rates shall be established by the President. It is the policy of the Board to act no later than February of each year to establish fees for the following fall semester.

1. Although the General Assembly provides for most of the instructional costs of institutions through State appropriations, institutions traditionally rely entirely on student fees to finance a number of activities, services, and facilities. Institutional Boards of Trustees are required to weight the benefits of the activity, facility or service against the fee required to provide financial support. Orientation sessions for the Boards of Trustees will regularly include discussions of the process followed when establishing student fees.
 - A. *Application Fee.* An application fee shall be established for each institution. Specific programs within an institution may require an application fee different from the fee charged for most students and the Board may set different fees according to program needs.
 - B. *General Fees.* Fees generally applicable to all students shall be established by the Board of Governors. Four general fees are authorized: athletic fees, health services fees, student activity fees, and educational and technology fees.
 - C. *Fees Related to the Retirement of Debt Incurred for Capital Projects.* Fees generally applicable to all students that provide revenues for the retirement of debt shall be fixed by the Board of Governors at the time of the borrowing. Indebtedness fees may not include components for operations and maintenance but shall reflect the cost of servicing the debt at the coverage levels required in Board resolutions and other documents authorizing the debt. Changes in fees required subsequent to the issuance of the debt may be approved by the President upon the request of the chancellor. Indebtedness fees expire when the related debt is retired.
 - D. *Special Fees.* Fees applicable only to students engaged in particular activities or courses of study shall be established by the Board of Governors when needed. These fees will not be used to provide general academic revenues that will be provided for from campus-initiated tuition increases.
2. Each chancellor is authorized to establish miscellaneous service charges for such items as transcripts, diplomas, caps & gowns, special examinations, late registrations,

and replacement of I.D. cards. A schedule of such charges shall be filed with the President prior to the beginning of each school year.²

3. The process for establishing fees shall be as follows:
 - A. In academic years ending in odd numbers (e.g., June 30, 2003, prior to the short session of the General Assembly in 2004), the process shall be initiated at the beginning of the fall semester and contain the following steps.
 - i. The Vice President for Finance shall issue instructions to the campus chancellors calling for them to initiate a review of fees.
 - ii. Each chancellor shall establish a fee review committee with representatives of all aspects of campus life, including, but not limited to, representatives from Business Affairs, Student Affairs, the Financial Aid Office, and the student body. The Committee shall conduct a complete review of student fees from a zero-based budgeting perspective and shall make recommendations to the chancellor for establishing fees effective with the upcoming fall semester. The review will include an examination of alternative resources, including available institutional reserves, to determine if other funding is available to provide the services in lieu of establishing the fee. The review will include a reassessment of the existing operating methods to ensure that operations are performed in a cost-effective manner. If the committee determines that an increase in a fee is needed, the committee shall attempt to decrease another fee so that the total cost of education for students does not increase. In order to ensure that all students are able to meet the increased cost of education, the university's financial aid officer, working with the committee, shall determine that sufficient financial aid is available, from whatever sources are possible.
 - iii. The chancellor shall review the recommendations of the Committee and present recommendations to the Board of Trustees for review and approval. Before a chancellor makes recommendations to the Board of Trustees, the recommendations of the fee review committee will be shared with student government leaders so that students may inform the chancellor of their perspectives on the proposed changes.
 - iv. The recommendations of the Board of Trustees will be forwarded to the President for review.

² The Chancellor of the North Carolina School of Science and Mathematics shall transmit by July 1 of each year a schedule of service charges at that institution for approval by the President.

- v. When the review is completed, the President will present fee recommendations to the Budget and Finance Committee for consideration by the Board of Governors.

Each step in the process shall be an iterative and comprehensive review of the previous step, resulting in changes to the fee recommendations as deemed appropriate.

- B. In academic years ending in even numbers (e.g., June 30, 2004, prior to the long session of the General Assembly in 2005), fee increase proposals submitted by the institutional Board of Trustees to the President may be approved by the President if the increase provides only for the following:
 - i. Additional revenues equal to the amount required for funding compensation increases for fee-supported employees at a level equivalent to the previous years' compensation increases authorized by the General Assembly.
 - ii. Additional revenues for non-personnel items at a level equivalent to increases in the consumer price index.

If a campus requires other changes in fees in academic years ending in even numbers, the process that shall be followed is identical to that followed in academic years ending in odd numbers.

The tuition policy of the Board of Governors, adopted in 1998 and revised in 2003 when the existing tuition and fee policies were combined, provides the framework for the Board's annual review and action on proposed increases in tuition and fees. This framework is used by the Board in fulfilling its responsibility under General Statute 116-11(7), which states in part that "*The Board (of Governors) shall set tuition and required fees at the institutions, not inconsistent with actions of the General Assembly.*" At the same time that the Board exercises its statutory authority, it wishes to do so in a way that provides affordability for students, flexibility for the constituent institutions, and predictability for both the students and the constituent institutions.

The Task Force on Tuition Policy recommends to the Board of Governors the following four-year plan for University campuses considering increases in tuition and fees. This recommendation, upon approval by the Board, will remain in effect for four years commencing upon the date of approval. At the end of the four-year period, the plan will be evaluated by the Board. The Board retains its authority to impose Board-based tuition increases, but in consideration of the four-year plan, does not anticipate adopting any such increases and, therefore, does not address them in this plan.

One of the expectations of the Tuition Task Force is that combined tuition and fee rates for resident undergraduates remain *within the bottom quarter* of each campus' public peers, as approved by the Board of Governors. Combined rates for non-resident undergraduate students should remain *below the top quarter* of the same approved peer group. We support this recommendation.

We also propose that the maximum rate of annual increase for campus-initiated tuition and general fees (Athletics, Health Services, Student Activities, and Educational and Technology Fees) for undergraduate resident students should be 6.5%. This figure is the average annual increase in undergraduate resident tuition rates since 1972. The amount of the increase may be allocated among tuition and fees in a manner that most effectively provides revenues to meet campus needs.

Fees required for debt service are *in addition to* this maximum percentage increase, but funds required to operate facilities are included in the maximum. Debt service fees are not included in the 6.5% ceiling because the projects that are financed by the indebtedness that is repaid from these fees are evaluated on their individual merits through a separate process. For projects to be funded from debt service fees, the Board will consider both the impact on students from these charges and the ability of a campus to repay the debt.

Since the 2006 Higher Education Price Index (HEPI), which measures inflation in the cost of a college education, was 5%, it is hoped that the revenues generated under this plan, combined with ongoing efforts to control operating costs, will not only cover inflationary increases, but also will provide for consistent improvements in the quality of academic offerings.

All proposals for increasing tuition and fees must be accompanied by explicit plans for use of the increased funds. For the next four years, each plan must commit to set aside at least 25% of the new tuition revenues to be added to the campus pool of need-based financial aid. Additionally, at least 25% of the revenues must be used for increasing faculty salaries unless the average ranked faculty salary for a campus is at or above the 80th percentile of the average ranked faculty salary for that campus' peer institutions as approved by the Board of Governors. Any remaining revenues may be used to provide for improved library and counseling services, reductions in class size, increases in sections offered, enhancements in student services, and other purposes that improve the quality of the student's academic experience. Increases in student fees must be justified by an expenditure plan that shows how the additional revenues will directly benefit the fee-supported activity.

The Tuition Policy Task Force recognizes that while tuition and fee charges are necessary as a secondary source of funding, the General Assembly has the principal responsibility for funding the University. For years in which the General Assembly is able to provide sufficient increased revenues, the need for increases in tuition should not be as great as in years when the General Assembly is not able to provide these revenues. Recognizing that the capacity of the General Assembly to fund the University varies from year to year, the Task Force recommends the following adjustments to the maximum 6.5% campus-based tuition increase. These adjustments should begin in 2008-09 to allow the campuses time to incorporate them in their annual planning.

- For any year in which the General Assembly provides a specific campus a recurring increase in operating appropriations/FTE that is in excess of 6%, the maximum allowed campus-based percentage tuition increase for that campus in the subsequent year will be reduced by the percentage increase in operating appropriations above 6% (6% is approximately the average annual increase in operating appropriations/FTE since 1972). For example, if the General Assembly provides a recurring increase of 7% in operating appropriations (1% above 6%) for a particular UNC institution, the proposed campus-based tuition increase in the subsequent year could be no more than 5.5% (1% below 6.5%).
- Tuition and fee rates and appropriations/FTE are interdependent as campuses attempt to ensure sufficient resources to meet academic needs of students. Current variations in the level of appropriations/FTE among similar UNC institutions are sometimes material. During the four-year period covered by this plan, the Board of Governors will seek recurring operating appropriations from the General Assembly to ensure that all constituent institutions have a baseline level of state support for operations (See Attachment A). This baseline level of support, when combined with tuition receipts set aside for this purpose, would ensure that average faculty salaries on a campus are competitive with those of its approved peers. Any campus that meets or exceeds the baseline level of state support would have a goal of keeping tuition and fees at no more than 30% of the total of tuition, fees, and operating appropriations/FTE.

- It is important to understand that the ceilings on increases proposed in this plan apply to discrete sets of revenues. State appropriations and tuition receipts are the two major revenues within each institution's state budget account, yet they have very different impacts on campus budgets. In the following hypothetical example, if appropriations were to increase by 6% and tuition receipts were to increase by 6.5%, the overall budget would increase by 6.08%. The respective percentage increases for state appropriations and tuition (6% and 6.5%) should not be misunderstood and construed to be additive. If tuition and State appropriations increase by these percentages, and inflation, as measured by HEPI, remains steady at about 5%, the increases will provide campuses with modest new funding for quality maintenance and improvements.

UNC Campus	Original Budget	% Increase	Dollar Increase	New Budget
Appropriations	1,000,000	6.0%	60,000	1,060,000
Tuition	200,000	6.5%	13,000	213,000
Total Budget	1,200,000	6.08%	73,000	1,273,000

Likewise, if revenues from general fees increase by 6.5%, the increase impacts only the budgets of fee-supported activities.

To help mitigate the financial impact of tuition increases on students that are eligible to receive financial aid from the Board's need-based financial aid program, the Board of Governors will seek additional State funds for this purpose each year that this Plan is in effect. These funds, when appropriated, will be used to ensure that all North Carolina students that are eligible to receive our State need-based grants receive them, and that all such students are held harmless from the tuition and fee increases.

The framework outlined above will apply to all institutions within the UNC system. The BOG, however, recognizes that across the University, institutions vary appreciably in their missions, their programs, the costs of those programs including the costs of faculty, federal funding for financial aid, and the ability to meet the financial need of their respective student bodies. Recognizing those distinctions, the Board may choose to consider these criteria when setting tuition for individual campuses. A campus with a significant unfunded need may submit a proposal that does not adhere to the agreed-upon guidelines. Such a proposal must demonstrate that tuition revenues are the only viable source of funds for addressing the need. The proposal must be accompanied by a description of the need, and a detailed plan and rationale for addressing it. If the Board determines that the need could only be addressed by an increase in tuition above the maximum allowable campus-based tuition increase, it could institute such an increase.

Finally, during the 2006-07 academic year, the Task Force recommends that General Administration review the financial aid processes and available resources on each campus to assess whether resources are sufficient to meet the financial-aid needs of their students, including students from families with both low and moderate incomes. This review should result in a consistent methodology for calculating and presenting information on financial need of students for review by the Board of Governors. Another measure that should be reviewed and monitored is the increase or decrease over time in the indebtedness of students upon graduation. The review will identify opportunities for improving and simplifying the financial-aid processes on each campus and ensuring that campus processes dovetail with the system used by the State Education Assistance Authority. If the review indicates that the financial aid available to students on a given campus is insufficient, the campus will prepare a plan for approval by General Administration for increasing financial aid and will execute the plan when it is approved. Financial aid administration is complex, and the ability of a campus to provide sufficient aid is as dependent upon external resources and factors as it is upon funds derived from campus-initiated tuition increases. All of these resources and factors should be taken into account in the development and assessment of a campus' financial aid plan.

It is recommended that the Tuition Policy Task Force adopt the proposed framework and conditions for campus-initiated tuition proposals.

**Maximum Tuition Increase
Undergraduate Residents
2008-09**

<u>Campus</u>	<u>Maximum Percentage Increase Undergraduate Residents*</u>
ASU	2.6%
ECU	6.5%
ECSU	6.5%
FSU	6.5%
NC A&T	2.0%
NCCU	0.0%
NCSA	0.0%
NCSU	6.5%
UNCA	1.4%
UNC-CH	0.0%
UNCC	5.0%
UNCG	2.2%
UNCP	6.5%
UNCW	3.9%
WCU	4.6%
WSSU	0.0%

* The maximum percentage increase in undergraduate, resident tuition rates are established every year as part of the Board's Four-Year Tuition Plan. In response to the increased levels of appropriations provided to the University by the 2007 General Assembly, all Chancellors have indicated their intention to keep undergraduate, resident tuition rate increases low.

During the September 2007 Budget and Finance Committee meeting, BOG member Craig Souza reminded staff of the importance to properly inform students about the predictability of tuition and fees pursuant to the BOG's Four-Year Plan. After discussion with Budget and Finance Committee members, it was decided that Finance Division staff would provide draft language to the committee to review. If the below language is approved by the Board of Governors, then the information would be included as part of the tuition bill statement and provided to students attending UNC constituent institutions.

Tuition Bill Statement
Proposed Amendment to Include Cost of Tuition and Fees

Current legislation requires that the following statement be provided to all students:

(Name of UNC Constituent Institution) is a publicly supported institution. Tuition payments and other required fees meet only a part of the total cost of education of students enrolled. On average, for each full-time student enrolled in an institution of The University of North Carolina, the State of North Carolina appropriated \$9,980 per year in public funds to support the educational programs offered.

The following language is proposed as an addition to the currently required paragraph:

In October 2006, The University of North Carolina Board of Governors developed a four-year plan to make tuition and fee rates for undergraduate resident students predictable and affordable. Pursuant to the Plan, the maximum rate of annual increase for campus-initiated tuition and general fees (Athletics, Health Services, Student Activities, and Educational and Technology Fees) for undergraduate resident students is 6.5%. In years when the General Assembly increases (Name of UNC Constituent Institution's) appropriations by more than 6% per full time equivalent student, then the increase in tuition will be less than 6.5%. The amount does not include fees required for debt service, which are in addition to the maximum percentage increase. The four-year plan is effective until June 30, 2011. Tuition and fee rates are usually established in February for the school year beginning the following Fall. Additional information about the Board's Four-Year Tuition Plan and projected increases is available at www.northcarolina.edu/content.php/finance/index.htm.