

Legal Analysis of Educational and Technology Fee Use

The Educational and Technology Fee (E&T Fee) was created in 1993 as a “general fee” to ensure a consistent approach to student fees across the University system. According to the Board of Governors’ study report issued in May 1993, the E&T fee was intended to “be deposited into each institution’s academic budget code and would replace the revenues generated from previously existing course and special fees.”

University Policy 1000.1.1 governs the establishment of tuition and fees. “Tuition . . . 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.” Fees, in contrast, are “charged for limited, dedicated purposes” and are not intended to cover those expenses covered by tuition. The Policy explains that “institutions traditionally rely entirely on student fees to finance a number of activities, services and facilities.” The E&T fee is among four general fees applicable to all students. The other three are athletic, health services, and activity fees. These “general fees” applicable to all students are distinguishable from “special fees” that are “applicable only to students engaged in particular activities or courses of study....” Thus, the Policy makes clear to students and their families that they are responsible for various general fees, but it does not require specific enumeration of the costs that the fees will defray.¹

The State Auditor focused on the description of the E&T fee set out in The University of North Carolina Chart of Accounts, revised as of May 2007. The E&T fee is described on page 44 of that document, not with reference to the guiding University Policy 1001.1.1. The description in the Chart of Accounts appears to narrow the breadth of use of the E&T fee

¹ The State Auditor indicated his concurrence with a concept of fees whereby “students are led to believe a specific fee is for a specific purpose.” We concur with that transparency in fees, as well, and do not see that in this instance that any students were misled when general technology fees were applied to technology beneficial to students.

permitted by University Policy. This is how it has been interpreted by the State Auditor. In fact, however, even in the Chart of Accounts, the phrase “data processing equipment” specifically contemplates the type of use to which the E&T fee was put by UNCG. Funding implementation of upgraded technology infrastructure and other technology projects applicable and beneficial to student services is just the sort of use for which this general fee was created. Here, UNCG accessed the E&T fee network access fund for a “limited, dedicated purpose,” as the Policy allows.

N.C. Gen. Stat. § 116-30.2(a) provides that as a “special responsibility constituent institution,” UNCG, through its Chancellor, may expend monies appropriated to it so as to maintain and advance the programs and services of the institutions, and may transfer appropriations between budget codes. Thus, the legislature has afforded campuses that qualify as special responsibility constituent institutions budget flexibility that allows for reasonable discretion in application of budget codes. This flexibility extends to the use of student fees that are reflected in the same budget codes.

In conclusion, it appears that the inconsistency between applicable University policy and the language adopted in the Chart of Accounts caused the State Auditor to question UNCG’s use of the E&T fee as noted. This inconsistency will be corrected by the Vice President for Finance with a revision to the description relative to the E&T fee in the Chart of Accounts.