

APPENDIX U

Authorization of Tuition for 2004-05

I. 2004-05 Tuition Rates

Board-Initiated Tuition Increases

The Board's tuition policy, as amended in February 2003, calls for the establishment of a special committee to make a recommendation to the Board for it to consider when determining a Board-initiated increase in tuition. At the President's request, Chancellors appointed representatives to participate on the Committee. The Committee met three times but did not arrive at a consensus for consideration by the Board of Governors. The two proposals sent forth by the Committee are detailed below.

First, the students participating in the discussions, as well as University personnel from North Carolina Central University, are recommending that the Board not approve any Board-initiated tuition increase. This group is concerned about the rapidly escalating costs of education and the bottom-line effect on charges to students. When voting in favor of campus-initiated tuition increases, some students believed that they were doing so with the knowledge that a Board-initiated increase would not occur. Students cite the fact that the total costs of education, i.e., tuition, fees, room, board, books, and other incidental costs, are all rising and that a Board-initiated tuition increase, when reviewed in the context of all of the costs of education, is not acceptable. Furthermore, some in this group believe that if a Board-initiated tuition increase is approved, proposed campus-initiated tuition increases should be reduced by an amount equivalent to the Board-initiated increase.

The remaining University personnel recommend that the Board consider a 2% Board-initiated tuition increase for resident students with the same dollar increase for nonresident students. This group believes that it is important to provide funds for the State's General Fund

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as the Board requests that the General Assembly fund its request for enrollment increases and financial aid, and provide additional funds to meet other needs. The 2% rate was proposed after reviewing the three indices required to be reviewed by this Committee under the Board's policy (1.45%, 2.2%, 2.6%). Although the costs of education are increasing, this group believes that the funds available for financial aid are effectively meeting the needs of students that cannot afford the tuition increases without financial aid. This group also believes that it would be more effective to propose a thoughtful tuition increase for consideration by the General Assembly rather than to propose no increase for the General Assembly's consideration. The group recommends that the General Assembly should be asked to use the funds raised by the tuition increase to meet the Board's request for financial aid and enrollment growth, in that order. Furthermore, the group believes that a Board-initiated tuition increase should not reduce any of the campus-initiated tuition increases.

Historically, this committee has arrived at a single recommendation by consensus and no formal voting mechanism has been established. If in the future the Board finds it more desirable to have a single recommendation for consideration, the tuition policy should be altered to more definitively define the Committee and the need for a single decision. The Committee also discussed the possibility of the Board-initiated increase being established before campus-initiated tuition increases are considered by the campuses.

In the meeting of the Board's Committee on Budget and finance on March 18, 2004, the Committee considered both proposals. In recognition of the need for increases in campus-initiated tuition and fees, the Committee determined that it was appropriate to have no Board-initiated increase for the 2004-05 academic year.

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It is recommended that no Board-initiated increase be approved for the 2004-05 academic year.

Campus-Initiated Tuition Increases

It is recommended that the following tuition increases be approved for the 2004-05 academic year based on requests from the campuses, adjusted as follows.

First, in its workshops on tuition increases, the Board has discussed seeking a permanent source of funding from the General Assembly for need-based financial aid for resident students. In recent history, the General Assembly has funded the Board's requests for this need-based financial aid from the Escheats Fund. The Fund was created to provide aid for worthy and needy North Carolinians and it is now recommended that the Board seek from the General Assembly legislation that authorizes the use of Escheats Funds for UNC need-based financial aid for resident students on a permanent basis. Such legislation would provide aid for tuition increases initiated by the Board, as well as future campus-initiated tuition increases. The financial aid would be administered by the State Education Assistance Authority and would be awarded to needy students under the formula currently followed by that agency in administering the Board's need-based financial aid program. It is the goal of the Board of Governors to substitute these funds for all or a portion of the funds earmarked by the campuses for need-based financial aid.

Next, the campus proposals for increases in resident tuition rates have been adjusted to reflect the discussions in the Board workshops that revenues from tuition increases not be used to increase budgets for SPA salaries. It is recommended that the General Assembly, rather than students, provide appropriate funding for SPA salary adjustments.

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Additionally, it is the Board's desire that Western Carolina University not use tuition receipts for implementing the Banner software, as proposed by that campus. A student fee for this purpose has been added to the student fee recommendations to be consistent with financing proposals from three other institutions.

The Board's tuition policy proposes that institutions similarly classified have similar tuition rates. Consistent with this policy, it is recommended that, for the 2004-05 academic year, resident tuition rates at North Carolina State University and The University of North Carolina at Chapel Hill be increased by \$250. For all remaining institutions, excluding the North Carolina School of the Arts, it is recommended that resident tuition rates be increased by \$225. For the North Carolina School of the Arts, it is recommended that undergraduate resident tuition rates be increased by \$450 and the resident graduate tuition rates be increased by \$750.

Increases in nonresident tuition rates are recommended as proposed by the campuses.

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Proposed tuition rates for the 2004-05 academic year are as follows:

Institution	Tuition Increase for Resident Students	Tuition Increase for Nonresident Students
Appalachian State University	\$225	\$300
East Carolina University	225	300
Elizabeth City State University	225	300
Fayetteville State University	225	300
North Carolina A&T State University	225	300
North Carolina Central University	225	300
North Carolina School of the Arts		
Undergraduate students	450	600
Graduate students	750	1,000
North Carolina State University	250	300
UNC-Asheville	225	600
UNC-Chapel Hill	250	1,500
UNC-Charlotte	225	300
UNC Greensboro	225	300
UNC-Pembroke	225	300
UNC-Wilmington	225	360
Western Carolina University	225	300
Winston-Salem State University	225	300

It is the first priority of the Board that the revenues generated from the tuition increases be used to enhance the quality of the academic experience for students. To this end, the Board directs that the Chancellors use the tuition revenues to reduce the size of classes, increase the number of sections offered especially in core areas where classes must be available to ensure that students graduate on time, hire fewer part-time and more permanent faculty, and take other actions as appropriate. Chancellors may also use these funds to ensure the competitiveness of faculty salaries. By December 31, 2004, each Chancellor shall report to the President on improvements made to enhance the quality of the academic experience of students.

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Increases in Tuition for Professional Schools

It is recommended that the following tuition increases for professional schools be approved:

East Carolina University	
1 st year Medical Students	\$1,200 for 2004-05, \$700 for 2005-06, and \$700 for 2006-07
2 nd , 3 rd , & 4 th year Medical Students	\$700 for 2004-05
North Carolina State University	
Masters of Business Administration	\$2,000 for 2004-05 and 2005-06
Masters of Accounting	\$2,000 for 2004-05 and 2005-06
UNC-Chapel Hill	
Masters of Business Administration	<i>Resident Students:</i> First Year Students \$1,691 for 2004-05, Second Year Students \$1,940 for 2004-05 <i>Nonresident Students:</i> \$2,000 for 2004-05
Masters of Accounting	<i>Resident Students:</i> \$2,000 for 2004-05 <i>Nonresident Students:</i> \$2,000 for 2004-05
Masters of Public Administration	\$150 for 2004-05, 2005-06, and 2006-07
Journalism and Mass Communications	<i>Resident Students:</i> \$300 for 2004-05, \$200 for 2005-06 and 2006-07 <i>Nonresident Students:</i> \$900 for 2004-05, \$600 for 2005-06 and 2006-07
Law	<i>Resident Students:</i> \$300 for 2004-05 <i>Nonresident Students:</i> \$500 for 2004-05
Masters of Social Work	Entering Fall 2004 – <i>Resident Students:</i> \$400 for 2004-05 and \$400 for 2005-06 <i>Nonresident Students:</i> \$2,000 for 2005-06
DDS	<i>Resident Students:</i> \$1,800 for 2004-05, \$1,500 for 2005-06 and 2006-07; <i>Nonresident Students:</i> \$0
AuD and DPT	\$2,500 for 2004-05
Pharm D	\$2,000 for 2004-05 and \$1,500 for 2005-06
UNC Charlotte	
Masters of Business Administration	\$2,500 for 2004-05 and 2005-06
UNC Greensboro	
Masters of Business Administration	\$30 per credit hour for 2004-05
Masters of Science in Info. Technology	\$30 per credit hour for 2004-05
UNC Wilmington	
Masters of Accounting	<i>Resident Students:</i> \$503 for 2004-05 (will match the 04-05 MBA rate) <i>Nonresident Students:</i> \$499 for 2004-05 (will match the 04-05 MBA rate)

The tuition rates that follow reflect the campus-initiated tuition proposals submitted by all institutions and do not include a board-initiated increase. It is recommended that the Committee, acting on behalf of the Board, establish the following tuition rates for 2004-05.

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**The University of North Carolina
Regular Tuition Rates
2004-05**

Institution		North Carolina		Nonresidents		
		Residents		From	To	
		From	To	From	To	
North Carolina State University	<i>Undergraduate</i>	\$2,955	\$3,205	\$14,803	\$15,103	
	<i>Graduate</i>	3,163	3,413	15,161	15,461	
School of Veterinary Medicine						
	D.V.M. Candidate	<i>Graduate</i>	8,107	8,357	30,820	31,120
	Veterinary Graduate	<i>Graduate</i>	3,163	3,413	15,161	15,461
School of Management						
	Masters of Business Admin.	<i>Graduate</i>	5,788	8,038	17,661	19,961
	Masters of Accounting	<i>Graduate</i>	4,475	6,725	16,411	18,711
UNC-Chapel Hill						
Academic Affairs	<i>Undergraduate</i>	2,955	3,205	14,803	16,303	
	<i>Graduate</i>	3,163	3,413	15,161	16,661	
	School of Journalism & Mass Comm.	<i>Graduate</i>	6,046	6,596	17,935	18,835
	School of Law	<i>Graduate</i>	8,152	8,702	20,120	20,620
School of Business						
	M.B.A. Candidate	<i>Graduate</i>	13,384	15,325	28,749	30,749
	Masters of Accounting	<i>Graduate</i>	8,843	11,493	20,566	23,166
	School of Government (MPA)	<i>Graduate</i>	3,163	3,563	15,161	16,811
	School of Social Work (MSW)	<i>Graduate</i>	3,163	3,813 ¹	15,161	16,661
Health Affairs						
School of Pharmacy	<i>Graduate</i>	3,163	3,413	15,161	16,661	
	Pharm D Candidate		5,930	8,180	22,315	24,315
School of Nursing	<i>Undergraduate</i>	2,955	3,205	14,803	16,303	
	<i>Graduate</i>	3,163	3,413	15,161	16,661	
School of Public Health	<i>Undergraduate</i>	2,955	3,205	14,803	16,303	
	<i>Graduate</i>	4,029	4,279	15,270	16,770	
School of Dentistry						
	D.D.S. Candidate	<i>Graduate</i>	7,385	9,435 ¹	28,117	28,117
	Dental Hygiene	<i>Undergraduate</i>	2,955	3,205	14,803	16,303
	Dental Auxiliary	<i>Undergraduate</i>	2,955	3,205	14,803	16,303
	Dental Graduate	<i>Graduate</i>	4,764	5,014	18,383	18,383
School of Medicine						
	M.D. Candidate	<i>Graduate</i>	7,385	7,635 ²	33,001	33,001 ²
	AuD and DPT	<i>Graduate</i>	3,163	5,913	15,161	19,161
	Medical Technology	<i>Undergraduate</i>	2,955	3,205	14,803	16,303
	Physical Therapy	<i>Graduate</i>	3,163	3,413	15,161	16,661
	Medicine Graduate	<i>Graduate</i>	3,163	3,413	15,161	16,661

¹ For students entering in Fall 2004.

² The rate for MD resident students enrolled prior to Fall 2001 is \$5,014; the MD nonresident rate is \$31,517.

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Institution		North Carolina		Nonresidents		
		Residents				
		From	To	From	To	
East Carolina University	<i>Undergraduate</i>	1,910	2,135	12,049	12,349	
	<i>Graduate</i>	1,991	2,216	12,232	12,532	
School of Medicine						
1st year Med Students	<i>Graduate</i>	3,609	5,034	28,524	30,024	
2nd, 3rd, & 4th year Med Students	<i>Graduate</i>	3,609	4,534	28,524	29,524	
UNC-Charlotte	<i>Undergraduate</i>	1,904	2,129	11,941	12,241	
	<i>Graduate</i>	1,979	2,204	12,111	12,411	
School of Business						
Masters of Business Admin.		1,979	4,704	12,111	14,911	
UNC-Greensboro	<i>Undergraduate</i>	1,803	2,028	12,696	12,996	
	<i>Graduate</i>	1,887	2,112	12,862	13,162	
School of Business						
Masters of Business Admin. *	<i>Graduate</i>	1,887	2,832	12,862	13,882	
Masters of Science in Info.						
Technology & Management *	<i>Graduate</i>	1,887	2,832	12,862	13,882	
Appalachian State University	<i>Undergraduate</i>	1,596	1,821	10,963	11,263	
	<i>Graduate</i>	1,668	1,893	11,176	11,476	
Fayetteville State University	<i>Undergraduate</i>	1,321	1,546	10,682	10,982	
	<i>Graduate</i>	1,393	1,618	10,908	11,208	
N.C. A & T State University	<i>Undergraduate</i>	1,544	1,769	10,911	11,211	
	<i>Graduate</i>	1,616	1,841	11,126	11,426	
North Carolina Central University	<i>Undergraduate</i>	1,653	1,878	11,022	11,322	
	<i>Graduate</i>	1,825	2,050	11,331	11,631	
School of Law	<i>Graduate</i>	1,945	2,170	13,730	14,030	
UNC Pembroke	<i>Undergraduate</i>	1,464	1,689	10,829	11,129	
	<i>Graduate</i>	1,536	1,761	11,048	11,348	
UNC Wilmington	<i>Undergraduate</i>	1,703	1,928	11,278	11,638	
	<i>Graduate</i>	1,779	2,004	11,481	11,841	
School of Business						
Masters of Business Admin.	<i>Graduate</i>	2,282	2,507	11,980	12,340	
Masters of Accounting	<i>Graduate</i>	1,779	2,507	11,481	12,340	
Western Carolina University	<i>Undergraduate</i>	1,426	1,651	10,787	11,087	
	<i>Graduate</i>	1,498	1,723	11,008	11,308	
UNC Asheville	<i>Undergraduate</i>	1,672	1,897	10,497	11,097	
	<i>Graduate</i>	1,730	1,955	10,669	11,269	
Elizabeth City State University	<i>Undergraduate</i>	1,174	1,399	9,438	9,738	
	<i>Graduate</i>	1,233	1,458	9,651	9,951	
Winston-Salem State University	<i>Undergraduate</i>	1,226	1,451	9,491	9,791	
	<i>Graduate</i>	1,285	1,510	9,703	10,003	
N. C. School of the Arts						
	College	<i>Undergraduate</i>	2,305	2,755	13,435	14,035
		<i>Graduate</i>	2,417	3,167	13,601	14,601
High School		0	0	5,983	6,583	

* \$30 per credit hour campus-initiated increase--assumes full-time student at 24 hours annually.

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II. Special Tuition Rates for Nonresident Students, 2004-05

Each year, the Board of Governors establishes special tuition rates for two groups of nonresident students in accordance with a Board Resolution approved July 29, 1983. The two groups of students identified in the Resolution are as follows:

- Group 1. Undergraduate students deemed by the institution to have special talents and qualifications and who are thereby awarded by the institution a scholarship or fellowship at a rate of at least \$250 per academic year. The North Carolina School of the Arts may identify categories within this group in accordance with established institutional practice.

- Group 2. Graduate students who are awarded by the institution a graduate teaching or research assistantship and who are paid a stipend at a rate of at least \$2,000 per academic year.

Effective with the Fall Term of 2004, the special tuition rates for the specific groups of nonresident students identified above are proposed as shown on the following page. The new rates reflect the tuition increases proposed in Section 1.

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**Special Tuition Rates for Nonresident Students
2004-05**

Institution	Group 1 – Undergraduate		Group 2 – Graduate	
	From	To	From	To
North Carolina State University	\$13,853	\$14,153	\$3,163	\$3,413
School of Veterinary Medicine				
D.V.M. Candidate	–	–	8,107	8,357
Veterinary Graduate	–	–	3,163	3,413
School of Management				
Masters of Business Admin.	–	–	5,788	8,038
Masters of Accounting	–	–	4,475	6,725
UNC-Chapel Hill				
Academic Affairs	13,853	15,353	3,163	3,413
School of Journalism & Mass Comm.	–	–	6,046	6,596
School of Law	–	–	8,152	8,702
School of Business				
M.B.A. Candidate	–	–	13,384	15,325
Masters of Accounting	–	–	8,843	11,493
School of Government (MPA)	–	–	3,163	3,563
School of Social Work (MSW)	–	–	3,163	3,813
Health Affairs				
School of Pharmacy				
Graduate	–	–	3,163	3,413
Pharm D Candidate	–	–	5,930	8,180
School of Nursing	13,853	15,353	3,163	3,413
School of Public Health	13,853	15,353	4,029	4,279
School of Dentistry				
D.D.S. Candidate	–	–	7,385	9,435
Dental Hygiene	13,853	15,353	–	–
Dental Auxiliary	13,853	15,353	–	–
Dental Graduate	–	–	4,764	5,014
School of Medicine				
M.D. Candidate	–	–	7,385	7,635
AuD and DPT	–	–	3,163	5,913
Medical Technology	13,853	15,353	–	–
Physical Therapy	–	–	3,163	3,413
Medicine Graduate	–	–	3,163	3,413
East Carolina University	11,099	11,399	1,991	2,216
School of Medicine				
1st year Med Students	–	–	3,609	5,034
2nd, 3rd, & 4th year Med Students	–	–	3,609	4,534

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Institution	Group 1 – Undergraduate		Group 2 – Graduate	
	From	To	From	To
UNC-Charlotte	10,991	11,291	1,979	2,204
School of Business				
Masters of Business Admin.	–	–	1,979	4,704
UNC-Greensboro	11,746	12,046	1,887	2,112
School of Business				
Masters of Business Admin.	–	–	1,887	2,832
Master of Science in Info. Technology & Management	–	–	1,887	2,832
Appalachian State University	10,013	10,313	1,668	1,893
Fayetteville State University	9,732	10,032	1,393	1,618
N.C. A & T State University	9,961	10,261	1,616	1,841
North Carolina Central University	10,072	10,372	1,825	2,050
School of Law	–	–	1,945	2,170
UNC Pembroke	9,879	10,179	1,536	1,761
UNC Wilmington	10,328	10,688	1,779	2,004
Masters of Business Admin.	–	–	2,282	2,507
Masters of Accounting	–	–	1,779	2,507
Western Carolina University	9,837	10,137	1,498	1,723
UNC Asheville	9,663	10,263	1,730	1,955
Elizabeth City State University	8,604	8,904	1,233	1,458
Winston-Salem State University	8,657	8,957	1,285	1,510
N. C. School of the Arts				
Category A	11,991	12,903	–	–
Category B	12,291	13,203	–	–
Category C	12,541	13,453	–	–
Graduate	–	–	2,417	3,167

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III. Tuition for Students Enrolled in Degree-Credit Distance Education Courses

It is proposed that, effective with the fall semester 2004, resident students and nonresident students taking courses within North Carolina that are enrolled in distance education courses be charged the regular-term tuition rates established in Section I. It is further proposed that tuition rates for these students be implemented on a per-credit-hour basis and that the charge per credit hour be calculated as follows:

- For undergraduate courses, the rate per student credit hour would be the annual rate divided by 29.6 hours.
- For graduate courses, the rate per student credit hour would be the annual rate divided by 20.4 hours.

It is further proposed that the Board delegate to the President the authority to set tuition rates for nonresident students taking courses outside North Carolina. These are students who primarily take courses via the Internet.