

# *University of North Carolina Tuition and Fees*

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*BOG Policy Discussion*



The University of North Carolina

January 13, 2011

## *Overview*

## ***Tuition 2011-12***

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- In 2006, The Board of Governors approved a four-year tuition plan to guide campuses submitting annual proposals for increasing tuition and fees. This original plan expired after the 2010-11 academic year.
- In August 2010, the Board reviewed recommendations from a working group for adjustments to the original four-year plan and made minor adjustments to the plan.
- The Board approved the *Tuition and Fee Increases, A Second 4-Year Plan* on November 5, 2010. The campuses followed this plan in proposing tuition increases for the 2011-12 academic year.



## ***Tuition and Fees – BOG Second 4-Year Plan***

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- Tuition increases generally cannot exceed 6.5%.
- If recurring state operating appropriations per capita are greater than 6%, the tuition ceiling for the next year is reduced by 1% for each percentage above 6%.
- General Fees may be increased a maximum of 6.5%.
- Fees for Debt Service are in addition to the 6.5% maximum percentage increase.
- Consistent with the second 4-year tuition plan, all campuses would be allowed to increase tuition by up to 6.5% for 2011-12.



## ***Tuition & Fees – BOG Four-Year Plan***

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- **Uses of Tuition Revenue – 2006 through 2008:**
  - **Financial Aid (25%)**
  - **Faculty Salaries (25%)** – Required until a campus reaches the Board's 80<sup>th</sup> percentile goal.
  - **Critical Needs – Academic Quality (50%)**
- **For 2009-10:**
  - **Financial Aid (50%)**
  - **Critical Needs – Academic Quality (50%)**



## ***Tuition & Fees – BOG Four-Year Plan***

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- **For 2010-11 (current year):**
  - **Need-Based Financial Aid (50%)**
  - **Critical Needs – Academic Quality (50%)**
- **For the 2010-11 supplemental tuition increases:**
  - **Need-Based Financial Aid (20%)**
  - **Offset to Management Flexibility Reductions (80%)**
- **For 2011-12:**
  - **Need-Based Financial Aid (25%)**
  - **Enhance Academic & Student Environment (75%)**



## ***Tuition & Fee Setting Process***

Fall 2010	UNC-GA asks Chancellors, Chief Academic Officers and Chief Finance Officers to follow traditional Tuition & Fee process.
October 26, 2010	Tuition and Fee instructions, consistent with the Board's proposed second 4-year tuition plan, are mailed to campuses.
Aug. – Nov. 2010	Campuses hold Tuition & Fee Committee Meetings to discuss potential rate increases. Committees are comprised of faculty, staff, and students. Student forums are held to discuss proposed rate changes with student body.
November 5, 2010	The Board of Governors officially approves <i>Tuition and Fee Increases, A Second 4-Year Plan</i> .
Nov. – Dec. 2010	Boards of Trustees review and approve campus proposals and submit 2011-12 Tuition and Fee requests to GA.
Dec. 2010 – Feb. 2011	General Administration reviews the 2011-12 tuition and fee requests. Recommendations will be made to the Board of Governors during the February 2011 meeting.
January 13, 2011	2011-12 Tuition & Fees BOG Policy Discussion
January 26, 2010	Tuition & Fees summary information mailed to the Board. The President makes recommendations on rate increases.
February 10-11, 2010	Board of Governors reviews and considers tuition and fee rate increases for the 2011-12 academic year.



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## ***Estimated Impact of Potential 2011-13 Reductions***

	<u><b>-5%</b></u>	<u><b>-10%</b></u>
<b>All Positions</b>	<b>-900</b>	<b>-2,000</b>
<b>Faculty</b>	<b>-400</b>	<b>-1,000</b>
<b>Course Sections</b>	<b>-2,750</b>	<b>-6,400</b>

- To protect the University's core academic mission, previous cuts have been focused on administrative areas:
  - These have caused reductions in service levels and campus responsiveness; and
  - Further significant cuts in these areas will threaten the integrity of operations.
- Therefore, future reductions will be more focused on academic budgets. More filled positions will be eliminated.



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## *UNC Budget and Tuition*

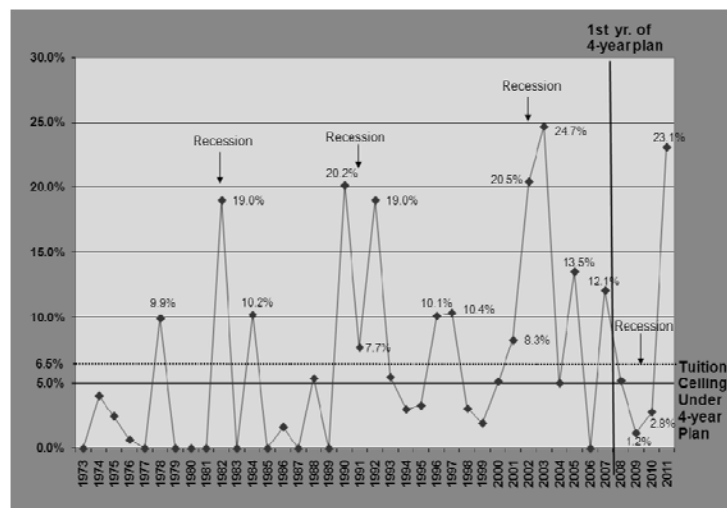
- As campuses look at an increase in tuition for 2011-12, they are balancing:
  - Constitutional mandate to provide higher education at a low cost
  - Need for revenues to preserve academic quality
- Critically important for tuition dollars to remain on the campuses rather than be used to balance the State's budget.



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## *Historical % Increases in UNC Average UG Resident Tuition*

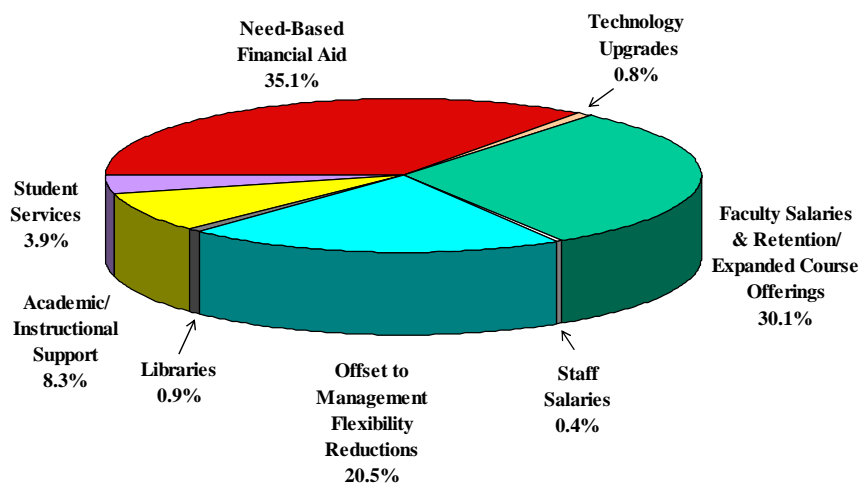


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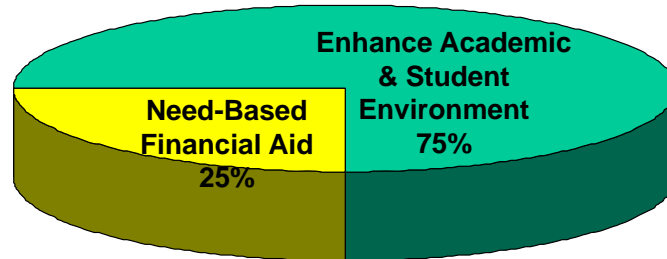
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# ***TUITION***

## ***Historical % Use of Campus-Initiated Tuition Revenues—2000-01 through 2010-11***



## *% Use of Campus-Initiated Tuition Revenues for 2011-12*



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## *Campus Proposals for Resident Undergraduate Tuition for 2011-12*

Institution	2010-11 Resident Tuition	2011-12 Supp. Increase *	Total Approved Tuition	2011-12 Tuition Ceiling	2011-12 Proposed Tuition Increase %	2011-12 Proposed Tuition Increase \$	2011-12 Proposed Tuition
NCSU	4,853.00		4,853.00	6.5%	6.2%	300.00	\$5,153.00
UNC-CH	4,815.00		4,815.00	6.5%	6.5%	313.00	5,128.00
ECU	2,881.00	263.00	3,144.00	6.5%	6.5%	204.00	3,348.00
NCA&T	2,621.00		2,621.00	6.5%	6.5%	170.00	2,791.00
UNCC	3,044.00		3,044.00	6.5%	6.5%	198.00	3,242.00
UNCG	3,243.00		3,243.00	6.5%	6.5%	211.00	3,454.00
ASU	2,960.74		2,960.74	6.5%	6.5%	192.00	3,152.74
FSU	2,129.00	150.00	2,279.00	6.5%	6.5%	148.00	2,427.00
NCCU	2,812.00		2,812.00	6.5%	5.0%	140.00	2,952.00
UNCP	2,423.00	218.00	2,641.00	6.5%	6.5%	172.00	2,813.00
UNCW	3,028.50		3,028.50	6.5%	6.5%	196.85	3,225.35
WCU	2,815.80		2,815.80	6.5%	6.5%	182.20	2,998.00
WSSU	2,274.00	233.00	2,507.00	6.5%	6.5%	163.00	2,670.00
UNCA	2,626.00	346.80	2,972.80	6.5%	6.5%	193.20	3,166.00
ECSU	2,204.28		2,204.28	6.5%	6.5%	143.28	2,347.56
UNCSA	4,307.00		4,307.00	6.5%	11.6%	500.00	4,807.00
Average Increase					6.8%	214.16	

*\*Five campuses chose to spread their supplemental tuition increase, approved in July 2010, over two years. These amounts were added to the current tuition rates before calculating the 2011-12 tuition increases.*



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## ***Other Proposed Average Tuition Increases for 2011-12***

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<b>Undergraduate Nonresident</b>	<b>4.5%</b>	<b>\$651</b>
<b>Graduate Resident</b>	<b>7.4%</b>	<b>\$267</b>
<b>Graduate Nonresident</b>	<b>5.1%</b>	<b>\$739</b>



## ***Proposed 2011-12 Increases in Graduate & Professional Schools***

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- Graduate and professional school increases are proposed at six institutions. These increases are limited to students in specific schools, e.g., business, dentistry, engineering, veterinary medicine.
- Prior to mailing the entire tuition packet in late January, GA will provide information on these increases to Board members.
- Some of these increases are substantial and campuses are requesting that they be phased in over multiple years.





## ***Proposed Tuition Revenues 2011-12***

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	(in millions)
<b>Resident UG</b>	<b>\$32.0</b>
<b>Resident Grad</b>	<b><u>10.0</u></b>
<b>Subtotal Resident</b>	<b>42.0</b>
<b>Nonresident UG</b>	<b>15.4</b>
<b>Nonresident Grad</b>	<b><u>6.4</u></b>
<b>Subtotal Nonresident</b>	<b><u>21.8</u></b>
<b>Grand Total Revenues</b>	<b><u>\$63.8</u></b>



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## ***Proposed Tuition Revenues 2011-12***

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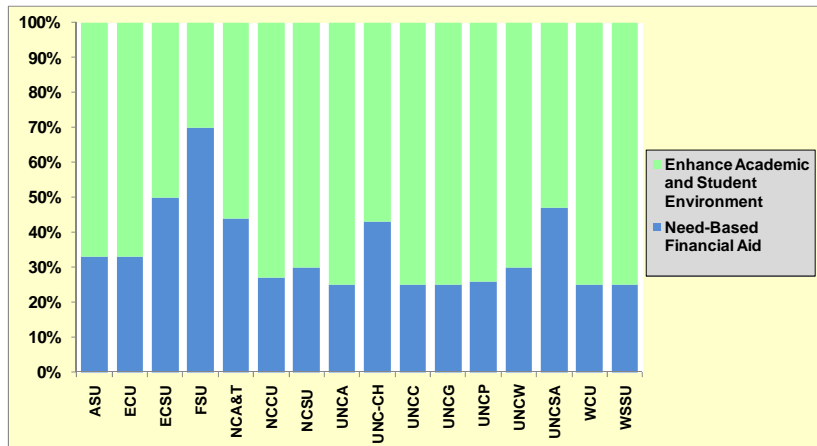
<b>Institution</b>	<b>Proposed 2011-12 Tuition Revenue</b>
North Carolina State University	\$11,912,799
UNC-Chapel Hill	15,713,312
East Carolina University	6,820,190
North Carolina A & T State University	2,396,637
UNC Charlotte	6,188,442
UNC Greensboro	4,525,602
Appalachian State University	4,506,489
Fayetteville State University	782,600
North Carolina Central University	1,261,631
UNC Pembroke	1,220,512
UNC Wilmington	3,887,882
Western Carolina University	1,522,896
Winston-Salem State University	960,375
UNC Asheville	979,393
Elizabeth City State University	511,459
UNC School of the Arts	634,000



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## ***% Use of Revenue by Campus 2011-12***



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# ***FEES***

## ***Required General Fees***

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- **Athletics**
- **Health Services**
- **Student Activities**
- **Educational and Technology**

*Debt Service fees are not subject to the 6.5% cap and are addressed by the Board when it approves capital projects paid for from non-appropriated sources. Special fees, allowed under previous Presidents, have not been allowed to increase in four years.*



## ***Factors that Influence Fees***

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- **Appropriations are not available for fee-supported activities**
- **External cost factors**
- **Level of service**
- **Other sources of revenue**
- **Economies of scale**
- **Financial condition of the enterprise**



## ***2011-12 Justification for Fee Increases***

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- **State appropriations are not available for fee-supported activities**
  - Utilities and travel
  - Deferred maintenance of facilities
  - Technology
  - Medical supplies
  - Title IX compliance
  - Expand student activities



## ***Athletics Fees***

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- **Revenues from Athletics Fees provide funds for intercollegiate athletic programs and for the maintenance and operations of athletic facilities. One of the key budget items in the athletics budgets is salaries.**



## *2011-12 Proposed Athletics Fees*

Institution	2010-11 Athletics Fee	2011-12 Campus Request		
		\$	%	Total
NCSU	\$159.00	\$ 33.00	20.8%	\$192.00
UNC-CH	271.00	3.50	1.3%	274.50
ECU	526.00	40.00	7.6%	566.00
NCA&T	532.00	30.00	5.6%	562.00
UNCC	489.00	64.00	13.1%	553.00
UNCG	489.00	52.00	10.6%	541.00
ASU	569.00	70.00	12.3%	639.00
FSU	450.00	0.00	0.0%	450.00
NCCU	583.88	40.50	6.9%	624.38
UNCP	595.00	0.00	0.0%	595.00
UNCW	433.75	4.80	1.1%	438.55
WCU	617.00	71.00	11.5%	688.00
WSSU	579.00	0.00	0.0%	579.00
UNCA	620.00	0.00	0.0%	620.00
ECSU	493.10	0.00	0.0%	493.10
UNCSA	N/A	N/A	N/A	N/A



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## *Health Services Fees*

- **Health Services fees cover health and medical services for students, including the maintenance and operation of student health centers and all salaries associated with health center operations.**



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## *2011-12 Proposed Health Services Fees*

Institution	2010-11 Health Services Fee	2011-12 Campus Request		
		\$	%	Total
NCSU	\$245.62	\$ 12.00	4.9%	\$257.62
UNC-CH	421.00	8.00	1.9%	429.00
ECU	230.00	0.00	0.0%	230.00
NCA&T	227.00	16.50	7.3%	243.50
UNCC	170.00	8.00	4.7%	178.00
UNCG	252.00	5.00	2.0%	257.00
ASU	256.00	0.00	0.0%	256.00
FSU	115.00	0.00	0.0%	115.00
NCCU	203.94	10.00	4.9%	213.94
UNCP	128.00	18.00	14.1%	146.00
UNCW	181.00	0.00	0.0%	181.00
WCU	245.00	15.00	6.1%	260.00
WSSU	187.00	20.00	10.7%	207.00
UNCA	244.00	26.00	10.7%	270.00
ECSU	213.00	14.00	6.6%	227.00
UNCSA	701.00	17.00	2.4%	718.00



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## *Student Activities Fees*

- **Student Activities fees provide funds for nonacademic student services and for the maintenance and operation of facilities used in conjunction with those services (student unions and intramural facilities, student organizations, newspapers, yearbooks, and entertainment programs).**



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## *2011-12 Proposed Student Activities Fees*

Institution	2010-11 Student Activities Fee	2011-12 Campus Request		
		\$	%	Total
NCSU	\$421.18	\$33.90	8.0%	\$455.08
UNC-CH	337.38	11.97	3.5%	349.35
ECU	593.00	0.00	0.0%	593.00
NCA&T	443.00	26.50	6.0%	469.50
UNCC	534.00	(8.00)	(1.5%)	526.00
UNCG	368.00	5.00	1.4%	373.00
ASU	523.00	0.00	0.0%	523.00
FSU	411.00	26.00	6.3%	437.00
NCCU	407.93	25.00	6.1%	432.93
UNCP	527.00	10.00	1.9%	537.00
UNCW	593.15	71.00	12.0%	664.15
WCU	526.00	4.00	0.8%	530.00
WSSU	420.70	40.00	9.5%	460.70
UNCA	683.15	0.00	0.0%	683.15
ECSU	532.00	32.00	6.0%	564.00
UNCSA	623.00	3.00	0.5%	626.00



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## *Educational and Technology Fees*

- Educational and Technology fee revenues provide for specialized instructional supplies and services and for scientific and information technology equipment not provided by State funds.



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## *2011-12 Proposed Educational and Technology Fees*

Institution	2010-11 Ed & Tech	2011-12 Campus Request		
		\$	%	Total
NCSU	\$394.50	\$ 0.00	0.0%	\$394.50
UNC-CH	435.26	0.00	0.0%	435.26
ECU	202.00	60.00	29.7%	262.00
NCA&T	336.00	26.50	7.9%	362.50
UNCC	342.00	34.00	9.9%	376.00
UNCG	301.00	29.00	9.6%	330.00
ASU	363.00	20.00	5.5%	383.00
FSU	251.00	24.00	9.6%	275.00
NCCU	351.67	25.00	7.1%	376.67
UNCP	216.00	60.00	27.8%	276.00
UNCW	397.50	0.00	0.0%	397.50
WCU	363.00	24.00	6.6%	387.00
WSSU	366.46	40.00	10.9%	406.46
UNCA	284.35	40.00	14.1%	324.35
ECSU	197.00	0.00	0.0%	197.00
UNCSA	400.00	26.00	6.5%	426.00



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## *Debt Service Fees*

- **Indebtedness fees cover the cost of principal and interest for self-liquidating capital projects approved by the Board of Governors and the General Assembly.**



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## ***2011-12 Proposed Debt Service Fees***

Institution	2010-11 Debt Serv. Fee	2011-12 Campus Request		
		\$	%	Total
NCSU	\$320.00	102.00	31.9%	\$422.00
UNC-CH	207.85	16.00	7.7%	223.85
ECU	318.00	0.00	0.0%	318.00
NCA&T	161.00	(23.00)	(14.3%)	138.00
UNCC	485.00	0.00	0.0%	485.00
UNCG	272.00	218.00	80.1%	490.00
ASU	502.00	0.00	0.0%	502.00
FSU	95.00	285.00	300.0%	380.00
NCCU	120.00	0.00	0.0%	120.00
UNCP	170.00	50.00	29.4%	220.00
UNCW	688.00	0.00	0.0%	688.00
WCU	434.00	(47.00)	(10.8%)	387.00
WSSU	190.00	0.00	0.0%	190.00
UNCA	220.00	0.00	0.0%	220.00
ECSU	0.00	0.00	0.0%	0.00
UNCSA	200.00	0.00	0.0%	200.00



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## ***Average Proposed Undergraduate General Fee Increases***

<b>2006-07</b>	<b>8.6%</b>
<b>2007-08</b>	<b>6.9%</b>
<b>2008-09</b>	<b>4.5%</b>
<b>2009-10</b>	<b>6.1%</b>
<b>2010-11</b>	<b>4.5%</b>
<b>2011-12</b>	<b>5.2%</b>

*Note: Percentages do not include debt service fees.*



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## *Resident Undergraduate Proposed General Fee Increases for 2011-12*

Institution	2010-11 General Fees	2011-12 Proposed Gen. Fee Increase		2011-12 Proposed Gen. Fees
		%	\$	
NCSU	\$1,220.30	6.5%	\$ 78.90	\$1,299.20
UNC-CH	1,464.64	1.6%	23.47	1,488.11
ECU	1,551.00	6.4%	100.00	1,651.00
NCA&T	1,538.00	6.5%	99.50	1,637.50
UNCC	1,535.00	6.4%	98.00	1,633.00
UNCG	1,410.00	6.5%	91.00	1,501.00
ASU	1,711.00	5.3%	90.00	1,801.00
FSU	1,227.00	4.1%	50.00	1,277.00
NCCU	1,547.42	6.5%	100.50	1,647.92
UNCP	1,466.00	6.0%	88.00	1,554.00
UNCW	1,605.40	4.7%	75.80	1,681.20
WCU	1,751.00	6.5%	114.00	1,865.00
WSSU	1,553.16	6.4%	100.00	1,653.16
UNCA	1,831.50	3.6%	66.00	1,897.50
ECSU	1,435.10	3.2%	46.00	1,481.10
UNCSA	1,724.00	2.7%	46.00	1,770.00
<b>Average Increase</b>		<b>5.2%</b>	<b>\$79.20</b>	

General Fees include  
Athletics, Health Services,  
Student Activities, and  
Educational & Technology



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## *Resident Undergraduate Proposed Tuition & Fee Increases for 2011-12*

Institution	2010-11 Tuition *	2011-12 Proposed Tuition Increases		2010-11 General Fees	2011-12 Proposed Gen. Fee Increases		2010-11 Debt Service Fee	2011-12 Proposed Debt Service Change
		%	\$		%	\$		
NCSU	\$4,853.00	6.2%	\$300.00	\$1,220.30	6.5%	\$ 78.90	\$ 320.00	\$ 102.00
UNC-CH	4,815.00	6.5%	313.00	1,464.64	1.6%	23.47	207.85	16.00
ECU	3,144.00	6.5%	204.00	1,551.00	6.4%	100.00	318.00	-
NCA&T	2,621.00	6.5%	170.00	1,538.00	6.5%	99.50	161.00	(23.00)
UNCC	3,044.00	6.5%	198.00	1,535.00	6.4%	98.00	485.00	-
UNCG	3,243.00	6.5%	211.00	1,410.00	6.5%	91.00	272.00	218.00
ASU	2,960.74	6.5%	192.00	1,711.00	5.3%	90.00	502.00	-
FSU	2,279.00	6.5%	148.00	1,227.00	4.1%	50.00	95.00	285.00
NCCU	2,812.00	5.0%	140.00	1,547.42	6.5%	100.50	120.00	-
UNCP	2,641.00	6.5%	172.00	1,466.00	6.0%	88.00	170.00	50.00
UNCW	3,028.50	6.5%	196.85	1,605.40	4.7%	75.80	688.00	-
WCU	2,815.80	6.5%	182.20	1,751.00	6.5%	114.00	434.00	(47.00)
WSSU	2,507.00	6.5%	163.00	1,553.16	6.4%	100.00	190.00	-
UNCA	2,972.80	6.5%	193.20	1,831.50	3.6%	66.00	220.00	-
ECSU	2,204.28	6.5%	143.28	1,435.10	3.2%	46.00	-	-
UNCSA	4,307.00	11.6%	500.00	1,724.00	2.7%	46.00	200.00	-
<b>Average Increase</b>		<b>6.8%</b>	<b>214.16</b>		<b>5.2%</b>	<b>\$79.20</b>		

\* The 2010-11 tuition amounts include 2011-12 supplemental tuition for five campuses that opted to spread the increase over two years.



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## *Resident Undergraduate Proposed Tuition & Fee Increases for 2011-12*

Institution	2010-11 Tuition* & General Fees (without debt serv.)	Proposed for 2011-12			2011-12 Proposed Tuition & Fees (without debt serv.)	% Increase over 2010-11	2011-12 Proposed Tuition & Fees (with debt serv.)	% Increase over 2010-11
		Tuition Increases	Gen. Fee Increases	Debt Serv. Fee				
NCSU	\$6,073.30	\$300.00	\$78.90	\$422.00	\$6,452.20	6.2%	\$6,874.20	7.5%
UNC-CH	6,279.64	313.00	23.47	223.85	6,616.11	5.4%	6,839.96	5.4%
ECU	4,695.00	204.00	100.00	318.00	4,999.00	6.5%	5,317.00	6.1%
NCA&T	4,159.00	170.00	99.50	138.00	4,428.50	6.5%	4,566.50	5.7%
UNCC	4,579.00	198.00	98.00	485.00	4,875.00	6.5%	5,360.00	5.8%
UNCG	4,653.00	211.00	91.00	490.00	4,955.00	6.5%	5,445.00	10.6%
ASU	4,671.74	192.00	90.00	502.00	4,953.74	6.0%	5,455.74	5.5%
FSU	3,506.00	148.00	50.00	380.00	3,704.00	5.6%	4,084.00	13.4%
NCCU	4,359.42	140.00	100.50	120.00	4,599.92	5.5%	4,719.92	5.4%
UNCP	4,107.00	172.00	88.00	220.00	4,367.00	6.3%	4,587.00	7.2%
UNCW	4,633.90	196.85	75.80	688.00	4,906.55	5.9%	5,594.55	5.1%
WCU	4,566.80	182.20	114.00	387.00	4,863.00	6.5%	5,250.00	5.0%
WSSU	4,060.16	163.00	100.00	190.00	4,323.16	6.5%	4,513.16	6.2%
UNCA	4,804.30	193.20	66.00	220.00	5,063.50	5.4%	5,283.50	5.2%
ECSU	3,639.38	143.28	46.00	—	3,828.66	5.2%	3,828.66	5.2%
UNCSA	6,031.00	500.00	46.00	200.00	6,577.00	9.1%	6,777.00	8.8%
					<b>Avg. Increase</b>	<b>6.3%</b>		<b>6.7%</b>

\* The 2010-11 tuition amounts include 2011-12 supplemental tuition for five campuses that opted to spread the increase over two years. Amounts do not include debt service fees.



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## *Tuition and Fees – BOG Four-Year Plan*

- After the proposed increases for 2011-12, the combined tuition and fee rates for resident undergraduates on every campus would remain within the bottom quarter of each campus' public peers.
- Combined rates for nonresident undergraduate students would remain below the top quarter of the same approved peer groups.
- By any measure, UNC campuses provide a quality education at an affordable price.



The University of North Carolina

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