

Recommendation for Tuition Instructions (Financial Aid Set-Aside) and Tuition Bill Statement

The Tuition and Fees Resolution approved by the Board of Governors (BOG) in February 2012 required the President to lead a conversation with the Board on tuition set-asides for need-based financial aid. Detailed presentations on need-based financial aid took place at the April and June BOG meetings. An additional discussion was held at the August BOG meeting. Information reviewed and discussed included a history and sources of funds; demographics of recipients; and recent state and federal changes to aid programs.

The Second Four-Year Plan on Tuition and Fee Increases, adopted by the BOG in November 2010, requires campuses to set-aside at least 25% of all new revenues from campus-initiated tuition increases for need-based financial aid. While practices have varied among the campuses, overall need-based financial aid set-asides accounted for approximately 35% of all new campus-initiated tuition increase revenues from 2000-01 through 2011-12.

For academic years 2013-14 and 2014-15, the President recommends that the Second Four-Year Plan on Tuition and Fee Increases be amended to remove the minimum set-aside requirement for this purpose. Instead, campuses are instructed to individually analyze the financial aid funds available to them from all sources and what might be needed, and after thorough campus discussion and review, shall recommend the amount the institution would set-aside from any tuition increase proposal. Financial aid set-asides shall be specifically designated on each tuition bill.

The current four-year plan expires at the end of that two-year period. As the Board of Governors develops its next four-year plan for tuition and fees, any requirements and/or limitations on set-asides from new tuition revenues for need-based financial aid will be incorporated into the new plan.

To further increase transparency of the tuition process, it is also recommended that the underlined information below be added to the standardized statement that is already printed on each student bill. (The statement below is applicable for the 2012-13 bills and is updated annually.)

(Institution) is a publicly supported institution. Tuition payments and other required student fees meet only a part of the total cost of the 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 \$11,292 per year in public funds to support the educational programs offered.

The University of North Carolina Board of Governors adopted a Plan to make tuition and fee rates for undergraduate North Carolinians predictable and affordable. Pursuant to the Plan, the maximum rate of annual increase for undergraduate residents for campus-initiated tuition is 6.5% and the increase in general fees (Athletics, Health Services, Student Activities, and Educational and Technology Fees) is 6.5%. Exceptions to the Plan were allowed to help address academic quality, to partially remedy the cumulative negative impact of several years of state budget reductions, and to help the University protect the quality of a UNC education. Specific information, including maximum allowable increases in tuition and fees per academic year by UNC campuses is available at www.northcarolina.edu/finance/tuition/UG_Resident_projected_tuition.pdf.

G.S. 116-11(7) requires that the Board of Governors set tuition and required fees at the institutions, not inconsistent with actions of the General Assembly. Tuition and fee rates included in this bill ~~are based on rates~~ were approved by the Board of Governors in February 20122013. G.S. 116-11(7) requires that the Board of Governors set tuition and required fees at the institutions, not inconsistent with actions of the General Assembly. The tuition increases approved for 2013-14 of \$ (campus-specific amount) per resident undergraduate student, \$ (campus-specific amount) per nonresident undergraduate student, \$ (campus-specific amount) per resident graduate student, and \$ (campus-specific amount) per nonresident graduate student, will generate \$ (campus-specific total amount) in additional revenue. Those funds will be used to (list of institution-specific uses as approved by the Board of Governors).

Students and parents can also find detailed information ~~concerning the total cost of~~ on how to plan, apply, and pay for college at www.cfnc.org.

It is recommended that these changes to the tuition instructions and the tuition bill statement be approved by the BOG and be applicable as related to campus tuition and fee proposals for the 2013-14 academic year.