

Minutes of the September 30, 2005 Meeting
of the Board of Governors'
Tuition Policy Task Force

The Tuition Policy Task Force met in the Bell Tower and Old Well Room at the Courtyard by Marriott in Chapel Hill, North Carolina, on Friday, September 30, 2005, at 9:30 a.m.

Committee members in attendance were Mr. Brent D. Barringer, Ms. Peaches Gunter Blank, Mr. Ray S. Farris, Ms. Hannah D. Gage, Governor James E. Holshouser, Jr., Mr. G. Leroy Lail (via teleconference), Mr. Charles H. Mercer, Jr., Mr. Fred G. Mills, Mr. Jim W. Phillips, Jr., Ms. Gladys Ashe Robinson, Mr. Benjamin S. Ruffin, Mr. J. Craig Souza, Mr. Zachary A. Wynne, NCA&T Chancellor James C. Renick (via teleconference), NCSU Board of Trustees' Chair Wendell H. Murphy, and UNC-CH Board of Trustees' Chair Nelson Schwab III. Necessarily absent was Mr. R. Steve Bowden. Also in attendance were other Board of Governors' members, faculty from the constituent institutions, staff from the Office of the President, and members of the press.

Co-Chairs Gage and Mercer convened the meeting and offered opening remarks. The Committee had been charged with recommending how the Board of Governors might refine and/or clarify its current policies and practices to better ensure affordability, flexibility, and predictability in the tuition-setting process. The Committee would ensure that all UNC campuses remained affordable to North Carolina residents; that the campuses, particularly the research campuses, had the managerial flexibility and latitude they needed to respond to salary concerns and other competitive pressures; and that the campuses, as well as students and their families, could know with reasonable certainty the timetables, processes, and criteria that would be followed in setting tuition rates.

President Broad commented on the missions and funding for the research extensive universities and how the Board of Governors had identified the differentiated needs of those institutions in requesting and allocating funds and providing management flexibility. She explained how the research universities were provided for in a differentiated way in the funding model for enrollment growth. Research universities would play an important role in the Kannapolis venture with full funding promised from private funds and operating costs promised from the legislature.

Vice President Davies reviewed the current tuition policy and presented its history. The tuition-setting processes followed on each campus were also discussed.

Ms. Gage asked for a discussion on the draft document "Points to Consider in Making Tuition and Fee Increases More Predictable, Flexible, and Affordable" and sought direction from committee members on approaches for the committee to take in determining any adjustments to the tuition policy.

At this point, Mr. Farris stated that he would like to hear comments from the *ex officio* members. Chancellor Renick, Mr. Schwab, and Mr. Murphy each offered comments for consideration by the task force.

Mr. Phillips stated that the per capita personal income in North Carolina was not rising, but that financed aid was rising at some campuses.

Ms. Robinson asked to receive information regarding changes in students' borrowing over the past six years. She was concerned that sufficient aid may be unavailable for middle-income students.

Ms. Blank indicated that campuses needed guidance regarding campus-initiated tuition increases from the Board as soon as possible – committees were already working on tuition proposals for the 2006 academic year.

Governor Holshouser offered general comments about the needs of the research universities and the significant steps taken by those institutions in increasing scholarship funding and financial aid.

On the motion of Mr. Ruffin, seconded by Ms. Robinson, it was recommended that the Task Force communicate through the Committee on Budget and Finance to the Board of Governors its support for giving due consideration to campus proposals for tuition increases for the 2006-07 academic year. Discussion followed and the motion carried.

Mr. Farris asked that the co-chairs establish a timetable and a task list for task force activities.

After substantial discussion, the co-chairs offered closing comments and adjourned the meeting. The next meeting of the task force would be in October during the Board of Governors' meetings in Boone, North Carolina.

Ms. Hannah Gage
Co-Chair, Tuition Policy Task Force

Mr. Charles Mercer
Co-Chair, Tuition Policy Task Force