



MEETING OF THE BOARD OF GOVERNORS  
Task Force on Pricing, Flexibility, and Affordability

November 19, 2020 upon conclusion of the Board of Governors Meeting  
Via Videoconference and UNC-TV Live Stream  
University of North Carolina System Office  
Center for School Leadership Development, Room 128  
Chapel Hill, North Carolina

**AGENDA**

- A-1. Welcome.....Peter Hans
- A-2. Introduction ..... Wendy Murphy
- A-3. Tuition Pricing Across Distance Education and In-person Instruction .....Andrew Kelly/Jonathan Pruitt
- A-4. Defining Distance Education for Fee-charging Purposes.....Andrew Kelly/Jonathan Pruitt
- A-5. Group Discussion
- A-6. Next Steps
- A-7. Adjourn

**Additional Information Available**

September 10, 2020 Presentation: Overview of Tuition and Fees in the UNC System



# **TASK FORCE ON PRICING, FLEXIBILITY, AND AFFORDABILITY**

November 19, 2020

# Presentation Outline

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- **Tuition Pricing for DE vs. In-Person Instruction**
  - Review of Current Approach to Pricing
  - Cost and Price of Online Instruction
  - Campus Feedback
  - Guiding Principles, Analysis, and Recommendation
- **Defining DE for Fee-Charging Purposes**
  - Review of Current Approach
  - Campus Feedback
  - Discussion of Guiding Principles and Approaches
- **Next Steps**



# TUITION PRICING

Review of the Current Approach

# Current Approach to Tuition Pricing

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## On-Campus (“Regular-Term”)

- Students are billed in increments “stair-step” based on their full-time equivalent (FTE) enrollment.
- Tuition is “capped” at 12 credit hours for undergraduates and 9 credits for graduate students, when a student is considered full-time.

## Distance Education

- Students are billed based on the number of credit hours enrolled at a per-credit rate.
- Tuition is generally not “capped” for distance education.

# Background on Current Approach

## Authorization of Tuition

### I. 1998-99 Tuition Rates

The House and Senate *Conference Report on the Continuation, Expansion and Capital Budgets* adopted August 27, 1997 and incorporated into Senate Bill 352

### III. Tuition and Fees for Students Enrolled in Extension Courses

In 1998, the General Assembly appropriated funds in response to the Board's request for Distance Learning and Off-Campus Degrees. The request was based on the premise that students enrolled in extension courses should pay the same tuition rates charged to regular-term students and the State should finance extension courses in a manner comparable to regular-term courses. It is now recommended that, effective with the fall semester 1998, resident students and nonresident students taking courses within North Carolina that are enrolled in extension courses be charged the regular-term tuition rates established in Section I. It is further recommended 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.

# Using an Annual Tuition Rate to Determine a Per-Credit Rate

Annual Tuition Rate		Credits per Year		Per-Credit Rate
\$4,000	÷	29.6	=	\$135
		Divisor		

- A **higher** divisor yields a lower tuition rate and less revenue
- A **lower** divisor yields a higher tuition rate and higher revenue
- The **DE divisors** are included in the tuition item that the Board approves every year, and have not changed since originally implemented:

	Undergraduate	Graduate
On-Campus (implicit)	24	18
Distance Education	29.6	20.4

# Undergraduate Example - \$4,000 Annual Rate

Credit Hours	On-Campus	Distance Education
1	\$500	\$135
2	\$500	\$270
3	\$500	\$405
4	\$500	\$541
5	\$500	\$676
6	\$1,000	\$811
7	\$1,000	\$946
8	\$1,000	\$1,081
9	\$1,500	\$1,216
10	\$1,500	\$1,351
11	\$1,500	\$1,486
12	\$2,000	\$1,622
13	\$2,000	\$1,757
14	\$2,000	\$1,892
15	\$2,000	\$2,027
16	\$2,000	\$2,162
17	\$2,000	\$2,297
18	\$2,000	\$2,432

DE Students pay 5x more for 5 credits than 1 credit. On-campus students pay the same rate for both.

Once an on-campus student reaches full-time status, they pay the full Board-approved rate.

A DE student never pays exactly the Board-approved rate, but comes closest at 15 credits.

# Graduate Example - \$5,000 Annual Rate

Credit Hours	On-Campus	Distance Education
1	\$625	\$245
2	\$625	\$490
3	\$1,250	\$735
4	\$1,250	\$980
5	\$1,250	\$1,225
6	\$1,875	\$1,471
7	\$1,875	\$1,716
8	\$1,875	\$1,961
9	\$2,500	\$2,206
10	\$2,500	\$2,451
11	\$2,500	\$2,696
12	\$2,500	\$2,941

One 3 credit course is considered half-time for on-campus graduate students.

Once an on-campus student reaches full-time status, they pay the full Board-approved rate.

A DE student never pays exactly the Board-approved rate, but comes closest as 10 credits.



# TUITION PRICING

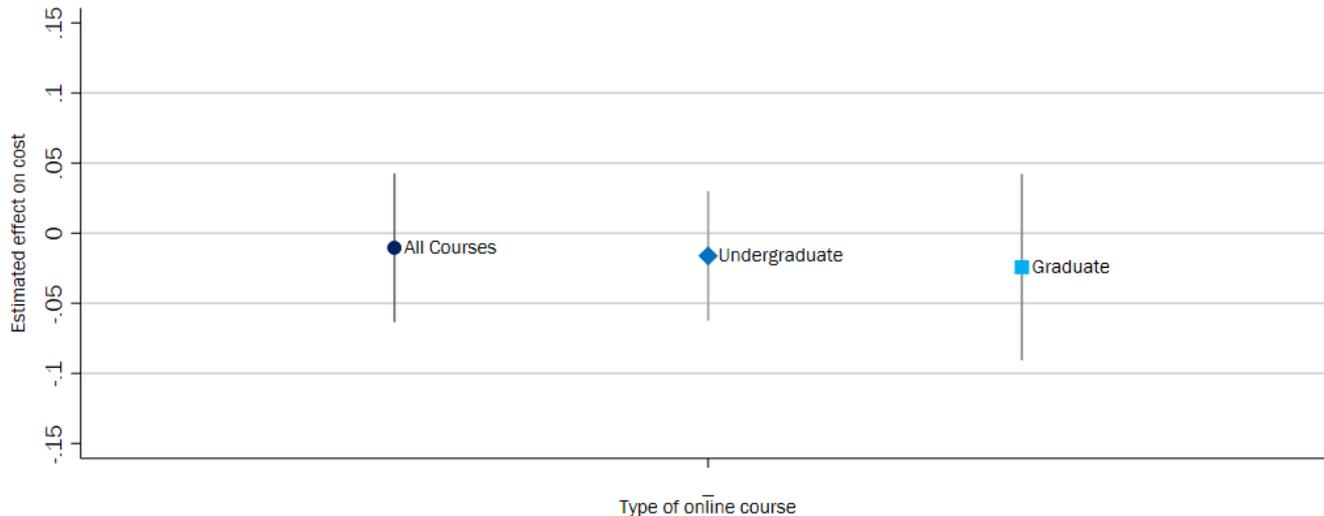
Cost and Price of Online Instruction

# Does lower DE tuition reflect lower instructional costs?

“Simply moving more instruction online does not fundamentally alter the cost equation... Shifting online instruction from zero to 10% of credits is associated with about a 1.04% reduction in departmental instructional costs, which we cannot statistically distinguish from no effect. Patterns are similar for undergraduate and graduate education.”

Hemelt and Stange, July 2020

Figure 2. Cost reduction associated with moving 10% of credits online



Notes: Figure plots estimated effect on instructional costs of moving from 0% to 10% of credits online, based on results in Table 6 in Hemelt, Stange, Furquim, Simon, and Sawyer (2020). Regression model includes indicator for any online instruction, the share of student credits that are online, program fixed effects, and year fixed effects. Sample includes institutions participating in the Delaware Cost Study in 2016 and 2017. Bars indicate 95-percent confidence intervals

# Does lower DE tuition reflect lower instructional costs?

- The UNC enrollment funding model calculates the cost of delivering additional credit hours (“requirements”).
- **The requirements calculation treats the cost of delivering a DE course and an in-person course as equivalent.**
- Requirements are funded through a mix of tuition and appropriation; *lower* per-credit tuition translates to *higher* appropriation per credit, and vice versa.

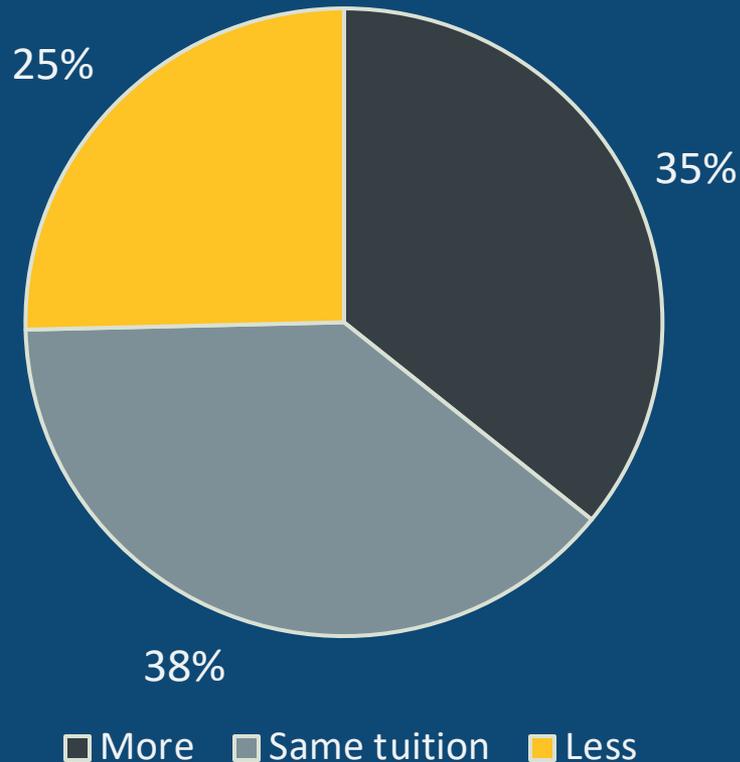
# How do other universities charge tuition for distance/online education?

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- A 2017 survey of 197 colleges and universities by Western Interstate Compact for Higher Education (WICHE):
  - 75% of respondents reported no difference in tuition
  - 19% reported charging *more* for distance education.
  - 6% charged less for distance ed
- US News and World Report study of average, in-state tuition price across 170 public colleges in 2019-20:
  - Online bachelor's degree: \$316 per credit
  - On-campus: \$311 per credit

# Do *other* universities charge lower tuition for online courses?

Tuition Price for 12 credits of DE Compared to In-person (Random Sample)



# Why consider changes to the current approach?

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- **Price Consistency** – the tuition rate for DE was intended to be the same as for on-campus; in practice, however, most DE students are paying less than on-campus students enrolled in the same number of credits.
- **Simplicity** – as DE becomes more common and many students take a mix of online and on-campus courses, having two pricing models is increasingly confusing.
- **Quality**—Continued difference in pricing could have implications for quality.
- **Consistency with other universities**—Most universities charge the same (or more) for distance education credit hours.



# TUITION PRICING

Review of Campus Feedback

# Moving to a Standard Per-Credit Rate

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“This would make billing and communications with students much clearer. It would also support that both types of instruction have the same value, especially since we use the same instructors”

“Utilizing two separate practices based on mode of delivery is complex and confusing. However, we should be aware that any change in tuition and fee billing structure would potentially change course taking patterns...We need to make certain that such changes do not negatively impact throughput and completion rates.”

“[University] agrees that a consistent per credit hour rate for both in-person and distance education would be preferable. It will enable the University to meet the System requirement for students not being charged an amount in excess of full-time regular tuition.”

“[We] generally support moving to a per-credit tuition rate as it will allow for more streamlined billing and potentially greater transparency for students. However, [we] maintain particular interest in the divisor and credit cap. . . .”

# Moving to a Standard Per-Credit Rate

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## Key considerations include:

- Small changes to the divisor and cap can have material impacts on tuition revenue and campus operations
- Changes to the cap could influence student behavior in ways that impact time to degree
- Impact of changes on tuition prices for particular groups of students (i.e., in-person students taking 7-8 credits or 10-11 credits; distance education students)
- The timeline for the change (and the context)
- Unique considerations vis a vis graduate education

# Campus Feedback: Divisor

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Current policy: Board approves annual tuition rates for full-time students, which is defined as 12 credits per semester. To derive a per-credit rate from annual tuition, an appropriate divisor needs to be determined.

- 8 universities favored a 12 credit divisor (24 per year) for undergraduates, as it is threshold to be considered a full-time student and does not negatively impact revenue.
- 7 favored a 15 credit divisor for undergraduates, as that is the credit load required to graduate in four years.

Divisor	Count	Institutions
12 credits per semester	8	ECU, NC A&T, NCSU, UNC-CH, UNCG UNCP, WSSU
15 credits per semester	7	ASU, ECSU, FSU, NCCU, UNCA, UNCSA, WCU

# Campus Feedback: Tuition Cap

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Current policy: caps tuition at 12 credits per semester for in-person students, and there is no cap for DE.

- Vast majority believe that a tuition cap is critical to promote student success and timely completion.
- Most universities believed the cap should be set at 12 credits or 15 credits per semester.
- Six suggested a nine-credit cap for graduate education.

Cap on Credits	Count	Institutions
Cap at 12 credits	5	NC A&T, NCSU, UNCA, UNCCH, UNCC, UNCG
Cap at 15 credits	4	ASU, NCCU, WSSU, UNCP
Cap at 18 credits	2	ECSU, UNCSA
No cap	1	FSU, ECU



# TUITION PRICING

Guiding Principles, Analysis, and  
Recommendation

# Guiding Principles for Developing a Recommendation

- **Simplification for students and families:** simplify tuition pricing and make it more transparent and consistent
- **Revenue neutral:** limit disruption to campus finances
- **Promote student success:** Ensure that pricing encourages timely degree completion
- **Maintain affordability:** Minimize the impact to students

# Analysis – Simplicity and Transparency

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## **A credit is a credit is a credit.**

- The pandemic underlined that separate pricing models for on-campus and online education is confusing, lacks a coherent policy logic, and is not clearly defined.

## **Unnecessary complexity**

- Using full-time equivalents for pricing is not straightforward (e.g. 1 credit and 5 credits are both considered quarter time).
- A per-credit rate based on average credit load leads to a pricing scheme that is impractical.

## **Lack of clear policy**

- The method for prorating tuition is not recorded in the Policy Manual.

# Analysis – Simplicity and Transparency

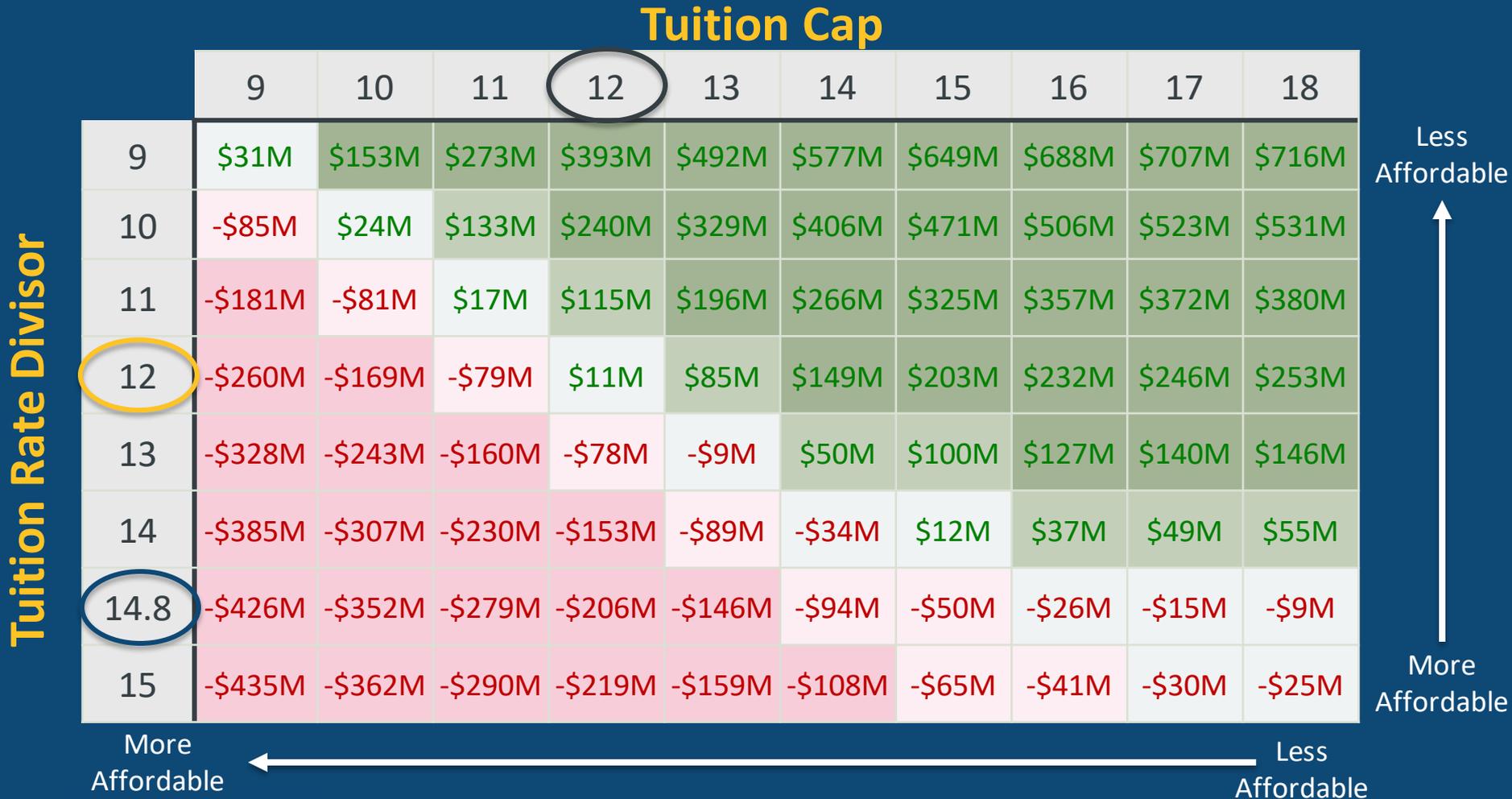
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## Alignment with Federal financial aid policy

- Federal definition of full-time is 12 credits per semester.
- The UNC System could change our definition of full-time to align with a tuition cap of 15, but we cannot change the federal definition.
- This is particularly important as it relates to the availability of financial aid.

# Analysis – Be Revenue Neutral

Estimated Change in Undergraduate Tuition Revenue at Different Divisors and Caps



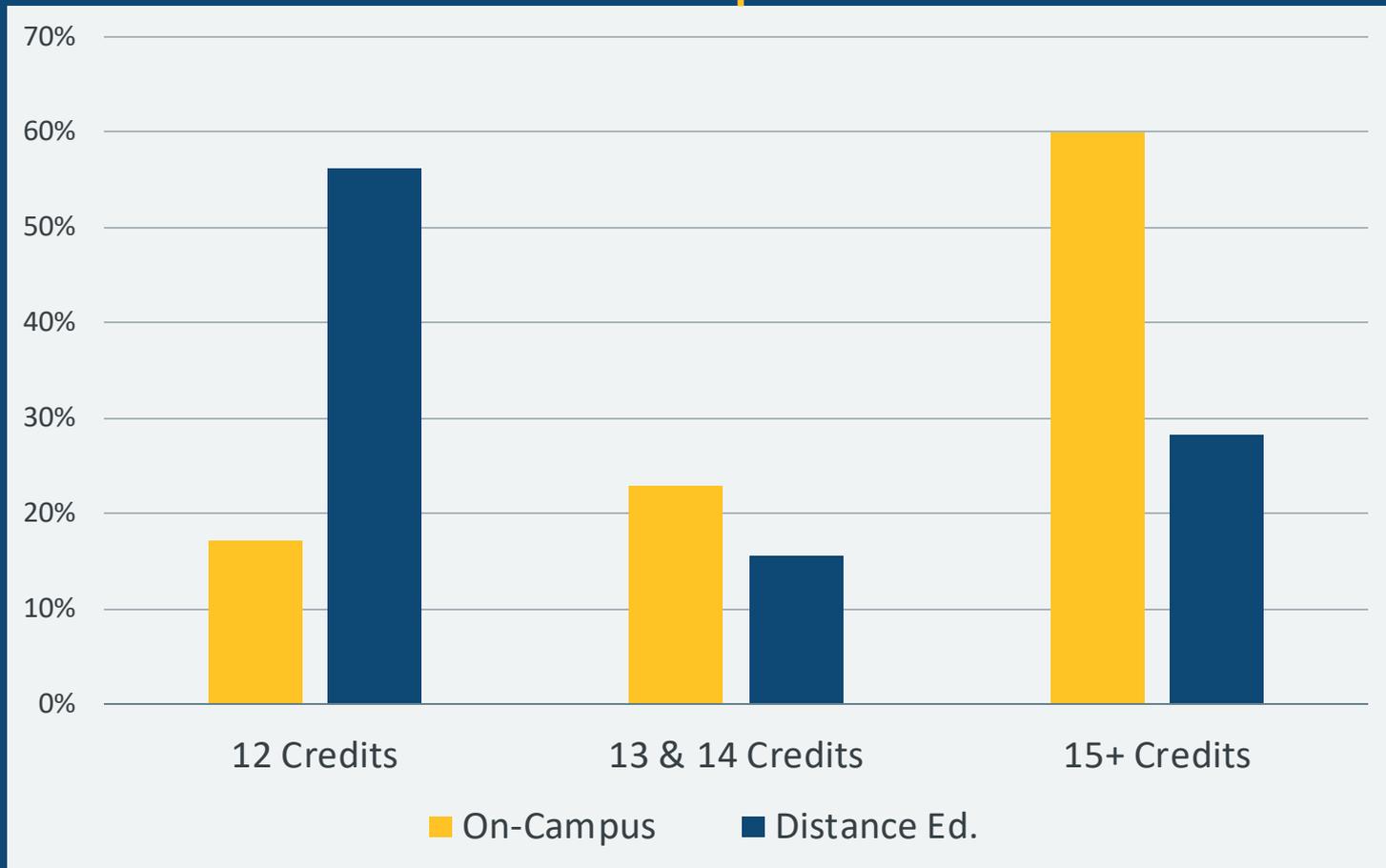
# Analysis – Student Success

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- Our current method for in-person students caps tuition at 12, the level at which a student is considered full-time, and courses taken above 12 are “free”
- Absence of additional tuition above 12 credits creates incentive to take 15+ each semester (critical to four-year completion).
- This incentive is currently absent for distance education, which has no cap.
- There is little research on impact of tuition caps, but some evidence of positive effects on student progress.

# Analysis – Student Success

## Percent of Full-Time Undergraduate Students Enrolled in 12 vs. 15 Credits per Semester



Source: UNC Student Data Mart 2018-19

# Analysis—Minimize Impact on Students

## In-person Undergrad Example (\$4,000 Tuition)

Credit Hours	In-Person Students	Current Tuition	Per-Credit Tuition	Difference
1	238	\$500	\$167	-\$333
2	228	\$500	\$333	-\$167
3	2,035	\$500	\$500	\$0
4	732	\$500	\$667	\$167
5	175	\$500	\$833	\$333
6	2,510	\$1,000	\$1,000	\$0
7	994	\$1,000	\$1,167	\$167
8	709	\$1,000	\$1,333	\$333
9	2,922	\$1,500	\$1,500	\$0
10	1,599	\$1,500	\$1,667	\$167
11	1,246	\$1,500	\$1,833	\$333
12	26,415	\$2,000	\$2,000	\$0
13	17,917	\$2,000	\$2,000	\$0
14	17,601	\$2,000	\$2,000	\$0
15	43,807	\$2,000	\$2,000	\$0
16	26,523	\$2,000	\$2,000	\$0
17	10,828	\$2,000	\$2,000	\$0
18+	11,884	\$2,000	\$2,000	\$0

- Students taking 4, 7, and 10 credit hours would pay 11% more and students taking 5, 8, and 11 credit hours would pay 22% more to reflect the additional instruction they receive.
- **These credit loads represented ~1.8% and 1.2% of undergraduates respectively.**

# Analysis—Minimize Impact on Students

## DE Undergrad Example (\$4,000 Tuition)

Credit Hours	DE Students	Current Tuition	Per-Credit Tuition	Difference
1	152	\$135	\$167	\$32
2	239	\$270	\$333	\$63
3	2,714	\$405	\$500	\$95
4	317	\$541	\$667	\$126
5	215	\$676	\$833	\$158
6	3,365	\$811	\$1,000	\$189
7	470	\$946	\$1,167	\$221
8	407	\$1,081	\$1,333	\$252
9	1,905	\$1,216	\$1,500	\$284
10	403	\$1,351	\$1,667	\$315
11	517	\$1,486	\$1,833	\$347
12	2,693	\$1,622	\$2,000	\$378
13	528	\$1,757	\$2,000	\$243
14	219	\$1,892	\$2,000	\$108
15	742	\$2,027	\$2,000	-\$27
16	280	\$2,162	\$2,000	-\$162
17	66	\$2,297	\$2,000	-\$297
18+	262	\$2,432	\$2,000	-\$432

- DE students taking 12 hours or less (**7% of UGs in Fall 2019**) would have their rate aligned with on-campus students enrolled in the same number of credits, resulting in 23% tuition increase.
- DE students taking more than 15 credits (~1%) would pay less, as the cap would be extended to include them.

# Analysis – Be Revenue Neutral (Graduate Education)

Estimated Change in Graduate Tuition Revenue at Different Divisors and Caps

## Tuition Cap

Tuition Rate Divisor

	9	10	11	12	13	14	15	16	17	18
9	-\$5M	\$18M	\$37M	\$54M	\$66M	\$75M	\$83M	\$89M	\$92M	\$96M
10	-\$45M	-\$25M	-\$8M	\$8M	\$18M	\$26M	\$34M	\$39M	\$42M	\$45M
10.2	-\$53M	-\$33M	-\$16M	-\$1M	\$10M	\$18M	\$25M	\$30M	\$33M	\$36M
11	-\$79M	-\$60M	-\$45M	-\$30M	-\$21M	-\$13M	-\$7M	-\$2M	\$1M	\$3M
12	-\$107M	-\$90M	-\$75M	-\$62M	-\$54M	-\$47M	-\$40M	-\$37M	-\$34M	-\$31M
13	-\$130M	-\$114M	-\$101M	-\$89M	-\$81M	-\$75M	-\$69M	-\$65M	-\$63M	-\$60M
14	-\$150M	-\$136M	-\$123M	-\$112M	-\$105M	-\$99M	-\$94M	-\$90M	-\$88M	-\$86M
15	-\$168M	-\$154M	-\$143M	-\$132M	-\$125M	-\$120M	-\$115M	-\$112M	-\$109M	-\$107M

Less Affordable



More Affordable

More Affordable ←

→ Less Affordable

# Analysis—Minimize Impact on Students

## In-person Graduate Example – \$5,000 Tuition

Credit Hours	In-Person Students	Current Tuition	Per-Credit Tuition	Difference
1	587	\$625	\$278	-\$347
2	158	\$625	\$556	-\$69
3	4,199	\$1,250	\$833	-\$417
4	504	\$1,250	\$1,111	-\$139
5	541	\$1,250	\$1,389	\$139
6	3,300	\$1,875	\$1,667	-\$208
7	469	\$1,875	\$1,944	\$69
8	431	\$1,875	\$2,222	\$347
9	6,785	\$2,500	\$2,500	\$0
10	1,915	\$2,500	\$2,500	\$0
11	872	\$2,500	\$2,500	\$0
12	3,618	\$2,500	\$2,500	\$0
13	1,457	\$2,500	\$2,500	\$0
14	814	\$2,500	\$2,500	\$0
15+	6,020	\$2,500	\$2,500	\$0

- Students taking 5, 7, and 8 credit hours would pay between 4 and 19% more to reflect the additional instruction they receive.
- **These credit loads represented ~3.1% of graduate students.**

# Analysis—Minimize Impact on Students

## DE Graduate Example – \$5,000 Tuition

Credit Hours	DE Students	Current Tuition	Per-Credit Tuition	Difference
1	234	\$245	\$278	\$33
2	107	\$490	\$556	\$65
3	3,676	\$735	\$833	\$98
4	396	\$980	\$1,111	\$131
5	369	\$1,225	\$1,389	\$163
6	5,740	\$1,471	\$1,667	\$196
7	443	\$1,716	\$1,944	\$229
8	562	\$1,961	\$2,222	\$261
9	1,562	\$2,206	\$2,500	\$294
10	228	\$2,451	\$2,500	\$49
11	101	\$2,696	\$2,500	-\$196
12	487	\$2,941	\$2,500	-\$441
13	77	\$3,186	\$2,500	-\$686
14	52	\$3,431	\$2,500	-\$931
15+	108	\$3,676	\$2,500	-\$1,176

- DE students taking 9 hours or less (29% of grad students in Fall 2019) would have their rate aligned with on-campus students enrolled in the same number of credits, resulting in 13% tuition increase.
- DE students taking more than 11 credits would pay less, as the cap be extended to include them.

# Toward a Recommendation

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- Move to a per-credit model for all students (online and on-campus) that uses a divisor and tuition cap that is consistent across all institutions.
- Select a divisor that is an integer, so that full-time students actually pay the Board-approved rate.
- Select a cap that maximizes affordability, is as revenue neutral as possible, and encourages timely progress toward a degree.
- Decide on an effective date and potential phase in.
- Revise UNC Policy to reflect this model.

# Campus Perspectives

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- NC State
  - Charlie Maimone, CFO
  - Louis Hunt, Vice Provost for Enrollment Management
- North Carolina A&T
  - Robert Pompey, CFO



# DEFINING DISTANCE EDUCATION

Review of the Current Approach

# Distance Education vs. On-Campus Fees

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Category	Pays Student Fee?	
	On-Campus	Distance
Athletics	✓	
Health Services	✓	
Student Activities	✓	
Education & Technology	✓	✓
Campus Security	✓	✓
Debt Service	✓	
Association of Student Government	✓	✓

# Background on Current Approach

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- When the original DE per-credit rates were established in 1998, the Board directed campuses to charge the Ed. and Tech. fee to DE students.
- Similarly, when the Campus Security fee was established, that was directed to be charged to DE students as well.
- However, as online courses have become increasingly common, there has been no standard definition of how to determine if a student should be considered DE.

# Why consider changes to the current approach?

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- **Price Consistency** – DE students pay significantly less in student fees than on-campus students, so to the extent that billing practices vary by campus, students may be treated very differently across the system.
- **Availability of Services** – there is an assumption that DE students pay fewer fees because they do not have access to services; however, online students may be in close proximity to the campus or may want to take advantage of services available remotely.
- **Simplicity** – as DE is becoming more common and many students are taking a mix of online and on-campus courses, it is difficult to categorize students into one category or the other.



# DEFINING DISTANCE EDUCATION

Review of Campus Feedback

# How do you determine who pays all mandatory fees?

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“Generally, it is based upon a principle that if you could receive a benefit from what the fee will provide, that student will pay. For example, if you are an on-campus student, you will pay all mandatory fees, as the student would have the opportunity to benefit from all the fee-support services. If you are totally online, you will pay only the E&T, Campus Security and ASG fee as you can benefit from the services provided by those fee-supported areas.”

“We use instructional method at the course level (course delivery mode) and the student’s overall schedule to determine whether the student is billed for mandatory fees. Students who take at least one face-to-face class or live on campus are considered face-to-face enrolled students for all courses and are charged all mandatory fees.”

“Each student’s primary program is used to determine if they pay all (On-campus) or partial (DE Students) student fees. If it is an on-campus program, we charge the regular term rates for both tuition and fees; if DE program, we charge the DE tuition and fee rates. For non-degree students, we charge the DE rates for online courses and the regular term rates for in-person courses”

“Students who are full-time and taking all their classes in the classroom pay all mandatory fees. Students who are fully online pay the Ed and Tech, Campus Security, and ASG fees. Students who take a combination of in-class and online courses pay prorated fees based upon the allocation of in-class and on-line.”

# Pros & Cons of Moving Towards a Standard Definition

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- **Pros to moving towards a standard definition**
  - Consistency and pricing transparency
  - Potential positive impact on revenue
  - Reduce administrative burden
  - Parents with students at other UNC System institutions will have an easier time understanding mandatory fees
- **Cons to moving towards a standard definition**
  - Students could potentially pay more fees
  - Price increases could impact retention
  - Distance Education could become more expensive and less competitive on value

# Recommended definition of DE?

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- 5 universities believe that all students should pay mandatory fees, regardless of course delivery
- 11 universities believe that if a student is in an on-campus degree program they should be charged all mandatory fees and if a student is an online degree seeking program, they should only be charged the fees in which they derive a benefit
- Suggested considerations:
  - Usage and access to services
  - Students must clearly be able to understand the benefits/services offered



# DEFINING DISTANCE EDUCATION

Discussion of Guiding Principles and Approaches

# Guiding Principles for Discussion

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- How closely does the availability of services need to be linked to what the student pays?
- Does availability of services apply to all fees or just a subset of them?
- Is Distance Education as it relates to fees more about the physical proximity of the student, the classes they enroll in, or their degree program?
- Does the way fees are prorated need to be standardized and should this differ for on-campus vs. DE?



# NEXT STEPS

# Next Steps

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- Determine if recommended policy on per-credit tuition should be referred to the Committee on Budget and Finance for approval.
- Develop a recommendation for the definition of Distance Education as it relates to fees to be presented for consideration at the next meeting of the task force.

THANK YOU

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## AGENDA ITEM

A-3. Tuition Pricing Across Distance Education and In-person Instruction.....Andrew Kelly/Jonathan Pruitt

**Situation:** The University System currently employs two different tuition pricing models for in-person instruction and distance education, and, as a result, per-credit tuition charges are different across in-person courses and distance education.

**Background:** G.S. 116-11 states that the Board of Governors “shall set tuition and required fees at the institutions, not inconsistent with actions of the General Assembly.” The Board of Governors may adopt policy to provide further detail about the establishment of tuition and fees as long as the policy is consistent with state law. Policies adopted by the Board related to tuition and fees are located in Chapter 1000 of the UNC Policy Manual. UNC Policy Manual Section 1000.1.1 governs the setting of undergraduate and graduation tuition rates, lays out the annual process for the approval of tuition and fees, and requires that the Board act by February of each year (or as soon as possible thereafter) to establish the University’s tuition rates.

The Policy Manual does not differentiate between tuition rates for traditional, in-person instruction and “distance education.” In practice, tuition for in-person programs and courses is charged on a “stair-step,” where tuition rates are set for credit hour ranges (1-5, 6-8, 9-11, 12+), and students are not charged for enrolling in hours beyond a tuition cap, currently set to align with the definition of full-time enrollment. The stair-step is capped at 12 credits for undergraduates and nine credits for graduate students.

Distance education students are charged on a per-credit basis, where the per-credit rate is established by dividing annual tuition by 29.6 for undergraduates and 20.4 for graduate students. The per-credit rate is not capped at a particular credit threshold.

As a result of this differentiation, students are charged different tuition prices on a per-credit basis across the two delivery modes, with distance education courses being less expensive per credit than in-person courses.

**Assessment:** The Task Force will consider whether the distinction between in-person and distance education tuition is aligned with System goals, explore potential options to simplify, and hear campus perspectives on this issue.

**Action:** The Task Force will consider potential recommendations to the Committee on Budget and Finance

### III. Tuition and Fees for Students Enrolled in Extension Courses

In 1998, the General Assembly appropriated funds in response to the Board's request for Distance Learning and Off-Campus Degrees. The request was based on the premise that students enrolled in extension courses should pay the same tuition rates charged to regular-term students and the State should finance extension courses in a manner comparable to regular-term courses. It is now recommended that, effective with the fall semester 1998, resident students and nonresident students taking courses within North Carolina that are enrolled in extension courses be charged the regular-term tuition rates established in Section I. It is further recommended 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 recommended that the Board delegate to the President the authority to set tuition rates for nonresident students taking courses outside North Carolina. These are students that primarily take courses via the internet. It is recommended that the President consider the establishment of market competitive tuition rates that are at least twice the rates charged to resident students.

Additionally, it is recommended that effective with the fall semester 1998, students enrolled in extension courses pay an education and technology fee. The fee should be computed on a per-credit-hour basis in the same manner as tuition, i.e., the annual fee should be divided by 29.6 hours to calculate the rate for students taking undergraduate courses and by 20.4 hours to calculate the rate for students taking graduate courses. The annual fee to be used is that previously set by the Board for the 1998-99 academic year.

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

Distance education (DE) students are charged on a per-credit-hour basis, rather than a “stair-step” methodology charged to regular-term students. The DE per-credit-hour tuition rate is derived by dividing regular term tuition costs by 29.6 for undergraduates and 20.4 for graduate students. Since distance education students are not charged athletics, health services, student activities, and debt service fees, the cost of education is considerably lower than students who are taking courses using face-to-face instruction.

It is proposed that, effective with the fall term of 2020, resident students and nonresident students taking courses within North Carolina who 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.



## AGENDA ITEM

A-4. Defining Distance Education for Fee-charging Purposes.....Andrew Kelly/Jonathan Pruitt

**Situation:** The University System provides education through traditional in-person instruction and through distance education. Students enrolled in in-person programs and courses are typically charged the full slate of Board of Governors-approved mandatory fees, while those enrolled in distance education are charged a subset of those fees (Education and Technology, Campus Security, and Association of Student Government). The Policy Manual does not have a standard definition of who qualifies as a distance education student for fee-charging purposes.

**Background:** G.S. 116-11 states that the Board of Governors “shall set tuition and required fees at the institutions, not inconsistent with actions of the General Assembly.” The Board of Governors may adopt policy to provide further detail about the establishment of tuition and fees, as long as the policy is consistent with state law. Policies adopted by the Board related to tuition and fees are located in Chapter 1000 of the UNC Policy Manual. UNC Policy Manual Section 1000.1.1 governs the setting of undergraduate and graduation tuition rates, lays out the annual process for the approval of tuition and fees, and requires that the Board act by February of each year (or as soon as possible thereafter) to establish the University’s tuition rates.

The Policy Manual does not formally define distance education for fee-charging purposes. As a result, fee-charging practices vary across universities, with some determining fees based on a student’s program of study and others basing that determination on a student’s course-load in a given semester. In practice, students with similar course-loads at different institutions may be charged dramatically different fees.

This variation has implications for transparency and predictability, the sustainability of fee-supported activities and projects, and competition within and outside the UNC System.

**Assessment:** The Task Force will consider current policy and practice in defining distance education for fee-charging purposes, explore potential alternatives, and assess strengths and weaknesses of both.

**Action:** The Task Force will consider potential recommendations to the Committee on Budget and Finance

# *Distance vs. On-Campus Mandatory Fees*

<b>Category</b>	<b>Pays Student Fee?</b>	
	<b>On-Campus</b>	<b>Distance</b>
Athletics	✓	
Health Services	✓	
Student Activities	✓	
Education & Technology	✓	✓
Campus Security	✓	✓
Debt Service	✓	
Association of Student Government	✓	✓

**Definition of Distance Education for Fee Purposes varies Significantly**



# **TASK FORCE ON PRICING, FLEXIBILITY, AND AFFORDABILITY**

November 19, 2020

# Presentation Outline

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- **Tuition Pricing for DE vs. In-Person Instruction**
  - Review of Current Approach to Pricing
  - Cost and Price of Online Instruction
  - Campus Feedback
  - Guiding Principles, Analysis, and Recommendation
- **Defining DE for Fee-Charging Purposes**
  - Review of Current Approach
  - Campus Feedback
  - Discussion of Guiding Principles and Approaches
- **Next Steps**



# TUITION PRICING

Review of the Current Approach

# Current Approach to Tuition Pricing

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## On-Campus (“Regular-Term”)

- Students are billed in increments “stair-step” based on their full-time equivalent (FTE) enrollment.
- Tuition is “capped” at 12 credit hours for undergraduates and 9 credits for graduate students, when a student is considered full-time.

## Distance Education

- Students are billed based on the number of credit hours enrolled at a per-credit rate.
- Tuition is generally not “capped” for distance education.

# Background on Current Approach

## Authorization of Tuition

### I. 1998-99 Tuition Rates

The House and Senate *Conference Report on the Continuation, Expansion and Capital Budgets* adopted August 27, 1997 and incorporated into Senate Bill 352

### III. Tuition and Fees for Students Enrolled in Extension Courses

In 1998, the General Assembly appropriated funds in response to the Board's request for Distance Learning and Off-Campus Degrees. The request was based on the premise that students enrolled in extension courses should pay the same tuition rates charged to regular-term students and the State should finance extension courses in a manner comparable to regular-term courses. It is now recommended that, effective with the fall semester 1998, resident students and nonresident students taking courses within North Carolina that are enrolled in extension courses be charged the regular-term tuition rates established in Section I. It is further recommended 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.

# Using an Annual Tuition Rate to Determine a Per-Credit Rate

Annual Tuition Rate		Credits per Year		Per-Credit Rate
\$4,000	÷	29.6	=	\$135
		Divisor		

- A **higher** divisor yields a lower tuition rate and less revenue
- A **lower** divisor yields a higher tuition rate and higher revenue
- The **DE divisors** are included in the tuition item that the Board approves every year, and have not changed since originally implemented:

	Undergraduate	Graduate
On-Campus (implicit)	24	18
Distance Education	29.6	20.4

# Undergraduate Example - \$4,000 Annual Rate

Credit Hours	On-Campus	Distance Education
1	\$500	\$135
2	\$500	\$270
3	\$500	\$405
4	\$500	\$541
5	\$500	\$676
6	\$1,000	\$811
7	\$1,000	\$946
8	\$1,000	\$1,081
9	\$1,500	\$1,216
10	\$1,500	\$1,351
11	\$1,500	\$1,486
12	\$2,000	\$1,622
13	\$2,000	\$1,757
14	\$2,000	\$1,892
15	\$2,000	\$2,027
16	\$2,000	\$2,162
17	\$2,000	\$2,297
18	\$2,000	\$2,432

DE Students pay 5x more for 5 credits than 1 credit. On-campus students pay the same rate for both.

Once an on-campus student reaches full-time status, they pay the full Board-approved rate.

A DE student never pays exactly the Board-approved rate, but comes closest at 15 credits.

# Graduate Example - \$5,000 Annual Rate

Credit Hours	On-Campus	Distance Education
1	\$625	\$245
2	\$625	\$490
3	\$1,250	\$735
4	\$1,250	\$980
5	\$1,250	\$1,225
6	\$1,875	\$1,471
7	\$1,875	\$1,716
8	\$1,875	\$1,961
9	\$2,500	\$2,206
10	\$2,500	\$2,451
11	\$2,500	\$2,696
12	\$2,500	\$2,941

One 3 credit course is considered half-time for on-campus graduate students.

Once an on-campus student reaches full-time status, they pay the full Board-approved rate.

A DE student never pays exactly the Board-approved rate, but comes closest as 10 credits.



# TUITION PRICING

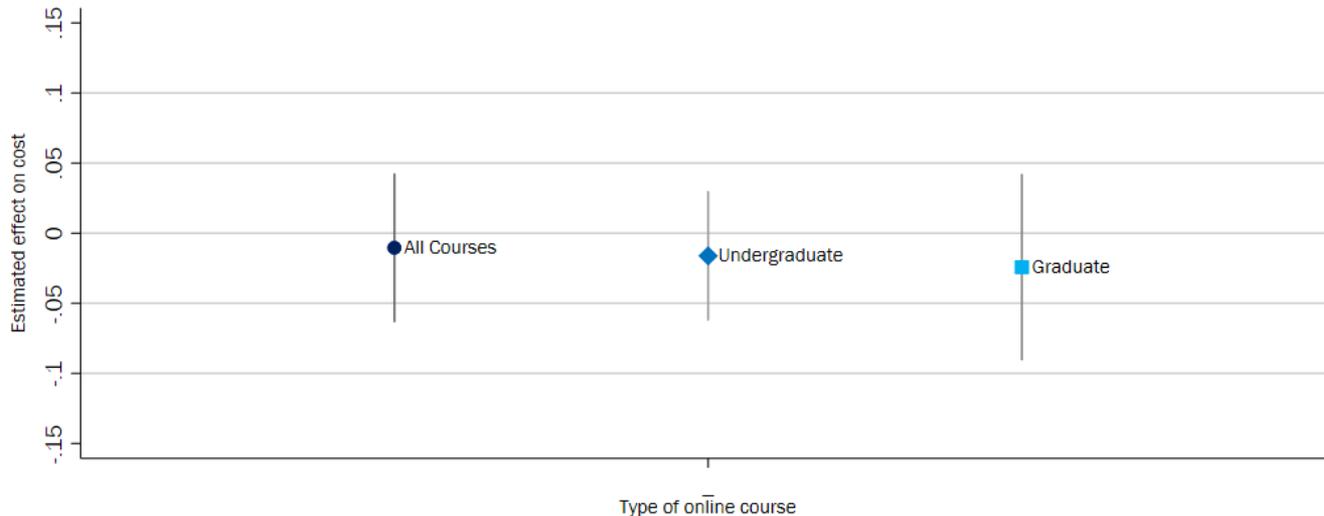
Cost and Price of Online Instruction

# Does lower DE tuition reflect lower instructional costs?

“Simply moving more instruction online does not fundamentally alter the cost equation... Shifting online instruction from zero to 10% of credits is associated with about a 1.04% reduction in departmental instructional costs, which we cannot statistically distinguish from no effect. Patterns are similar for undergraduate and graduate education.”

Hemelt and Stange, July 2020

Figure 2. Cost reduction associated with moving 10% of credits online



Notes: Figure plots estimated effect on instructional costs of moving from 0% to 10% of credits online, based on results in Table 6 in Hemelt, Stange, Furquim, Simon, and Sawyer (2020). Regression model includes indicator for any online instruction, the share of student credits that are online, program fixed effects, and year fixed effects. Sample includes institutions participating in the Delaware Cost Study in 2016 and 2017. Bars indicate 95-percent confidence intervals

# Does lower DE tuition reflect lower instructional costs?

- The UNC enrollment funding model calculates the cost of delivering additional credit hours (“requirements”).
- **The requirements calculation treats the cost of delivering a DE course and an in-person course as equivalent.**
- Requirements are funded through a mix of tuition and appropriation; *lower* per-credit tuition translates to *higher* appropriation per credit, and vice versa.

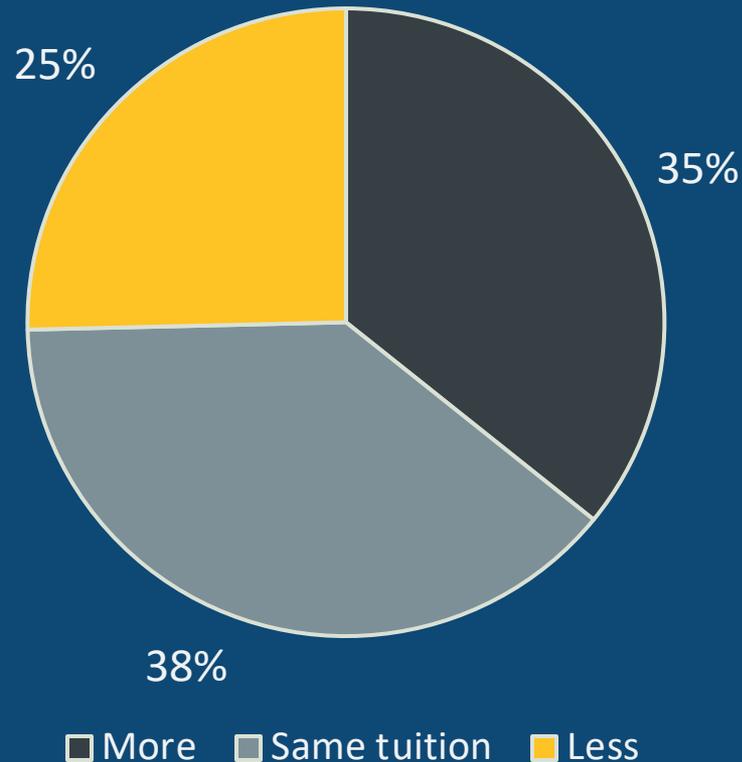
# How do other universities charge tuition for distance/online education?

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- A 2017 survey of 197 colleges and universities by Western Interstate Compact for Higher Education (WICHE):
  - 75% of respondents reported no difference in tuition
  - 19% reported charging *more* for distance education.
  - 6% charged less for distance ed
- US News and World Report study of average, in-state tuition price across 170 public colleges in 2019-20:
  - Online bachelor's degree: \$316 per credit
  - On-campus: \$311 per credit

# Do *other* universities charge lower tuition for online courses?

Tuition Price for 12 credits of DE Compared to In-person (Random Sample)



# Why consider changes to the current approach?

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- **Price Consistency** – the tuition rate for DE was intended to be the same as for on-campus; in practice, however, most DE students are paying less than on-campus students enrolled in the same number of credits.
- **Simplicity** – as DE becomes more common and many students take a mix of online and on-campus courses, having two pricing models is increasingly confusing.
- **Quality**—Continued difference in pricing could have implications for quality.
- **Consistency with other universities**—Most universities charge the same (or more) for distance education credit hours.



# TUITION PRICING

Review of Campus Feedback

# Moving to a Standard Per-Credit Rate

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“This would make billing and communications with students much clearer. It would also support that both types of instruction have the same value, especially since we use the same instructors”

“Utilizing two separate practices based on mode of delivery is complex and confusing. However, we should be aware that any change in tuition and fee billing structure would potentially change course taking patterns...We need to make certain that such changes do not negatively impact throughput and completion rates.”

“[University] agrees that a consistent per credit hour rate for both in-person and distance education would be preferable. It will enable the University to meet the System requirement for students not being charged an amount in excess of full-time regular tuition.”

“[We] generally support moving to a per-credit tuition rate as it will allow for more streamlined billing and potentially greater transparency for students. However, [we] maintain particular interest in the divisor and credit cap. . . .”

# Moving to a Standard Per-Credit Rate

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## Key considerations include:

- Small changes to the divisor and cap can have material impacts on tuition revenue and campus operations
- Changes to the cap could influence student behavior in ways that impact time to degree
- Impact of changes on tuition prices for particular groups of students (i.e., in-person students taking 7-8 credits or 10-11 credits; distance education students)
- The timeline for the change (and the context)
- Unique considerations vis a vis graduate education

# Campus Feedback: Divisor

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Current policy: Board approves annual tuition rates for full-time students, which is defined as 12 credits per semester. To derive a per-credit rate from annual tuition, an appropriate divisor needs to be determined.

- 8 universities favored a 12 credit divisor (24 per year) for undergraduates, as it is threshold to be considered a full-time student and does not negatively impact revenue.
- 7 favored a 15 credit divisor for undergraduates, as that is the credit load required to graduate in four years.

Divisor	Count	Institutions
12 credits per semester	8	ECU, NC A&T, NCSU, UNC-CH, UNCG UNCP, WSSU
15 credits per semester	7	ASU, ECSU, FSU, NCCU, UNCA, UNCSA, WCU

# Campus Feedback: Tuition Cap

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Current policy: caps tuition at 12 credits per semester for in-person students, and there is no cap for DE.

- Vast majority believe that a tuition cap is critical to promote student success and timely completion.
- Most universities believed the cap should be set at 12 credits or 15 credits per semester.
- Six suggested a nine-credit cap for graduate education.

Cap on Credits	Count	Institutions
Cap at 12 credits	5	NC A&T, NCSU, UNCA, UNCCH, UNCC, UNCG
Cap at 15 credits	4	ASU, NCCU, WSSU, UNCP
Cap at 18 credits	2	ECSU, UNCSA
No cap	1	FSU, ECU



# TUITION PRICING

Guiding Principles, Analysis, and  
Recommendation

# Guiding Principles for Developing a Recommendation

- **Simplification for students and families:** simplify tuition pricing and make it more transparent and consistent
- **Revenue neutral:** limit disruption to campus finances
- **Promote student success:** Ensure that pricing encourages timely degree completion
- **Maintain affordability:** Minimize the impact to students

# Analysis – Simplicity and Transparency

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## **A credit is a credit is a credit.**

- The pandemic underlined that separate pricing models for on-campus and online education is confusing, lacks a coherent policy logic, and is not clearly defined.

## **Unnecessary complexity**

- Using full-time equivalents for pricing is not straightforward (e.g. 1 credit and 5 credits are both considered quarter time).
- A per-credit rate based on average credit load leads to a pricing scheme that is impractical.

## **Lack of clear policy**

- The method for prorating tuition is not recorded in the Policy Manual.

# Analysis – Simplicity and Transparency

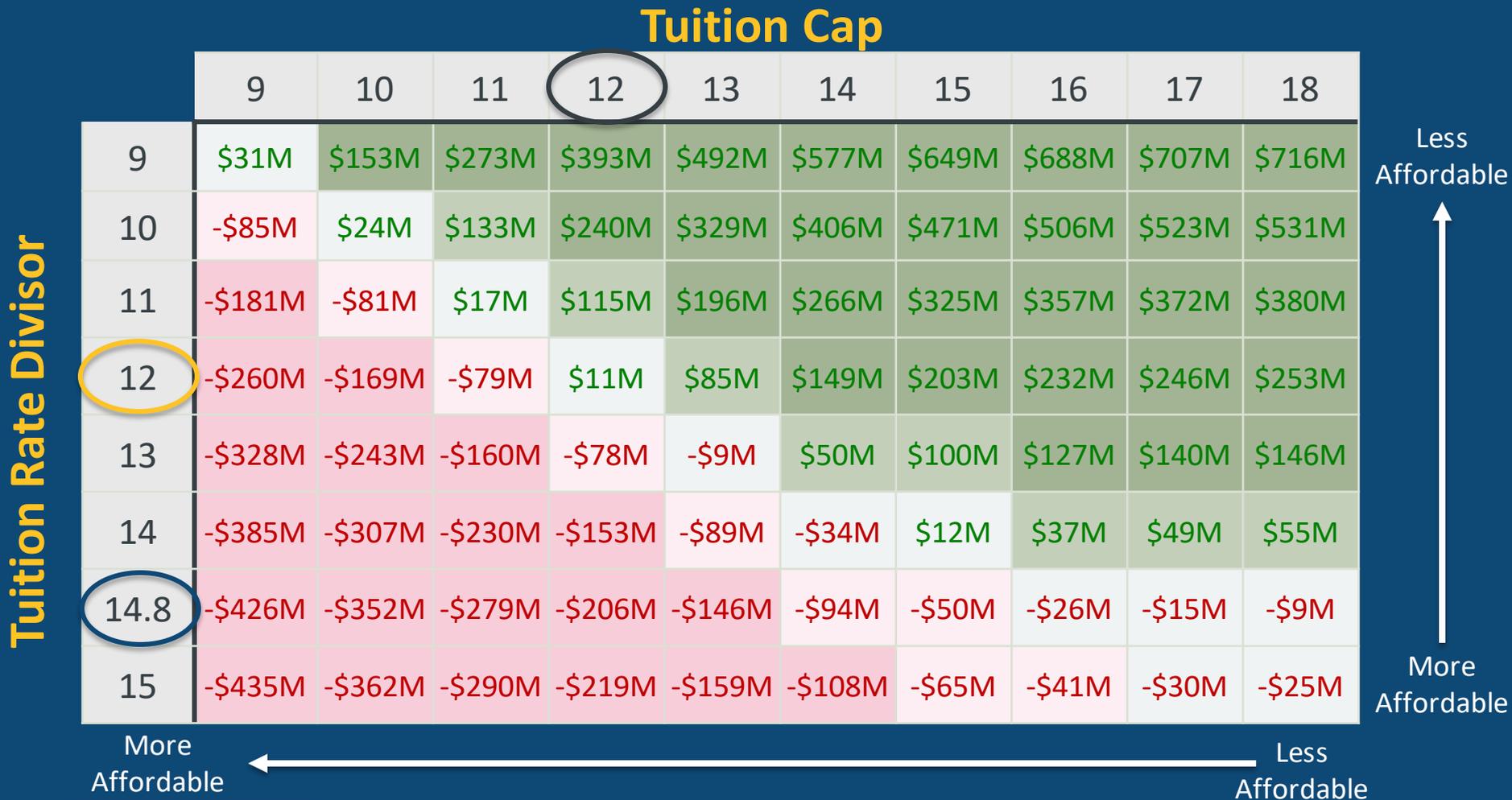
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## Alignment with Federal financial aid policy

- Federal definition of full-time is 12 credits per semester.
- The UNC System could change our definition of full-time to align with a tuition cap of 15, but we cannot change the federal definition.
- This is particularly important as it relates to the availability of financial aid.

# Analysis – Be Revenue Neutral

Estimated Change in Undergraduate Tuition Revenue at Different Divisors and Caps



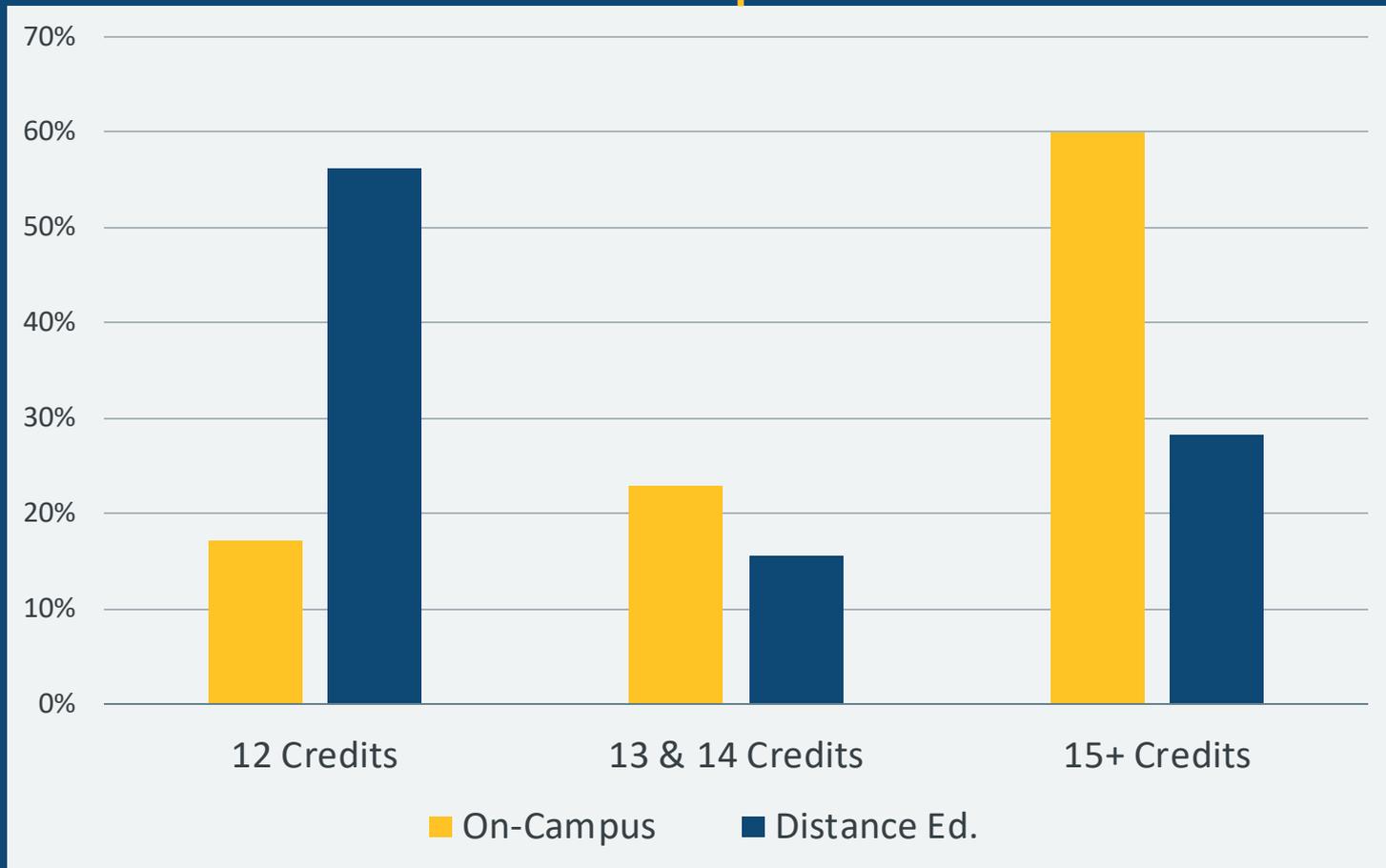
# Analysis – Student Success

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- Our current method for in-person students caps tuition at 12, the level at which a student is considered full-time, and courses taken above 12 are “free”
- Absence of additional tuition above 12 credits creates incentive to take 15+ each semester (critical to four-year completion).
- This incentive is currently absent for distance education, which has no cap.
- There is little research on impact of tuition caps, but some evidence of positive effects on student progress.

# Analysis – Student Success

## Percent of Full-Time Undergraduate Students Enrolled in 12 vs. 15 Credits per Semester



Source: UNC Student Data Mart 2018-19

# Analysis—Minimize Impact on Students

## In-person Undergrad Example (\$4,000 Tuition)

Credit Hours	In-Person Students	Current Tuition	Per-Credit Tuition	Difference
1	238	\$500	\$167	-\$333
2	228	\$500	\$333	-\$167
3	2,035	\$500	\$500	\$0
4	732	\$500	\$667	\$167
5	175	\$500	\$833	\$333
6	2,510	\$1,000	\$1,000	\$0
7	994	\$1,000	\$1,167	\$167
8	709	\$1,000	\$1,333	\$333
9	2,922	\$1,500	\$1,500	\$0
10	1,599	\$1,500	\$1,667	\$167
11	1,246	\$1,500	\$1,833	\$333
12	26,415	\$2,000	\$2,000	\$0
13	17,917	\$2,000	\$2,000	\$0
14	17,601	\$2,000	\$2,000	\$0
15	43,807	\$2,000	\$2,000	\$0
16	26,523	\$2,000	\$2,000	\$0
17	10,828	\$2,000	\$2,000	\$0
18+	11,884	\$2,000	\$2,000	\$0

- Students taking 4, 7, and 10 credit hours would pay 11% more and students taking 5, 8, and 11 credit hours would pay 22% more to reflect the additional instruction they receive.
- **These credit loads represented ~1.8% and 1.2% of undergraduates respectively.**

# Analysis—Minimize Impact on Students

## DE Undergrad Example (\$4,000 Tuition)

Credit Hours	DE Students	Current Tuition	Per-Credit Tuition	Difference
1	152	\$135	\$167	\$32
2	239	\$270	\$333	\$63
3	2,714	\$405	\$500	\$95
4	317	\$541	\$667	\$126
5	215	\$676	\$833	\$158
6	3,365	\$811	\$1,000	\$189
7	470	\$946	\$1,167	\$221
8	407	\$1,081	\$1,333	\$252
9	1,905	\$1,216	\$1,500	\$284
10	403	\$1,351	\$1,667	\$315
11	517	\$1,486	\$1,833	\$347
12	2,693	\$1,622	\$2,000	\$378
13	528	\$1,757	\$2,000	\$243
14	219	\$1,892	\$2,000	\$108
15	742	\$2,027	\$2,000	-\$27
16	280	\$2,162	\$2,000	-\$162
17	66	\$2,297	\$2,000	-\$297
18+	262	\$2,432	\$2,000	-\$432

- DE students taking 12 hours or less (**7% of UGs in Fall 2019**) would have their rate aligned with on-campus students enrolled in the same number of credits, resulting in 23% tuition increase.
- DE students taking more than 15 credits (~1%) would pay less, as the cap would be extended to include them.

# Analysis – Be Revenue Neutral (Graduate Education)

Estimated Change in Graduate Tuition Revenue at Different Divisors and Caps

## Tuition Cap

Tuition Rate Divisor

	9	10	11	12	13	14	15	16	17	18
9	-\$5M	\$18M	\$37M	\$54M	\$66M	\$75M	\$83M	\$89M	\$92M	\$96M
10	-\$45M	-\$25M	-\$8M	\$8M	\$18M	\$26M	\$34M	\$39M	\$42M	\$45M
10.2	-\$53M	-\$33M	-\$16M	-\$1M	\$10M	\$18M	\$25M	\$30M	\$33M	\$36M
11	-\$79M	-\$60M	-\$45M	-\$30M	-\$21M	-\$13M	-\$7M	-\$2M	\$1M	\$3M
12	-\$107M	-\$90M	-\$75M	-\$62M	-\$54M	-\$47M	-\$40M	-\$37M	-\$34M	-\$31M
13	-\$130M	-\$114M	-\$101M	-\$89M	-\$81M	-\$75M	-\$69M	-\$65M	-\$63M	-\$60M
14	-\$150M	-\$136M	-\$123M	-\$112M	-\$105M	-\$99M	-\$94M	-\$90M	-\$88M	-\$86M
15	-\$168M	-\$154M	-\$143M	-\$132M	-\$125M	-\$120M	-\$115M	-\$112M	-\$109M	-\$107M

Less Affordable



More Affordable

More Affordable ←

→ Less Affordable

# Analysis—Minimize Impact on Students

## In-person Graduate Example – \$5,000 Tuition

Credit Hours	In-Person Students	Current Tuition	Per-Credit Tuition	Difference
1	587	\$625	\$278	-\$347
2	158	\$625	\$556	-\$69
3	4,199	\$1,250	\$833	-\$417
4	504	\$1,250	\$1,111	-\$139
5	541	\$1,250	\$1,389	\$139
6	3,300	\$1,875	\$1,667	-\$208
7	469	\$1,875	\$1,944	\$69
8	431	\$1,875	\$2,222	\$347
9	6,785	\$2,500	\$2,500	\$0
10	1,915	\$2,500	\$2,500	\$0
11	872	\$2,500	\$2,500	\$0
12	3,618	\$2,500	\$2,500	\$0
13	1,457	\$2,500	\$2,500	\$0
14	814	\$2,500	\$2,500	\$0
15+	6,020	\$2,500	\$2,500	\$0

- Students taking 5, 7, and 8 credit hours would pay between 4 and 19% more to reflect the additional instruction they receive.
- **These credit loads represented ~3.1% of graduate students.**

# Analysis—Minimize Impact on Students

## DE Graduate Example – \$5,000 Tuition

Credit Hours	DE Students	Current Tuition	Per-Credit Tuition	Difference
1	234	\$245	\$278	\$33
2	107	\$490	\$556	\$65
3	3,676	\$735	\$833	\$98
4	396	\$980	\$1,111	\$131
5	369	\$1,225	\$1,389	\$163
6	5,740	\$1,471	\$1,667	\$196
7	443	\$1,716	\$1,944	\$229
8	562	\$1,961	\$2,222	\$261
9	1,562	\$2,206	\$2,500	\$294
10	228	\$2,451	\$2,500	\$49
11	101	\$2,696	\$2,500	-\$196
12	487	\$2,941	\$2,500	-\$441
13	77	\$3,186	\$2,500	-\$686
14	52	\$3,431	\$2,500	-\$931
15+	108	\$3,676	\$2,500	-\$1,176

- DE students taking 9 hours or less (29% of grad students in Fall 2019) would have their rate aligned with on-campus students enrolled in the same number of credits, resulting in 13% tuition increase.
- DE students taking more than 11 credits would pay less, as the cap be extended to include them.

# Toward a Recommendation

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- Move to a per-credit model for all students (online and on-campus) that uses a divisor and tuition cap that is consistent across all institutions.
- Select a divisor that is an integer, so that full-time students actually pay the Board-approved rate.
- Select a cap that maximizes affordability, is as revenue neutral as possible, and encourages timely progress toward a degree.
- Decide on an effective date and potential phase in.
- Revise UNC Policy to reflect this model.

# Campus Perspectives

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- NC State
  - Charlie Maimone, CFO
  - Louis Hunt, Vice Provost for Enrollment Management
- North Carolina A&T
  - Robert Pompey, CFO



# DEFINING DISTANCE EDUCATION

Review of the Current Approach

# Distance Education vs. On-Campus Fees

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Category	Pays Student Fee?	
	On-Campus	Distance
Athletics	✓	
Health Services	✓	
Student Activities	✓	
Education & Technology	✓	✓
Campus Security	✓	✓
Debt Service	✓	
Association of Student Government	✓	✓

# Background on Current Approach

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- When the original DE per-credit rates were established in 1998, the Board directed campuses to charge the Ed. and Tech. fee to DE students.
- Similarly, when the Campus Security fee was established, that was directed to be charged to DE students as well.
- However, as online courses have become increasingly common, there has been no standard definition of how to determine if a student should be considered DE.

# Why consider changes to the current approach?

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- **Price Consistency** – DE students pay significantly less in student fees than on-campus students, so to the extent that billing practices vary by campus, students may be treated very differently across the system.
- **Availability of Services** – there is an assumption that DE students pay fewer fees because they do not have access to services; however, online students may be in close proximity to the campus or may want to take advantage of services available remotely.
- **Simplicity** – as DE is becoming more common and many students are taking a mix of online and on-campus courses, it is difficult to categorize students into one category or the other.



# DEFINING DISTANCE EDUCATION

Review of Campus Feedback

# How do you determine who pays all mandatory fees?

“Generally, it is based upon a principle that if you could receive a benefit from what the fee will provide, that student will pay. For example, if you are an on-campus student, you will pay all mandatory fees, as the student would have the opportunity to benefit from all the fee-support services. If you are totally online, you will pay only the E&T, Campus Security and ASG fee as you can benefit from the services provided by those fee-supported areas.”

“We use instructional method at the course level (course delivery mode) and the student’s overall schedule to determine whether the student is billed for mandatory fees. Students who take at least one face-to-face class or live on campus are considered face-to-face enrolled students for all courses and are charged all mandatory fees.”

“Each student’s primary program is used to determine if they pay all (On-campus) or partial (DE Students) student fees. If it is an on-campus program, we charge the regular term rates for both tuition and fees; if DE program, we charge the DE tuition and fee rates. For non-degree students, we charge the DE rates for online courses and the regular term rates for in-person courses”

“Students who are full-time and taking all their classes in the classroom pay all mandatory fees. Students who are fully online pay the Ed and Tech, Campus Security, and ASG fees. Students who take a combination of in-class and online courses pay prorated fees based upon the allocation of in-class and on-line.”

# Pros & Cons of Moving Towards a Standard Definition

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- **Pros to moving towards a standard definition**
  - Consistency and pricing transparency
  - Potential positive impact on revenue
  - Reduce administrative burden
  - Parents with students at other UNC System institutions will have an easier time understanding mandatory fees
- **Cons to moving towards a standard definition**
  - Students could potentially pay more fees
  - Price increases could impact retention
  - Distance Education could become more expensive and less competitive on value

# Recommended definition of DE?

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- 5 universities believe that all students should pay mandatory fees, regardless of course delivery
- 11 universities believe that if a student is in an on-campus degree program they should be charged all mandatory fees and if a student is an online degree seeking program, they should only be charged the fees in which they derive a benefit
- Suggested considerations:
  - Usage and access to services
  - Students must clearly be able to understand the benefits/services offered



# DEFINING DISTANCE EDUCATION

Discussion of Guiding Principles and Approaches

# Guiding Principles for Discussion

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- How closely does the availability of services need to be linked to what the student pays?
- Does availability of services apply to all fees or just a subset of them?
- Is Distance Education as it relates to fees more about the physical proximity of the student, the classes they enroll in, or their degree program?
- Does the way fees are prorated need to be standardized and should this differ for on-campus vs. DE?



# NEXT STEPS

# Next Steps

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- Determine if recommended policy on per-credit tuition should be referred to the Committee on Budget and Finance for approval.
- Develop a recommendation for the definition of Distance Education as it relates to fees to be presented for consideration at the next meeting of the task force.

THANK YOU

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