



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

December 17, 2020 *at 30 minutes after the 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

AGENDA

- A-1. Introduction Wendy Murphy
- A-2. Approval of the Minutes of November 19, 2020..... Wendy Murphy
- A-3. Defining Distance Education for Fee-Charging Purposes Andrew Kelly and Jonathan Pruitt
- A-4. Group Discussion
- A-5. Adjourn

DRAFT MINUTES

November 19, 2020
University of North Carolina System Office
Via Videoconference and UNC-TV Live Stream

This meeting of the Task Force on Pricing Flexibility and Affordability was presided over by Chair Wendy Floyd Murphy. The following committee members, constituting a quorum, were also present in person or by phone: Carolyn Coward, Isaiah Green, Art Pope, David Powers, and Dwight Stone. The following committee members were absent: Michael Williford.

Staff members present included Dr. Andrew Kelly and others from the UNC System Office.

1. Welcome (Item A-1)

President Peter Hans welcomed everyone to the second meeting of the Task Force on Pricing, Flexibility, and Affordability. He thanked the chancellors and chief financial officers for providing their feedback regarding tuition and fee policies and practices at their campuses.

2. Introduction (Item A-2)

The task force chair, Wendy Murphy, welcomed the group to the meeting and reiterated the goal of the task force and the purpose of the meeting regarding tuition and fee pricing across in-person instruction and distance education.

3. Tuition Pricing Across Distance Education and In-person Instruction (Item A-3)

Andrew Kelly and Jonathan Pruitt presented information on the current approach to tuition pricing across the UNC System, where rates differ across distance education and in-person instruction. The UNC 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. They explained the history behind the System's current approach, provided examples of the current cost of tuition for undergraduate and graduate students, and summarized feedback received from the universities.

The task force heard from NC State Chief Financial Officer Charlie Maimone, NC State Vice Provost for Enrollment Management Louis Hunt, N.C. A&T Chief Financial Officer Robert Pompey, Chancellor Sartarelli (UNCW), Chancellor Akinleye (NCCU), and Chancellor Cummings (UNCP) regarding their perspectives on pricing for distance education.

The task force determined that moving to a consistent per-credit tuition model across in-person and distance education would be an improvement and voted unanimously to refer a proposal for per-credit tuition to the Committee on Budget and Finance for consideration.

MOTION: Resolved that the Task Force on Pricing Flexibility and Affordability to refer a proposal for per-credit tuition to the Committee on Budget and Finance.

Motion: Carolyn Coward

Motion carried

Roll Call Vote	
Coward	Yes
Green	Yes
Murphy	Yes
Pope	Yes
Power	Yes
Stone	Yes
Williford	Absent

4. Defining Distance Education for Fee-charging Purposes (Item A-4)

Andrew Kelly and Jonathan Pruitt presented information on the current approach to charging student fees for in-person instruction and distance education and summarized feedback from the universities. The task force also discussed how other universities have structured student fees for distance education and the opportunities to create options for online students who wish to access fee-supported services and activities.

5. Group Discussion (Item A-5)

The task force engaged in a robust discussion following the presentation. Issues related to educational quality and the types of fees students charged continued to be a point of interest. The group agreed that further discussion and data needs to be obtained in order to determine a definition for distance education.

6. Next Steps (Item A-6)

The task force discussed the need to continue the discussion regarding student fees and distance education at the next meeting, which will take place in December.

7. Adjourn (Item A-7)

There being no further business and without objection the meeting was adjourned at 2:40 p.m.

Wendy Floyd Murphy, Chair

AGENDA ITEM

A-3. Defining Distance Education for Fee-Charging Purposes.....Andrew Kelly and Jonathan Pruitt

Situation: The UNC 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 UNC Policy Manual does not establish 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. Section 1000.1.1 of the UNC Policy Manual governs the setting of undergraduate and graduate tuition rates, lays out the 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 UNC 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.

At its November 19 meeting, the task force began a discussion about various approaches to defining who pays what fees, and considered opportunities to charge optional fees to students who were learning online but wished to access fee-supported services and activities. The task force will continue that discussion in this meeting.

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: This item is for discussion.



TASK FORCE ON PRICING, FLEXIBILITY, AND AFFORDABILITY

Meeting 3
December 17, 2020

Presentation Outline

- **Updates since Nov. 19th meeting**
- **Defining DE for Fee-Charging Purposes**
 - Review of current approach
 - Student enrollment patterns
 - Options for defining DE
 - Review of campus feedback
 - Distance education and fees at other universities
- **Options for defining DE (Group Discussion)**
- **Next Steps**



FOLLOW-UP FROM NOVEMBER 19TH

Recommendation to the Committee on Budget and Finance

- The Committee on Budget and Finance considered a recommendation to move to uniform per credit tuition beginning with 2021-22 academic year.
- Specifically, the agenda item called for directing System Office staff to replace the standard language in the 2021-22 authorization of tuition that will be considered by the committee in February with new instructions that reflect the recommendation of the Task Force on Pricing, Flexibility, and Affordability.



DEFINING DISTANCE EDUCATION

Review of the Current Approach

Distance Education vs. On-Campus Fees

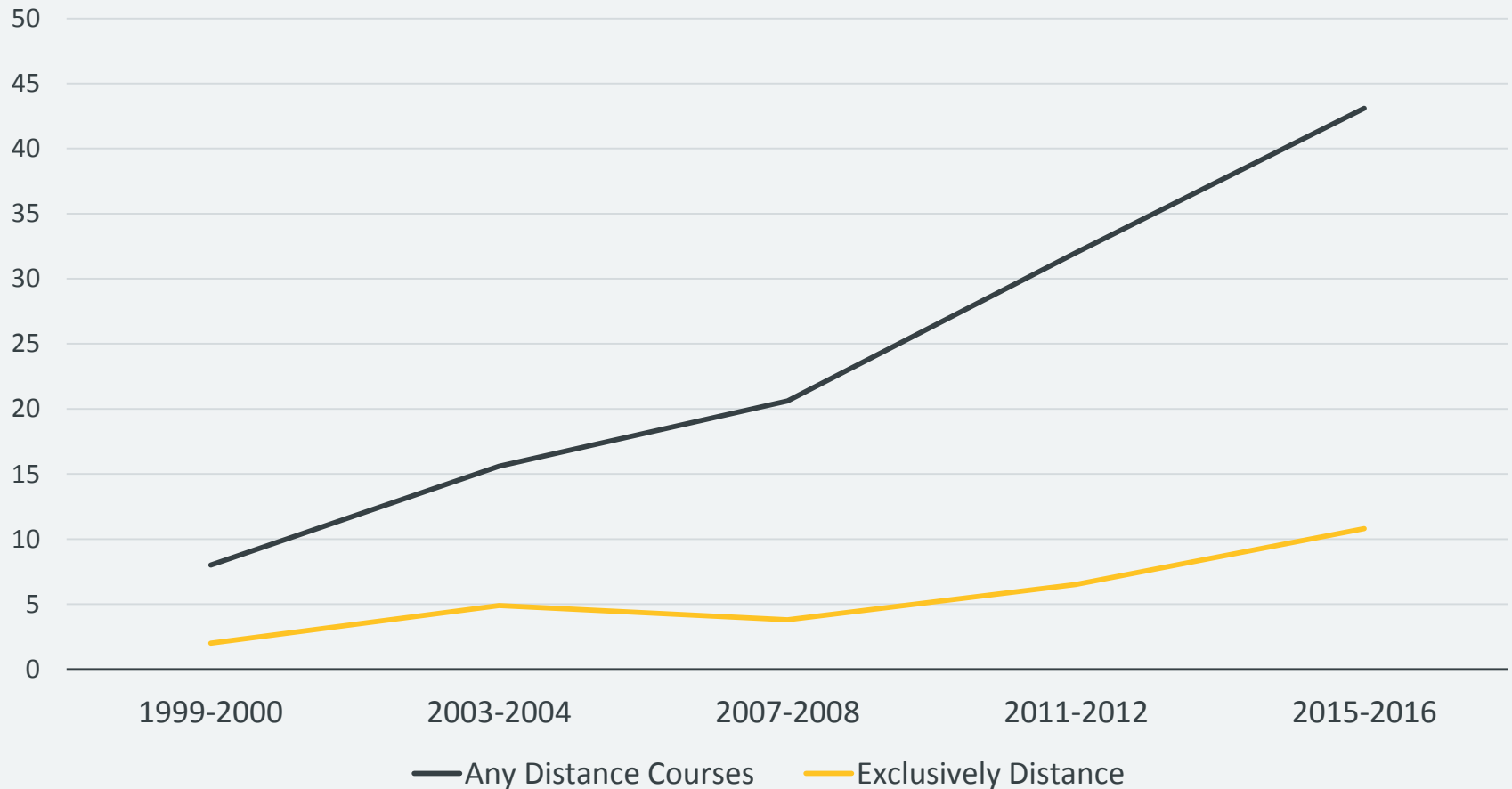
Category	Pays Student Fee?	
	On-Campus	Distance
Athletics	✓	
Health Services	✓	
Student Activities	✓	
Education & Technology	✓	✓
Campus Security	✓	✓
Debt Service	✓	
Association of Student Government	✓	✓

Background on Current Approach

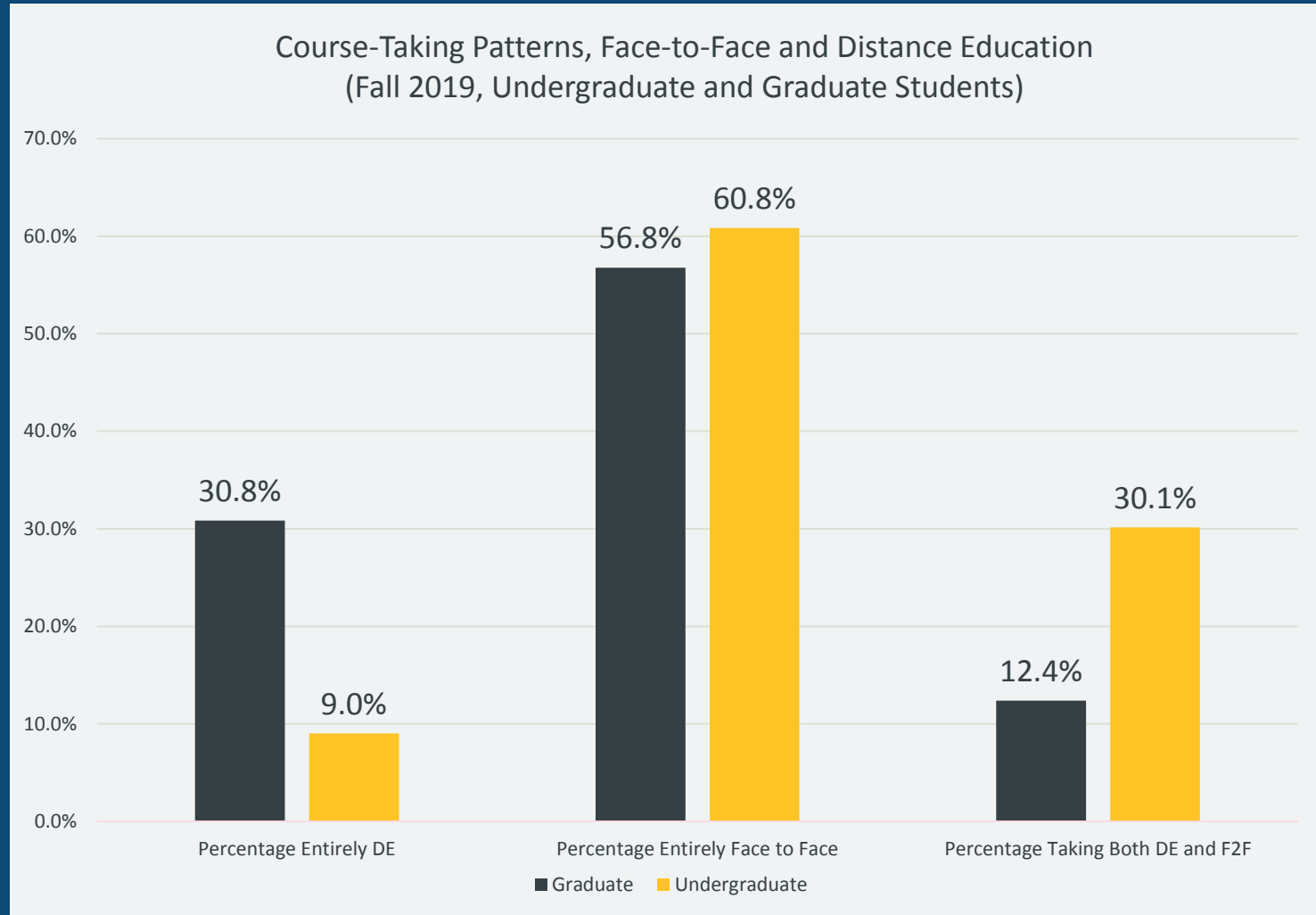
- When the original DE per-credit rates were established in 1998, the Board directed campuses to charge an Ed. and Tech. fee to DE students. Similarly, when the Campus Security fee was established, that was directed to be charged to DE students as well.
- In the late 1990s, distance education was a small, niche market, and students were typically at a distance.
- As online courses have become increasingly common, the line between “online” and on-campus has blurred.
- The absence of a standard definition of which students are considered DE has led to variation in practice across universities and caused confusion among students.

Significant Expansion of Distance/Online Ed

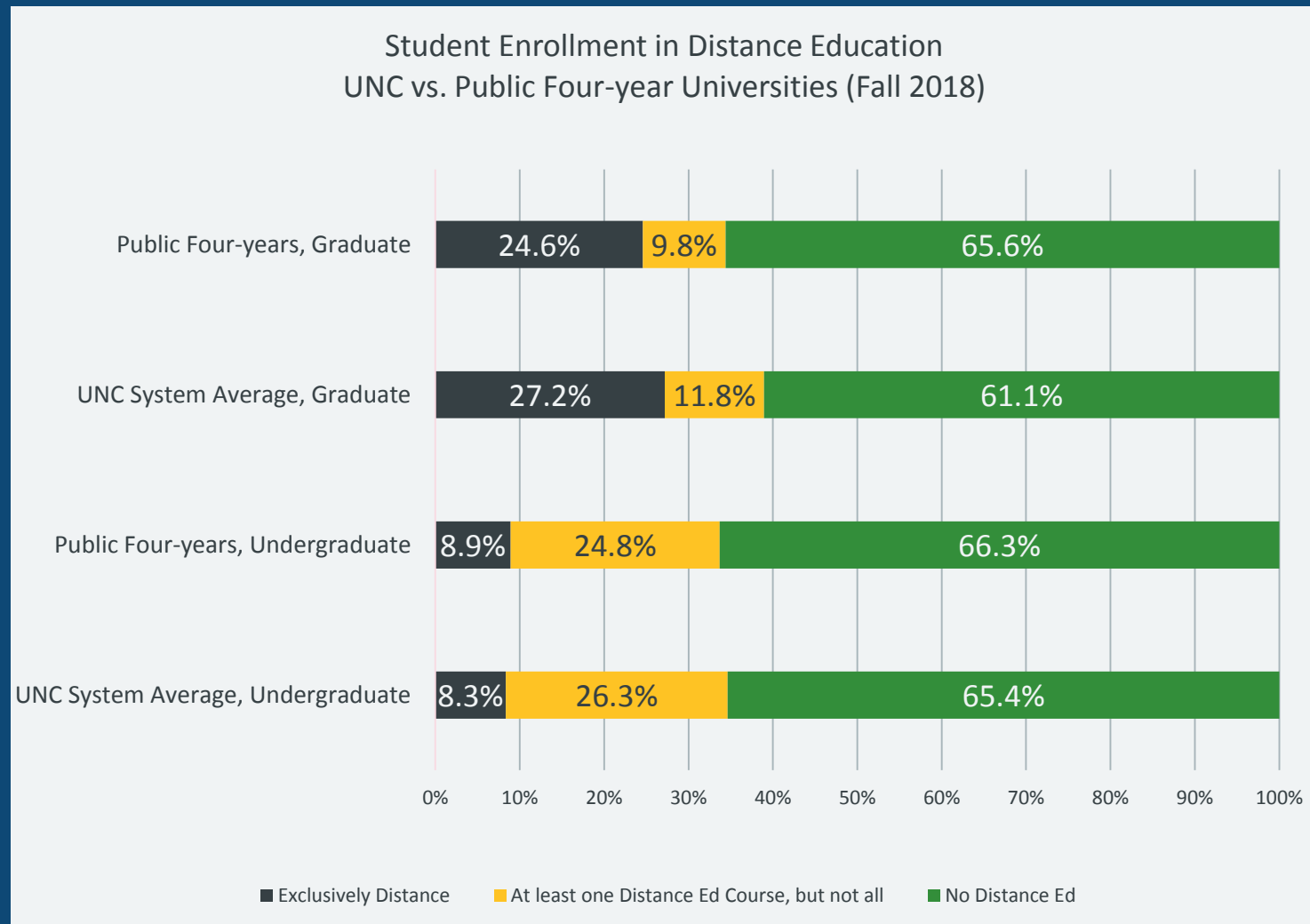
Percentage of Undergraduates Taking Any Distance Education Courses and Exclusively Enrolled in Distance Courses



Today: Many Students Enroll in a Mix of Distance Ed and Face-to-Face

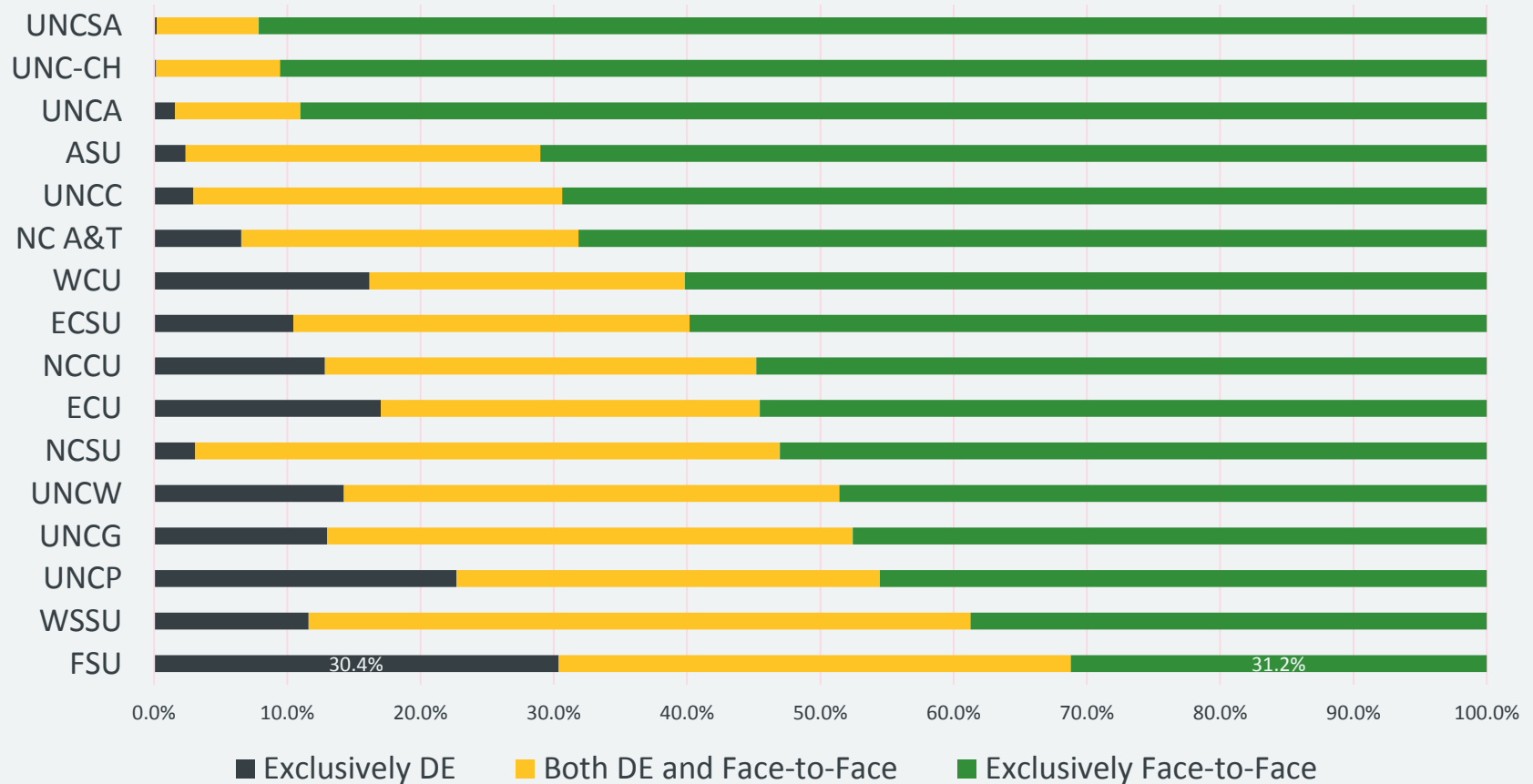


Today: Many Students Enroll in a Mix of Distance Ed and Face-to-Face

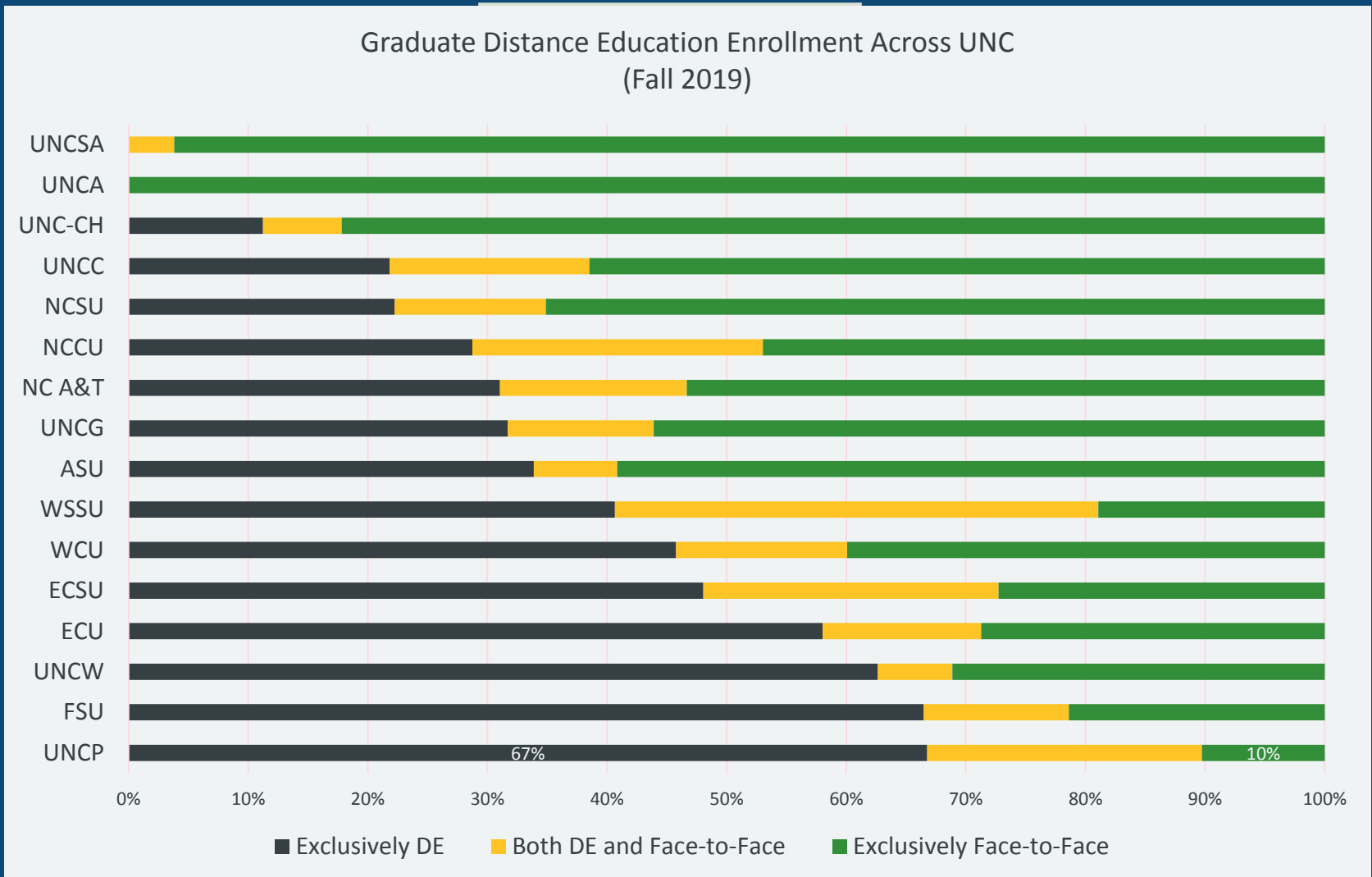


The Mix of In-person and Distance Ed Varies by University

Undergrad Distance Education Enrollment Across UNC
(Fall 2019)

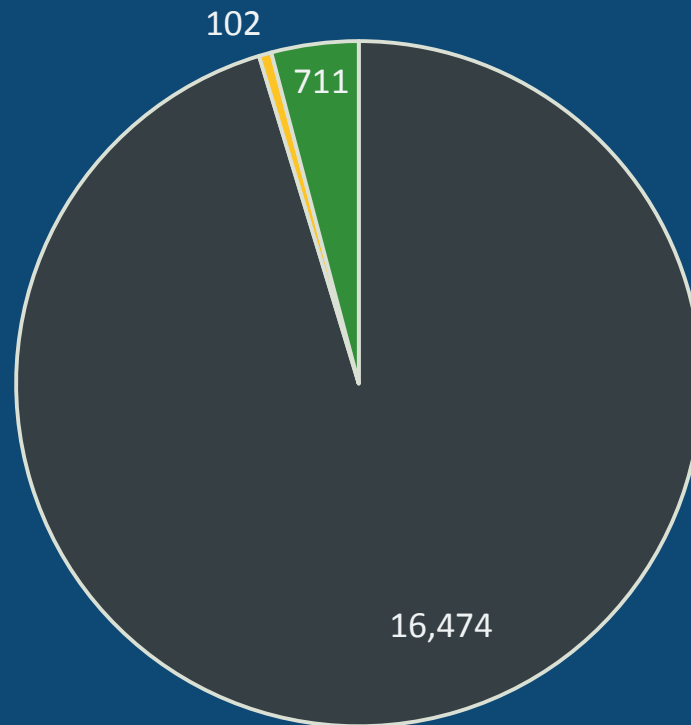


The Mix of In-person and Distance Ed Varies by University



Exceedingly Rare for Students Enrolled Exclusively in DE to Live On-campus

Student Living Arrangement
(Undergrads Exclusively Enrolled in Distance Ed)



■ Off-campus ■ On-campus ■ Unknown

Why consider changes to the current approach?

- **Price Consistency** – On average, students considered DE pay 20% of mandatory fees paid by on-campus students (\$524 vs. \$2,608). 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.

Options for Defining Distance Education

Definition	Examples
Course-based: students would be charged fees based on the individual courses they enroll in, with fees varying based on whether the course is considered online/DE or in-person.	University of Maine: “Online courses are not assessed any on-campus fees (i.e., Activity Fee, Communication Fee, or Recreation Center Fee). Online courses <i>are</i> assessed the Unified Fee, a \$25/credit hour Online Fee, as well as any other program and/or course-specific fees. (The Unified Fee is \$1,030 for 12-15 credit hours).”
Course-load based: students are charged fees based on the number of in-person courses in which they are enrolled (e.g., one in-person course = on-campus; all online = DE).	Texas State: “If a student is enrolled exclusively in online courses, four on-campus fees. . . will be waived. The normal electronic course fee of \$50 per semester credit hour (SCH) will be charged.” Ball State: “If you take one or more courses on Ball State’s main campus in Muncie, Indiana, during a semester or term, you are required to pay the main campus rate, which includes additional fees for student services, health, and recreation.”
Program-based: students are charged fees based on their choice of degree program (e.g., online or residential), which is chosen at time of matriculation.	Indiana University: “Online undergraduate students must enroll in online classes only in order to qualify for the online undergraduate tuition rate. A student who enrolls in any on-campus classes must be enrolled in an on-campus academic program. . . Students enrolled in on-campus academic programs will be assessed on-campus tuition rates for all classes, including any online classes they may take.”



DEFINING DISTANCE EDUCATION

Review of Campus Feedback

How do you determine who pays all mandatory fees?

- 5 universities use course delivery mode
- 7 universities use program-base definition
- 2 universities planning to move to a program-based definition prior to COVID

Mandatory Fees	Count	Institutions
Course Delivery Mode	5	ECU, FSU, NC A&T, UNCW, WSSU
Program-based Definition	7	ASU, NCCU, NCSU, UNCCH, UNCC, UNCG, WCU
<i>Planned</i> Move to Program-based	2	ECSU, UNCP

Pros & Cons of Moving Towards a Standard Definition

- **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?

- 3 universities suggested that all students should pay all mandatory fees, regardless of course delivery
- 7 universities recommended that if a student is in an on-campus degree program or enrolled in one or more on-campus courses, they should be charged all mandatory fees
- 2 universities suggested that when determining mandatory fees, there should be a consideration to benefits and proximity to campus
- Suggested considerations:
 - Usage and access to services
 - Students must clearly be able to understand the benefits/services offered



DEFINING DISTANCE EDUCATION

How Do Peer Universities
Charge for Distance Education?

Existing Definitions of Distance Education

CFR 34 600.2:

“Distance education” means education that uses one or more of the technologies listed in paragraphs (1) through (4) of this definition to deliver instruction to students who are separated from the instructor and to support regular and substantive interaction between the students and the instructor, either synchronously or asynchronously. The technologies may include: 1. the Internet...

SACS Commission on Colleges:

“For the purposes of the Commission on College’s accreditation review, distance education is a formal educational process in which the majority of the instruction (interaction between students and instructors and among students) in a course occurs when students and instructors are not in the same place. Instruction may be synchronous or asynchronous.”

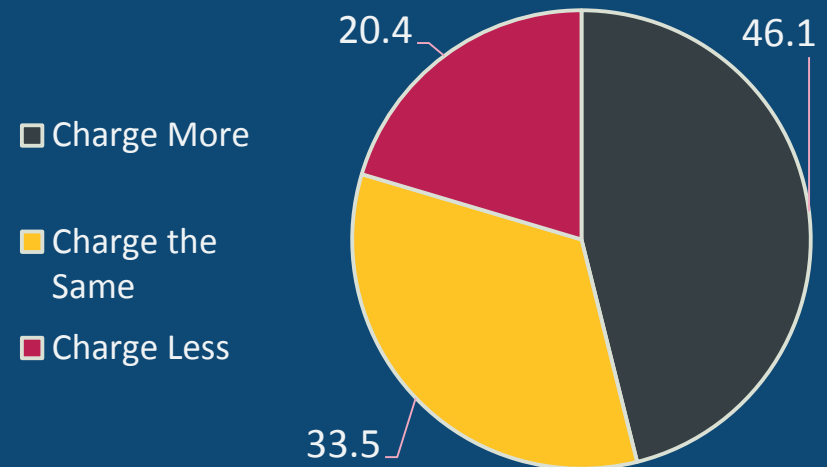
How Do Peer Universities Charge for Distance Education?

2017 WICHE survey of 170 colleges and universities

Do students enrolled “completely at a distance” pay all of the fees that on-campus students do?

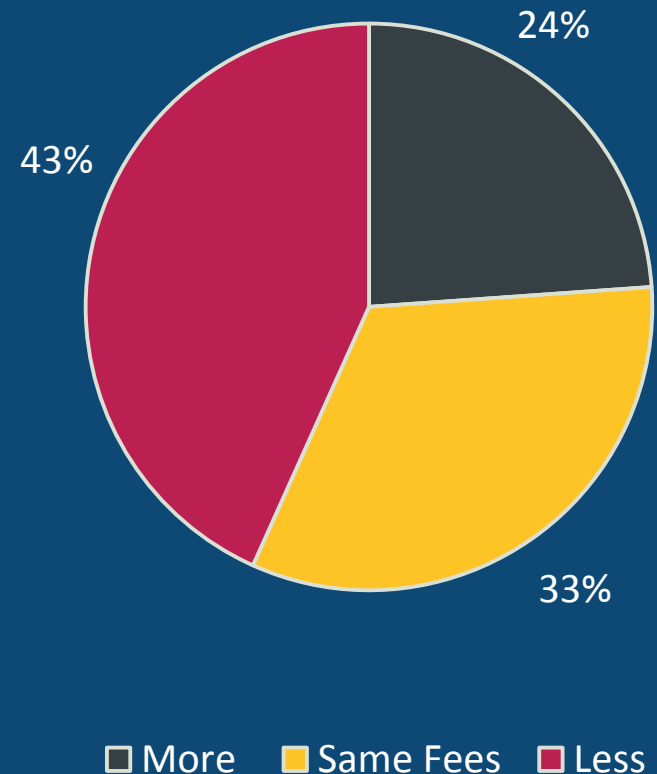
Answer	Percentage
Yes	36.3%
No	53.6%
Sometimes	10.1%

How Much More or Less are Distance Students Charged in Fees for a 3 Credit Course?



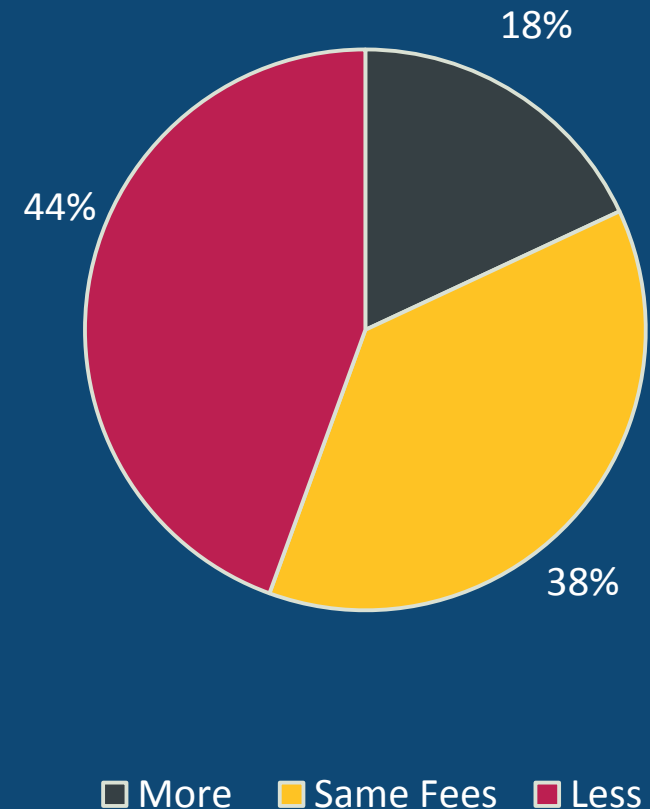
How do our peer institutions charge *undergraduate* fees for distance/online education?

- Out of 123 peer institutions, fee information for undergraduate distance education could be confirmed for 67 schools:
 - At 33% of institutions, there was *no difference* in fees for distance education
 - 24% charged *more* in fees for distance education
 - 43% charged *less* in fees for distance education



How do our peer institutions charge fees for *graduate* distance/online education?

- Out of 123 peer institutions, fee information could be confirmed for 72 schools.
 - At 38% of institutions, there was *no difference* in fees for distance education
 - 18% charged *more* in fees for distance education
 - 44% charged *less* in fees for distance education



Distance Education Fees

- Many peer institutions charge specific fees for distance education courses/students (rather than charging a subset of mandatory fees).
- Some charged *additional* fees for distance education.
 - Out of the 67 schools examined, 24 charged additional undergraduate fees for DE
 - Out of the 72 schools examined, 18 charged additional graduate fees for DE

Special Fees for Distance Education

- **UT Chattanooga:** Full-time Distance ed students *not* charged on-campus fees (student activity, debt service, health, athletic, facilities, transportation (\$745)), but they *are* charged a \$672 “online support” fee.
- **Rutgers:** “Students enrolled in fully-online academic programs are charged an off-campus fee. The off-campus fee supports programs and services to provide educational programs and related services to distant students. *Please note this fee is based on whether you attend classes on campus or off campus. It is not determined by whether you live on campus.*”
- **University of Maine:** “Online courses *are* assessed the Unified Fee [and] a \$25/credit hour Online Fee. The Online Fee is used to support and enhance the quality of online programming and the student learning experience. Supported student services include, but are not limited to: online orientation, online tutoring, online proctoring, online library resources, universal design, and online advising support.”

Optional Fees: University of Florida Online

- Students who choose to live near campus in Gainesville or Alachua County and would like to make use of the on-campus services and facilities supported by the fees to purchase the UF Online Optional Fee Package, which includes:
 - Activity & Service (Recreational, Intramural and Club Sports)
 - Health Services (Student Health Care Center & Counseling and Wellness Center)
 - University Athletics
 - Transportation
- “Your student ID card will provide you access to the services covered in this package.”
- For a student who is enrolled in 12 credit hours, they would pay \$554 for the Optional Fee Package (plus \$207 for UF Online fees)



Optional Fees:

University of Louisiana at Lafayette

- Two categories: On-campus programs, Online programs
 - All students enrolled in 100-percent online courses pay a flat-rate, per-credit-hour tuition.
 - Included with tuition: access to Louisiana Ragin' Cajuns Athletics events, as well as online library services, Career Services, Microsoft Office 365, and IT Support. Online students have access to 24/7 live tutoring.
- Students wishing to access additional on-campus services can purchase the Campus Connection Plan for \$100 per semester, which includes access to: Recreation center, Transportation services, intramural and club sports, and health services
- Online students who take an in-person or hybrid course *must* pay for the Campus Connection plan.



DEFINING DISTANCE EDUCATION

Discussion of Guiding Principles and Approaches

Guiding Principles

Access to services: Students who can access and benefit from services should pay fees that support those services.

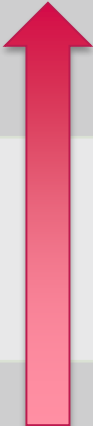


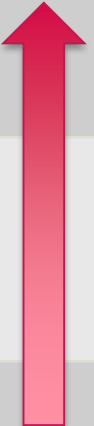




Simplification: Any changes should simplify tuition and fee structure for students and families and reduce administrative complexity.

Affordability: Changes to the definition of DE should have limited impact on student affordability.

Student success: The fee model for online/distance education should furnish the supports students need to be successful.

Revenue neutral: To the extent practicable, changes to fees should be revenue neutral or positive.

Options for Defining Distance Education

Definition	Online credit hours considered "DE"	Students who would be charged all mandatory fees	Fee Revenues	Administrative Complexity
Course-based: students would be charged fees based on the individual courses they enroll in, with fees varying based on whether the course is online/DE or in-person.	Most 	Fewer 	Less 	More 
Course-load based: students are charged fees based on the number of in-person courses in which they are enrolled (e.g., one in-person course = on-campus).				
Program-based: students are charged fees based on their choice of degree program (e.g., online or residential), which is chosen at time of matriculation.	Fewest 	More 	More 	Less 
Proximity-based: students are charged fees based on their geographic proximity to campus.	?	?	?	?

One Potential Approach

- Move to a consistent, program-based definition of distance education across the System:
 - Whether students pay mandatory fees would depend on the degree program they choose to enroll in rather than the courses they choose in a given semester.
 - This is already the approach at 7 campuses, with 2 more planning to move in this direction.
- Consider creating flexibility for universities to develop optional fee packages for online students that wish to access services
- Reconsider fees charged to distance education students and whether those are sufficient to support student success.

Potential Next Steps

- For January:
 - Assess the effect on revenue and student affordability under program-based definition of distance education
 - Solicit additional campus feedback on the option
 - Draft a formal recommendation for this Task Force to consider
- Additional questions to consider:
 - Does availability of services apply to all fees or just a subset of them?
 - Does the way fees are prorated need to be standardized and should this differ for on-campus vs. DE?
 - What additional or distinct services do online students need to succeed, and should those be fee-supported?

THANK YOU

CONNECT



www.northcarolina.edu



[uncsystem](https://www.facebook.com/uncsystem)



[@UNC_system](https://twitter.com/UNC_system)



[@UNC_system](https://www.instagram.com/UNC_system)

QUESTIONS?

CONNECT



www.northcarolina.edu



[uncsystem](https://www.facebook.com/uncsystem)



[@UNC_system](https://twitter.com/UNC_system)



[@UNC_system](https://www.instagram.com/UNC_system)