



**TRANSMITTAL LETTER**

Transmittal Number 151

December 7, 2023

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Policy Manual Number	Title	Action
<a href="#">600.2.3</a>	Policy on the Distinguished Professors Endowment Trust Fund	Amended 11/16/23 <i>Redline version attached</i>
<a href="#">1100.1</a>	Policy on Intercollegiate Athletics	Amended 11/16/23 <i>Redline version attached</i>
<a href="#">1000.1.1</a>	Policy on Tuition Rates	Amended 11/16/23 <i>Redline version attached</i>
<a href="#">1001.1.2[R]</a>	Regulation for Calculating Cost of Attendance	Adopted 11/30/23

The actions taken on the above policies and regulations were reviewed and approved by the Board of Governors and the president for inclusion in the UNC Policy Manual following the October and November 2023 Board of Governors meetings.

The entire UNC Policy Manual is accessible at: <https://www.northcarolina.edu/apps/policy/index.php>

The UNC Policy Manual  
600.2.3  
Adopted 10/11/85  
Amended 11/10/95  
Amended 07/12/02  
Amended 09/12/03  
Amended 11/11/05  
Amended 06/08/07  
Amended 10/17/08  
Amended 01/20/2022  
Amended \_\_/\_\_/23

### Policy on the Distinguished Professors Endowment Trust Fund

I. Purpose. The Distinguished Professors Endowment Trust Fund was established in 1985 by the North Carolina General Assembly to enable each constituent institution of the University of North Carolina to receive and match challenge grants to create endowed professorships for selected distinguished professors.<sup>1</sup>

A. In 1995, the General Assembly amended the statute that authorized the trust fund, to make clear that distinguished professorships could be awarded to either current faculty or newly hired faculty.<sup>2</sup> The original legislation provided for matching grants on the basis of one dollar in state money to be allocated from the trust fund for every two dollars in private funds. In 2003, the General Assembly amended the statute to change that ratio to a one-to-one basis for constituent institutions designated as “focused growth institutions” or as “special needs institutions.”<sup>3</sup>

B. In 2005, the General Assembly amended the legislation to increase the possible amounts of challenge grants that could be received under the legislation by allowing a challenge grant of up to \$667,000 to be paid on a two-to-one basis for non-focused-growth and special needs institutions and up to \$1,000,000 to be paid on a one-to-one basis for focused growth and special needs institutions for a maximum total award of \$2,000,000.<sup>4</sup>

C. In 2023, the General Assembly amended the legislation to require that distinguished professorships created pursuant to this program be in a STEM subject. The General Assembly defined “STEM subject area” as any subject area in a field of scholarship related to science, technology, engineering, or mathematics, excluding law and journalism.

DE. Consistent with the terms and conditions set out in the legislation, the Board of Governors adopts the following policy for administering the Board of Governors Distinguished Professors Endowment Trust Fund “the Trust Fund”).

II. Definitions. The following operational definitions apply to this policy:

A. “Focused Growth Institutions.” Refers to the following institutions, which have targeted support and development: Elizabeth City State University, Fayetteville State University, North

Carolina Agricultural and Technical State University, North Carolina Central University, The University of North Carolina at Pembroke, Western Carolina University, and Winston-Salem State University.

B. "Private Gift" or "Private Contribution." A donation from a private individual or entity (including any foundation or business entity). Federal grant funds do not meet the definition of a "private gift" or "private contribution." Private contributions to institutional endowment funds must be given or pledged specifically for the purposes of the trust fund, and only contributions received after July 1, 1985, may be credited to the special endowment fund of the institution.

C. "Special Needs Institutions." Refers to the following institutions, which have targeted missions and smaller enrollments: [the North Carolina School of Science and Mathematics, the University of North Carolina School of the Arts,](#) and the University of North Carolina at Asheville.

~~C~~D. "STEM subject area" has that meaning found at [N.C. Gen. Stat. § 116-41.13A\(3\)](#).

### III. General

A. Appropriated Funds. All funds appropriated for the Trust Fund shall be held by the Board of Governors in accordance with G.S. 116-36.1.

B. Matching Funds. Matching funds shall be allocated by the president to the constituent institutions from appropriated funds and interest earnings in the trust fund in accordance with the schedule set out in section IV., below, and subject to all requirements and conditions in the policy and regulation being met by the institutions that apply for allocations.

### IV. Requirements for Private Contributions

A. Establishment of Distinguished Professors Endowment Fund. An institutional board of trustees, to be eligible for an allocation from the president under the schedule set forth herein, shall establish a Distinguished Professors Endowment Fund (hereafter "Endowment Fund") to be administered in accordance with G.S. 116-36, and private contributions received for this purpose shall be deposited to that Endowment Fund, together with the challenge grant from the Trust Fund.

B. Levels of Endowed Professorships. The statutes provide for grants for endowments up to \$2,000,000. This policy provides for four levels of endowed professorships: an endowment of \$500,000, an endowment of \$1,000,000, an endowment of \$1,500,000, or an endowment of \$2,000,000.

C. Matching Requirements for an Institution other than Focused Growth or Special Needs Institution. [State matching funds will be provided only in the amounts shown below for each level of private funds raised.](#) For a constituent institution other than a focused growth or special needs institution, the institution must have the following amounts in private contributions in its Endowment Fund to qualify for the corresponding transfer of the state matching funds from the Board of Governors Trust Fund:

Private Contribution	State Matching Funds	Total Endowment
\$ 1,333,000	\$ 667,000	\$ 2,000,000
\$ 1,000,000	\$ 500,000	\$ 1,500,000
\$ 666,000	\$ 334,000	\$ 1,000,000
\$ 333,000	\$ 167,000	\$ 500,000

**DE.** Escrow Requirements for an Institution other than Focused Growth or Special Needs Institution. For constituent institutions other than focused growth and special needs institutions, the appropriate state challenge grant amount) may be placed in escrow in the Trust Fund for an institution that meets the following thresholds of funds raised and committed, provided that each payment or aggregate payments on this balance shall be no less than the amount of the initial payment(s) and shall be made on or before the anniversary date of the initial payment(s), and the full amount shall be paid within five years of the initial payment(s). When the full requisite amount is in the institution's Endowment Fund, the state challenge grant shall be paid from the Board of Governors Trust Fund.

Initial Private Contribution	Written Pledge Contribution	State Matching Funds	Total Endowment
\$ 222,000	\$ 1,111,000	\$ 667,000	\$ 2,000,000
\$ 166,600	\$ 833,400	\$ 500,000	\$ 1,500,000
\$ 111,000	\$ 555,000	\$ 334,000	\$ 1,000,000
\$ 55,500	\$ 277,500	\$ 167,000	\$ 500,000

**DE. F.** Matching Requirements for Focused Growth and Special Needs Institutions. For focused growth and special needs institutions, the institution must have the following amounts in private contributions in its Endowment Fund to qualify for the corresponding transfer of the state match from the Board of Governors Trust Fund to its Endowment Fund. State matching funds will be provided only in the amounts shown below for each level of private funds raised:

Private Contribution	State Matching Funds	Total Endowment
\$ 1,000,000	\$ 1,000,000	\$ 2,000,000
\$ 750,000	\$ 750,000	\$ 1,500,000
\$ 500,000	\$ 500,000	\$ 1,000,000
\$ 250,000	\$ 250,000	\$ 500,000

**FG.** Escrow Requirements for Focused Growth and Special Needs Institutions. For focused growth and special needs institutions, the appropriate state challenge grant amount may be placed in escrow in the Trust Fund for an institution that meets the following thresholds of funds raised and committed, provided that each payment or aggregate payments on this balance shall be no less than the amount of the initial payment(s) and shall be made on or before the anniversary date of the initial payment(s), and the full amount shall be paid within five years of the initial payment(s). When the full requisite amount is in the institution's Endowment Fund, the State challenge grant shall be paid from the Board of Governors Trust Fund.

Initial Private Contribution	Written Pledge Contribution	State Matching Funds	Total Endowment
\$ 166,600	\$ 833,400	\$ 1,000,000	\$ 2,000,000
\$ 125,000	\$ 625,000	\$ 750,000	\$ 1,500,000

\$ 83,300	\$ 416,700	\$ 500,000	\$ 1,000,000
\$ 41,600	\$ 208,400	\$ 250,000	\$ 500,000

V. Procedures for Establishing Endowed Professorships

A. A Plan for Establishment of the Endowment Fund. After an institutional board of trustees establishes the Endowment Fund required in section IV., above, the chancellor shall prepare a plan for the establishment of all endowed professorships contemplated. This plan shall be submitted to the president for review and approval. No challenge grant shall be made in the absence of an approved plan.

B. Named Endowed Professorship. The board of trustees may name an endowed professorship in honor of a donor, benefactor, or other person or organization in consultation with the private donor(s) and chancellor in accordance with applicable institutional or UNC System policies and state laws.

C. Recipient Title. For a full professor, the recipient of a Distinguished Professorship shall be called "Distinguished Professor;" for an associate professor, the recipient shall be called "Distinguished Scholar;" and for an assistant professor, the recipient shall be called "Distinguished Fellow." All Distinguished Professorships at the North Carolina School of Science and Mathematics shall be called "Distinguished Faculty."

D. Duration of the Distinguished Professorship. G.S. 116-41.18 allows Distinguished Professorships for the duration of the full-time service of the distinguished professor as a faculty member, and it also allows time-limited appointments when authorized by the Board of Governors and the board of trustees at the institution when a Distinguished Professorship is originally established or when it is vacated. The Distinguished Scholars and Distinguished Fellows shall be for a time-limited, renewable term during a faculty member's full-time service at the respective rank of associate or assistant professor. The Board of Governors delegates the authority to designate a Distinguished Professorship, including Distinguished Scholar and Distinguished Fellow, as time-limited to the boards of trustees of those constituent institutions designated as special responsibility constituent institutions with management flexibility to appoint and fix compensation.<sup>5</sup> Distinguished Faculty at the North Carolina School of Science and Mathematics shall be on a time-limited, renewable term coinciding with their contract.

E. Visiting Professors. Except for visiting artists at the University of North Carolina School of the Arts, the endowment may not be used for visiting professors.

F. Subject Matter of Distinguished Professorships. New Distinguished Professorships added starting in fiscal year 2024 shall be in a STEM subject area. Existing Distinguished Professorships can remain in the academic area of establishment unless the institution requests additional state matches to upgrade the level of the professorship. In those instances, the subject area must be in an approved STEM subject area. The President shall promulgate regulations denoting by two-digit Classification of Instructional Program (CIP) code what subject areas are STEM subject areas. The System Office shall make this list available on its website.

VI. Reporting. No later than December 15, 2024, and annually thereafter, the Board of Governors

shall identify and provide to the Joint Legislative Education Oversight Committee of the North Carolina General Assembly a list of degree programs in STEM subject areas by two-digit CIP code and the number of Distinguished Professorships, however named, at each constituent institution in each STEM subject area by two-digit CIP code.

VII. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of adoption of this policy by the Board of Governors.

B. Relation to Federal and State Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.

C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

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<sup>1</sup>S.L. 1985-757, Sec. 202; G.S. 116-41.13-41.19.

<sup>2</sup>S.L. 1995-507, Sec. 15.12; G.S. 116-41.18.

<sup>3</sup>S.L. 2003-293; G.S. 116-41.13.1, et. seq.

<sup>4</sup>S.L. 2005-276, Sec. 9.21(a-c); G.S. 116-41.15; 116-41.16; and G.S. 116-41.17.

<sup>5</sup>See Sections 600.3.2 and 600.3.4 of the UNC Policy Manual.

### Intercollegiate Athletics

1. The Board of Governors has delegated the responsibility for intercollegiate athletics to the chancellors under *The Code's Delegation of Duty and Authority*. That delegation is subject to the requirements and mandates in this policy.
2. The chancellors shall ensure that all athletes admitted to the institution are capable of progressive academic success and graduation within six years.
3. The chancellors shall ensure that the policies for admission of student athletes are reviewed by appropriate members or bodies of the faculty and that any recommendations or advice from those members or bodies are received and considered.
4. The chancellors shall ensure that exceptions or waivers for the admission of student athletes are reviewed by appropriate members or bodies of the faculty and that any recommendation concerning these applicants are received and considered by the chancellors in a timely manner.
5. The chancellors shall ensure that student athletes follow a coherent course of study that is designed to accomplish reasonable progress toward a baccalaureate degree.
6. Chancellors shall ensure that the tutorial and remedial programs for student athletes will be administered by appropriate academic offices in cooperation with athletic department officials.
7. The chancellors shall ensure that athletes who are not making satisfactory academic progress are not allowed to continue as team players.
8. The chancellors shall ensure that a mandatory drug-testing program for student athletes is implemented and monitored.
9. The chancellors shall ensure that formal awareness programs on the dangers of gambling in athletics is implemented.
10. The chancellors shall ensure that the institutions conform with NCAA standards.
11. The chancellors shall ensure that all foundations, clubs, and associations established primarily to raise money on behalf of constituent institutions are audited annually and that those audits are reviewed by the institutional Boards of Trustees and are forwarded to the President.
12. The chancellors shall ensure that the position of director of athletics is separate and distinct from the position of a coach of any sport.

13. If an institution receives funds from the State from any source that are specifically appropriated for its athletic department operations, the chancellor shall submit to the president a proposed athletic department operating budget and a five-year budget projection that demonstrates how these funds will be used towards achieving the following objectives:

a. Providing an economic benefit to the institution and its service region.

b. Remediating any athletic department operating deficits.

c. Decreasing the reliance on non-athletics-specific institutional trust fund revenues to cover athletics department expenditures.

14. The chancellors shall submit an annual report to the Board of Trustees of the constituent institutions with a copy to the President, who will report to the Board of Governors. The annual report shall be designed according to criteria and format defined by the Office of the President and shall include the following elements:

a. organization and philosophy of athletics programs;

b. the admission policy for student athletes including the definitions utilized for exceptions to campus-based criteria;

c. student-athlete exceptions to the minimum course requirements set by the Board of Governors and defined in Policy 700.1.1 and Regulation 700.1.1.1[R];

d. the student-athlete profiles for admitted student athletes including SAT/ACT scores, high school grade point averages and NCAA classifications;

e. information about the majors or programs of study chosen by student athletes;

f. academic progression information for student athletes and six-year graduation rates; and

g. information about "booster" club organizations and procedures.

h. athletic financial data as reported to the NCAA.

~~1415.~~ The chancellors shall report to the Board of Trustees the student-athlete exceptions to the institution's undergraduate admissions criteria.

~~1516.~~ The chancellors shall ensure that the annual report is forwarded to appropriate members or bodies of the faculty and that any response from such members or bodies is received and considered by the chancellors.

[This policy consolidates policies 1100.1 and 1100.2]



The UNC Policy Manual  
1000.1.1  
Adopted 02/09/73  
Amended 06/18/73  
Amended 07/12/74  
Amended 06/11/93  
Amended 02/14/03  
Amended 07/01/07  
Amended 09/16/21<sup>1</sup>  
Amended 01/20/22  
Amended 02/24/22  
Amended 11/16/23

## Policy on Tuition Rates

*The General Assembly shall provide that the benefits of The University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense. –North Carolina Constitution, Article IX, Section 9*

I. Purpose. The North Carolina Constitution sets the parameters for establishing resident tuition rates at the constituent institutions of the University of North Carolina (UNC). The constitutional provisions for setting tuition are codified in North Carolina General Statutes (hereinafter G.S.) 116-11(7), which states, in part, "The Board [of Governors] shall set tuition and required fees at the institutions, not inconsistent with actions of the General Assembly." This statute governed the setting of tuition rates for both resident and nonresident students from 1971 through 1999, during which time the Board of Governors recommended no tuition increases except as required by session law. In November 1998, the Board adopted a tuition policy, as directed by the General Assembly, which allowed for the consideration of tuition increases as requested by the constituent institutions. These funds are subsequently appropriated by the General Assembly for use by the institution. This policy outlines the framework to be followed by the Board in establishing tuition levels for constituent institutions.<sup>2</sup> Tuition is charged to students enrolled in academic programs during regular terms, summer sessions, or through off-campus instruction, and is used to partially defray the costs of general academic and administrative operations of campuses, including academic programs and faculty and administrative salaries and benefits.

### II. General Policy

A. Undergraduate Tuition. The appropriate tuition policy at the undergraduate level encourages students to pursue academic and intellectual interests without regard to program costs. Accordingly, no difference in tuition between undergraduate programs will occur within an institution, and there will be only minimal differences in undergraduate tuition among campuses in similar institutional categories as defined by the Board to reflect both varying missions and contrasting costs of education, or at the direction of the General Assembly, such as the NC Promise program. Deviation in undergraduate tuition among campuses in different institutional categories will be based upon institutional offerings and will be reasonable. Combined tuition and fee rates for undergraduate residents shall be in the bottom quartile of each respective institution's Board-approved public peers.

B. Graduate and Professional Tuition. The Board will apply Article IX, Section 9 of the North Carolina Constitution to graduate- and professional-level students but with the realization that the costs, sources of funds, and purposes of graduate and professional education are materially different from undergraduate education. The application of what is “practicable” varies by level of instruction for a number of reasons, and those differences will be reflected in the tuition policies associated with each level. Tuition for graduate and professional students will be set with an understanding that tuition revenues may be needed to maintain and increase the excellence of the University’s graduate and professional programs. In setting tuition rates, the Board will consider the need to provide access to these programs for students irrespective of their financial capacity as well as the desire to attract and retain the best students to serve North Carolina’s needs in each field.

C. Nonresident Tuition

1. Under G.S. 116-144, the Board of Governors is required to set tuition rates for nonresident students at levels “. . . higher than the rates charged residents of North Carolina and comparable to the rates charged nonresident students by comparable public institutions nationwide. . . .” In complying with the statute, the Board will set tuition for nonresident students after considering the results of a review of rates set by comparable public institutions nationwide. Each constituent institution should set a goal to keep its combined undergraduate nonresident tuition and fee rates at or above the third quartile of its respective Board-approved public peers. Nonresident tuition rates should be market driven and cover the full cost of providing a quality education. The Board will further consider the need for tuition remissions for nonresident graduate students when setting tuition rates and tuition remission policies.

2. Constituent institutions are authorized to award tuition remission to certain nonresident graduate students to reduce the tuition rate for these students to the in-state rate. This tuition remission may be given to nonresident graduate students who are awarded a graduate teaching or research assistantship and who are paid a stipend of at least \$2,000 per academic year. Individual institutions may also establish higher minimum stipend amounts or additional policies relating to eligibility for tuition remission. The following conditions apply:

- a. Each institution shall limit the granting of tuition remissions to conform with established budgetary limitations.
- b. Each institution may supplement this appropriation from other non-state sources.
- c. Institutions may not provide tuition remissions to all graduate students.
- d. The president shall adopt administrative procedures and regulations for the implementation of the tuition remission.

D. Tuition Rates for Part-time Students. Effective with the fall term of 2021, part-time resident students and part-time nonresident students taking courses within North Carolina are charged the regular-term tuition rates established by the Board and the tuition rates for these students are implemented on a per-credit-hour basis to be calculated as follows:

1. Part-time undergraduate students shall be charged tuition per credit hour, at a rate equal to the annual undergraduate tuition rate at their institution divided by 24. The per-credit rate shall be capped at 12 credits per semester for fall and spring semesters, meaning undergraduate students shall not be charged for additional credits beyond 12 in a fall or spring semester.

2. Part-time graduate students shall be charged tuition per credit hour, at a rate equal to the annual graduate tuition rate divided by 18. The per-credit rate shall be capped at nine credits for fall and spring semesters, meaning graduate students shall not be charged for additional credits beyond nine per semester in a fall or spring semester.

E. Other Tuition Rates

1. The authority to set tuition rates for nonresident students taking courses outside North Carolina and to approve tuition rates for self-supported summer enrollment is delegated to the president. The president may also grant exceptions to the method by which the tuition rate is implemented on a per-credit-hour basis, provided that the relevant course or program is receipt-supported.

2. Student Exchange Programs. The constituent institutions are authorized to enter into and extend or modify agreements with institutions in other countries to provide for a balanced exchange of students. A UNC student participating in such an exchange shall be charged tuition by the home UNC institution at a rate consistent with the residency status the student would otherwise have at the home institution and shall be counted in the official FTE of the home institution in that residency status. A foreign student participating in such an exchange agreement shall not be charged tuition by the host UNC institution and shall not be counted in the official FTE of the host UNC institution.

3. Project Kitty Hawk Programs. At the request of Project Kitty Hawk, Inc., on an annual basis the Board of Governors shall establish a maximum per-credit tuition rate for self-supported digital learning programs offered through a partnership with Project Kitty Hawk ("Maximum Tuition Rate"). In consultation with the participating constituent institutions and upon approval of the president, the Project Kitty Hawk, Inc., Board of Directors shall approve tuition rates for Project Kitty Hawk programs, provided the rates do not exceed the Maximum Tuition Rate.<sup>3</sup> Project Kitty Hawk programs may request approval from the Board of Governors to exceed the Maximum Tuition Rate where the Project Kitty Hawk, Inc., Board of Directors and the president find that it is in the best interest of the program to do so. Notwithstanding, tuition rates established for nonresident students shall exceed the resident tuition rate charged for the applicable Project Kitty Hawk program.

III. Process for Setting Tuition Rates

A. Undergraduate Rates. The Board recognizes that campuses may experience circumstances that suggest an across-the-board change in undergraduate tuition may be needed at one or more institutions. In the event that circumstances lead a campus or campuses to the conclusion that a change in undergraduate tuition rates is needed, campuses are permitted to bring proposals for undergraduate tuition changes to the Board for its consideration. Campuses wishing to submit requests for undergraduate tuition changes will conduct a process that includes meaningful

participation by and input from students. A student involvement form signed by the student body president, or designee, should be included with any campus-initiated tuition increase request. A campus will consider the following factors when creating an undergraduate tuition proposal:

1. Availability of state general fund revenue to maintain quality and access within the campuses of the University of North Carolina System;
2. Evidence of institutional efforts to manage costs through increases in productivity, budget flexibility, and/or efficiency improvements;
3. Analysis of the impact of tuition and fee charges on student access to the constituent institutions of the University of North Carolina System as measured by the college-going rate and other metrics so as not to limit access to the University;
4. Changes in various price and income indices (e.g., North Carolina per capita personal income, Consumer Price Index, Higher Education Price Index, Median Household Income);
5. The current level of student charges (tuition, fees, room and board) at UNC System institutions and whether campuses have proposed campus or program tuition differentials for the budget period that would be in addition to general increases in tuition;
6. Analysis of student indebtedness levels within the University, viewed in the context of student attrition rates;
7. Availability of financial aid and amount of unmet need. Financial aid should be reviewed in the context of the different missions of the institutions, the diverse capacities of the institutions to provide financial assistance and the contrasting needs of students attending the institutions.

B. Graduate and Professional Tuition Rates. The Board of Governors will permit individual campuses to initiate requests for Board approval of different base or program tuition rates at the graduate and professional level. If a campus explores the possibility of developing such a request, it will present evidence to ensure that students in the affected graduate and/or professional programs have been consulted. Graduate and professional schools should establish rates consistent with each program's unique market and academic requirements. Tuition for graduate and professional students will be set with an emphasis on maintaining and increasing the excellence of the institution's graduate and professional programs as well as ensuring access. To the extent possible, there should be full tuition remission for graduate assistants to improve an institution's competitiveness in recruiting and retaining highly qualified nonresident graduate students.

In reviewing potential criteria to recommend as a basis for deciding when specific graduate or professional tuition differentials may be appropriate at a particular institution, a flexible policy framework that allows judgments to be reached based on a number of factors is preferable either to cost-based formulas or to discipline or program typologies that treat all academic or professional programs the same. In particular, a flexible approach based on the unique factors associated with specific programs is desirable because of the potential mix of graduate and professional programs that one may find within any given school or college, e.g., a professional school may offer a Ph.D.

program in addition to one or more professional degree programs. Therefore, the campuses will consider the following factors in developing graduate and professional school tuition proposals:

1. The anticipated impact of a proposed change on program quality;
2. The projected impact of a proposed change in tuition on access for North Carolina residents;
3. The availability of student financial aid for students with economic need and of tuition remission;
4. The extent to which current and prospective students can afford possible increases in tuition;
5. The relationship of projected tuition revenue to institutional and/or program costs;
6. Tuition and fees, net of remissions and waivers, charged by peer institutions or programs, as compared to tuition and fees, net of remissions, at the UNC institution or program (the public subsidy received by students at public institutions or programs in the peer set, including the UNC institution or program in question, will also be identified as part of the comparison);
7. A plan for the intended use of additional tuition receipts (e.g., needed improvements to the educational program, funding for competitive salary increases, financial aid, etc.);
8. Assistantships or grant support for graduate students; and
9. Analysis of student indebtedness levels within the University.

C. Timing of Board Action. The Board will act by March of each year, or as soon as possible thereafter, to establish the University's campus-initiated tuition rates for the next academic year. Setting campus-initiated tuition rates by March will permit students and their families to know in early spring what their tuition charges for the fall semester will be, assuming consistency between the actions of the Board of Governors and the General Assembly.

D. Individual Consideration of a Campus Request. The Board will review each campus-based tuition request on an individual basis, within the context of the UNC System's strategic plan, the need for tuition increases, the state's economic environment, and the financial impact on students. The Board is obligated to exercise its discretion in granting, modifying, or denying a campus request. Revenue generated from a campus-initiated change in tuition rates will be accounted for in the budget of the originating campus and transferred within the institution by the chancellor in accordance with the priorities identified in the approved campus proposal.

E. In the event that circumstances require that an increase in tuition be made outside of the process described above, the president may recommend proposed increases in general tuition rates for consideration by the Board. The president will seek counsel from the chancellors and a committee of campus representatives, appointed by the president in consultation with the

chancellors, before making the recommendations for tuition changes. The committee of campus representatives appointed by the president shall include students.

The president, the chancellors, and the committee of campus representatives will consider a number of factors in deciding whether to recommend changes to general tuition rates in any given year. After the president recommends any action to the Board of Governors, the Board will also consider the factors in sections III.A and III.B., above.

IV. NC Promise Tuition Plan

A. Pursuant to G.S. 116-143.11, beginning with the 2018 fall academic semester, the Board of Governors shall set the rate of in-state undergraduate tuition at Elizabeth City State University, the University of North Carolina at Pembroke, [Fayetteville State University](#), and Western Carolina University at \$500 per academic semester, and the tuition rate for nonresident undergraduate students at \$2,500 per academic semester. The Board of Governors shall give due consideration to maintaining the unique historical character of each institution, including service to students who are first generation, college-going, economically disadvantaged, or minority.

B. By October 1 of each year, the Board of Governors and the chancellors of the institutions named in this subsection, respectively, shall submit a report to the Joint Legislative Education Oversight Committee, the House Appropriations Committee on Education, the Senate Appropriations Committee on Education/Higher Education, and the Fiscal Research Division on the amount of any financial obligation resulting from the established tuition rate incurred at each constituent institution and at least the following information for the fiscal year:

1. The amount required to offset the forgone tuition receipts at each of the three constituent institutions as a result of the tuition rate established by this section and how those funds were allocated to each institution.
2. The number of enrolled resident students at each institution.
3. The number of enrolled nonresident students at each institution.

V. Fixed Tuition

A. Fixed Tuition Program. Pursuant to G.S. 116-143.9, the Board of Governors of the University of North Carolina shall ensure that policies and procedures are established for a fixed tuition program beginning with the fall 2016 academic year and all subsequent years. The rate of tuition of any eligible first year, continuing or transfer undergraduate student who is admitted to any constituent institution of the University of North Carolina and deemed to be a North Carolina resident for purposes of tuition shall be guaranteed for a designated time period based on program length and classification. The tuition period shall be eight consecutive academic semesters for a first-time student seeking a baccalaureate degree in a four-year program or 10 consecutive academic semesters for a first-time student seeking a baccalaureate degree in a program officially designated by the Board of Governors as a five-year program, not including any summer sessions. Transfer students shall receive fixed tuition for a period determined based on the balance of a designated program length after making the proper adjustments for a student who transfers to the constituent institution. Current undergraduates shall receive fixed tuition for a period determined based on the balance of their designated program length after making the proper adjustments for

semesters already completed. The calculation to determine the balance of a designated program length will be determined by the UNC System Office.

B. **Guarantee Rate of Tuition.** The fixed tuition program is a guarantee that the rate of tuition approved by the Board of Governors will remain constant or decrease during the tuition period. Students must remain continuously enrolled at the constituent institution during the designated time period to receive this benefit. At the end of the tuition period, the cost of tuition for any additional academic semesters reverts to the amount of the current tuition for that constituent institution.

C. **Students Subject to Fixed Tuition.** Fixed tuition will be for all eligible students deemed to be a North Carolina resident for tuition purposes for the following three categories of degree-seeking undergraduates in four or five-year baccalaureate degree programs.

1. Baccalaureate degree-seeking students entering into an undergraduate four or five-year degree program as a first-time student.

2. New degree-seeking transfer students entering into an undergraduate four or five-year degree program.

3. Currently enrolled resident continuing students who are enrolled in an undergraduate four or five-year degree program.

Any program authorized by the Board of Governors to require 135 semester credit hours or more shall be officially designated as a five-year baccalaureate program. Fixed tuition applies to students enrolled in distance education and traditional on-campus programs.

D. **Fixed Tuition Time Period.** First-time degree-seeking students are eligible for fixed tuition for a maximum of eight consecutive semesters for a four-year program and 10 consecutive semesters for a five-year program as long as they are continuously enrolled. Continuous enrollment is defined as a student being consecutively enrolled at the same higher education institution in fall and spring semesters in courses creditable toward a baccalaureate degree. A break in continuous enrollment occurs when a student is not enrolled in consecutive semesters at the same constituent institution. Summer terms are not considered part of the fixed tuition time period.

E. **Transfer and Currently Enrolled Students.** New transfers and currently enrolled continuing students shall receive fixed tuition for a prorated time period calculated based on the number of enrolled semesters accumulated at the transferring or home institution(s).

F. **Break in Enrollment.** Once a student breaks continuous enrollment at a UNC constituent institution he/she is no longer eligible for the current rate of fixed tuition at the home institution. If the student transfers to another UNC institution they will be treated as a new transfer student, as described above, and will be eligible for fixed tuition at that institution's current rate for the remaining balance of his or her fixed tuition eligibility period.

G. **Withdrawal from Home Institution.** Students who withdraw from all classes at their home institution before the date of census, will have broken continuous enrollment and will no longer be eligible for fixed tuition at the current rate at their home institution. Students who withdraw from their home institution after the date of census and then subsequently enroll at the same institution

in the next semester will not have broken continuous enrollment and will receive the benefit of fixed tuition at the rate they paid in the prior semester of enrollment.

H. Exhaustion of Eligibility Period. Tuition will convert to the amount of the current tuition for that constituent institution for students who exhaust their eligibility period, are not continuously enrolled, or become ineligible as designated in section I., below. Upon application by a student, the reversion to current tuition may be waived if the student demonstrates that any of the following have substantially disrupted or interrupted their continuous enrollment: (1) a military service obligation, (2) serious medical debilitation, (3) short-term or long-term disability, or (4) other extraordinary hardship.

I. Students Exempt from Fixed Tuition. The fixed tuition shall not be implemented for the following students: continuing education, cooperative innovative high school/early college students while enrolled in high school, consortium, dual-enrollment program, second degree seeking, transient, nonresident students, non-degree seeking and graduate and professional students.

J. Nonresident Students. Students who are originally classified as nonresident for tuition purposes and subsequently are reclassified as a resident for tuition purposes will be eligible for fixed tuition at the institution's current rate for the balance of his or her remaining eligibility period.

K. Fixed Tuition for Part-Time Students. Campuses shall establish fixed tuition rates for part-time enrollment for students eligible for fixed tuition pursuant to this policy.

L. Cost of Attendance Calculation. [The president shall adopt administrative procedures and regulations for the calculation of cost of attendance. Financial aid offices shall establish cost of attendance budgets that are realistic and reasonable.](#)

## VI. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of adoption by the Board of Governors.

B. Relation to State Laws. The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern the activities of public officials.

C. Regulations and Guidelines. These policies shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

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<sup>1</sup>Supersedes Section 1000.1.1 originally entitled, *Establishing Tuition and Fees*.

<sup>2</sup>Consistent with G.S. 116-143, no tuition or fees may be charged to students in the high school program at the North Carolina School of Science and Mathematics (NCSSM).

<sup>3</sup>Per G.S. 116-11(9)(e), digital learning student credit hours provided with the support of Project Kitty Hawk may not be included in the UNC System's enrollment change request.