

### **Guidelines on Establishing Tuition Rates for Special Talent and Graduate Nonresident Students**

The 1981 General Assembly amended N.C.G.S. § 116-143 to give to the Board of Governors the specific authority to establish especially reduced tuition rates and to give tuition and fee waivers. In addition, the part of N.C.G.S. § 116-143 which identified a specific group of nonresident students (“special talent” section) for reduced rates was deleted. As a result of these changes, special tuition rates can be established by the Board of Governors.

The 1983 General Assembly revised N.C.G.S. § 116-144 to direct the Board of Governors to fix the tuition and required fees charged nonresident students comparable with the rates charged nonresident students by comparable public institutions nationwide, except that a person who serves as a graduate teaching assistant or graduate research assistant or in a similar instructional or research assignment and is at the same time enrolled as a graduate student in the same institution may, in the discretion of the Board of Governors, be charged a lower rate fixed by the board, provided the rate is not lower than the North Carolina resident rate.

Also, the 1983 General Assembly specifically provided that the Board of Governors increase tuition so as to raise additional income of at least \$10,000,000 for each year of the biennium, thus requiring changes in all tuition rates currently in effect.

On July 29, 1983, the Board of Governors adopted a resolution which sets forth the groups of students who are eligible for special nonresident tuition rates, as authorized under N.C.G.S. § 116-143 as amended by the 1981 General Assembly, and N.C.G.S. § 116-144 as revised by the 1983 General Assembly. The following are instructions based on the board’s resolution, in reporting actions taken.

#### **I. Authorized Groups Eligible for Special Tuition Rates**

Group 1: Undergraduate students deemed by the institution to have special talents and qualifications and who are thereby awarded by the institution a scholarship or fellowship at a rate of at least \$250 per academic year. The North Carolina School of the Arts may identify categories within this group in accordance with established institutional practice.

Group 2: Graduate students who are awarded by the institution a graduate teaching or research assistantship and who are paid a stipend at a rate of at least \$2,000 per academic year.

#### **II. Identification and Substantiation of Awards**

##### **1. Group 1 – Undergraduate Students**

Group 1 pertains to those nonresident undergraduate students who are “deemed by the institution to have special talents and qualifications and who are thereby awarded by the institution a scholarship or fellowship at a rate of at least \$250 per academic year.”

a. “Deemed by the institution to have special talents and qualifications” indicates that the institution has determined that the student has specific talents and qualifications that will be of benefit to the institution. Evidence of this institutional determination can be substantiated by a copy of a letter to the particular student making a monetary award.

b. "And who are thereby awarded by the institution a scholarship or fellowship" shall mean a monetary award. Scholarships or fellowships for undergraduate students must be at least the equivalent of \$250 per academic year. The granting of a special tuition rate does not in itself constitute a scholarship or fellowship.

2. Group 2 – Graduate Students

Group 2 pertains to those nonresident graduate students who serve as a graduate teaching assistant or graduate research assistant or in a similar instructional or research assignment, and who are paid a stipend at a rate of at least \$2,000 per academic year.

III. Budgetary Limitations

Each institution has been informed of the amount of tuition remissions budgeted for each group of special rates, as a part of the budget allocations process. Internal administrative procedures to limit the granting of these special tuition rates within budgetary limitations established for each group must be established by each institution. The tuition remissions (defined as the sum of the difference between the regular nonresident rate and the special rate charged under the provisions of the resolution) must not exceed the amount budgeted for each group of special rates.

IV. Policies and Record Keeping Procedures

1. Each institution shall develop formal written policies and procedures for granting special rates, consistent with the policies and procedures established by the Board of Governors. Consideration should be given to keeping all necessary documentation in one designated central office.

2. A formal record must indicate that the institution has determined that the undergraduate student has specific talents and qualifications that will be of benefit to the institution. A copy of a letter from a duly authorized administrative official of the institution offering such a student a monetary award will meet this requirement.

3. A formal record is required of the award of a scholarship, fellowship, or assistantship which makes the student eligible for a special tuition rate. This notification shall include the amount of the award and, in the case of graduate students, the specific nature of the assistantship or assignment. This documentation shall be present for each special tuition rate given by the institution.

4. Established budgeting and accounting procedures require that all nonresident students shall first be charged the full nonresident tuition rate on institutional records. A separate offset, reflecting the appropriate tuition remission amount, may be processed only after documentation is present.

5. Tuition remission for summer term shall be administered on the same basis as regular term. If the institution wishes to utilize a portion of its authorized tuition remission budget(s) for summer term, formal establishment of summer term tuition remission account(s) is required. No additional funds are available for summer term tuition remissions.

V. Reporting Procedures

Each institution must maintain a record of all special tuition rates granted. These records shall list each individual action, classified by the group of special rates. These records should contain the following:

1. List of all individuals, categorized by group, who received a special nonresident rate, and including the title of the award, the monetary amount of the award, the nature of the special talents and qualifications for undergraduate students; and, in the instance of graduate assistants, the nature of the appointment or assignment.
2. An annual report by each constituent institution of special tuition rates granted and tuition amounts remitted thereby shall be required.

[This is a rewrite of Administrative Memorandum #181.]