UNC Board of Governors Adopts Tuition and Fee Plan

The University of North Carolina Board of Governors has adopted a four-year plan for university campuses considering increases in tuition and fees. The action took place at the board's Oct. 13 meeting.

The board plan includes a stipulation that the combined tuition and fee rates for resident undergraduates remain within the bottom quarter of each campus' public peers.Combined rates for non-resident undergraduate students should remain below the top quarter of the same approved peer group.

The maximum rate of annual increase for campus-initiated tuition and general fees (Athletics, Health Services, Student Activities, and Educational and Technology Fees) for undergraduate resident students should be 6.5 percent. This figure is the average annual increase in undergraduate resident tuition rates since 1972. The amount of the increase may be allocated among tuition and fees in a manner that most effectively provides revenues to meet campus needs.

Fees required for debt service are in addition to this maximum percentage increase, but funds required to operate facilities are included in the maximum. Debt service fees are not included in the 6.5 percent ceiling because the projects that are financed by the indebtedness that is repaid from these fees are evaluated on their individual merits through a separate process. For projects to be funded from debt service fees, the board will consider both the impact on students from these charges and the ability of a campus to repay the debt.

Since the 2006 Higher Education Price Index (HEPI), which measures inflation in the cost of a college education, was 5 percent, the goal is that the revenues generated under this plan, combined with ongoing efforts to control operating costs, will not only cover inflationary increases, but also will provide for consistent improvements in the quality of academic offerings.

All proposals for increasing tuition and fees must be accompanied by explicit plans for use of the increased funds. For the next four years, each plan must commit to set aside at least 25 percent of the new tuition revenues to be added to the campus pool of need-based financial aid. Additionally, at least 25 percent of the revenues must be used for increasing faculty salaries unless the average ranked faculty salary for a campus is at or above the 80th percentile of the average ranked faculty salary for that campus' peer institutions as approved by the Board of Governors.

Any remaining revenues may be used to provide for improved library and counseling services, reductions in class size, increases in sections offered, enhancements in student services, and other purposes that improve the quality of the student's academic experience. Increases in student fees must be justified by an expenditure plan that shows how the additional revenues will directly benefit the fee-supported activity.

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