



# UNC Tuition Options – Fiscal Brief Update

February 1, 2010

## Fiscal Brief

The 2009 General Assembly adopted many of the policy options presented in UNC Tuition Options, a [January 2009 Fiscal Brief](#). Detailed below are the budgetary and statutory changes included in the 2009 Appropriations Act (Session Law 2009-451, Senate Bill 202).

### **Option 1: Legislative Tuition Increase**

The General Assembly increased tuition by the lesser of \$200 or 8% at UNC institutions for FY 2010-11 in order to generate \$34.8 million in tuition receipts. General Fund appropriations to the campuses were cut \$34.8 million in order for the tuition increase to benefit the State budget in FY 2010-11. UNC campuses were allowed to proceed with their own campus-initiated tuition increases approved by the UNC Board of Governors for FY 2009-10. However, Section 9.23(a) of S.L. 2009-451 prohibits the UNC system schools from increasing tuition on North Carolina resident students in for FY 2010-11.

### **Option 2: Tuition Waivers and Exemptions**

- ***Faculty/Staff Waiver*** – Section 9.21 of S.L. 2009-451 reduces the number of free courses taken each year by faculty and staff in the UNC system from three to two. This change is effective beginning in FY 2009-10 and is anticipated to save \$700,000 each year.
- ***School of Science and Math Graduates Waiver*** – The tuition waiver for graduates of the North Carolina School of Science and Mathematics was repealed by Section 9.6 of S.L. 2009-451. The repeal is effective beginning with the junior class enrolling in the high school in FY 2009-10. The elimination of the waiver will save the State approximately \$3.1 million annually when the program is completely phased out in five years.
- ***Special Talent Waiver*** – Section 9.22 of S.L. 2009-451 eliminated the special talent waiver for athletics, but maintained the waiver for students with special talent in academics and performing arts. This change is expected to save the state \$300,000 a year.
- ***Senior Citizen Tuition Waiver*** – The tuition waiver for citizens over age 65 was repealed by section 8.11(a) of S.L. 2009-451. This change is expected to save the state \$300,000 a year.
- ***SREB Contract*** – No changes were made in S.L. 2009-451, but the UNC system and the Office of State Budget and Management followed through on the 2008 legislative directive<sup>1</sup> to phase out the contract with the Southern Regional Education Board (SREB) for student seats in out-of-state optometry schools. Future optometry students will apply for assistance through the North Carolina Student Loan Program for Health, Science, and Mathematics.

<sup>1</sup> 2008 Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets



**Option 3: Tuition Surcharge**

Section 9.10 of S.L. 2009-451 increased the tuition surcharge from 25% to 50% beginning in FY 2010-11 for students exceeding 140 credit hours for a baccalaureate degree in a four-year program or 110% of credit hours needed for a five-year baccalaureate degree. The bill also clarified that the tuition surcharge is not imposed on students who have their studies interrupted by 1) military service obligation, 2) serious medical debilitation, 3) short term or long term disability, or 4) other extraordinary hardships. The increased surcharge will generate \$1 million a year.

*For additional information, please contact:*

*Richard Bostic*

*Fiscal Research Division*

*NC General Assembly*

*300 N. Salisbury St., Room 619*

*Raleigh, North Carolina 27603-5925*

*(919) 733-4910*

*<http://www.ncleg.net/fiscalresearch>*

*[richard.bostic@ncleg.net](mailto:richard.bostic@ncleg.net)*