



**MEMORANDUM**

TO: W. Randolph Woodson  
Chancellor

FROM: Warwick A. Arden   
Provost and Executive Vice Chancellor

Russell W. Mau   
President, Student Body

SUBJECT: Report of the 2014-15 Tuition Review Advisory Committee

DATE: October 10, 2014

The Tuition Review Advisory Committee (the Committee) submits the following campus initiated tuition increase (CITI) and premium tuition proposal for the 2015-16 and 2016-17 biennial.

The Committee recognizes that final authority for recommending tuition increases to the North Carolina Legislature rests with UNC General Administration and the UNC Board of Governors. During its cycle of meetings, the Committee verbally received information contained in the following documents:

- "The University of North Carolina Tuition and Fees: A four-Year Plan for Academic Years 2015-16 through 2018-19"
- Charles Perusse's 9/19/14 memo with subject "Proposals for 2015-16 and 2016-17 Campus-Initiated Tuition and Fee Adjustments"

Consequently, throughout its deliberations, the Committee remained aware of President Ross' and the UNC-Board of Governors 5% cap on campus-initiated tuition increase for resident undergraduate students during the span of the four year plan. In addition, the Committee learned that its work during this cycle must result in 1) a recommendation for the biennial 2015-16 and 2016-17 plus 2) a recommendation for a campus plan for future tuition increases over a period of five years. Considering its letter of charge and Charles Perusse's 9/19/14 guidelines, the Committee proceeded with the CITI *review and recommendation* process focusing on tuition rates for resident and nonresident undergraduate students and for resident and nonresident graduate students. Furthermore, as charged, the Committee considered premium tuition increase requests.

Four committee meetings were scheduled [September 4, 10, 24 and October 1]. These meetings were well attended, and members engaged in thorough deliberations during each meeting. Members reviewed and discussed relevant information relating to tuition, evaluated available data, and thoughtfully formulated CITI recommendations for the 2015-16 and 2016-17 biennial. The comparative Fall 2014 preliminary tuition/fees data for NC State's peer institutions sparked a discussion about NC State's *tuition* which remains the third lowest for resident and nonresident undergraduate students and second lowest for resident and nonresident graduate students among the 16 peers. Having been informed of a goal for campuses to set nonresident tuition rates at or above the third quartile of public peers (discussed in Charles Perusse's 9/19/14 memo) the Committee explored tuition-increases that would advance NC State towards that goal. While the Committee understood the importance of remaining a good value, it also recognized and discussed the importance of continuing to move the university forward and the importance of tuition revenue in that regard.

Vigorous discussion ensued as the Committee weighed the perceived advantages and disadvantages of moving nonresident tuition too aggressively toward the third quartile. The Committee agreed that taking a reasonable and conservative approach to increasing tuition is rational and, depending on the percent increase, can move NC State towards the third quartile in four to five years. Ultimately, the percentages the Committee recommends are ones that comply with the 5% cap for resident undergraduate students and conservatively move nonresident tuition towards the third quartile of peers over a four to five year period.

Because NC State University currently exceeds the 15% cap on total tuition dollars that may be used for need-based financial aid, and therefore cannot allocate any money to this category, the Committee discussed and unanimously proposed that CITI allocations be used to support *quality and accessibility*, *faculty promotional increases*, and the *graduate student support plan*.

The Committee includes 14 *voting members* and 5 *non-voting members*. At the September 24<sup>th</sup> meeting members heard presentations from administrators representing the College of Management and the Institute for Advanced Analytics regarding premium tuition proposals for two graduate programs.

At this September 24<sup>th</sup> meeting, the Committee voted on the premium tuition proposals that had been presented earlier during the meeting; 12 out of 14 *voting members* cast votes. **With respect to the proposals, members voted to recommend the following:**

For the College of Management :

- ✓ Increase tuition premium by \$2500 spread out over 3 years [**\$750 for Fall 2015** | **\$750 for Fall 2016** | **\$1,000 for Fall 2017**] for the following degree program:
  - Master of Accounting

For the Institute for Advanced Analytics:

- ✓ Increase tuition premium by \$1000 [**effective for Fall 2015**] for the following degree program:
  - Master of Science in Analytics

At the Committee's October 1<sup>st</sup> meeting, 9 out of 14 *voting members* were in attendance, and members voted to recommend the following campus initiated tuition increase for 2015-16 and 2016-17:

For 2015-16

- (\$ 182 CITI = 3%) Undergraduate Residents
- (\$1278 CITI = 6%) Undergraduate Nonresidents
- (\$ 229 CITI = 3%) Graduate Residents
- (\$ 640 CITI = 3%) Graduate Nonresidents

For 2016-17

- (\$ 187 CITI = 3%) Undergraduate Residents
- (\$1355 CITI = 6%) Undergraduate Nonresidents
- (\$ 236 CITI = 3%) Graduate Residents
- (\$ 659 CITI = 3%) Graduate Nonresidents

The Committee further recommends that the additional CITI revenues be used each year of the biennial to:

- improve the quality and accessibility of the NC State educational experience: **suggest allocating 81.6% in 2015-16 and 81.8% in 2016-17**
- provide funding for faculty promotional increases: **suggest allocating \$750,000 [which equals 8.2% in 2015-16 and 7.7% in 2016-17]**
- provide funding to the Graduate Student Support Plan: **suggest allocating 10.3% in 2015-16 and 10.5% in 2016-17]**

**NOTE:** The Tuition Review Advisory Committee acknowledged that all three allocation categories can be considered *quality and accessibility*. The percent-allocation to support the GSSP could therefore be increased if needed in 2015-16 and 2016-17 up to a total of \$2M to hold the state funded portion of the GSSP totally harmless to this campus initiated tuition increase (CITI).

The Committee recognizes that the additional tuition will make attending NC State more expensive for students than in the past, and yet affirms that an NC State education is still an exceptional value. The Committee wishes to maintain and improve the quality of that education for the benefit of our students and the state and region which we serve. Tuition Review Advisory Committee members voiced strong agreement that the recommended tuition increases are necessary and rationally conservative.

If you have questions or would like further information, please let us know.

WAA/RWM/rhc

**Impact statements regarding the premium tuition proposals include the following:**

Institute for Advanced Analytics proposal states: *"The Master of Science in Analytics (MSA) is currently the country's preeminent graduate degree in analytics. The proposed change will only serve to maintain and improve the quality of the program. The tuition premium provides students with experiences and opportunities that are critical ingredients in their education and later professional success. Examples include:*

- o *intensive professional communications training in small group settings, helping students to present data and the message it represents, visually, effectively, and clearly;*
- o *software training and the opportunity to earn valuable certification credentials;*
- o *instruction in professionalism, business networking, etiquette;*
- o *secure and private group collaboration spaces to work with industry practicum sponsors using proprietary data;*
- o *opportunities to travel to practicum sponsor locations;*
- o *conference participation*

*The proposed premium increase will help [the program] to continue to extend these opportunities to MSA students, even as the space required for additional students commands more resources.*

The College of Management proposal states: *NC State's Master of Accounting (MAC) program has been consistently ranked as a top 40 program nationally for the last 10 years. The Public Accounting Report annually surveys accounting professors about the nation's top accounting programs. In the most recent 32nd annual survey the NC State MAC Program tied for 32nd overall and 17th in the big school category, which includes programs with 22 or more full-time accounting faculty members. This national ranking could not have been achieved without support from campus initiated tuition increase (CITI). These funds support all career services for the MAC program. They also support admissions staff and marketing. There has been a clear payoff from these efforts. Before CITI, NC State's MAC program had never appeared in the Public Accounting Report National rankings. The admissions and marketing initiative has been very successful. MAC enrollment increased from 51 in fall 2002 to 106 in fall 2014.*

*To remain competitive the MAC program needs to invest in student engagement opportunities with the business community, workshops on special topics in accounting and management, career services, and recruitment activities. The proposed increase in CITI would address these concerns.*

**NC State University  
Final CITI Recommendations for 2015-2016**

Student Categories:	ROW	Projected 2015-16 FTEs	10/1/2014 TRAC		Notes
			Rate	Revenue Generated	
Undergraduate Residents	A1	18,544	182	\$3,375,008	
UG Residents per G.S. 116-143.6	A1a	67	182	\$12,194	
Undergraduate Nonresidents	A2	2,466	1,278	\$3,151,548	
Graduate Residents	A3	3,849	229	\$881,421	
Graduate Nonresidents	A4	2,775	640	\$1,776,000	
<b>Total</b>	A5	27,701		\$9,196,171	
<b>Proposed Use:</b>			<b>%</b>	<b>Allocation</b>	
Need-based Financial Aid	B1		0.0%	\$0	C5, prorated From D4
Graduate Student Support Program (GSSP)	B2		10.3%	\$943,791	
Improve Quality & Accessibility	B3		81.6%	\$7,502,380	By Subtraction
Faculty Promotional Increases	B4		8.2%	\$750,000	Fixed \$ estimate
<b>Total</b>	B5		100.0%	\$9,196,171	From A5
<b>Graduate Student Support Plan</b>		<b>Students</b>	<b>Rate</b>	<b>Increased Cost</b>	
State Supported Graduate Students	D1	1,641	229	\$375,789	
Differential in Tuition Remission	D3	1,382	411	\$568,002	
<b>Total</b>	D4	3,023		\$943,791	

Summary	Tuition 2014-15	Increase Amts	Percents	Tuition 2015-16
	\$6,038	\$182	3.0%	\$6,220
	\$21,293	\$1,278	6.0%	\$22,571
	\$7,623	\$229	3.0%	\$7,852
	\$21,311	\$640	3.0%	\$21,951

Differential in graduate resident and non-resident tuition has an impact on GSSP  
\$13,688                      (\$411)                      \$14,099

**NOTE:** The Tuition Review Advisory Committee acknowledged that all three allocation categories can be considered *quality and accessibility*. The percent-allocation to support the GSSP could therefore be increased if needed in 2015-16 and 2016-17 up to a total of \$2M to hold the state funded portion of the GSSP totally harmless to this campus initiated tuition increase (CITI).

- ✓ Projected FTEs are taken from enrollment planning process final determinations in October, 2014.
- ✓ GSSP headcounts are next year estimates (projections) based on best current information.
- ✓ FTEs do not include DE.
- ✓ Color cells are entered by hand to drive rest of calculations



**NC State University  
Final CITI Recommendations for 2016-2017**

Student Categories:	ROW	Projected 2016-17 FTEs	10/1/2014 TRAC		Notes
			Rate	Revenue Generated	
Undergraduate Residents	A1	18,652	187	\$3,487,924	
UG Residents per G.S. 116-143.6	A1a	65	187	\$12,155	
Undergraduate Nonresidents	A2	2,480	1,355	\$3,360,400	
Graduate Residents	A3	3,969	236	\$936,684	
Graduate Nonresidents	A4	2,870	659	\$1,891,330	
<b>Total</b>	A5	28,036		\$9,688,493	
<b>Proposed Use:</b>			<b>%</b>	<b>Allocation</b>	
Need-based Financial Aid	B1		0.0%	\$0	C5, prorated From D4
Graduate Student Support Program (GSSP)	B2		10.5%	\$1,014,893	
Improve Quality & Accessibility	B3		81.8%	\$7,923,600	By Subtraction
Faculty Promotional Increases	B4		7.7%	\$750,000	Fixed \$ estimate
<b>Total</b>	B5		100.0%	\$9,688,493	From A5
<b>Graduate Student Support Plan</b>		<b>Students</b>	<b>Rate</b>	<b>Increased Cost</b>	
State Supported Graduate Students	D1	1,714	236	\$404,504	
Differential in Tuition Remission	D3	1,443	423	\$610,389	
<b>Total</b>	D4	3,157		\$1,014,893	

Summary:	Tuition 2015-16	Increase Amts	Percents	Tuition 2016-17
	\$6,220	\$187	3.0%	\$6,407
	\$22,571	\$1,355	6.0%	\$23,926
	\$7,852	\$236	3.0%	\$8,088
	\$21,951	\$659	3.0%	\$22,610

Differential in graduate resident and non-resident tuition has an impact on GSSP  
\$14,099                      (\$423)    \$14,522

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