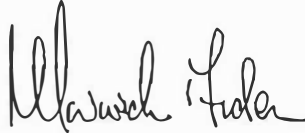





MEMORANDUM

TO: W. Randolph Woodson
Chancellor

FROM: Warwick A. Arden
Executive Vice Chancellor and Provost

Jess Errico
President, Student Body


SUBJECT: Report of the 2018-19 Tuition Review Advisory Committee Regarding Campus Initiated Tuition Increase (CITI)

DATE: October 19, 2018

The Tuition Review Advisory Committee (the Committee) submits the following campus initiated tuition increase (CITI) for 2019-20.

The Committee recognizes that final authority for recommending tuition increases to the North Carolina Legislature rests with the UNC System Office and the UNC Board of Governors. Information received from a UNC System Chief Financial Officers conference call was shared with the committee as follows:

- ✓ UNC-Board of Governors 0% cap on campus-initiated tuition increase for resident undergraduate students for this year based on the above mentioned conference call.
- ✓ The fixed, 8/10 consecutive semesters guaranteed tuition for new and existing undergraduate resident students.

Two committee meetings were scheduled [September 19 and October 2]. These meetings were well attended, and members engaged in thoughtful discussions during each meeting. The committee received directions from the UNC System office between the first and second meeting confirming what was communicated on the System Chief Financial Officers conference call. The Committee proceeded with the CITI *review and recommendation* process focusing on tuition rates for nonresident undergraduate students and for resident and nonresident graduate students. Members reviewed and discussed relevant information relating to tuition, evaluated available data, and formulated CITI recommendations for the 2019-20 fiscal year.

During the committee's meeting cycle, it was discussed that there is a desire among students to remain conservative with a special request that nonresident undergrad be lower than nonresident graduate students. NC State will remain second lowest for resident undergraduate tuition, fourth lowest for nonresident undergraduate tuition, lowest for resident graduate student tuition and fifth lowest for nonresident graduate tuition. The Committee reviewed several scenarios and agreed to keep a modest approach. However, 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 important role that tuition revenue plays in achieving student success initiatives.

Ultimately, the committee recommended the following: 3% for nonresident undergraduate students, 2% for resident graduate students and 4% for nonresident graduate students. As previously mentioned, 0% for resident undergraduate students was mandated by the UNC System office.

For the first time in a few years, NC State was below the 15% cap on total tuition dollars that may be used for need-based financial aid. The committee therefore recommended \$2 million dollars (33.7%) be allocated to need-based financial aid and the remaining to be distributed as appropriate to the Graduate Student Support Plan (GSSP) (26.5%) , faculty promotional increases (12.6%) and to improve quality & accessibility (27.2%). The committee also recommended that any unused funds from the GSSP and faculty promotional increases be allocated to quality and accessibility.

At its October 2nd meeting the Committee completed its work by voting and approving the recommended percent tuition increase for three student categories and the percent allocation for four expenditure categories. The Committee includes 11 *voting members* and 6 *non-voting members*; 10 out of 11 *voting members* cast votes.

The Committee approved the following campus initiated tuition increase (CITI) recommendations:
2019-20

- Continue guaranteed 8/10 semester fixed tuition rate for undergraduate residents enrolled as of Fall 2016
- (\$ 0 CITI = 0%) Undergraduate Residents (New Cohort)
- (\$ 776 CITI = 3%) Undergraduate Nonresidents
- (\$ 178 CITI = 2%) Graduate Residents
- (\$1016 CITI = 4%) Graduate Nonresidents

The Committee recommends that the additional tuition revenues be used to:
2019-20

- Increase the need-based Financial Aid to raise it closer to the 15% cap: **recommended allocating \$2 million [which equals 33.7%]**
- provide funding to the Graduate Student Support Plan: **recommended allocating 26.5%**
- improve the quality and accessibility of the NC State educational experience: **recommended allocating 27.2%**
- provide funding for faculty promotional increases: **recommended allocating \$750,000 [which equals 12.6%]**

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

WAA/kmw

Final Tuition Recommendation for 2019-20			
	2019-20		
Student Categories:	%	Projected FTEs	Rate Increase Revenue Generated
Undergraduate Residents (Guaranteed – All But New Cohort)		14,445	\$0 \$0
Undergraduate Residents	0.00%	4,500	\$0 \$0
Undergrad Nonresidents	3.00%	2,990	\$776 \$2,320,240
Graduate Residents	2.00%	2,910	\$178 \$517,980
Graduate Nonresidents	4.00%	3,043	\$1,016 \$3,091,688
Total		27,888	\$5,929,908
Proposed Use:		%	Allocation
Need-based Financial Aid		33.7%	\$2,000,000
Graduate Student Support Plan (GSSP)		26.5%	\$1,568,500
Improve Quality & Accessibility		27.2%	\$1,611,408
Faculty Promotional Increases		12.6%	\$750,000
Total		100.0%	\$5,929,908
Graduate Student Support Plan (GSSP)		Students	Rate Increased Cost
State Supported Graduate Students		1,750	\$178 \$311,500
Non-State Supported Graduate Students		1,500	\$1,016 \$1,257,000
Differential in Tuition Remission		1,500	\$838 \$1,257,000
Total			\$1,568,500
Summary		Increase	2019-20
Tuition 2018-19		Amounts	Percent New Tuition
\$6,535		\$0	0.0% \$6,535
\$25,878		\$776	3.0% \$26,654
\$8,917		\$178	2.0% \$9,095
\$25,405		\$1,016	4.0% \$26,421
Differential in graduate resident and non-resident tuition:			
\$16,488		\$838	\$17,326

- FTEs include On-Campus Regular term and CVM portion of Vet Med students. DE and DVM not included here.
- Undergraduate Residents have a guaranteed rate, except for the 4,500 FTE assumed to be in the new freshmen (and new transfers-in) undergraduate cohort.
- 14,445 of Undergraduate Resident FTEs are assumed to be in the existing cohorts with guaranteed rates.