



HOUSE BILL 1030: 2016 Appropriations Act, Sec. 11.4: Access to Affordable College Education

2015-2016 General Assembly

Committee:		Date:	August 5, 2016
Introduced by:		Prepared by:	Drupti Chauhan
Analysis of:	Sec. 11.4 of S.L. 2016-94		Staff Attorney

OVERVIEW: *Sec. 11.4 of S.L. 2016-94 establishes several different programs and directives as follows:*

Fixed Tuition Payment Program. *A fixed tuition payment program (Program) is established under which the rate of tuition is guaranteed for any freshman or transfer undergraduate student who is admitted to any constituent institution of The University of North Carolina (UNC) and is a North Carolina resident for tuition purposes.*

The Program has the following components: (i) a guarantee that the approved rate of tuition approved will remain constant or decrease during the tuition period; (ii) prescribed tuition periods based on the length of the student's academic program; (iii) a student's continued enrollment during the entire tuition period; and (iv) at the end of the tuition period, the cost of the tuition for any additional academic semesters reverts to the amount of the current tuition for that constituent institution and a tuition surcharge, if applicable.

The tuition period may be tolled if the student is able to show a substantial disruption or interruption in the student's pursuit of a degree. The Board of Governors (BOG) must adopt the policies needed to implement the Program and determine the fixed tuition rates and periods for undergraduate transfer students who are North Carolina residents for tuition purposes.

The Program applies beginning with the 2016 fall academic semester for the rate of tuition for freshman and transfer students who enroll at a constituent institution.

Cap on Student Fees. *The BOG and the Board of Trustees at each constituent institution can increase the cumulative total of all undergraduate student fees approved by either the BOG or the Board of Trustees by no more than 3% each academic year.*

The cap on student fees applies beginning with the 2017-2018 academic year and the student fees charged for the 2016-2017 academic year must be the baseline used to determine the amount of the 3% increase in student fees allowed for the 2017-2018 academic year.

NC Promise Tuition Plan and "Buy Down." *The NC Promise Tuition Plan directs the BOG, beginning with the fall 2018 academic semester, to set the rate of undergraduate tuition for Elizabeth City State University, the University of North Carolina at Pembroke, and Western Carolina University at \$500 per academic semester for students who are North Carolina residents and \$2,500 per academic semester for nonresident students.*

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The State must "buy down" the amount of any financial obligation resulting from the lower established tuition rate that may be incurred the aforementioned constituent institutions. Beginning with the 2018-2019 fiscal year, the Director of the State Budget (Director) must determine for every fiscal year the amount required to offset the forgone tuition receipts at each of the three constituent institutions in the NC Promise Tuition Plan. The Director must authorize an increase in the base budget of UNC of up to \$40 million each fiscal year to cover the cost of the "buy down" for that fiscal year and must allocate the appropriate amount to each of the three constituent institutions. These authorized increases in the base budget of UNC will not be included in the calculation of its projected enrollment growth.

By January 16, 2017, the BOG must develop and implement a marketing strategy designed to increase enrollment at Elizabeth City State University and to effectively market the NC Promise Tuition Plan at that campus.

Evaluation of Admissions Cap on Nonresident Students. The BOG must consider what effect, if any, the elimination of or an increase in the current cap of 18% on enrollment of nonresident students entering the freshman class would have regarding student applications at Elizabeth City State University, the University of North Carolina at Pembroke, and Western Carolina University. If the BOG determines that eliminating or increasing the cap may increase the number, academic strength, and diversity of student applications at these institutions, then the BOG may adopt a policy that eliminates or establishes a different cap and the period of time for which the modification of the cap would be implemented.

Cheatham-White Scholarships. The Cheatham-White Scholarships (Scholarships) are established as merit scholarship programs at North Carolina Agricultural and Technical State University (NC A&T) and North Carolina Central University (NCCU). The Scholarships are fully funded, four-year scholarships that cover the cost of all of the following: full tuition, student fees, housing, meals, textbooks, laptop, supplies, travel, and personal expenses and also provides for four summers of fully funded enrichment and networking opportunities that can include international travel and study. The funds appropriated each year to the Scholarships must be matched by non-State funds.

Up to 50 Scholarships may be awarded to students at each institution each academic year with 40 for North Carolina residents and 10 for nonresidents and will be selected based on academic merit, honorable character, outstanding leadership potential, and a demonstrable commitment to service. Financial need is not a consideration. All North Carolina high schools are eligible to nominate students to be considered as candidates for the Scholarships.

The University of North Carolina General Administration will administer the Scholarships, in consultation and collaboration with NC A&T and NCCU, under the policies adopted by the Boards of Trustees of both institutions, and in accordance with the criteria prescribe in this section.

Students may be nominated for the Scholarships during the 2017-2018 academic year, and recipients of the Scholarships may enroll at the constituent institution beginning with the 2018 fall academic semester.

Except as otherwise provided, this section became effective July 1, 2016, and applies to the 2016 fall academic semester and each subsequent academic semester.