

University of North Carolina Cost of Higher Education

***Presentation to:
Joint Legislative Education Oversight Committee***

State Education Assistance Authority

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UNC-General Administration

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Presentation Outline

- **Cost of Attendance Basics (NCSEAA)**
- **UNC Cost of Attendance Trends (UNC-GA)**
- **UNC Tuition and Fees (UNC-GA)**

Cost of Attendance Basics

State Education Assistance Authority

Elizabeth McDuffie,

Director – Grants, Training, Outreach



State and Federal Aid Share the Concept of “Cost of Attendance” used in Determining “Financial Need”

- **Tuition and fees**
- **Room and meals**
- **Books and supplies**
- **Transportation**
- **Personal expenses**

Campuses establish average costs for different categories of students (dormitory, off-campus, with parents).

Budget can be modified for individuals with unique circumstances, such as dependent care or disability expenses.

- **Cost of attendance is used to determine the maximum amount in grants and loans for which a student may be eligible.**

Cost of Attendance Items Vary

■ By Institution:

- **Housing**
 - ◆ Accommodates market differences
 - ◆ Housing costs on campuses vary by residence hall
- **Meals**
 - ◆ Based on 21 meals per week
 - ◆ Accommodates market differences
- **Other costs**
 - ◆ Campus costs for books and transportation vary

■ By Student:

- **Students enrolled at the same institution have different room and board costs**
 - ◆ With parent
 - ◆ On campus
 - ◆ Off-campus housing—traditional age and adult students

How do schools establish the allowable costs?

- **Tuition and required fees are set by governing boards.**
- **For other costs, a variety of methods are used:**
 - **Surveys of the student population on a campus**
 - **Assessing local housing costs using census or other data and comparing that with dormitory rental prices**
 - **Pricing “typical” set of books/supplies in student store**
 - **Reviewing national and regional average cost figures for comparable colleges**
- **Whatever figures a campus uses in each category will be subject to federal oversight for reasonableness.**

UNC Cost of Attendance Trends and Tuition and Fees

UNC-General Administration

Jonathan Pruitt

Vice President for Finance



UNC Cost of Attendance

- The 2012-13 average annual cost of attendance was \$18,821 per on-campus resident undergraduate UNC student.
- The range for the UNC campuses was between \$13,161 and \$24,024 per student.

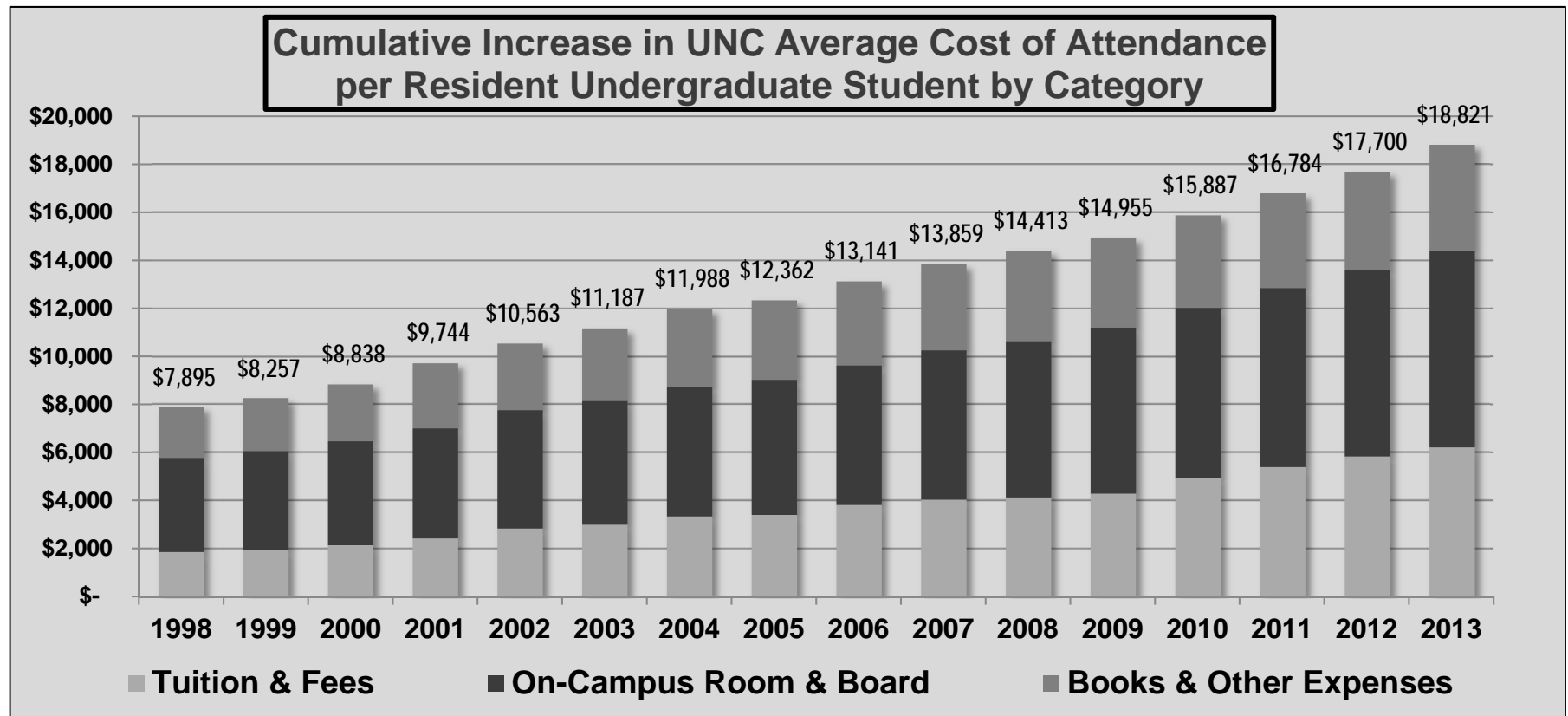
2012-13 Annual Cost of Attendance				
	Tuition & Fees	Room & Board	Books & Other Expenses	Total
Average cost per resident undergraduate	\$6,210	\$8,207	\$4,404	\$18,821
Percent of total cost	33%	44%	23%	100%

UNC Cost of Attendance: Increase

- Over the last 15 years, the cost of attendance has increased \$10,926 or 138% for the average resident undergraduate UNC student.

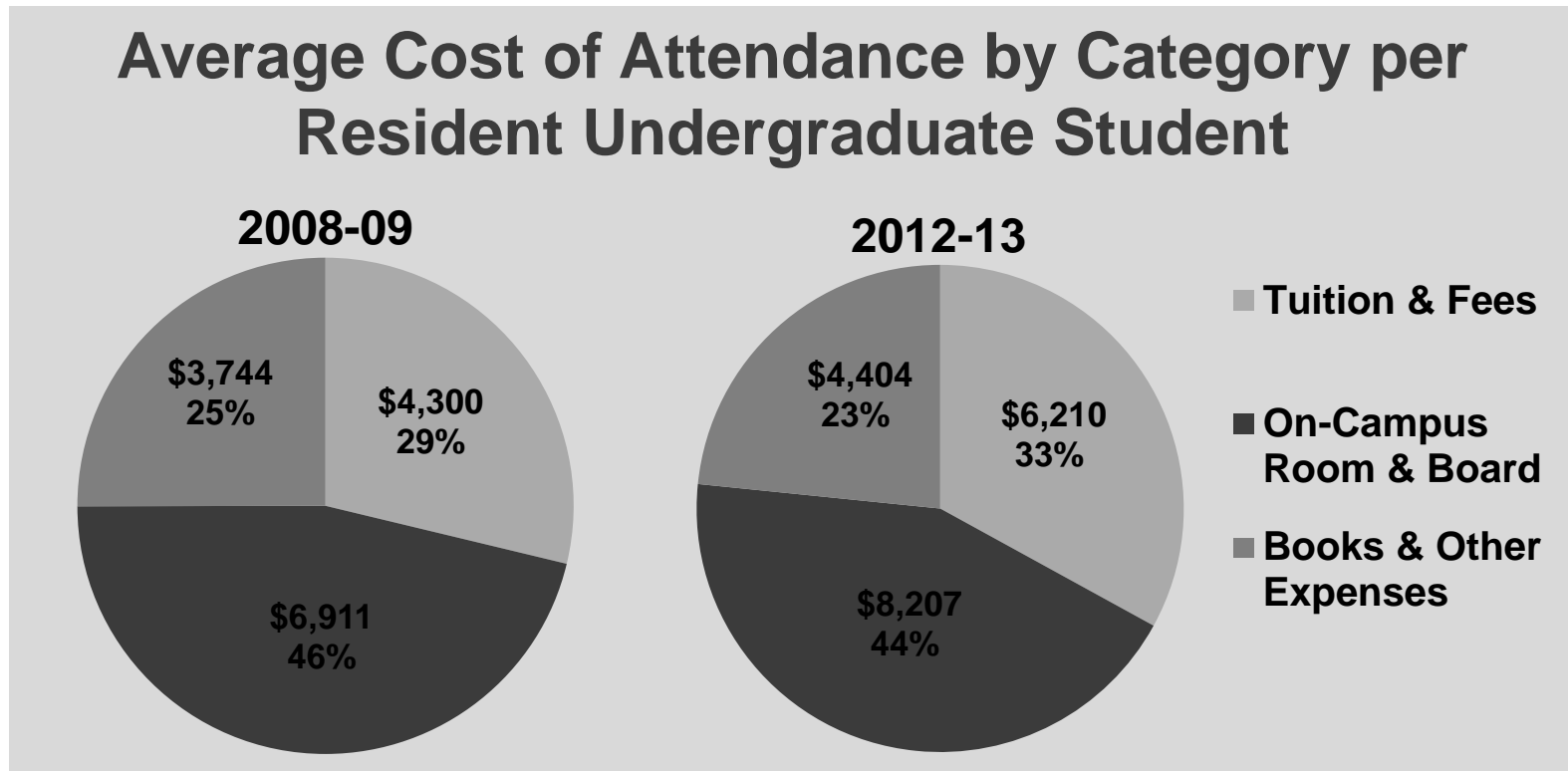
Increase in Cost of Attendance: 1997-98 to 2012-13				
	Tuition & Fees	Room & Board	Books & Other Expenses	Total
Increase in cost per resident UG student	\$4,353	\$4,310	\$2,263	\$10,926
Percent of total increase	40%	39%	21%	100%

UNC Cost of Attendance: Analysis



- **Cost of attendance has increased an average of \$728 or 6% a year over the last 15 years.**

UNC Cost of Attendance: Analysis



- In the last five years, tuition and fee increases account for 34% of the total increase in cost of attendance.

UNC Cost of Attendance: Peers

UNC's cost of attendance is lower than its public peers.

<u>Tuition and Fees</u> Lower for all 16 institutions	2012-13 UNC Average	2012-13 Public Peer Average	UNC as Percent of Peers
	\$6,210	\$8,950	69%
<u>Room and Board</u> Lower for 14 out of 16 institutions			
	\$8,207	\$9,489	86%
<u>Books, Supplies, & Other Expenses</u> Lower for 7 out of 16 institutions			
	\$4,404	\$4,452	99%
<u>Total Cost of Attendance</u> Lower for all 16 institutions			
	\$18,821	\$22,891	82%

Constitutional and Legislative Framework for Setting Tuition & Fees

- **“The General Assembly shall provide that the benefits of the University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense.”
– NC Constitution – Article IX, Section 9**

- **“The Board shall fix the tuition and fees, not inconsistent with actions of the General Assembly, at the institutions . . . in such amount or amounts as it may deem best, taking into consideration the nature of each institution and program of study and the cost of equipment and maintenance. . . .”
– G.S. 116-143**

Tuition and Fees: Plan

- **Since 2006, the Board of Governors has used four-year plans to set parameters for tuition and fee increases:**
 - **Helps ensure affordability for students**
 - **Provides predictability for students and campuses**
 - **Campuses retain tuition receipts for designated uses**
 - **Provides clear guidance to campuses on the tuition and fee expectations of BOG**

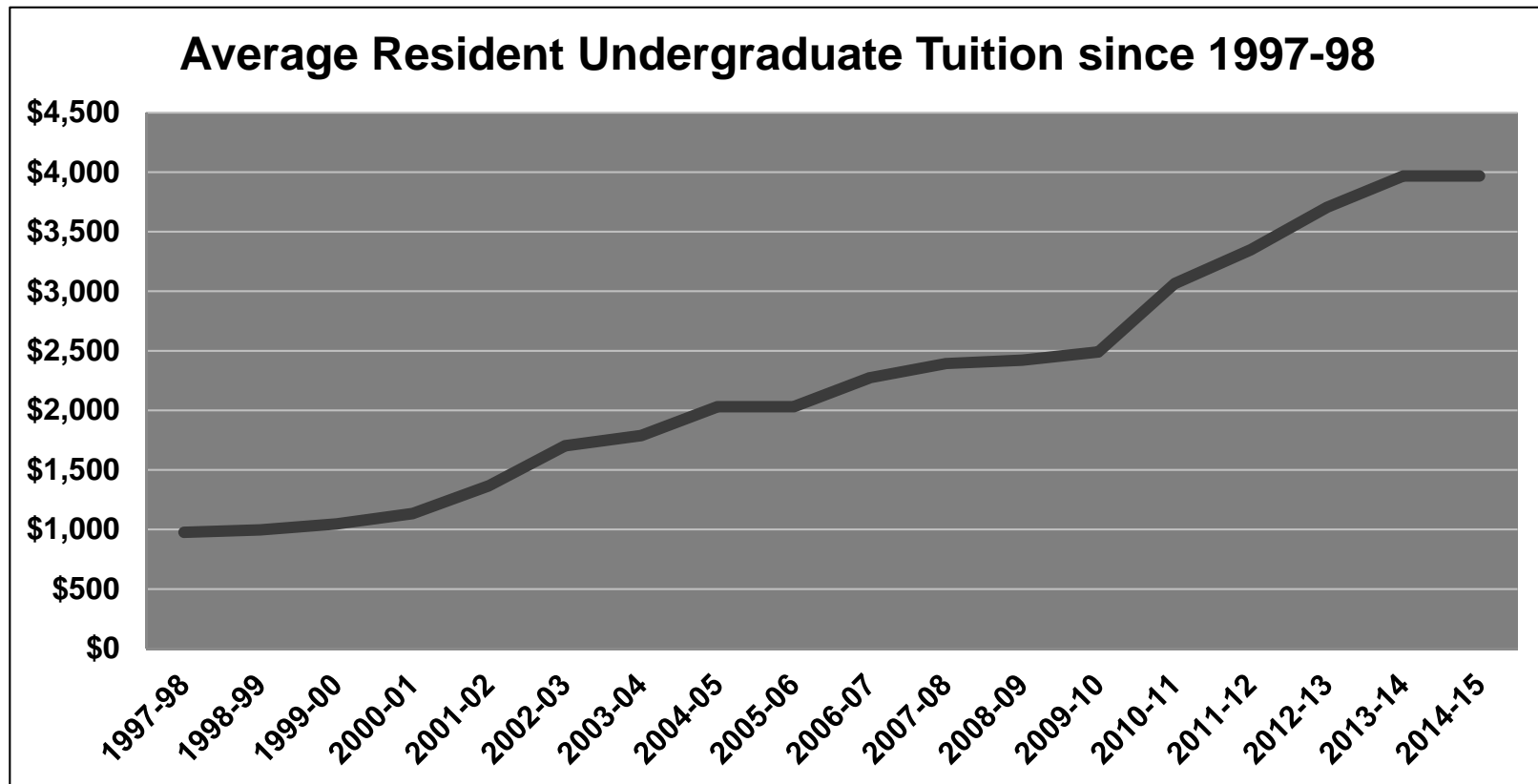
Tuition and Fees: Tuition Control

- **New Four-Year Plan reduced cap on tuition from 6.5% to 5%.**
- **Tuition set-aside for need-based financial aid will be capped at 15% of total tuition revenues.**
 - **If the tuition revenue set aside for aid exceeds the cap in the current year, the campus may not set aside additional tuition revenue for need-based aid.**
 - **Chancellors may increase funds through management flexibility authority, as long as the total set aside for aid does not exceed the cap.**

	2014-15			2018-19		
	Set-Aside	Cap	Outcome	Set-Aside	Cap	Outcome
Campus A	20%	15%	Frozen	17%	15%	Frozen
Campus B	16%	15%	Frozen	13%	15%	Additional Set-aside Allowed
Campus C	10%	15%	Additional Set-aside Allowed	12%	15%	Additional Set-aside Allowed

Tuition and Fees: Tuition History

- Due to the timing of the tuition setting process, resident tuition rates rise following recessions due to the change in mix of appropriation and tuition funding.



Tuition and Fees: Peer Comparison

Institution	Undergraduate Students	
	Resident Rank	Nonresident Rank
ASU	19 of 19	9 of 19
ECU	19 of 19	11 of 19
ECSU	15 of 16	10 of 16
FSU	17 of 17	10 of 17
NC A&T	17 of 18	10 of 18
NCCU	17 of 17	10 of 17
NCSU	16 of 17	16 of 17
UNCA	15 of 15	5 of 15
UNC-CH	11 of 11	6 of 11
UNCC	17 of 18	14 of 18
UNCG	19 of 19	13 of 19
UNCP	18 of 19	12 of 19
UNCW	13 of 14	12 of 14
UNCSA	18 of 18	9 of 18
WCU	18 of 18	10 of 18
WSSU	17 of 17	16 of 17

Campuses are meeting the Board's requirement for undergraduate resident tuition to remain in the lowest quartile of public peer institutions.

Rank was determined by comparing proposed 2014-15 tuition and fees of UNC campuses to 2012-13 tuition and fees of their public peer institutions.

Source: IPEDS

Discussion/Questions