

**The University of North Carolina General Administration
Tuition Surcharge Report**



**Submitted to the
North Carolina
Joint Legislative Education Oversight Committee**

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Introduction

The University of North Carolina (UNC) constituent institutions are mandated by G.S. 116-143.7 to impose a 50% surcharge on students who take more than 140 degree credit hours to complete a baccalaureate degree in a four-year program or each credit hour in excess of one hundred ten percent (110%) of the credit hours necessary to complete a baccalaureate degree in any program officially designated by the Board of Governors as a five-year program. No surcharge is imposed on students who exceed the degree credit hour limits within the equivalent of four academic years of regular term enrollment, or within five academic years of regular term enrollment in a degree program officially designated by the Board of Governors as a five-year program. Courses counting toward the surcharge include those taken at the constituent institution as well as those accepted for transfer from any institution, including all out of state and North Carolina private colleges and universities. Credits excluded from the tuition surcharge include Advanced Placement (AP), College Level Examination Program (CLEP), institutional advanced placement and those credits earned through summer session or extension programs.

Legislative Mandate For This Report

S.L. 2013-325, Sec. 3, directed UNC to provide this report as follows:

Notwithstanding G.S. 116-143.7, courses and credit hours transferred from an institution of higher education that is not a constituent institution or a community college established pursuant to G.S. 115D-4 that are accepted by a constituent institution prior to August 15, 2013, shall not count toward the tuition surcharge under G.S. 116-143.7. The General Administration of The University of North Carolina shall report by March 1, 2014, to the Joint Legislative Education Oversight Committee on the number of courses exempted from the tuition surcharge pursuant to this section.

Data Collection and Analysis

UNC General Administration completed this report in cooperation with the system's constituent institutions. Each campus provided data on non-UNC and non-NCCCS credits transferred to constituent institutions prior to August 15, 2013. To determine the number of exempted credit hours, UNC campuses conducted an analysis of the attempted hours of students meeting the tuition surcharge criteria. The results are summarized in Figure 1. There were a total of 30,001 non-UNC and non-NCCCS credit hours identified representing less than 1% of the total funded student credit hours for the 2012-13 academic year. There were 16,705 and 13,296 credit hours exempted in fall 2013 and spring 2014 respectively.

Figure 1. Credit Hours Exempted from Tuition Surcharge, Fall 2013 and Spring 2014

Fall 2013	Spring 2014	Total (Exempted Hours) (Fall and Spring)	Total Student Credit Hours (2012-13)*
16,705	13,296	30,001 (0.6%)	4,698,048

* 2012-13 total student credit hours were used since the exempted hours were transferred in prior to the 2013-14 academic year and 2012-13 is the most recent year with actuals.

Conclusion

Beginning in the fall 2010 semester, tuition surcharge increased from 25% to 50%. According to the 2012 Fiscal Research Division report, *University of North Carolina Tuition Surcharge Policy*, it will take some time to determine what type of impact this increase will have on graduation rates, time to graduation, access and affordability. Additionally, *The University of North Carolina Fall 2013 Enrollment Report*, indicated a decline in students transferring to UNC constituent institutions from out of state (-6.1%) and North Carolina private institutions (-1.7). It has not been determined if the current policy of including non-UNC and non-NCCCS credit hours in the tuition surcharge has contributed to this decline.