

November 20, 2003
Special Campus Initiated Tuition Increase Information Session

The North Carolina State University Board of Trustees met for a Special Session to discuss Tuition in the Alumni Conference Room, Alumni Memorial Building, North Carolina State University, at 12:15 p.m., on Thursday, November 20, 2003. Chair Peaches Gunter Blank presided.

MEMBERS PRESENT:

Peaches G. Blank
D. McQueen Campbell, III
Derick S. Close
Ann B. Goodnight
Suzanne Gordon
Robert B. Jordan, III
Bob L. Mattocks
Wendell H. Murphy
Richard G. Robb
Richard C. Vaughn
Steve F. Warren
Cassius S. Williams
Tony Caravano, ex officio

Chair Blank called the meeting to order at 12:15 p.m. and welcomed those in attendance. She reminded the Board that this meeting in special session was an informational session to hear reports from the Tuition Task Force, the Fee Review Committee and students regarding proposals for Campus Initiated Tuition Increases (CITI) and changes to student fees.

Chair Blank asked for all to join her in a moment of silence to remember Jim Graham, former North Carolina Commissioner of Agriculture, who died early that morning of complications from pneumonia. Mr. Graham was 82. Commissioner Graham graduated from State College (now NC State) in 1942 and went on to serve NC as Agriculture Commissioner for 36 years before retiring in 2001.

CAMPUS INITIATED TUITION INCREASE (CITI) AND STUDENT FEES

During the August meeting of the Board of Governors, Chair J. Bradley Wilson asked the Board to consider campus-based tuition increases for 2004-05. The Board of Governors responded and agreed to review tuition increases presented by the system campuses.

In accordance with University of North Carolina Board of Governors policies and instructions from the Office of the President, Chancellor Fox had appointed a Tuition Task Force, co-chaired by Provost and Executive Vice Chancellor James L. Oblinger and Student Body President Tony Caravano, and a Fee Review Committee, chaired by Vice

Chancellor Thomas H. Stafford, Jr. Through the fall semester, NC State students, faculty, staff and administrators studied two overarching issues: whether to recommend a Campus Initiated Tuition Increase (CITI), and proposals for student fees for 2004-2005. In late October, the Tuition Task Force and the Fee Review Committee forwarded their recommendations to the Chancellor.

The Tuition Task Force recommended a CITI of \$300 per year for the 2004-05, 2005-06, 2006-07 academic years; the recommendations are detailed in the Tuition Task Force majority report. Co-chair Caravano wrote a minority report that has been included in the meeting materials for the Board's consideration.

The Fee Review Committee recommended approval of existing fees for 2004-05 where no increases were requested, recommended eliminating the current Carmichael Gymnasium indebtedness fee, recommended approval of five of the proposed fee increases, and was evenly split on two proposals (Athletics Fee and Physical Education Campus Recreation Operations Fee), but with the Chair recommending approval of the proposed Physical Education increase. The Student Senate approved resolutions of support for all of the proposed fee increases.

After careful consideration of the recommendations in all of the reports from the Tuition Task Force and the Fee Review Committee, and of comments from the campus community, particularly students at the Tuition Town Hall Meeting of Sunday, November 2, Chancellor Fox recommended that the Board of Trustees:

- Approve a Campus Initiated Tuition Increase of \$300 per year for each of the following academic years: 2004-05, 2005-06 and 2006-07.
- Approve a tuition increase of \$4,000 for the 2004-05 academic year for the master's of business administration (MBA) program, and an increase of \$4,000 for the 2004-05 academic year for the master's of accounting (MAC) program.
- Approve all of the proposed student fee increases for 2004-05, the proposed elimination of the current Carmichael Gymnasium indebtedness fee after the spring 2004 semester, and the continuation of existing fees for which no increase was requested.

Chancellor Fox said that one of NC State's foremost priorities has always been to make an NC State education affordable for a broad range of students, especially those who have financial need. The University will continue adherence to this ideal, while striving to maintain the quality of the educational experience, she said. It is difficult to balance access and affordability while ensuring the necessary resources to advance our academic excellence initiatives. She said that she believes the proposals before the Board are the correct course for NC State. Chancellor Fox asked for the Board's approval.

Provost and Executive Vice Chancellor James L. Oblinger delivered his Tuition Town Hall presentation to the Board of Trustees. He discussed the findings of last year's

Tuition Task Force which included the support of a CITI that would be based on academic excellence and student affordability. He presented information on the tuition costs at NC State. According to a Institutional Assessment and Studies survey (Fall 2003) conducted at the University of Virginia, NC State has the lowest in-state and out-of-state tuition for both undergraduates and graduate students of the 16 peer institutes evaluated. Provost Oblinger also discussed need-based financial aid, and the University's history from previous CITIs of providing a significant portion to need-based financial aid.

Provost Oblinger also discussed faculty salaries, the state budget environment and the impacts of cuts on the quality of a student's educational experience.

Student Body President Tony Caravano asked Ms. Amanda Devore and Ms. Natalie Duggins to present their perspective. The students expressed concerns about access and affordability, stating that recent tuition increases have begun pricing North Carolina citizens out of higher education. The students argued that the CITI would result in a revenues of \$7 million. With allocations to need-based financial aid and faculty retention, only \$2.7 million would be available for academic enhancement efforts. As a result, there would be no guarantee of restoration of any class sections that had been eliminated because of budget cuts.

Ms. Devore and Ms. Duggins also discussed the CITI's affect on the Park Scholarship program. Ms. Devore, a Park Scholar, said that the program would see a reduction in the number of available scholarships if the cost of tuition continues to increase. The students discussed the use of CITI revenue for faculty salary increases, stating that many students and faculty do not favor a CITI to fund faculty salary increases.

Ms. Duggins stated that an increase in tuition would not be good for public relations, noting that economic conditions of many areas of North Carolina have not improved – and have worsened – and thus NC State, as the state's land-grant university, would suffer as not being responsive to the needs of its citizens.

Trustees asked Ms. Duggins and Ms. Devore about options for the University to maintain the quality of educational programs during times of ever increasing reductions in state funding.

The Trustees thanked Ms. Devore, Ms. Duggins and Mr. Caravano for their presentation and thought-provoking discussion.

Because the special session, which had been scheduled until 1:15 p.m., lasted until 2:35 p.m., Chair Blank announced a revised scheduled for the Board Committee meetings for the remainder of the afternoon. She said that the Board would reconvene in regular session on Friday, November 21, 2003 in Room 1132, Jordan Hall, College of Natural Resources, at 9:00 a.m. With no further business, Chair Blank recessed the special session at 2:35 p.m.