

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 340

Short Title: GPAC/Univ. of N.C.

(Public)

Sponsors: (by request) Representatives H. Hunter, Blue, Diamont, Hensley, G. Miller, Nesbitt, and Robinson.

Referred to: Education.

February 25, 1993

A BILL TO BE ENTITLED

1 AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNMENT
2 PERFORMANCE AUDIT COMMITTEE REGARDING THE UNIVERSITY OF
3 NORTH CAROLINA.
4

5 The General Assembly of North Carolina enacts:

6 —UNC BD. OF GOV. REVIEW/PLAN.

7 Section 1. (a) The Board of Governors of The University of North Carolina shall
8 review all academic programs, research activities, extension activities, public service
9 activities, and administration and support functions to identify those programs and
10 activities that are of low productivity or low priority, or are unnecessarily redundant.
11 The Board shall develop specific criteria for this one-time review of academic program
12 productivity, and shall develop a process to review all programs and activities
13 biennially. The Board's review shall have as its top priority the potential elimination of
14 nonproductive or redundant graduate, professional, or doctoral programs and the
15 identification of resources and programs that will strengthen undergraduate education.

16 This review shall be completed by December 31, 1995. The Board shall
17 report to the General Assembly and to the Joint Education Oversight Committee by
18 February 1, 1996, on its findings. The report shall include a plan for program
19 eliminations or reductions and for proposed reallocations of savings.

20 (b) G.S. 116-11(3) reads as rewritten:

21 "(3) The Board shall determine the functions, educational activities and
22 academic programs of the constituent institutions. The Board shall also
23 determine the types of degrees to be awarded. The powers herein given

1 to the Board shall not be restricted by any provision of law assigning
2 specific functions or responsibilities to designated institutions, the
3 powers herein given superseding any such provisions of law. The
4 Board, after adequate notice and after affording the institutional board
5 of trustees an opportunity to be heard, shall have authority to withdraw
6 approval of any existing program if it appears that the program is
7 unproductive, excessively costly or unnecessarily duplicative. The
8 Board shall review the productivity of programs every two years, using
9 criteria specifically developed to determine program productivity."

10 (c) The Board of Governors of The University of North Carolina shall develop a
11 plan for the continued and expanded availability of higher education for all citizens,
12 focusing on the availability of opportunities in underserved areas by means other than
13 the establishment of additional degree programs. The expanded use of video and audio
14 distance learning technology, the expanded use of graduate centers to avoid program
15 duplication, the potential for expanded funding of extension instruction, and increased
16 cooperative programs with the North Carolina Community College System and the
17 public school system should all be considered in developing the plan. The plan shall
18 include proposals for the allocation and funding of students taught by more than one
19 institution of higher education. The plan shall be developed in conjunction with the
20 Education Cabinet and shall be approved by the Cabinet. The plan shall include
21 projected costs, benefits, and a schedule for implementation. The plan shall be provided
22 to the General Assembly by January 1, 1995.

23 (d) This section becomes effective July 1, 1993.

24 —UNC TUITION ISSUES.

25 Sec. 2. (a) The General Assembly finds that the tuition policy at The
26 University of North Carolina, both for undergraduates and graduates, and both for
27 residents and nonresidents, needs to be reexamined in order to reflect better the
28 constitutional mandate to provide higher education free of expense "as far as
29 practicable" by reevaluating the relationship of tuition to cost and by determining what
30 costs must be made up of tuition charged in order to ensure that all eligible North
31 Carolinians are indeed guaranteed a public higher education at the lowest possible cost
32 while maintaining a public higher education system that is worthy of the support of all
33 North Carolinians.

34 (b) The General Assembly finds that undergraduate resident students of The
35 University of North Carolina should pay at least sixteen percent (16%) of the
36 educational and general costs, excluding financial aid, of the average cost of
37 undergraduate education by level of institution.

38 (c) The Board of Governors of The University of North Carolina shall develop
39 and implement plans to phase in the attainment of the level of student contribution set
40 forth in subsection (b) of this section. The phasing in shall begin by the 1994-95
41 academic year and be completed by the 1998-99 academic year.

42 (d) The General Assembly finds that tuition and required fees should be a limited
43 amount of resident students' costs.

1 (e) The Board of Governors of The University of North Carolina shall
2 develop a tuition and fee policy consistent with law that limits tuition and required fees
3 to a specific percentage of less than one-fourth of the cost to undergraduate resident
4 students of attending constituent institutions of The University of North Carolina. The
5 Board shall define the elements of cost to be included in this policy's calculations and
6 shall report these elements of cost to the General Assembly.

7 (f) The Board of Governors of The University of North Carolina shall
8 develop a plan for providing increased State-funded need-based financial aid, with a
9 strong emphasis on a grants program, commensurate with any increase in students'
10 financial needs generated by tuition increases, to students at constituent institutions of
11 The University of North Carolina.

12 (g) The Board of Governors of The University of North Carolina, in
13 accordance with G.S. 116-143, shall develop higher tuition rates for graduate and
14 professional programs. These rates shall be developed after specific analysis of the cost
15 differences between undergraduate and graduate instruction. The new rates shall be
16 based on this analysis.

17 (h) The Board of Governors of The University of North Carolina shall
18 present its plan for implementing all the tuition increases pursuant to this section to the
19 General Assembly by April 1, 1994.

20 (i) G.S. 116-144 reads as rewritten:

21 **"§ 116-144. Higher tuition to be charged nonresidents.**

22 The Board of Governors shall fix the tuition and required fees charged nonresidents
23 of North Carolina who attend the institutions enumerated in G.S. 116-4 at rates higher
24 than the rates charged residents of North Carolina and comparable to the rates charged
25 ~~nonresident students by comparable public institutions nationwide, except that a Carolina.~~
26 Tuition shall be at rates from approximately seventy-five percent (75%) to one hundred
27 percent (100%) of the educational and general costs of education for the different levels
28 of institutions, taking into consideration the overall tuition and fee charges for
29 comparable institutions in peer states, the need for diversity of the student body, and the
30 mission of the institution. A person who serves as a graduate teaching assistant or
31 graduate research assistant or in a similar instructional or research assignment and is at
32 the same time enrolled as a graduate student in the same institution may, in the
33 discretion of the Board of Governors, be charged a lower rate fixed by the Board,
34 provided the rate is not lower than the North Carolina resident rate."

35 (j) G.S. 116-11(9)a. reads as rewritten:

36 "(9) a. The Board of Governors shall develop, prepare and present to the
37 Governor, the Advisory Budget Commission and the General
38 Assembly a single, unified recommended budget for all of public
39 senior higher education. The recommendations shall consist of
40 requests in three general categories: (i) funds for the continuing
41 operation of each constituent institution, (ii) funds for salary increases
42 for employees exempt from the State Personnel Act and (iii) funds
43 requested without reference to constituent institutions, itemized as to
44 priority and covering such areas as new programs and activities,

1 expansions of programs and activities, increases in enrollments,
2 increases to accommodate internal shifts and categories of persons
3 served, capital improvements, improvements in levels of operation and
4 increases to remedy deficiencies, as well as other areas. Funds to be
5 generated from increases in tuition rates shall be applied to category
6 (iii) in the budget proposal, including need-based financial aid in order
7 to implement the Board's plan for providing State-funded need-based
8 financial aid, and shall not supplant General Fund appropriations. The
9 function of the Advisory Budget Commission under this section
10 applies only if the Director of the Budget consults with the
11 Commission in preparation of the budget."
12 (k) This section becomes effective July 1, 1993.