Introduction
As mandated by G.S. 116-143.7, the University of North Carolina charges a 50% tuition surcharge to undergraduate students who take more than 4 years and 140 degree credit hours to earn a bachelor’s degree or more than 5 years and 110% of the necessary credit hours for officially designated Five-Year Programs.

S.L. 2012-142, Modify 2011 Appropriations Act, Sec. 9.8, directed the Fiscal Research Division (FRD) to study the tuition surcharge policy’s effect on student credit hours and the time to graduation; it also directed that the study examine revenue generated by the surcharge, how often the surcharge is applied, and how students are informed about the tuition surcharge policy.

Legislative Mandate and Process For This Report
S.L. 2012-142, Modify 2011 Appropriations Act, Sec. 9.8, directed FRD to study the tuition surcharge policy as follows:

The Fiscal Research Division, in cooperation with The University of North Carolina, shall study the tuition surcharge mandated by G.S. 116-143.7. As part of the study, the Fiscal Research Division shall examine the surcharge's effect, if any, on the number of credit hours taken by students at constituent institutions of The University of North Carolina and the resulting effect on the timely achievement of graduation; the number of students subject to the surcharge in each of the last five academic years; and the revenue generated by the surcharge. In its study, the Fiscal Research Division shall also examine the methods that The University of North Carolina employs to provide notice to a student that the student is approaching the credit hour limit and will be charged the tuition surcharge if the student exceeds that limit. The Fiscal Research Division shall report its findings and recommendations, including any legislative recommendations, by January 1, 2013, to the Joint Legislative Education Oversight Committee and to the Education Appropriation Subcommittees of the House of Representatives and the Senate.

As required by Sec. 9.8, the Fiscal Research Division completed this study in cooperation with UNC-General Administration (UNC-GA) and the System’s constituent institutions. UNC-GA provided data on the total credit hours taken by students, the time to graduation, and the revenue generated by the surcharge. Each campus provided its own data regarding surcharge revenue generated and the number of students who have been assessed a surcharge in recent years; also, each campus summarized its communication methods to educate and inform students about the tuition surcharge, using a survey form designed and provided by FRD.

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1 The System’s sixteen constituent university institutions are: Appalachian State University (ASU); Elizabeth City State University (ECSU); East Carolina University (ECU); Fayetteville State University (FSU); North Carolina Agricultural & Technical State University (NCA&T); North Carolina Central University (NCCU); North Carolina State University (NCSU); UNC Asheville (UNCA); UNC-Chapel Hill (UNCCH); UNC Charlotte (UNCC); UNC Greensboro (UNCG); UNC Pembroke (UNCP); UNC School of the Arts (UNCSA); UNC Wilmington (UNCW); Western Carolina University (WCU); and Winston-Salem State University (WSSU).
Additionally, staff at UNC-GA reviewed a draft of this report; this final report incorporates some of their feedback. UNC-GA also provided a final written response contained in Appendix E.

**Legislative History**

**UNC Directed to Develop Plans for a Tuition Surcharge**

S.L. 1993-321, Sec. 89(b), as modified by S.L. 1993-769, Sec. 17.10 (See Appendix A), directed the UNC System to develop a process for charging a 25% tuition surcharge on students who take the following coursework:
- Over 4 years and over 140 credit hours to earn a baccalaureate degree; or
- Over 5 years and over 110% of the necessary credit hours to earn a baccalaureate degree in any program that the Board of Governors had officially designated as a “Five-Year Program.”

The act stipulated that credit hours earned through the following methods be omitted from calculation:
- The College Board’s Advanced Placement and College-Level Examination Program (CLEP) examinations;
- Institutional advanced placement or course validation;
- Summer-term programs; and
- Extension programs.

The act also required the UNC System to report to the Joint Legislative Education Oversight Committee by April 1, 1994, on its progress in developing a tuition surcharge policy. UNC’s report (See Appendix B), recommended the following:
- The surcharge apply to undergraduates beginning school in Fall 1994 or later;
- The following types of credit hours count toward the surcharge: regular session degree-creditable courses; repeated courses; failed courses; courses dropped after the last official “drop date”; and credit hours that are accepted for transfer in from any other institutions, except summer term credit hours from other UNC institutions;
- The following types of credit hours not count toward the surcharge, in accordance with S.L. 1993-321, Sec. 89(b): the College Board’s Advanced Placement and CLEP examinations; institutional advanced placement or course validation; summer term programs; and extension programs;
- For first baccalaureate degrees, the surcharge be assessed on students in the following programs:
  - A program that requires no more than 128 hours (i.e., a typical four-year program) who take more than 140 hours; and
  - A program that requires more than 128 hours who take more than 110% of the hours required to complete the degree;
- For subsequent baccalaureate degrees, the surcharge be assessed on students who take more than 110% of the hours required to complete the degree.

**Tuition Surcharge Policy Implemented and Codified**

Beginning with students who enrolled in Fall 1994, UNC implemented the 25% tuition surcharge as described in its April 1, 1994, report. This Board of Governors’ policy (See Appendix C) remained in place until the General Assembly codified the tuition surcharge in 2009, creating G.S. 116-143.7 via S.L. 2009-451, Sec. 9.10. The codified tuition surcharge policy mirrored the Board of Governors’ policy, with the following exceptions:
- The statute created the following criteria under which the surcharge could be waived, if a student demonstrated that his or her education had been disrupted by: (i) a military service obligation, (ii) serious medical debilitation, (iii) a short-term or long-term disability, or (iv) other extraordinary hardship;
- The statute did not address whether students pursuing subsequent baccalaureate degrees should be subject to different credit-hour caps than students pursuing a first baccalaureate degree; and

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2 In this report, the phrase “Five-year Program” refers specifically to those baccalaureate programs officially designated as such by the UNC Board of Governors, such as the UNCC Bachelor of Architecture.
The statute mandated that the 25% tuition surcharge be increased to 50% for all students enrolling as of the 2010-11 academic year.

**Surcharge Effect on Student Enrollment Behavior**

The tuition surcharge is assessed only on students who have exceeded both the credit-hour and time-limit caps; thus, S.L. 2012-142, Section 9.8 directed that this report examine the surcharge’s effect, if any, on both the number of credit hours that students take prior to graduation and the amount of time students take to graduate.

**Surcharge Effect on Number of Credit Hours Attempted Prior to Graduation**

The UNC System records the total credit hours attempted by graduating students; “attempted hours” include failed courses and courses from which a student withdraws after the campus’s official “Add/Drop Date.” Systemwide, students who graduated in 2010-11 and 2011-12 attempted a slightly reduced number of credit hours than graduates in prior years. However, because the surcharge increase from 25% to 50% is so recent, it is unlikely to have influenced this decrease; students need to begin planning early in their academic careers in order to graduate on time and within or near the typical 128 credit hours required by four-year degree programs. Thus, it may be several years before the surcharge change has any notable impact on the average number of credit hours attempted.

Figure 1 summarizes the number of credit hours that students who graduated in FY 2007-08 through FY 2011-12 attempted prior to graduation. This data:

- Includes regular term and distance education hours;
- Includes summer term hours, which are exempt from the tuition surcharge credit hour cap;
- Excludes credit hours earned thru the College Board’s Advanced Placement Exam, the College Board’s College Level Examination Program (CLEP), and the International Baccalaureate program; and
- Excludes credit hours attempted by students in Five-Year Programs.

**Figure 1. Average Credit Hours Attempted by Graduates, FY 2007-08 to FY 2011-12**

![Average Credit Hours Attempted by Graduates, FY 2007-08 to FY 2011-12](chart)

*Source: The University of North Carolina General Administration, October 2012*

**Surcharge Effect on Time to Graduation**

Per G.S. 116-143.7(b), the tuition surcharge is not assessed on students who exceed the credit-hour cap within the equivalent of four academic years of regular term (i.e., not summer session) enrollment, or within the equivalent for Five-Year Programs.
The average UNC graduate takes longer than the equivalent of four years to complete a degree. Data provided by The University of North Carolina, summarized in Figure 2, show that students receiving a bachelor’s degree from four-year programs take on average between 9 and 10 registered semesters to graduate, or the equivalent of 4.5 to 5 years of coursework. Systemwide, this average time-to-degree has remained stable in recent years.

*Figure 2. Average* Semesters-to-Degree, Graduation Years 2006-07 Through 2011-12*

<table>
<thead>
<tr>
<th>Year</th>
<th>Fall &amp; Spring Terms</th>
<th>Summer Terms</th>
<th>Total Semesters</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>8.14</td>
<td>1.58</td>
<td>9.72</td>
</tr>
<tr>
<td>2007-08</td>
<td>8.10</td>
<td>1.56</td>
<td>9.66</td>
</tr>
<tr>
<td>2008-09</td>
<td>8.13</td>
<td>1.53</td>
<td>9.66</td>
</tr>
<tr>
<td>2009-10</td>
<td>8.09</td>
<td>1.55</td>
<td>9.64</td>
</tr>
<tr>
<td>2010-11</td>
<td>8.10</td>
<td>1.56</td>
<td>9.66</td>
</tr>
<tr>
<td>2011-12</td>
<td>8.04</td>
<td>1.55</td>
<td>9.59</td>
</tr>
</tbody>
</table>

* Data for individual campuses is shown in Appendix D.

Source: The University of North Carolina General Administration, October 2012

The UNC systemwide data show that, on average, students spend slightly over eight semesters in registered in regular term (fall and spring) semesters, plus an additional semester and a half in summer term. Consequently, if the surcharge increase from 25% to 50% changes student behavior, it may do so by causing more students to register for additional coursework in the summer term, which is not subject to the surcharge, rather than by reducing the overall time-to-degree.

The time-to-degree at each campus varies, as shown in Figure 3. For example, at NCCU, which had the longest time-to-degree for 2011-12 graduates, the average graduate took more than 11.5 semesters to complete a degree, with more than 9 regular-term semesters and more than 2 summer terms. Conversely, UNC School of the Arts, Western Carolina University, and UNC-Wilmington all have average time to degrees less than 9 semesters, including summer term. The surcharge increase from 25% to 50% is more likely to reduce the total time-to-degree at schools where the time-to-degree is higher.

*Figure 3: Average Semesters to Degree by School, 2011-12 Graduates*

However, other factors affect the amount of time that students spend in school, and any future decreases in systemwide or campus-specific time-to-degree may not be attributable solely to tuition surcharge rate increase. For example, limits on the length of time a student can receive financial aid may impact time-to-degree. S.L. 2011-145, Sec. 9.11, created a maximum length of time during which UNC students may receive assistance from the UNC
Need-Based Financial Aid Program scholarship. Most students will be limited to 9 semesters (or the equivalent if enrolled part-time); students enrolled in Five-Year Programs are limited to 11. Additionally, effective July 1, 2012, the federal Pell Grant program limits students to a lifetime maximum award of the equivalent of six years. These financial aid time limits could also impact a student’s time-to-degree.

Finally, and as previously noted, ensuring a timely graduation requires planning course load and degree progression in advance; any potential effect of the recent surcharge increase may take several years to produce a change in the time-to-degree. An additional review after several years could more accurately judge the effect.

Revenue Generated from Surcharge Assessments

Number of Students Subject to the Surcharge

S.L. 2012-142, Sec. 9.8, required this report to examine the number of students subject to the surcharge in the last five academic years; Figure 4 shows the data that each campus reported. The surcharge is levied each semester on any student who both exceeds the credit-hour cap and the four-year limit; thus, the same student may pay the surcharge for multiple semesters before graduating, and may show up in multiple columns in Figure 4.

Figure 4. Students Assessed a Tuition Surcharge by Semester, FY 2007-08 to FY 2011-12

<table>
<thead>
<tr>
<th></th>
<th>2007-08</th>
<th></th>
<th></th>
<th>2009-10</th>
<th></th>
<th></th>
<th>2010-11</th>
<th></th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fall</td>
<td>Spring</td>
<td>Fall</td>
<td>Spring</td>
<td>Fall</td>
<td>Spring</td>
<td>Fall</td>
<td>Spring</td>
<td>Fall</td>
</tr>
<tr>
<td>ASU</td>
<td>200</td>
<td>319</td>
<td>293</td>
<td>418</td>
<td>273</td>
<td>429</td>
<td>268</td>
<td>378</td>
<td>277</td>
</tr>
<tr>
<td>ECSU</td>
<td>110</td>
<td>171</td>
<td>114</td>
<td>215</td>
<td>194</td>
<td>181</td>
<td>191</td>
<td>231</td>
<td>199</td>
</tr>
<tr>
<td>ECU</td>
<td>134</td>
<td>400</td>
<td>344</td>
<td>378</td>
<td>271</td>
<td>336</td>
<td>409</td>
<td>565</td>
<td>458</td>
</tr>
<tr>
<td>FSU</td>
<td>(a)</td>
<td>(a)</td>
<td>490</td>
<td>509</td>
<td>658</td>
<td>660</td>
<td>379</td>
<td>335</td>
<td></td>
</tr>
<tr>
<td>NCA&amp;T</td>
<td>207</td>
<td>(b)</td>
<td>329</td>
<td>929</td>
<td>753</td>
<td>884</td>
<td>446</td>
<td>753</td>
<td>444</td>
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<tr>
<td>NCCU</td>
<td>130</td>
<td>300</td>
<td>205</td>
<td>290</td>
<td>226</td>
<td>380</td>
<td>191</td>
<td>279</td>
<td>157</td>
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<tr>
<td>NCSU</td>
<td>325</td>
<td>463</td>
<td>307</td>
<td>400</td>
<td>266</td>
<td>462</td>
<td>256</td>
<td>407</td>
<td>300</td>
</tr>
<tr>
<td>UNCA</td>
<td>134</td>
<td>198</td>
<td>143</td>
<td>175</td>
<td>160</td>
<td>205</td>
<td>160</td>
<td>159</td>
<td>130</td>
</tr>
<tr>
<td>UNCC</td>
<td>634</td>
<td>812</td>
<td>549</td>
<td>781</td>
<td>594</td>
<td>805</td>
<td>568</td>
<td>745</td>
<td>477</td>
</tr>
<tr>
<td>UNCH</td>
<td>28</td>
<td>31</td>
<td>24</td>
<td>43</td>
<td>28</td>
<td>50</td>
<td>11</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>UNCG</td>
<td>270</td>
<td>368</td>
<td>302</td>
<td>409</td>
<td>301</td>
<td>442</td>
<td>214</td>
<td>453</td>
<td>294</td>
</tr>
<tr>
<td>UNCP</td>
<td>151</td>
<td>183</td>
<td>171</td>
<td>185</td>
<td>171</td>
<td>219</td>
<td>171</td>
<td>173</td>
<td>99</td>
</tr>
<tr>
<td>UNCSA</td>
<td>(c)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>UNCW</td>
<td>186</td>
<td>197</td>
<td>195</td>
<td>276</td>
<td>174</td>
<td>250</td>
<td>89</td>
<td>105</td>
<td>59</td>
</tr>
<tr>
<td>WCU</td>
<td>-</td>
<td>334</td>
<td>257</td>
<td>318</td>
<td>269</td>
<td>320</td>
<td>79</td>
<td>148</td>
<td>104</td>
</tr>
<tr>
<td>WSSU</td>
<td>(d)</td>
<td>(d)</td>
<td>149</td>
<td>306</td>
<td>144</td>
<td>202</td>
<td>133</td>
<td>146</td>
<td>263</td>
</tr>
<tr>
<td>Total</td>
<td>2,509</td>
<td>3,776</td>
<td>3,382</td>
<td>5,613</td>
<td>4,298</td>
<td>5,674</td>
<td>3,844</td>
<td>5,214</td>
<td>3,646</td>
</tr>
</tbody>
</table>

Source: Survey of UNC System Campuses

Notes:

a) FSU did not have data available for the Fall 2007, Spring 2008 or Fall 2008 semesters.
b) NCA&T has no record of students being assessed a surcharge in Spring 2008.
c) The UNC School of the Arts rarely has students subject to the surcharge because the coursework for their unique degree programs is generally proscribed, and it is rare for a student to change programs outside their Art School.
d) WSSU inadvertently did not assess the surcharge in Fall 2007 or Spring 2008.

\[^{3}\text{S.L. 2012-141, Sec. 9.8 directed this study to include a count of “the number of students subject to surcharge in each of the last five academic years…” However, because a student may be subject to a surcharge in more than one academic year, students would have been counted in more than one academic year. After discussions with The University of North Carolina, FRD determined that providing a count of students assessed a surcharge each semester would provide legislators a more accurate representation of tuition surcharges.}\]
The data show that the number of students assessed a surcharge peaked in the 2009-10 academic year and declined slightly since then. However, UNC’s total enrollment as measured in full-time-equivalent (FTE) students increased over the period, from 187,792 in Fall 2007 to 200,386 in Fall 2011. Thus, the number of students who are assessed a surcharge in each semester is both small relative to the total enrolled student population, and has decreased as a percent of that population.

Revenue Generated by the Tuition Surcharge

S.L. 2012-142, Sec. 9.8, required this report to examine the revenue generated by the tuition surcharge. The System collected $5 million in FY 2011-12; for context, this represented 0.33% of UNC’s budgeted $1.49 billion in General Fund receipts for the same fiscal year.

Historically, approximately half of the System’s tuition surcharge revenue has been generated by 4 of the 16 campuses: East Carolina University, North Carolina A&T State University; North Carolina State University; and UNC Charlotte. Three of these (UNCC, ECU, and NCSU) have the three largest undergraduate student populations in the System, with undergraduate FTE counts ranging from 18,000 to 23,000.

Figure 5 shows the revenue collected by the System in the past five fiscal years.

Figure 5. Tuition Surcharge Revenue, FY 2007-08 to FY 2011-12

From FY 2009-10 to FY 2010-11, surcharge revenue increased from $2.5 million to $5.0 million. As was noted earlier, the number of students surcharged each semester of this time period has decreased. Therefore, the increase in revenue is likely attributable to the following factors:

- The surcharge increase from 25% to 50% as of July 1, 2010; and
- Tuition increases at nearly all UNC campuses increased between these two fiscal years.
Methods of Communicating the Surcharge Policy

The authorizing legislation required this report to examine how campuses “provide notice to a student that the student is approaching the credit hour limit and will be charged the tuition surcharge if the student exceeds that limit.”

The Fiscal Research Division surveyed the 16 campuses about their specific communication methods for each of the following:
- Educating all enrolled students about the tuition surcharge policy; and
- Notifying students who approach the surcharge’s credit-hour cap.

The following sections discuss the survey’s findings:

Educating All Enrolled Students about the Tuition Surcharge Policy

The campus survey showed that every campus takes extensive efforts to educate all students about the tuition surcharge policy. At a minimum, all 16 campuses discuss the tuition surcharge policy in their course catalog and on their website. Additionally, almost every campus notes the tuition surcharge policy on its tuition statements or tuition bills, whether these are provided in hard copy or via electronic resources.

Many campuses go beyond these basic outreach strategies. Eleven of the 16 campuses discuss the tuition surcharge policy with freshman and transfer students (and/or their parents) during orientation sessions. On 10 campuses, academic advisors are educated about the surcharge and discuss it with their advisees.

Figure 6 summarizes the numerous communication strategies used by the campuses to ensure that all enrolled students learn about the surcharge well in advance of their reaching the credit-hour cap.

![Figure 6. Methods to Educate All Enrolled Students About the Tuition Surcharge Policy](image)

Source: Survey of UNC System Campuses

Notes:
1) Policy is physically posted on campus and discussed with students during financial aid counseling.
2) Policy is physically posted on campus.
3) Policy is included in a “beginning of the semester” e-mail to all students, which also discusses other campus policies and issues.

4) Policy is physically posted on campus and is included in an e-mail to all students and faculty prior to each semester’s academic advising sessions and early registration. If the policy is changed for any reason, the campus e-mails all students, posts an announcement on the student self-service (internet) system, and updates the website. Finally, the campus’s course withdrawal forms reference the Policy to remind students that withdrawal hours count toward the surcharge cap.

5) In rare instances that a student changes to a different program outside his/her Art School, the student is advised about the Policy. Additionally, returning students who repeat courses are advised by the Dean of Liberal Arts and the University Registrar that attempted hours count toward the surcharge.

**Notifying Students Who Approach the Surcharge’s Credit-Hour Cap**

In addition to educating all students about the Tuition Surcharge Policy, 11 UNC campuses give direct advance notification to those students who appear at risk of exceeding the credit-hour cap. The campuses with advance warning practices typically send the warnings to the student (rather than the parents) via e-mail.

Four of the five campuses that do not directly contact students with targeted advance notification provided the following additional information:

- ECU is developing advance-notification practices.
- NCSU does not contact students directly, but it shows on the internet self-service portal (i.e., the website on which students enroll in courses, manage accounts and financial aid, and perform similar activities) a calculation of how close the student is to the credit-hour cap.
- UNCC does not directly contact students, but it encourages academic advisors to identify students who may be approaching the credit-hour cap and to discuss with the student a plan to complete the degree without exceeding it.
- UNCCH is working to develop strategies to identify at-risk students in advance and to provide information to academic advisors.

The campuses that directly contact students with an advance notification have self-selected credit-hour thresholds that trigger the notification. Some campuses use one threshold for all students (e.g., ASU notifies all students once they accumulate 90 credit hours). Other campuses take a student’s individual degree track into account, such as whether the student is enrolled in a traditional or a Five-Year Program (e.g., FSU notifies students who are within 20 hours of the cap).

Figure 7, on the following page, summarizes the campuses’ practices for directly notifying students who appear at risk of being assessed the Tuition Surcharge.
Figure 7. How Campuses Directly Notify Students Who May Exceed the Credit-Hour Cap

<table>
<thead>
<tr>
<th>Campus</th>
<th>Notification Threshold</th>
<th>Notification Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASU</td>
<td>90 hours</td>
<td>Letter mailed to permanent address.</td>
</tr>
<tr>
<td>ECSU</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>ECU</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>FSU</td>
<td>Within 20 hours of cap; precise threshold varies based on whether student is enrolled in a 4-year or 5-year degree program.</td>
<td>E-mail sent to student.</td>
</tr>
<tr>
<td>NCA&amp;T</td>
<td>94 hours</td>
<td>E-mail sent to student each semester.</td>
</tr>
<tr>
<td>NCCU</td>
<td>90 hours</td>
<td>E-mail sent to student.</td>
</tr>
<tr>
<td>NCSU</td>
<td>None</td>
<td>None (1)</td>
</tr>
<tr>
<td>UNCA</td>
<td>120 hours</td>
<td>E-mail sent to student.</td>
</tr>
<tr>
<td>UNCC</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>UNCCCH</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>UNCG</td>
<td>112 hours and in at least 8th semester</td>
<td>E-mail sent to student.</td>
</tr>
<tr>
<td>UNCP</td>
<td>120 hours and student has not applied to graduate</td>
<td>E-mail sent to student.</td>
</tr>
<tr>
<td>UNCSA</td>
<td>Within 20 hours of cap; precise threshold varies based on whether student is enrolled in a 4-year or 5-year degree program</td>
<td>E-mail sent to student.</td>
</tr>
<tr>
<td>UNCW</td>
<td>Within 40 hours of cap and again within 20 hours of cap; precise threshold varies based on whether student is enrolled in a 4-year or 5-year degree program</td>
<td>E-mails sent to student</td>
</tr>
<tr>
<td>WCU</td>
<td>120 hours</td>
<td>E-mail sent to student.</td>
</tr>
<tr>
<td>WSSU</td>
<td>120 hours</td>
<td>E-mail sent to student.</td>
</tr>
</tbody>
</table>

Source: Fiscal Research Division Survey of Constituent Institutions, September 2012

Notes:
1) NCSU does not directly notify students who appear at risk of exceeding the credit-hour cap. However, on its student self-service portal (i.e., the website on which students enroll in courses, manage accounts and financial aid, and perform similar activities), NCSU provides a calculation showing the number of hours the student has attempted, the number left before the surcharge is imposed, and the number of hours the student is taking in the current or upcoming semester that are subject to the surcharge.

Recommended Policy Changes

Address Disproportionate Impact on Transfer Students

G.S. 116-143.7(a) directs that credit hours “accepted for transfer” shall count toward the tuition surcharge. Hours “accepted for transfer” include hours that do not count toward the student’s intended major at the UNC institution. In some instances, the student may be subject to the surcharge from his or her first semester, solely due to credit hours obtained at non-UNC institutions. Because credit hours obtained outside the UNC and NC Community College Systems were not subsidized by the State (other than via State-funded financial aid to NC private college students), the General Assembly may wish to consider changing this practice. If so, no statutory change is required. Among other options, legislators could direct UNC via session law to develop and implement surcharge guidelines that exempt transfer credit hours taken at any institution outside the UNC or North Carolina Community College System.

Alternatively, the General Assembly may wish to continue the current practice in order to encourage all students to graduate more quickly, thus avoiding unnecessary taxpayer-subsidized credit hours and freeing up seats for additional students.
Require Campuses to Notify Students Who Approach the Credit Hour Threshold

The survey of campus communication methods showed that some campuses notify students who are approaching the credit hour threshold and some do not. In addition, the campuses that notify students have self-determined notification thresholds, and these thresholds vary by campus. These varying practices do not violate the General Statutes or Board of Governors’ policy, but the UNC System may benefit from identifying a best practice in terms of notification, and requiring all constituent institutions to follow that practice. Implementing a uniform practice across the campuses would also benefit parents who have children enrolled in more than one UNC institution.

If the General Assembly wishes to change this practice, no statutory change is required. Among other options, legislators could direct UNC via session law to develop a uniform approach to student advance notification.

For additional information please contact:
Education Team
Fiscal Research Division
NC General Assembly
300 N. Salisbury St., Room 619
Raleigh, North Carolina 27603-5925
(919) 733-4910
http://www.ncleg.net/fiscalresearch
Legislative Report

University of North Carolina Tuition Surcharge Policy

Appendix A

Existing Legislation
APPENDIX A: EXISTING LEGISLATION

S.L. 1993-321, Section 89.(b): UNC UNDERGRADUATE EDUCATION

(b) The Board of Governors of The University of North Carolina shall ensure that procedures are established that are necessary to impose a twenty-five percent (25%) tuition surcharge on students who take more than 140 degree credit hours to complete a baccalaureate degree in a four-year program or more than 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. The calculation of these credit hours taken at a constituent institution or accepted for transfer shall exclude hours earned through the College Board's Advanced Placement or CLEP examinations, through institutional advanced placement or course validation, or through summer term or extension programs. The Board shall report to the Joint Legislative Education Oversight Committee by April 1, 1994, on its recommendations for implementing this surcharge.

S.L. 1993-769, Section 17.10: UNC TUITION SURCHARGE EXCEPTION

Subsection (b) of Section 89 of Chapter 321 of the 1993 Session Laws reads as rewritten:

"(b) The Board of Governors of The University of North Carolina shall ensure that procedures are established that are necessary to impose a twenty-five percent (25%) tuition surcharge on students who take more than 140 degree credit hours to complete a baccalaureate degree in a four-year program or more than 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. The calculation of these credit hours taken at a constituent institution or accepted for transfer shall exclude hours earned through the College Board's Advanced Placement or CLEP examinations, through institutional advanced placement or course validation, or through summer term or extension programs. No surcharge shall be imposed on any student who exceeds 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. The Board shall report to the Joint Legislative Education Oversight Committee by April 1, 1994, on its recommendations for implementing this surcharge."

S.L. 2009-451, Section 9.10

CODIFY AND INCREASE UNC UNDERGRADUATE TUITION SURCHARGE

SECTION 9.10.(a) Article 14 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"§ 116-143.7. Tuition surcharge.

(a) The Board of Governors of The University of North Carolina shall impose a twenty-five percent (25%) tuition surcharge on students who take more than 140 degree credit hours to complete a baccalaureate degree in a four-year program or more than 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. Courses and credit hours taken include those taken at a constituent institution or accepted for transfer. In calculating the number of degree credit hours taken:

(1) Included are courses that a student:
   a. Fails.
   b. Does not complete unless the course was officially dropped by the student pursuant to the academic policy of the appropriate constituent institution.

(2) Excluded are credit hours earned through:
a. The College Board's Advanced Placement Program, CLEP examinations, or similar programs.

b. Institutional advanced placement, course validation, or any similar procedure for awarding course credit.

c. Summer term or extension programs.

(b) No surcharge shall be imposed on any student who exceeds 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.

c. Upon application by a student, the tuition surcharge shall be waived if the student demonstrates that any of the following have substantially disrupted or interrupted the student's pursuit of a degree: (i) a military service obligation, (ii) serious medical debilitation, (iii) a short-term or long-term disability, or (iv) other extraordinary hardship. The Board of Governors shall establish the appropriate procedures to implement the waiver provided by this subsection.

SECTION 9.10.(b) G.S. 116-143.7(a), as enacted by subsection (a) of this section, reads as rewritten:

"(a) The Board of Governors of The University of North Carolina shall impose a twenty-five percent (25%) fifty percent (50%) tuition surcharge on students who take more than 140 degree credit hours to complete a baccalaureate degree in a four-year program or more than 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. Courses and credit hours taken include those taken at that constituent institution or accepted for transfer. In calculating the number of degree credit hours taken:

1) Included are courses that a student:
   a. Fails.
   b. Does not complete unless the course was officially dropped by the student pursuant to the academic policy of the appropriate constituent institution.

2) Excluded are credit hours earned through:
   a. The College Board's Advanced Placement Program, CLEP examinations, or similar programs.
   b. Institutional advanced placement, course validation, or any similar procedure for awarding course credit.
   c. Summer term or extension programs."

SECTION 9.10.(c) Subsection (a) of this section is effective beginning with the 2009-2010 academic year; subsection (b) of this section is effective beginning with the 2010-2011 academic year.
Legislative Report

University of North Carolina Tuition Surcharge Policy

Appendix B

University of North Carolina
1994 Report to the General Assembly
On Proposed Tuition Surcharge Guidelines
BOARD OF GOVERNORS MEETING
The University of North Carolina
March 4, 1994

The Board of Governors met in special session in the General Administration Building, Chapel Hill, on March 4, 1994, at 9:30 a.m. Mr. Poole, the chairman, presided.

INVOCATION

Mr. Peterson gave the invocation.

ROLL CALL

Secretary Neill called the roll and the following members were present:

Samuel H. Poole          Helen R. Marvin
Mark L. Bibbs            D. Samuel Neill
Lois G. Britt            Ellen S. Newbold
C. C. Cameron            Maxine H. O'Kelley
Philip G. Carson         D. Wayne Peterson
John F.A.V. Cecil        W. Travis Porter
Bert Collins             Marshall A. Rauch
J. Earl Danieley         H. D. Reaves
Charles D. Evans         Benjamin S. Ruffin
John A. Garwood          Joseph H. Stallings
Derrick E. Griffith      Thomas F. Taft
Alexander M. Hall        H. Patrick Taylor
Wallace N. Hyde          Priscilla P. Taylor
Robert L. Jones          Joseph E. Thomas
Jack P. Jordan           Harold H. Webb
John R. Jordan, Jr.      Barbara D. Wills-Duncan
Valeria L. Lee

The following members were absent:

Roderick D. Adams         James E. Holshouser, Jr.
G. Irvin Aldridge         James G. Martin

Chairman Poole stated that Mr. Adams, who was recuperating at home, had an excused absence under the provisions of the statute.

MINUTES

Chairman Poole noted that the minutes for February and March would be presented for approval at the April meeting.
Mr. Evans, chairman of the Committee on Educational Planning, Policies, and Programs, presented the committee's report.

**Request for Authorization to Establish a Center for Textile Protection and Comfort at North Carolina State University**

On behalf of the committee, Mr. Evans moved that a request by North Carolina State University to establish a Center for Textile Protection and Comfort be approved. He said the proposed center would be established in the College of Textiles and would conduct research on the total comfort and protection performance of a wide variety of textile materials. The new center, to be supported primarily by external grants, would require no state funding, special space or equipment. Mrs. Britt, Dr. Taylor, and others seconded the motion and it carried.

**Report and Goals on Average Credit-Hour Load and Guidelines for Tuition Surcharge**

Mr. Evans said Senate Bill 27 of the 1993 General Assembly required the Board of Governors to report annually on the progress being made to raise the average course load of full-time degree-seeking students at 15 of the constituent institutions by December 1997. For students who take more than 140 hours to complete a baccalaureate in a four-year program or more than 110 percent of the hours required to earn a baccalaureate in a designated five-year program, the legislation also required the board to establish procedures for imposing a 25 percent tuition surcharge.

In response to the General Assembly's request, Mr. Evans moved that (1) the report and goals concerning average credit-hour load and (2) the proposed guidelines for the tuition surcharge be approved and transmitted to the Legislative Education Oversight Committee of the General Assembly. Mr. Cecil seconded the motion and it carried. (See Appendix A.)

**Report on Study of Supply and Demand - Educational Administrators**

Mr. Evans moved that a report, prepared in response to House Bill 257 of the 1993 Session Laws, to study the supply and demand of educational administrators be approved
APPENDIX A

PROPOSED GUIDELINES TO COMPLY WITH SECTION 89 (a & b) OF SENATE BILL 27, 1993 SESSION LAWS

a. Fifteen Hour Requirement

- Applies to average coursework attempted by full-time undergraduates in the fall and spring semesters.
- Each constituent institution must meet the 15-hour average by December 1997.
- Board of Governors must report annually to the legislature and identify additional steps to be taken by institutions failing to make timely progress.
- Monitoring will be based on all degree-creditable and remedial course hours taken by degree-seeking undergraduates on the last date to add a course. First annual report to the legislature is due on April 1, 1994.

b. Tuition Surcharge Requirement

- Applies to all undergraduates seeking a baccalaureate degree at your institution with a matriculation date of fall 1994 or later.

- Credit hours to be included in the total:
  1. All regular session degree-creditable courses taken at your institution including repeated courses, failed courses and those dropped after the last date to add a course.
  2. All transfer credit hours accepted by your institution except those taken at another UNC institution through summer school or through degree-credit extension.

- Credit hours to be excluded are those earned through: 1) The College Board's AP and CLEP programs or alternative programs; 2) institutional advanced placement, course validation, or any similar procedures for awarding course credit; and 3) a summer session or degree-credit extension division on your campus.

- The credit hour threshold for imposing the surcharge depends upon the number of hours required to earn the degree. For students earning a first baccalaureate degree in a program that requires no more than 128 hours, the surcharge is applied to all hours in excess of 140. For students earning a first baccalaureate degree in a Board-approved program that requires more than 128 hours, the surcharge is applied to all hours that exceed 110 percent of the hours required for the degree. Examples of such programs include those that have been officially designated by the Board of Governors as five year programs, programs involving double majors and combined bachelor's/master's degree programs. For students earning a baccalaureate degree other than their first, the surcharge shall be applied to all hours that exceed 110 percent of the minimum additional hours needed to earn the additional baccalaureate degree.
## AVERAGE CREDIT HOURS TAKEN BY FULL-TIME UNDERGRADUATES BY INSTITUTION, 1982-1993

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**LEGISLATIVE REPORT**

December 21, 2012
Legislative Report

University of North Carolina Tuition Surcharge Policy

Appendix C

The UNC Policy Manual
Section 1000.1.5[G]
Tuition Surcharge Guidelines
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Tuition Surcharge Guidelines

This guideline provides a framework for implementing a tuition surcharge on undergraduates as required by North Carolina General Statute § 116-143.7 as codified by Section 9.10(a) of Session Law 2009-451.

I. Surcharge

The Board of Governors of the University of North Carolina shall ensure that procedures are established that are necessary to impose a twenty-five percent (25%) tuition surcharge prior to the 2010-2011 academic year and a fifty percent (50%) tuition surcharge beginning with the 2010-2011 academic year on students who take more than 140 degree credit hours to complete a baccalaureate degree in a four-year program or more than 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. The calculation of the credit hours taken at the constituent institution or accepted for transfer shall include courses failed by the student or that are not completed unless officially dropped by the student pursuant to the academic policy of the appropriate institution. The calculation of the credit hours taken shall exclude hours earned through the College Board's Advanced Placement or CLEP examination, through institutional advanced placement or course validation, or through summer term or extension programs. No surcharge shall be imposed on any student who exceeds 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.

II. Waiver

Upon application by a student, the tuition surcharge shall be waived if the student demonstrates that any of the following have substantially disrupted or interrupted the student’s pursuit of a degree: (i) a military service obligation, (ii) serious medical debilitation, (iii) a short-term or long-term disability, or (iv) other extraordinary hardship. (See Appendix A for the language and terms applicable to the waiver procedure).

III. Effective Date

Effective beginning with the 2009-2010 academic year, all undergraduates seeking a baccalaureate degree at a constituent institution will be subject to the requirements listed herein. Effective beginning with the 2010-2011 academic year, the tuition surcharge will be raised from 25% to 50%.

IV. “Counted Credit Hours”

The undergraduate credit hours to be counted for this requirement include: (1) those courses taken at the constituent institution or accepted for transfer, (2) failed courses, and (3) those courses not completed unless officially dropped by the student consistent with the academic policy of the appropriate constituent institution. All credit hours transferred shall be included for tuition surcharge calculation purposes regardless of their application to the student’s major or minor, unless otherwise exempted consistent with this guideline. However, the following credit hours shall be excluded from the calculation: (1) those earned through the College Board’s Advanced Placement (AP) and College Level Examination Program (CLEP) or similar programs, (2) those earned through institutional advanced placement, course validation, or any similar procedure for awarding course credit, and (3) those earned through summer session or extension programs on the campus or at another institution. In addition, and consistent with this guideline, credit hours taken while enrolled as a high school student shall be excluded from the tuition surcharge calculation.
V. Students Subject to the Surcharge

The surcharge shall be imposed on all counted credit hours in excess of the threshold defined below for each of the following three categories of undergraduates:

A. For students earning a first baccalaureate degree in a program that requires no more than 128 credit hours, the surcharge shall be applied to all counted credit hours in excess of 140.

B. For students earning a first baccalaureate degree in a board-approved program that requires more than 128 counted credit hours, the surcharge shall be applied to all credit hours that exceed 110 percent of the credit hours required for the degree. Such programs include those that have been officially designated by the Board of Governors as five-year programs, and combined bachelor's/master's degrees.

C. For students earning a baccalaureate degree other than their first, the surcharge shall be applied to all counted credit hours that exceed 110 percent of the minimum additional credit hours needed to earn the additional baccalaureate degree.

VI. Students Exempt from the Surcharge

The surcharge shall not be imposed on undergraduates who:

A. Complete a first baccalaureate degree program that has not been officially designated by the Board of Governors as a five-year program and whose counted credit hours were taken in eight (8) or fewer regular term semesters or the equivalent; or

B. Complete a first baccalaureate degree program that has been officially designated by the Board of Governors as a five-year program and whose counted credit hours were taken in ten (10) or fewer regular term semesters or the equivalent.

VII. How to Calculate the Surcharge

The surcharge shall be imposed on tuition charged in the current semester and in subsequent semesters where a student’s cumulative credit hours total – with that semester’s course load included – exceeds the threshold. The surcharge does not apply to required fees.
Appendix A
Waiver Procedure

I. Definitions

With respect to the provisions of North Carolina General Statute § 116-143.7(c) the following terms are defined:

A. “Military Service Obligation” shall mean the performance of duty on a voluntary or involuntary basis in connection with service in the Armed Forces, Reserves, or National Guard including, but not limited to; active duty, active duty for training, initial active duty for training, and inactive duty training.

B. “Serious Medical Debilitation” shall mean an illness, injury, impairment, or physical or mental condition requiring; (a) inpatient care in a hospital, hospice, or residential medical care facility; or (b) continuing treatment by a health care provider; provided that such incapacity did not result from the student’s violation of University policy or the commission of a felony.

C. “Disability” shall mean a mental or physical incapacity that causes the performance of the student's academic commitments to become impossible or impractical; provided that such incapacity did not result from the student's violation of University policy or the commission of a felony.

D. “Other Extraordinary Hardship” shall mean a hardship of any kind which, despite responsible handling, resulted in the substantial disruption or interruption of the student's pursuit of a degree.

II. Documentation Requirements

In order to demonstrate the applicability of a waiver category the student shall provide the following documentation:

A. Military Service Obligation: verification of the student’s voluntary or involuntary performance of a duty in connection with service in the Armed Forces, Reserves, or National Guard including, but not limited to; active duty, active duty for training, initial active duty for training, and inactive duty training.

B. Serious Medical Debilitation
Certification issued by the treating health care professional(s) stating each of the following:

1. The approximate date on which the Serious Medical Debilitation commenced.

2. The extent to which the serious medical condition has impacted the student’s pursuit of a degree.

3. The relevant and appropriate medical facts regarding the condition.

C. Short-Term Disability
Certification issued by the treating health care professional(s) stating each of the following:

1. The approximate date on which the Short-Term Disability commenced.

2. The extent to which the student’s physical or mental incapacity has impacted the student’s pursuit of a degree.

3. The relevant and appropriate medical facts regarding the condition.

*Note that this Appendix A - Waiver Procedure - is a part of New 1000.1.5[G] adopted 08/17/2010
4. That, to the best of the treating health care professional’s knowledge, the student’s disability is not permanent.

D. Long-Term Disability
Certification issued by the treating health care professional stating each of the following:
1. The approximate date on which the Long-Term Disability commenced.
2. The extent to which the student’s physical or mental incapacity has impacted the student’s pursuit of a degree.
3. The relevant and appropriate medical facts regarding the condition.
4. That, to the best of the treating health care professional’s knowledge, the student’s disability is likely to be permanent.

E. Extraordinary Hardship: verification of any circumstances which, despite responsible handling, led to the substantial disruption or interruption of the student’s pursuit of a degree.

III. Tuition Surcharge Waiver Process
A. Constituent Institution
A constituent institution shall:
1. Include with the student’s bill that applies the tuition surcharge: (1) a tuition surcharge waiver form including, at a minimum, the information contained in Attachment 1, and (2) a copy of this guideline.
2. Establish procedures by which the institution shall receive each tuition surcharge waiver request.
3. Establish procedures by which the waiver request shall be reviewed and determined by a committee of no fewer than three (3) members, excluding initial decision makers when reasonably possible, drawn from departments whose expertise is relevant to the waiver category upon which the student’s waiver request is based.
4. Establish procedures by which the student shall be informed of the institution’s final decision within thirty (30) business days of receipt of the waiver request and Student Accounts shall be informed in a timely fashion.

B. Student
A student who wishes to request a tuition surcharge waiver shall:
1. Complete and submit a tuition surcharge waiver request form provided by the constituent campus, and
2. In a manner consistent with the UNC Policy Manual 1000.1.5 [G] including Appendix A, and to the satisfaction of the constituent institution:
   a. Demonstrate that his/her pursuit of a degree has been substantially disrupted or interrupted and that the reason for such substantial disruption or interruption fits within one of the four waiver categories enumerated above and defined in Appendix A, and:

*Note that this Appendix A - Waiver Procedure - is a part of the New 1000.1.5[G] adopted 8/17/2010*
b. Meet the necessary documentation requirements that accompany each waiver category as articulated in Appendix A, and;

c. Successfully complete and submit the form to the institution within thirty (30) business days of receiving written notice of the tuition surcharge.

Written notification of the result of the waiver request shall be provided to the student within thirty (30) business days from the date of receipt by the institution. The determination of the institution shall be the final decision.

*Note that this Appendix A – Waiver Procedure – is a part of New 1000.1.5[G] adopted 08/17/2010.*
Attachment 1**

Minimum Content Required for the Tuition Surcharge Waiver Form

I. Student Information
   A. Student’s Name and Address
   B. Student’s Email Address
   C. Student’s Identification Number
   D. Student’s Major(s)/Degree Program
   E. Other

II. Basis for Waiver Request
   The following four waiver categories constitute the only grounds for waiver of the tuition surcharge (select one of the following):
   A. Military Service Obligation
   B. Serious Medical Debilitation
   C. Short-term or Long-Term Disability
   D. Other Extraordinary Hardship

III. Documentation Requirements
   Attach to this form the necessary documentation requirements that correspond with the waiver category selected in section II. Documentation not included with this form will not be considered.

IV. Form Completion and Submission
   Once this form has been timely completed in its entirety, including the necessary information and documents listed in sections I, II, and III, the form shall be submitted to the institution for consideration.

**Note that this Attachment 1 - Minimum Content Required for the Tuition Surcharge Waiver Form – is a part of New 1000.1.5[G]
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University of North Carolina Tuition Surcharge Policy

Appendix D

Time to Degree Data by Campus
### Average Time to Degree by Registered Semesters

**Bachelor's Degrees Awarded 2007-08 through 2011-12**

<table>
<thead>
<tr>
<th>System</th>
<th>ASU</th>
<th>ECU</th>
<th>ECSU</th>
<th>FSU</th>
<th>NCA&amp;T</th>
<th>NCCU</th>
<th>NCSU</th>
<th>UNCSA</th>
<th>UNC-CH</th>
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<th>UNCG</th>
<th>UNCP</th>
<th>UNCW</th>
<th>UNCSA</th>
<th>WCU</th>
<th>WSSU</th>
<th>Average</th>
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<td>8.14</td>
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<tr>
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<td>8.90</td>
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<td>8.44</td>
<td>7.43</td>
<td>8.03</td>
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<td>1.72</td>
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<td>1.54</td>
<td>0.11</td>
<td>1.30</td>
<td>1.36</td>
<td></td>
</tr>
</tbody>
</table>

| 2007-08    |     |     |      |     |       |      |      |       |        |      |      |      |      |       |     |      | 8.10    |
| Fall/Spring| 8.12| 8.19| 8.54| 8.02| 9.04  | 9.08| 8.51| 8.22  | 7.74   | 8.05 | 8.30 | 8.10| 7.45 | 8.29 | 7.32 | 7.72   |
| Summer     | 1.61| 1.76| 1.63| 2.04| 1.70  | 1.91| 1.64| 1.00  | 1.45   | 1.46 | 1.37 | 1.97| 1.49 | 0.07 | 1.37 | 1.49   |

| 2008-09    |     |     |      |     |       |      |      |       |        |      |      |      |      |       |     |      | 8.13    |
| Fall/Spring| 8.04| 8.22| 8.73| 8.11| 9.10  | 9.23| 8.52| 8.22  | 7.79   | 8.13 | 8.26 | 8.39| 7.33 | 8.05 | 7.71 | 7.51   |
| Summer     | 1.55| 1.78| 1.59| 2.03| 1.69  | 1.89| 1.57| 1.03  | 1.43   | 1.45 | 1.39 | 1.90| 1.46 | 0.09 | 1.28 | 1.37   |

| 2009-10    |     |     |      |     |       |      |      |       |        |      |      |      |      |       |     |      | 8.09    |
| Fall/Spring| 8.01| 8.13| 8.58| 8.45| 9.24  | 9.33| 8.50| 7.98  | 7.77   | 8.06 | 8.25 | 8.30| 7.48 | 7.84 | 7.41 | 7.36   |
| Summer     | 1.52| 1.76| 1.75| 2.14| 1.73  | 2.02| 1.60| 0.96  | 1.45   | 1.46 | 1.41 | 2.02| 1.46 | 0.03 | 1.39 | 1.40   |

| 2010-11    |     |     |      |     |       |      |      |       |        |      |      |      |      |       |     |      | 8.10    |
| Fall/Spring| 8.02| 8.16| 8.60| 8.44| 9.43  | 9.47| 8.46| 7.98  | 7.75   | 8.07 | 8.25 | 8.33| 7.45 | 8.20 | 7.23 | 7.30   |
| Summer     | 1.47| 1.76| 1.66| 2.08| 1.89  | 2.24| 1.64| 0.99  | 1.38   | 1.47 | 1.46 | 2.03| 1.49 | 0.04 | 1.30 | 1.41   |

| 2011-12    |     |     |      |     |       |      |      |       |        |      |      |      |      |       |     |      | 8.04    |
| Fall/Spring| 7.95| 8.25| 8.59| 7.78| 9.28  | 9.17| 8.45| 7.97  | 7.70   | 7.97 | 8.24 | 8.23| 7.26 | 8.15 | 7.20 | 7.59   |
| Summer     | 1.44| 1.77| 1.86| 1.82| 1.90  | 2.32| 1.62| 1.05  | 1.42   | 1.45 | 1.46 | 2.05| 1.42 | 0.02 | 1.20 | 1.42   |

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1. Includes all first-time students (i.e., new transfers and new students) who enrolled Fall 1981 or later.

Source: UNC-General Administration
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Appendix E

UNC-General Administration
Response to This Report

The Fiscal Research Division solicited input from The University of North Carolina on the final draft of this Legislative Report. The following document is UNC’s response. It has not been altered or edited in any way by the Fiscal Research Division.
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December 20, 2012

TO: Members of the North Carolina General Assembly

FROM: Thomas W. Ross

RE: Legislative Study on Tuition Surcharge Policy

Thank you for the opportunity to respond to the legislative report on tuition surcharge.

As stated in the report on page 5, we agree that “any potential effect of the recent surcharge increase may take several years to produce a change in the time-to-degree.” We will continue to monitor student time-to-degree progress throughout the University.

Regarding the first recommendation, which calls for a way to address the disproportionate impact on transfer students, the University is prepared to implement a change in the tuition surcharge guidelines to exempt transfer credit hours taken at institutions outside of the University of North Carolina or the North Carolina Community College System, should the General Assembly so desire.

The second recommendation would require campuses to notify students who approach the credit hour threshold. We agree that there should be consistency in the notification to students. The report notes that all 16 campuses include the tuition surcharge policy in their course catalogs and on campus websites. Most campuses provide additional notification of the tuition surcharge policy on their tuition statements. We are committed to establishing a core set of notification principles on the tuition surcharge, including a process for each campus to notify students and parents at orientation and through each semester’s tuition statements. This direction for campuses will be in place by the fall semester of 2013.

Thank you again for the opportunity to participate in the development of this report and to respond.