MEMBERS PRESENT:  
Charles Blackmon, Frances Bullock, Linda Carlisle, Vanessa Carroll, Brad Hayes, Lee McAllister, Ward Russell, Susan Safran (Chair), Harriett Small and David Sprinkle

MEMBERS ABSENT: Nathan Duggins, Randall Kaplan, Simone Stephens

OTHER BOARD MEMBERS/GUESTS:  
Alan Boyette, Linda Brady, Bonita Brown, Emily Bruzzo, Cherry Callahan, Imogene Cathey, Dana Dunn, Kathy Fair, Joseph Graham, Donna Honeycutt, Steve Honeycutt, Celia Hooper, Tim Johnston, Charles Maimone, Paul Mason, Jorge Quintal, Kim Record, Robin Remsburg, Steve Rhew, Mike Tarrant, Bryan Terry, Elizabeth Warren, Jan Zink and members of the general public.

PROCEEDINGS:  
Safran called the committee to order at 1:04 p.m.

David Sprinkle moved and Harriet Small seconded that the Educational Quality and Fiscal Affairs Committee Minutes of September 4, 2014 be approved. They were approved unanimously.

The annual tuition and fee presentation, mandated by Board of Governors was presented. Charles Maimone, Vice Chancellor for Business Affairs. He reported that the Board of Governors has placed a cap of 5% for campus initiated tuition increase requests for all resident undergraduate students and a 5% cap on all student mandatory fee requests. The tuition and fee process is now a biennial budgeting process with the rates for 2015-16 and 2016-17 being set at this time, and the 2017-18 and 2018-19 set in winter of 2017. For the 2014-15 tuition, UNCG charges $6,382 which is well below the average of $9,139 published by the College Board’s most recent report on tuition for 4 year public higher education institutions. This also places us in the middle of the cost of tuition in the UNC system.

Dr. Alan Boyette reviewed the process for tuition recommendations. The committee consists of student leaders, faculty representatives, and professional staff. The co-chairs this year were Dr. Boyette and Simone Stephens, SGA President and member of the Board of Trustees. The guiding principles of the committee are 1) UNCG must remain affordable for its neediest students, 2) UNCG must not significantly increase its rank among the constituent UNC institutions in terms of cost and 3) recommended actions are believed to provide positive contribution toward the quality of the students’ educational/learning experience.

The committee’s recommendation for the 2015-16 year is an increase for $197 for undergraduates and $232 for graduate students. For 2016-17 the increase would be $206 for undergraduates and $244 for graduate students. This represents a 5% increase for in-state students each year. Out-of-state students having the same dollar increase will realize a percentage increase of 1%. This translates to revenue for 2015-16 of $3.3 million and for 2016-17 of $3.5
Of this revenue 60% would be earmarked for retention and support of EPA faculty and professional staff, 22% for undergraduate student success and retention and 18% for graduate assistantship stipends and tuition awards. Carroll asked for an explanation of EPA and SPA categories of employees. SPA are “subject to the personnel act” and are governed by the Office of State Human Resources. EPA are “exempt from the personnel act” and are governed by the Board of Governors.

Boyette advised that there have been no significant salary increases for either group since 2008 though SPA employees did receive a flat $1,000 this year. The Board of Governors did allocate $276,634 for EPA increases for UNCG campus this year. Of the 842 faculty on campus we were able to give increases to 182, with an average increase of $1,699 or 1.98%. This places UNCG near the bottom compared with national peers. Even though our individual salaries in some cases are higher, other universities have more full professors which raises their ranking (slide 26). This is an issue that needs to be researched.

Boyette advised that the recommendation for the increase in tuition was not unanimous from the committee. There was discussion that tuition should not be used for salary increases for a state-supported, non-profit school.

In the area of undergraduate student success and retention initiatives, statistics show that students who use the learning assistance centers on campus have up to a 7% higher retention rate.

The Board asked if demographics were taken into account. They are not. They also asked if there was difficulty with retention at UNCG. Boyette explained the Faculty Retention and Recruitment Fund established at General Administration. We have aggressively sought these funds but there are no new monies to replenish the fund at this time. Should a faculty member that we have retained or recruited leave UNCG the funds are returned to General Administration. There is no pool on campus for such a fund.

Trustees asked if some of the revenue from the tuition increase could be used to create such a fund. Unfortunately these are state funds and we might not be able to retain them at the end of the year. Dunn pointed out that funds from salary reserves are used for these purpose but are not sufficient. Also not allocating the funds immediately upon receipt could cause other faculty to leave. We had eleven retention requests to the General Administration fund this semester for approximately $110,000.

Boyette reported that there was another division in the committee was over the debt of students. Of course having four year graduation would reduce debt but six year graduation is growing. We have seen huge shifts from grants in the past to loans currently due to lack of grant funding. We are in the middle of UNC schools regarding debt of students as well as default on student loans.
Trustees asked if the debt had a comparison to the graduation rate. Boyette will investigate that. In addition they asked if there was any penalty for a high default rate. The answer is not yet.

For graduate assistantship stipends and tuition awards we are well below the national average (slide 34). The 18% of the revenue from the increase in tuition would help address this and hopefully increase our graduate school enrollment.

Callahan came forward to discuss the fee side of the increases. The fee committee consists of students, faculty members and professional staff with Cherry Callahan and Joseph Graham, Vice President of SGA as co-chairs this year.

Callahan gave a brief overview of the types of fees charged at UNCG – general fees, fees related to the retirement of debt and others. Under general fees are activities, athletics, educational and technology, health and ASG. The activity fee is spread over nine areas (slide 37), the athletic fee goes toward support for the costs of our Division 1 athletics program. The E&T fee goes toward lab equipment and course materials as well as technology refresh and band-width expansions. The health fee is for medical services, psychiatry and other health related services. This year the students proposed a new fee for sustainability (UNCG Green Fund) which would invest in campus infrastructure to help meet the goals of the UNCG Climate Action Plan.

The proposed increases (slide 44) would amount to a 3.55% increase overall. The revenue would be used for inflationary costs for the ID card software and educational materials, added health insurance cost for coaches and upgrades to the wireless system. The only proposed increase for 2016-17 is to the activities fee, an increase of $90 all of which will go toward the start-up of the new recreation center. We will also attempt to raise outside funds for this purpose.

The Board asked if this was not originally projected to cost more. It was, but that was during the planning phase and we now have more accurate figures to work with since construction has begun. Brady advised that the fee for the new recreation center is very sensitive and we will be phasing in programming to ramp up over time. She will not be going to President Ross for an exception to the 5% increase for the recreation center but this issue will be brought back to the Board of Trustees in the future for further study.

Trustees asked what is the cost to the student for an education at UNCG. This question has come up before and is challenging to answer with the different degrees sought by students. UNCG is required to cover the cost, which it does, and be market driven at the mandate of the Board of Governors. Also state appropriation and tuition zero out each year so there is no carry-forward for future endeavors.

The Board asked since we are only increasing out-of-state by 1% could we not request more in that area. We are being cautious this year due to our enrollment issues of the past couple of years. This does remain on the radar. We are more concerned in the area of graduate students and need to become more competitive in that area. Steve Rhew advised that we have dropped to 8% out-of-state enrollment from 10% a couple of years ago. We are limited to 18% of new freshmen by state law.

The Board asked if the news about declining state revenue from taxes would affect these figures. Maimone advised that we have to make our decisions well in advance of the actions of the legislature and we have been asked to prepare information regarding a 2% cut. Trustees
discussed the impact on enrollment if tuition increased too much. Some board members advised that was not the case for private universities and that we need to be in the market with programs as well as cost. The board agreed that UNCG is still an outstanding value. Carlisle asked if the legislature had abdicated its responsibility to the students by moving the responsibility of increases to the campuses due to bad policies with 1/3 of the employees on campus still receiving no increase. She stated that we are headed down the wrong path and it is becoming a pattern. Tuition was historically being used for initiatives, but is now being used to replace funds the state used to provide.

Brady advised that this has been discussed at length and for the first time the number one item on the Board of Governors’ list for the legislature is salary increases for all employees. We can document the amount of employees we are losing, especially in the IT area and this is now coming to the attention of those in charge.

Dunn presented the requests for special fees and differential tuition. For the Ph.D. in Nursing which is resource intensive there was a request for a $500 program fee ($200 each for both long semesters and $100 for summer hours). For the Art program there was a request for $200 to support the facility, gallery, pay for visiting artist and study abroad areas. There would be no request for additional funds in the 2016-17 year.

Differential tuition is requested for two areas. In the school for Health and Human Sciences the department of Communication Sciences and Disorders asked for an increase of $34 per credit hour to a total of $130 per credit hour. This program has high instructional costs and high market demand. This year there were 425 applications for 25 slots. At least 300 of the 425 were qualified but we do not have the capacity for more students at this time. This is a program that needs to be researched in the near future to study our ability to take on more students. This can be limited by clinical placement slots available.

Carroll reported that she was extremely impressed with the program from personal experience and had received excellent care from this area.

The second area for differential tuition is the Department of Counseling & Educational Development. This is a new request for $40 per credit hour. This program is ranked in the top ten nationally.

The Board asked if the impact on students had been factored into the discussion. In all four cases the students had been polled and were in favor of the additional costs to increase the quality of the education received.

Chair Safran advised the board that a vote on the proposals would take place at the full board meeting on December 5. Maimone will refresh the board on these issues and be there for questions.

The meeting was adjourned at 2:53 p.m.

Respectfully submitted

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Donna Honeycutt