

NC Promise Tuition Plan Frequently Asked Questions

I. What is the NC Promise Tuition Plan?

The NC Promise Tuition Plan allows the state to buy down the cost of tuition at WCU, UNC Pembroke and Elizabeth City State to \$500 per semester for in-state students and \$2,500 per semester for out-of-state students. The Director of the Budget will authorize an increase in the base budget of the University of North Carolina system by up to \$40 million each fiscal year to cover the cost of the "buy-down" for that fiscal year and will allocate the appropriate sum to the three universities. This buy-down would apply to undergraduate students and does not include fees. It is anticipated the NC Promise Tuition Plan will begin in the fall of 2018.

II. Why was WCU chosen as a NC Promise reduced tuition campus?

The original intent of the provision for the NC Promise Tuition Plan was to create a reduced tuition option that was geographically convenient for each N.C. citizen. The original group included ECSU in the far eastern portion of the state, UNCP and Fayetteville State in the rural Sandhills area, Winston-Salem State in the Triad, and WCU in the far west.

Additionally, all the schools originally named in the proposal are relatively close to border states (Virginia, South Carolina, Tennessee, and Georgia) that offer competitive tuition rates to attract and recruit N.C. students.

III. What would we expect the impact of the NC Promise Tuition Plan to be on WCU?

We would expect increased application activity resulting in greater selectivity, and eventually, increased enrollment. For WCU to sustain its long standing commitment to providing access to higher education for students in the Western North Carolina region, and to respond to the possibility of increased enrollment interest across the state, WCU would by necessity have to implement some significant increases in admission standards and greater complexity in the admission process.

There has been some debate on how this change will affect WCU's reputation. Some have even suggested that with this change, an education at WCU may be perceived as "too cheap." However, college choice by students and/or their parents is based on many factors, of which affordability is an important one. Another important factor is academic quality, and WCU's leadership is committed to ensuring that academic quality at WCU continues to climb. We have earned accolades in recent years for our high-quality education and our affordability, and this change will only strengthen that value position as we work to recruit high-performing students regardless of their ability to pay.

IV. WCU has been growing; can we handle new growth?

Over the next two to three years, WCU would not be able to handle hundreds or thousands of new students all at once. The university would, however, be able to plan for sustainable growth through strategic enrollment planning and ongoing implementation of our campus facilities master plans.

V. Why are only a few universities included in the NC Promise Tuition Plan and not all universities in the UNC system?

Quite simply, this is a matter of cost. The cost to N.C. taxpayers would be significantly higher if the NC Promise Tuition Plan was applied to all campuses.

VI. Will the state guarantee to fully cover the cost of lost tuition receipts for WCU, UNCP and ECSU?

There is no way for a sitting legislature to legally bind a future legislature; however, the bill sponsors, in response to our feedback, have included language in the bill itself and into the budget that directs the state to fully cover the cost. For WCU, this is roughly \$26 million per year. By including the funding in both the proposed law and in the budget, a future legislature would have to propose new legislation to repeal this language and they could not simply decide to zero out the budget. This is as close to a guarantee of funding as is legal in North Carolina. The language can be found in the budget bill on page 55 at this link: <http://www.ncleg.net/Sessions/2015/Budget/2016/H1030vCCR.pdf>

VII. What will WCU do if the state decides in the future not to fund the NC Promise Tuition Plan?

WCU would revert to a tuition rate equivalent to the current rate adjusted for inflation.

VIII. Does implementation of NC Promise mean that the cost of education will go down at WCU?

NO! The cost of educating a student remains the same. What would change is the amount of money the state provides WCU to educate a student. As a public university, the state currently subsidizes WCU students by providing a base operational budget of roughly \$90 million per year. The difference between the current subsidy and the total cost of education is paid for by students and their families through tuition and fees. By setting a lower tuition rate and funding the difference through a direct appropriation, the state subsidy to WCU would increase from approximately \$90 million per year to over \$115 million per year.

IX. What is the current typical cost of attendance at WCU and what would it be if the tuition rate was reduced as specified for NC Promise?

Typical PER-SEMESTER cost for IN-STATE, full-time, undergraduate student living on campus

Expense	Current	w/NC Promise
Tuition	\$1,946.50	\$ 500.00
Fees	\$2,678.00	\$2,678.00
Residence Hall, Std Double Rm	\$2,219.00	\$2,219.00
Meal Plan, Std.	\$1,868.13	\$1,868.13
Residential Tech Fee	\$ 89.00	\$ 89.00
Total	\$8,800.63	\$7,354.13

Typical PER-SEMESTER cost for OUT-OF-STATE, full-time, undergrad student living on campus

Expense	Current	w/NC Promise
Tuition	\$ 7,143.00	\$2,500.00
Fees	\$ 2,678.00	\$2,678.00
Residence Hall, Std Double Rm	\$ 2,219.00	\$2,219.00
Meal Plan, mid-level	\$ 1,868.13	\$1,868.13
Residential Tech Fee	\$ 89.00	\$ 89.00
Total	\$13,997.13	\$9,354.13

Typical PER-YEAR cost for IN-STATE, full-time, undergraduate student living on campus

Expense	Current	w/NC Promise
Tuition	\$3,893.00	\$1,000.00
Fees	\$5,356.00	\$5,356.00
Residence Hall, Std Double Rm	\$4,438.00	\$4,438.00
Meal Plan, mid-level	\$3,736.26	\$3,736.26
Residential Tech Fee	\$178.00	\$178.00
Total	\$17,601.26	\$14,708.26

Typical PER-YEAR cost for OUT-OF-STATE, full-time, undergrad student living on campus

Expense	Current	w/NC Promise
Tuition	\$14,286.00	\$5,000.00
Fees	\$5,356.00	\$5,356.00
Residence Hall, Std Double Rm	\$4,438.00	\$4,438.00
Meal Plan, mid-level	\$3,736.26	\$3,736.26
Residential Tech Fee	\$178.00	\$178.00
Total	\$27,994.26	\$18,708.26

X. What is the difference between the NC Promise Tuition Plan and a scholarship program?

The primary difference between the NC Promise Tuition Plan and a scholarship program is the impact on student financial aid. A student's financial aid package is calculated relative to the federal total cost of attendance. The NC Promise Tuition Plan lowers the actual total cost of attendance and, thus, a student's financial aid package (including loans) is made using the lower amount. A scholarship program would not lower the total cost of attendance calculation, therefore, a student could in practice borrow more in student loans.

XI. If WCU wanted to provide a scholarship to all students equivalent to that proposed by the NC Promise Tuition Plan, how much money would the university have to raise in private donations?

To offer an equivalent scholarship (essentially the difference between annual current tuition and the proposed reduced tuition) to all WCU students, the University would have to raise a minimum of \$26 million PER YEAR in private donations OR \$520 million in private donations to create a permanent endowment.