

The Daily Tar Heel

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# UNC system considers hike stability

Campus-based increases change game

BY ERIC JOHNSON  
SENIOR WRITER

Campus-based tuition has a short but contentious history in the UNC system, having emerged since 1998 as an important source of campus revenue and an object of frustration among students.

As the system Board of Governors prepares this summer for an overhaul of its campus-based tuition policy, the need for a predictable stream of revenue will weigh against concerns about the ballooning cost of higher education.

Of all the policies and priorities on the university agenda, few will have such a far-reaching impact on students and campuses.

"We all know the real impact on tuition has come from campus-initiated tuition increases," said Jeff Davies, chief of staff to system President Erskine Bowles, speaking to university faculty members earlier this month.

Before the 1998 policy, which allows campus officials to propose tuition hikes and keep control of the revenue, almost all increases were initiated by the state legislature.

Few lawmakers or university officials viewed tuition as a significant source of campus revenue, but that began to shift with the advent of campus-based hikes.

Initially envisioned as a mechanism for raising funds under "extraordinary circumstances," the policy quickly evolved into a more regular source of revenue.

"The extraordinary circumstances over the next few years generally were the state's weak economy and the inability of the General Assembly to meet all of the university's needs," Davies said.

Eventually, the reference to extraordinary circumstances was dropped from the policy altogether.

"The focus really ought to be on the need rather than whether the circumstances were extraordinary," Davies said.

That change in emphasis allowed in-state tuition costs at UNC-Chapel Hill to more than double between 1998 and 2006, with out-of-state costs rising by more than \$7,000.

Campus officials and students alike have complained that the

process is unpredictable, with the board approving sizable hikes one year and denying them the next.

In revisiting the policy, board members have said it is their chief aim to provide a greater measure of predictability for administrators and students — in other words, an expectation of annual increases.

Hannah Gage, chairwoman of the BOG's tuition policy task force, explained in February the direction of the board's thinking.

"What we've said to the chancellors is that if they can work within a given framework, they can expect to have their requests approved."

The board experimented with exactly such a policy this year, guaranteeing approval for requests that fell within set limits.

The streamlined process led to quick approval for tuition and fee

hikes at all 16 system campuses, and met with strong approval from chancellors and system officials.

Still, Gage said the board will move cautiously before implementing any permanent changes.

Further debate was put off until the summer to give Bowles time to review the proposals and weigh in, she said.

"I think that he wants to get a lot of input," Gage said. "He really wanted to research the history."

His most important concern, Bowles told the board in February, is to avoid any policy changes that might lead to lower state appropriations. Campus-based tuition must not become a replacement for public funding, he said.

"He is examining the history of tuition increases very carefully, examining the relationship between tuition and state appropriations," Davies said.

System administrators are

hopeful that Bowles can work with the legislature to implement any changes. Board members and campus administrators are quick to note that the assembly is generally supportive of university needs.

"I think the legislature tends to put a lot of faith in the president of the university," former system President C.D. Spangler said.

Even if a policy allowing for regular increases could be implemented without prompting a change in state funding, Spangler said he has concerns about the long-term trend toward higher tuition.

"I'm not a fan of increased tuition, no matter where it comes from," he said. "Students are not a revenue stream."

But campus-based revenues have become an important component in paying for university priorities, Davies said. He pointed specifically to faculty salaries and other initiatives to increase com-

petitiveness.

"We have had some large tuition increases and we have had some very important needs that have been met by those increases," he said. "The goal is to have regular, predictable increases rather than no increases."

Zack Wynne, president of the UNC-system Association of Student Governments, said that stopping increases in tuition would be extremely difficult under the proposed new policy.

But given the reality of spiraling college costs nationwide, a set framework for tuition hikes could be a worthwhile goal, he said.

"I think it's already become an annual increase anyway. I think all we can do now is to use this framework to allow for predictability over the next few years."

Contact the State & National Editor at [stntdesk@unc.edu](mailto:stntdesk@unc.edu).

# University seeks tuition predictability

BY BRIAN HUDSON  
NEWS EDITOR

"Predictability," it seemed, was the buzzword of this year's tuition talks.

During the UNC-Chapel Hill Board of Trustees' January meeting — when members unanimously approved undergraduate hikes of \$250 for residents and \$1,100 for nonresidents — trustees also adopted a resolution calling for long-term planning.

But the notion of predictability was not a new one. During the fall's half-dozen meetings of the tuition advisory task force, which reports to Chancellor James Moeser on tuition policy, members discussed looking beyond the coming year in considering tuition revenue.

Much of the revenue of this year's hikes will go toward faculty salaries.

Of the \$8.5 million, \$4 million will go to increasing salaries — a useful tool in enhancing the University's ability to recruit and retain professors.

That amount will bring UNC-CH's average salary closer to its peers, but there is still much ground to cover.

UNC-CH's peer institutions are a group of similar schools with which the University competes for faculty, among other facets.

During preliminary talks, task force members considered how future tuition hikes could go toward bringing the average faculty salary in line with peers' averages.

It is likely that a portion of revenue from any hikes approved next year will go to salaries.

"There are two things that will always be there — one is financial aid the other is faculty salaries," Executive Associate Provost Steve Allred said, speaking on the University's current needs.

Such forward-thinking planning was advocated by task force members Seth Dearmin and Adrian Johnson, then-student body president and vice president, respectively.

Eventually, Johnston and Dearmin, the latter of whom was an ex-officio trustee, drafted the resolution that was passed by the trustees, officially introducing predictability as a major policy consideration.

"There is a very reasonable desire on the part of students to have a better sense of predictability and a more stable environment for

tuition — knowing that tuition is going to increase," Moeser said.

With the introduction of the trustees' predictability resolution, the board will hear tuition proposals four years in advance.

Although the planning will be nonbinding, administrators and student leaders hope that the campus will have at least an idea of long-term tuition.

"We'll review this every year; we're not going to lock ourselves into a tuition plan," Moeser said.

Administrators have been sure to make clear that the resolution is nonbinding, for fear of painting themselves into a corner.

Tuition is one of the revenue sources over which the University has the greatest control, even though the UNC system and N.C. General Assembly have oversight of the ultimate decision.

A dip in federal research dollars or allocations from state legislators could leave the campus short on money — and looking to tuition revenue for help. Both of those sources are more lucrative than tuition.

"Tuition only accounts for 11 or 12 percent of our total budget. It's a fairly small piece of it," Moeser

## Tuition increases

► During its January meeting, the Board of Trustees approved campus hikes.

► The hikes were later approved by the UNC-system Board of Governors.

► The measures will go into effect after a rubber stamp from the N.C. General Assembly this summer.

## The effects

Resident undergraduates:  
\$250 increase in tuition.

Nonresident undergraduates:  
\$1,100 increase in tuition.

Graduate students:  
\$500 increase in tuition.

said. "The state (allocation) is 21 to 24 percent. And research is bigger than that."

"We spend a lot of time talking about one of the smallest revenue streams that supports the overall budget of the University."

Contact the News Editor at [stntdesk@unc.edu](mailto:stntdesk@unc.edu).

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