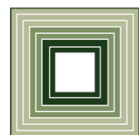


# **UNC System Base Budget Supplemental Information**

**Joint Appropriations Subcommittee on Education**

**March 1, 2011**



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# Committee Question Topics

- Capital/Facilities
- Student Recruitment/ Enrollment
- Faculty and Staff
- Graduation Rates
- Revenues and Expenditures
- Tuition and Fees



# Capital/ Facilities

Q. How many UNC buildings are 50+ years old?  
How much is spent to maintain them?

- UNC General Administration provided the following information:
  - 743 buildings are at least 50 years old; of these, 572 are supported by appropriations and 171 are non-appropriated
  - UNC campuses spend an **average** \$1.38/SF to maintain their facilities

# Capital/ Facilities

Q. How many UNC buildings are 50+ years old?  
How much is spent to maintain them?

– UNC General Administration provided the following information:

- It is estimated to cost \$13.7 million annually to maintain appropriated buildings that are 50+ years
- It is estimated to cost \$7.1 million annually to maintain non-appropriated buildings that are 50+ years

# Capital/ Facilities

Q. Does the “building reserve” have a balance, and if so, what portion is unencumbered?

- This not a permanent fund with a fund balance.
- “Building reserves” refers to money budgeted to support new or renovated facilities (e.g., salaries and benefits; supplies).
- OSBM certifies the money to a reserve account after the budget is ratified and later distributes the funds to the appropriate campus.

# Student Recruitment/ Enrollment

Q. How much do campuses spend advertising for students?

- UNC General Administration provided the following information:
  - For FY 2010-11, the System estimates that campus expenditures will total \$2.5 million
  - Since FY 2008-2009, these expenses have declined by approximately \$3.2 million.

# Student Recruitment/ Enrollment

Q. How are campuses allowed to increase admissions/enrollment?

- NCGS § 116-11 (8) give the Board of Governors authority to set enrollment levels.
- The System uses a comprehensive enrollment projection model to determine growth

# Student Recruitment/ Enrollment

## Q. Admissions/enrollment growth (cont'd)?

- The Board of Governors has historically determined guiding principles for enrollment plans; e.g.:
  - Use existing capacity to fullest extent possible
  - Restrain enrollment at special mission schools (e.g., North Carolina School of the Arts)
  - Meet some growth demand through distance learning
- Beginning in 2011-13, the System's Enrollment Projection model considers student retention rates in determining campus enrollment growth

# Faculty and Staff

Q. Provide information on employee turnover like what Fiscal Research provides for K-12.

- NCGS § 115C-12(22) requires the State Board of Education to monitor and compile an annual report on the decisions of teachers to leave the teaching profession.
- The information that staff provided regarding K-12 turnover comes from that report.
- UNC does not have a similar requirement.

# Faculty and Staff

Q. ECU's Chancellor recently stated that ECU's student-to-administrator ratios are the System's lowest; why is there such variation?

- The ECU Chancellor's office provided the following information:
  - All UNC campuses have worked strategically to increase efficiencies and reduce administrative costs while protecting the academic core.

# Faculty and Staff

## Q. Student-to-administrator ratios (cont'd)

- The ECU Chancellor's office provided the following information:
  - Former President Bowles publically praised ECU for being a leader in the President's Advisory Committee on Efficiency and Effectiveness initiative; ECU strove to keep administrative growth low during this time
  - Any data would be only a snapshot in time; several campuses continue to eliminate administrative positions in preparation for cuts.

# Faculty and Staff

Q. How many classes have 10 or less students?  
How many staff teach 3 or less classes?

- This data is not yet available from UNC.
- According to UNC-General Administration:
  - Average teaching course load: 3.37 courses per semester
  - From 2009 to 2010, students per section increased by 3.7%; Student Credit Hours per instructor increased by 5.8%; and students per instructor increased by 5.9%.

# Graduation Rates

Q. Why do students not complete degrees?

- UNC campuses are attempting to increase retention
- Campus methods to increase completion are consistent with national findings
  - Admissions criteria
  - Financial support (removing financial barriers)
  - Academic support services (tutoring; summer bridge programs)
  - Institution-wide focus on retention

# Graduation Rates

Q. Why do students not complete degrees?

– National studies conducted by Indiana Univ. and Univ. Texas identified at-risk students as those who are:

- Academically underprepared students
- Untraditional students
- Financially independent students
- First-generation college students.



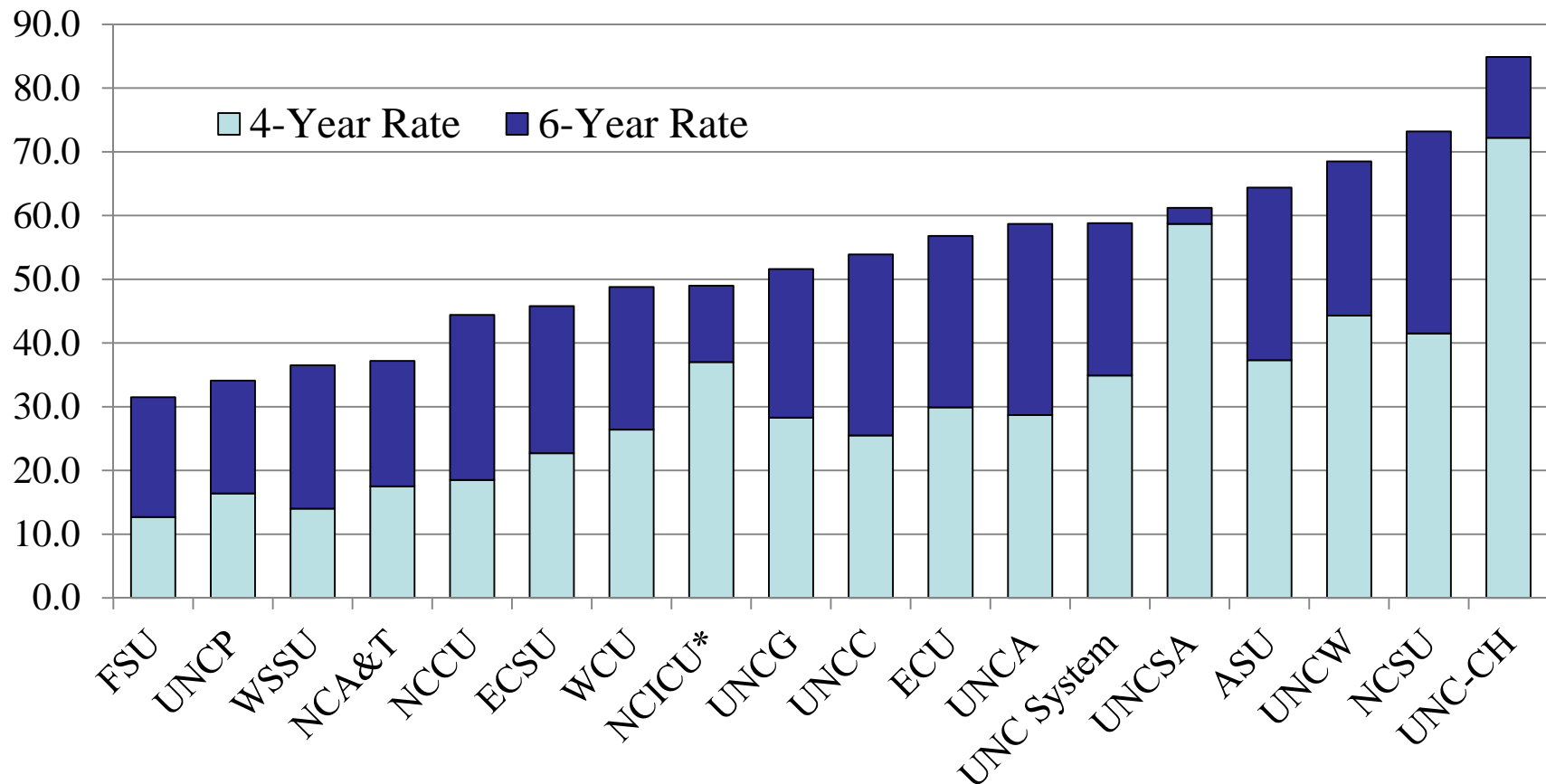
# Graduation Rates

Q. What are UNC's four-year graduation rates?  
How do these compare to the rates at NC  
Independent Colleges and Universities?

- UNC System: 34.9%
- NCICU: 37%

# Graduation Rates

Four- and Six-Year Graduation Rates by Institution (Fall 2003 Cohorts)



\* North Carolina Independent Colleges and Universities

# Revenues and Expenditures

Q. How much are annual debt service payments?  
Where are they in UNC's budget?

- Debt Service is budgeted in Statewide Reserves, not in UNC's budget.
- University Debt Service is as follows:

Fiscal Year	Trust Fund Supported	General Fund Supported	Total University
2011	\$ 31,366,310	\$ 267,024,310	<b>\$ 298,390,620</b>
2012	\$ 31,158,249	\$ 242,151,877	<b>\$ 273,310,126</b>
2013	\$ 31,061,824	\$ 230,401,462	<b>\$ 261,463,286</b>
2014	\$ 30,919,068	\$ 213,351,410	<b>\$ 244,270,478</b>

# Revenues and Expenditures

Q. How much are annual debt service payments?  
Where are they in UNC's budget?

- University Debt Service comprises 30-40% of all General Fund Debt Service, as follows:

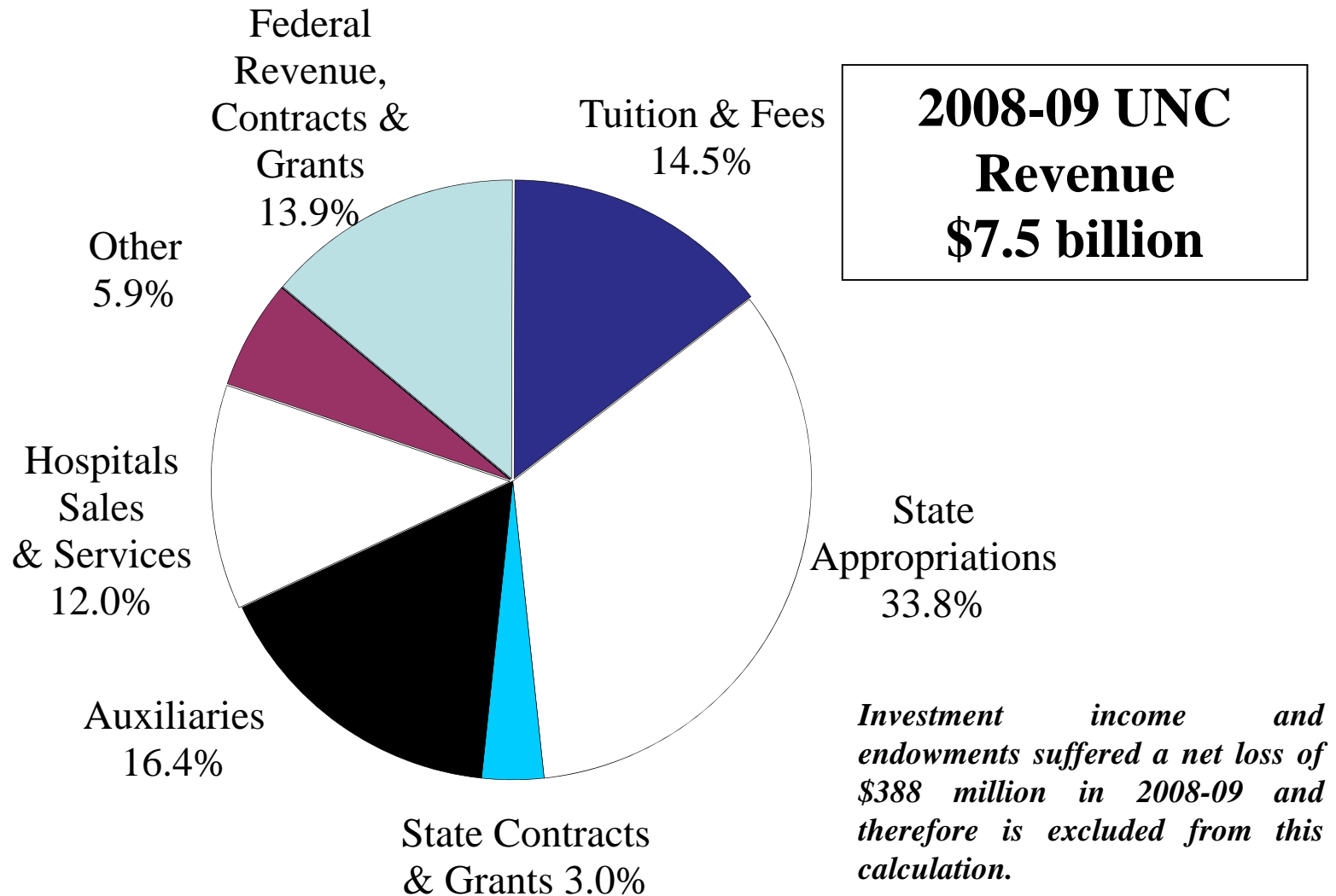
Fiscal Year	University Debt Service	Total Debt Service	University as % of Total
2011	\$ 267,024,310	\$ 666,584,349	40.1%
2012	\$ 242,151,877	\$ 649,757,173	37.3%
2013	\$ 230,401,462	\$ 638,427,878	36.1%
2014	\$ 213,351,410	\$ 616,753,261	34.6%

# Revenues and Expenditures

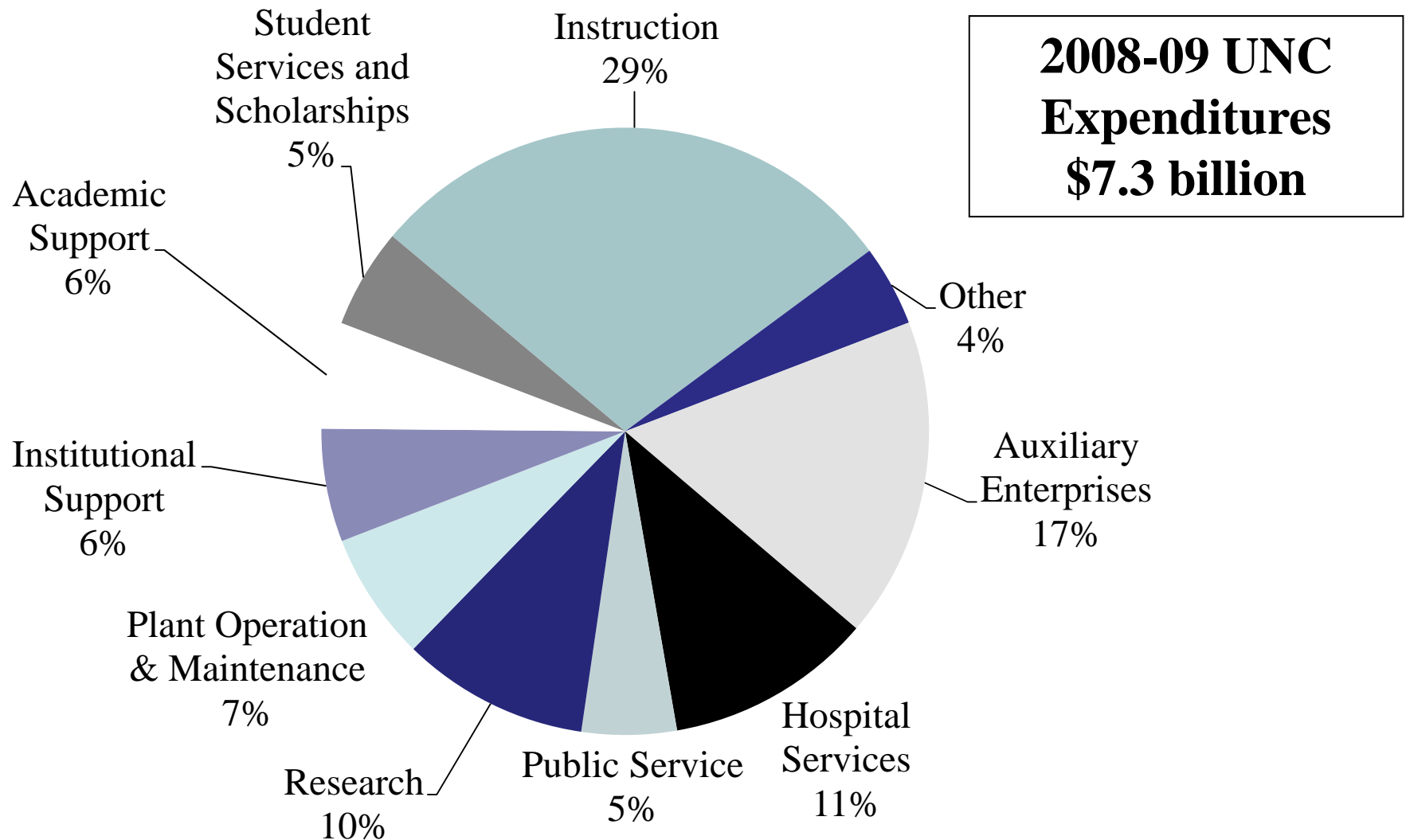
Q. What are total expenditures for all funds?

- The following two charts show UNC's FY 2008-09 revenue and expenditures across all funds.

# Revenues and Expenditures



# Revenues and Expenditures

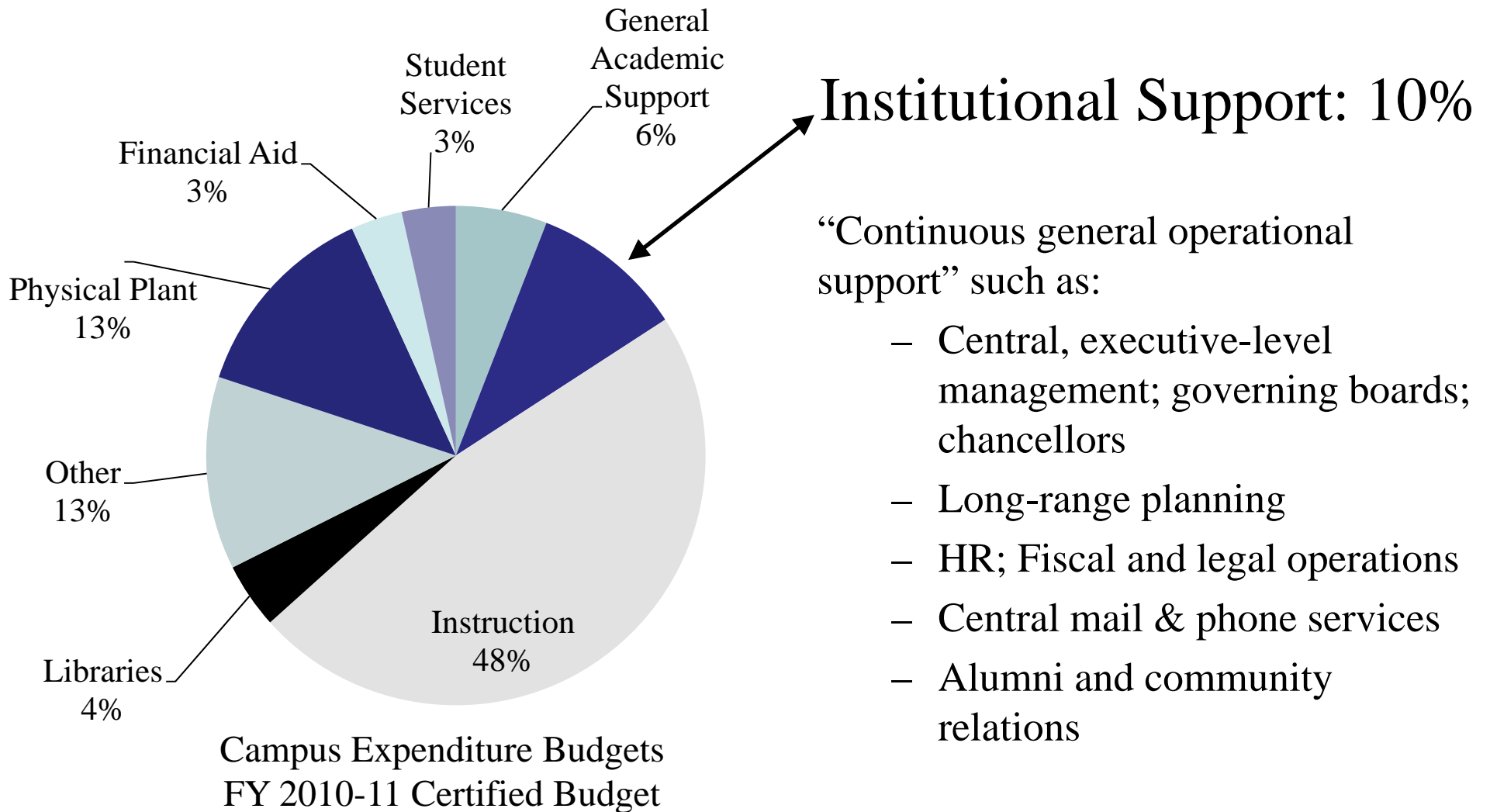


# Revenues and Expenditures

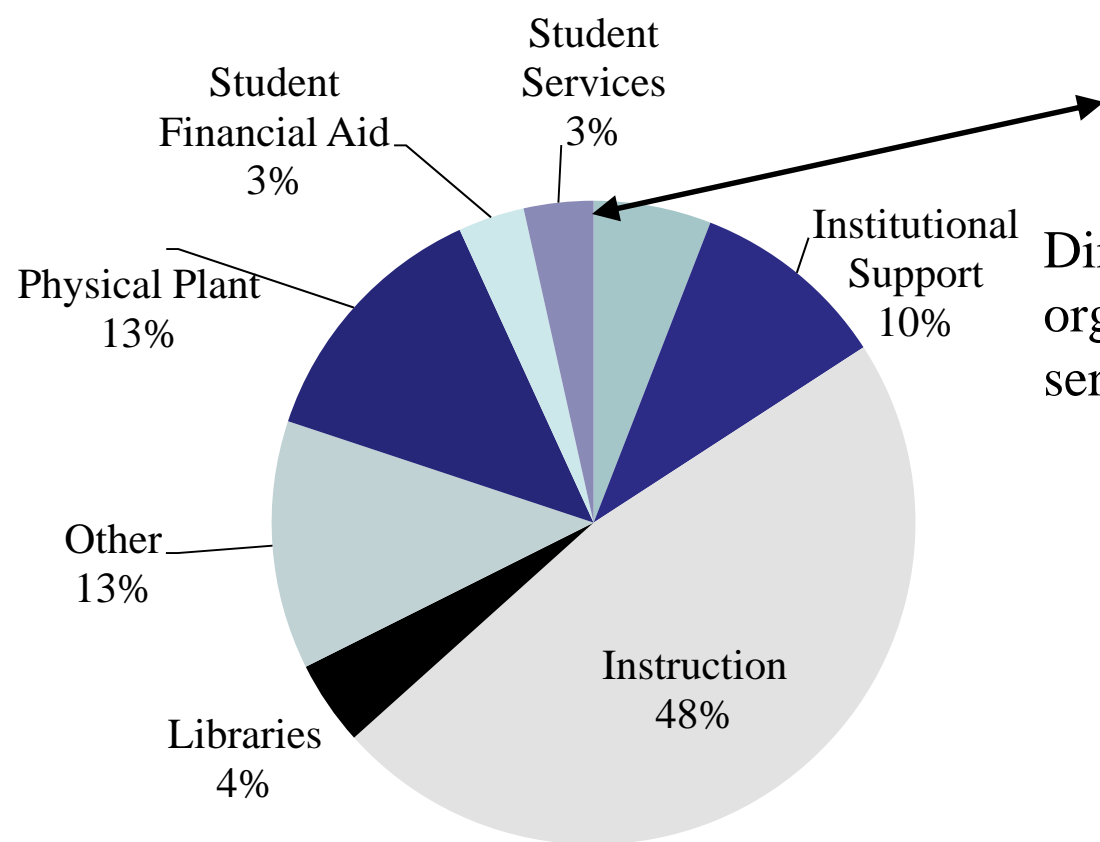
Q. What do the expenditure categories “Institutional Support” and “General Academic Support” include?



# Revenues and Expenditures



# Revenues and Expenditures



Campus Expenditure Budgets  
FY 2010-11 Certified Budget

## General Academic Support: 6%

Direct assistance to instruction, organized research, and/or public service, such as:

- Academic & research administration
- Academic advising
- Laboratory schools
- Course and curriculum development
- Educational media
- Museums and galleries

# Revenues and Expenditures

Q. Does each campus have an endowment fund, and how can those funds be spent?

- Endowment funds are governed by NCGS §116-36, included in your handouts.
- UNC General Administration provided the following information:
  - Each of the constituent institutions within the University has Endowment Funds.
  - Donors typically restrict their donations to designated purposes.

# Revenues and Expenditures

Q. Provide information about campuses actions to combine programs and course offerings.

- Comprehensive information is not yet available



# Tuition and Fees

Q. What qualifies a student for in-State tuition and how can that definition be amended?

- NCGS §116-143.1 guides the university system in determining what it takes to be a resident for tuition purposes in the UNC system
- The General Assembly can change the statutes to amend the definition
- The Research Division is better qualified to handle residency questions

# Tuition and Fees

Q. Provide additional information about fees listed on the Tuition & Fee Schedule.

– General Fees:

- Athletics Fee
- Health Services Fee
- Student Activities Fees
- Educational and Technology Fees

– Debt Service Fee



# Tuition and Fees

- Athletics Fee
  - For provision of intercollegiate athletic services and for maintenance and operation of physical plant facilities, including equipment, which are used in conjunction with these Athletic Services.
  - For the 2010-11 academic year, Athletic fees were increased at 14 institutions

# Tuition and Fees

- Health Services Fee
  - Charged to students for provision of health and medical services and for maintenance and operation of physical plant facilities, including equipment, which are used in conjunction with these Health Services.
  - For the 2010-11 academic year, Health Service fees were increased at 10 institutions



# Tuition and Fees

- Student Activities Fee
  - Provide funds for nonacademic student services and to maintain/ operate related facilities.
  - Includes funds to operate student unions and intramural facilities, and funds that provide for student organizations, newspapers, yearbooks, and entertainment programs.
  - For the 2010-11 academic year, Student Activities fees were increased at 12 institutions and decreased at 2 institutions



# Tuition and Fees

- Educational and Technology Fee:
  - Includes fees charged to students for provision of specialized instructional supplies and services and for scientific and data processing equipment which are not directly related to specific courses.
  - For the 2010-11 academic year, Educational and Technology fees were increased at 14 institutions

# Tuition and Fees

- Debt Service Fee
  - To retire and service physical plant debt at the coverage levels established by Board of Governors resolutions and documents that authorize the debt.
  - Indebtedness fees, once established, remain in effect until the debt is retired.
  - For the 2010-11 academic year, Debt Service fees were increased at 4 institutions and decreased at 2



# **ATTACHMENTS**

- NCGS §116-36, Endowment Funds
- NCGS §116-143.1, Residency Status for Tuition Purposes
- Info Brief: Residency Requirements for In-State Tuition

**§ 116-36. Endowment fund.**

(a) The board of trustees of each constituent institution shall establish and maintain, pursuant to such terms and conditions, uniformly applicable to all constituent institutions, as the Board of Governors of the University of North Carolina may from time to time prescribe, an endowment fund for the constituent institution.

(b) It is not the intent of this section that the proceeds from any endowment fund shall take the place of State appropriations or any part thereof, but it is the intent of this section that those proceeds shall supplement the State appropriations to the end that the institution may improve and increase its functions, may enlarge its areas of service, and may become more useful to a greater number of people.

(c) Pursuant to the foregoing subsections and consistent with the powers and duties prescribed in this section, each board of trustees shall appoint an investment board to be known as "The Board of Trustees of the Endowment Fund of \_\_\_\_\_" (here shall be inserted the name of the constituent institution).

(d) The trustees of the endowment fund may receive and administer as part of the endowment fund gifts, devises, and bequests and any other property of any kind that may come to them from the Board of Governors of the University of North Carolina or that may come to the trustees of the endowment fund from any other source, excepting always the moneys received from State appropriations and from tuition and fees collected from students and used for the general operation of the institution.

(e) The trustees of the endowment fund shall be responsible for the prudent investment of the fund in the exercise of their sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries but in compliance with any lawful condition placed by the donor upon that part of the endowment fund to be invested.

(f) In the process of prudent investment of the fund or to realize the statutory intent of the endowment, the board of trustees of the endowment fund may expend or use interest and principal of gifts, devises, and bequests; provided that, the expense or use would not violate any condition or restriction imposed by the original donor of the property which is to be expended or used. To realize the statutory intent of the endowment fund, the board of trustees of the endowment fund may transfer interest or principal of the endowment fund to the useful possession of the constituent institution; provided that, the transfer would not violate any condition or restriction imposed by the original donor of the property which is the subject of the proposed transfer.

(g) The trustees of the endowment fund shall have the power to buy, sell, lend, exchange, lease, transfer, or otherwise dispose of or to acquire (except by pledging their credit or violating a lawful condition of receipt of the corpus into the endowment fund) any property, real or personal, with respect to the fund, in either public or private transaction, and in doing so they shall not be subject to the provisions of Chapters 143, 143C, and 146 of the General Statutes; provided that, any expense or financial obligation of the State of North Carolina created by any acquisition or disposition, by whatever means, of any real or personal property of the endowment fund shall be borne by the endowment fund unless authorization to satisfy the expense or financial obligation from some other source shall first have been obtained from the Director of the Budget.

(h) The Board of Governors of the University of North Carolina shall establish and maintain in a manner not inconsistent with the provisions of this section or with regulations established under this section an endowment fund for all endowment funds now held or hereafter acquired by the University of North Carolina for the benefit of the University as a whole, or for the joint benefit of any two or more constituent institutions of the University.

(i) The Board of Governors of the University of North Carolina shall establish and maintain in a manner not inconsistent with the provisions of this section or with regulations established under this section an endowment fund for all endowment funds now held or hereafter acquired for the benefit of the University of North Carolina Press.

(il) The Board of Governors of the University of North Carolina shall establish and maintain in a manner not inconsistent with the provisions of this section or with regulations established under this section an endowment fund for all endowment funds now held or hereafter acquired for the benefit of the University of North Carolina Center for Public Television.

(j) Any gift, devise, or bequest of real or personal property to a constituent institution of the University

of North Carolina or to the University of North Carolina or to the University of North Carolina Press or to the University of North Carolina Center for Public Television shall be presumed, nothing to the contrary appearing, a gift, devise, or bequest, as the case may be, to the endowment fund of the respective institution or agency.

(k) Whenever any property of an endowment fund authorized by this section is disposed of or otherwise transferred from the endowment fund, any instrument of transfer shall indicate that the donor, grantor, seller, lessor, lender, or transferor, as the case may be, is the board of trustees of the endowment fund.

(l) The proceeds and funds described by this section are appropriated and may be used only as provided by this section.

(m) Chapter 36E of the General Statutes applies to an endowment fund authorized by this section. (1971, c. 1244, s. 1; 1977, c. 506; 1979, c. 649, ss. 2, 3; 1983, c. 717, s. 31; 1985 (Reg. Sess., 1986), c. 955, ss. 28, 29; 2006–203, ss. 44, 44.1; 2009–8, s. 5.)

**§ 116-143.1. Provisions for determining resident status for tuition purposes.**

(a) As defined under this section:

- (1) A "legal resident" or "resident" is a person who qualifies as a domiciliary of North Carolina; a "nonresident" is a person who does not qualify as a domiciliary of North Carolina.
- (2) A "resident for tuition purposes" is a person who qualifies for the in-State tuition rate; a "nonresident for tuition purposes" is a person who does not qualify for the in-State tuition rate.
- (3) "Institution of higher education" means any of the constituent institutions of the University of North Carolina and the community colleges under the jurisdiction of the State Board of Community Colleges.

(b) To qualify as a resident for tuition purposes, a person must have established legal residence (domicile) in North Carolina and maintained that legal residence for at least 12 months immediately prior to his or her classification as a resident for tuition purposes. Every applicant for admission shall be required to make a statement as to his length of residence in the State.

(c) To be eligible for classification as a resident for tuition purposes, a person must establish that his or her presence in the State currently is, and during the requisite 12-month qualifying period was, for purposes of maintaining a bona fide domicile rather than of maintaining a mere temporary residence or abode incident to enrollment in an institution of higher education.

(d) An individual shall not be classified as a resident for tuition purposes and, thus, not rendered eligible to receive the in-State tuition rate, until he or she has provided such evidence related to legal residence and its duration as may be required by officials of the institution of higher education from which the individual seeks the in-State tuition rate.

(e) When an individual presents evidence that the individual has living parent(s) or court-appointed guardian of the person, the legal residence of such parent(s) or guardian shall be prima facie evidence of the individual's legal residence, which may be reinforced or rebutted relative to the age and general circumstances of the individual by the other evidence of legal residence required of or presented by the individual; provided, that the legal residence of an individual whose parents are domiciled outside this State shall not be prima facie evidence of the individual's legal residence if the individual has lived in this State the five consecutive years prior to enrolling or reregistering at the institution of higher education at which resident status for tuition purposes is sought.

(f) In making domiciliary determinations related to the classification of persons as residents or nonresidents for tuition purposes, the domicile of a married person, irrespective of sex, shall be determined, as in the case of an unmarried person, by reference to all relevant evidence of domiciliary intent. For purposes of this section:

- (1) No person shall be precluded solely by reason of marriage to a person domiciled outside North Carolina from establishing or maintaining legal residence in North Carolina and subsequently qualifying or continuing to qualify as a resident for tuition purposes;
- (2) No persons shall be deemed solely by reason of marriage to a person domiciled in North Carolina to have established or maintained a legal residence in North Carolina and subsequently to have qualified or continued to qualify as a resident for tuition purposes;
- (3) In determining the domicile of a married person, irrespective of sex, the fact of marriage and the place of domicile of his or her spouse shall be deemed relevant evidence to be considered in ascertaining domiciliary intent.

(g) Any nonresident person, irrespective of sex, who marries a legal resident of this State or marries one who later becomes a legal resident, may, upon becoming a legal resident of this State, accede to the benefit of the spouse's immediately precedent duration as a legal resident for purposes of satisfying the 12-month durational requirement of this section.

(h) No person shall lose his or her resident status for tuition purposes solely by reason of serving in the

armed forces outside this State.

(h1) Any member of a North Carolina National Guard unit who is a nonresident shall be eligible to be charged the in-State tuition rate and shall pay the full amount of the in-State tuition rate and applicable mandatory fees. This subsection applies to members in a reserve or active duty status.

(i) A person who, having acquired bona fide legal residence in North Carolina, has been classified as a resident for tuition purposes but who, while enrolled in a State institution of higher education, loses North Carolina legal residence, shall continue to enjoy the in-State tuition rate for a statutory grace period. This grace period shall be measured from the date on which the culminating circumstances arose that caused loss of legal residence and shall continue for 12 months; provided, that a resident's marriage to a person domiciled outside of North Carolina shall not be deemed a culminating circumstance even when said resident's spouse continues to be domiciled outside of North Carolina; and provided, further, that if the 12-month period ends during a semester or academic term in which such a former resident is enrolled at a State institution of higher education, such grace period shall extend, in addition, to the end of that semester or academic term.

(j) Notwithstanding the prima facie evidence of legal residence of an individual derived pursuant to subsection (e), notwithstanding the presumptions of the legal residence of a minor established by common law, and notwithstanding the authority of a judicially determined custody award of a minor, for purposes of this section, the legal residence of a minor whose parents are divorced, separated, or otherwise living apart shall be deemed to be North Carolina for the time period relative to which either parent is entitled to claim and does in fact claim the minor as a dependent for North Carolina individual income tax purposes. The provisions of this subsection shall pertain only to a minor who is claimed as a dependent by a North Carolina legal resident.

Any person who immediately prior to his or her eighteenth birthday would have been deemed under this subsection a North Carolina legal resident but who achieves majority before enrolling at an institution of higher education shall not lose the benefit of this subsection if that person:

- (1) Upon achieving majority, acts, to the extent that the person's degree of actual emancipation permits, in a manner consistent with bona fide legal residence in North Carolina; and
- (2) Begins enrollment at an institution of higher education not later than the fall academic term next following completion of education prerequisite to admission at such institution.

(k) Notwithstanding other provisions of this section, a minor who satisfies the following conditions immediately prior to commencement of an enrolled term at an institution of higher education, shall be accorded resident tuition status for that term:

- (1) The minor has lived for five or more consecutive years continuing to such term in North Carolina in the home of an adult relative other than a parent, domiciled in this State; and
- (2) The adult relative has functioned during those years as a de facto guardian of the minor and exercised day-to-day care, supervision, and control of the minor.

A person who immediately prior to his or her eighteenth birthday qualified for or was accorded resident status for tuition purposes pursuant to this subsection shall be deemed upon achieving majority to be a legal resident of North Carolina of at least 12 months' duration; provided, that the legal residence of such an adult person shall be deemed to continue in North Carolina only so long as the person does not abandon legal residence in this State.

(l) Any person who ceases to be enrolled at or graduates from an institution of higher education while classified as a resident for tuition purposes and subsequently abandons North Carolina domicile shall be permitted to reenroll at an institution of higher education as a resident for tuition purposes without necessity of meeting the 12-month durational requirement of this section if the person reestablishes North Carolina domicile within 12 months of abandonment of North Carolina domicile and continuously maintains the reestablished North Carolina domicile at least through the beginning of the academic term(s) for which in-State tuition status is sought. The benefit of this subsection shall be accorded not more than once to any one person.

(m) Notwithstanding subsection (b) of this section, a person who is a full-time employee of The

## Attachment 2: NCGS §116-143.1, Residency Status for Tuition Purposes

University of North Carolina, or is the spouse or dependent child of a full-time employee of The University of North Carolina, and who is a legal resident of North Carolina, qualifies as a resident for tuition purposes without having maintained that legal residence for at least 12 months immediately prior to his or her classification as a resident for tuition purposes. (1971, c. 845, ss. 7-9; 1973, cc. 710, 1364, 1377; 1975, c. 436; 1979, cc. 435, 836; 1981, cc. 471, 905; 1987, c. 564, s. 19; 1989, c. 728, s. 1.3; 1991 (Reg. Sess., 1992), c. 1030, s. 32; 2004-130, s. 2; 2005-276, s. 9.25(a).)



# INFO BRIEF

AN INFORMATIONAL BRIEF PREPARED FOR MEMBERS OF THE NC GENERAL ASSEMBLY BY THE LEGISLATIVE SERVICES STAFF

## Residency Requirements for In-State Tuition

### General Requirements under G.S. 116-143.1

G.S. 116-143.1 establishes a baseline standard for determining resident status for tuition purposes. To qualify for in-State tuition, a person must have established "legal residence" or domicile in North Carolina and maintained that legal residence for at least 12 months immediately prior to the person's classification as a resident for tuition purposes. The exceptions to this rule are discussed below. This initial classification on residency status is made when a person applies for admission at a North Carolina public institution of higher education and includes any of the constituent institutions of The University of North Carolina and any of the community colleges in the North Carolina Community College System.

Although a person seeking to obtain resident status for tuition purposes has lived in the State for at least 12 months, the person must establish that his or her presence in the State is and for the 12 months was, for the purpose of "maintaining a bona fide domicile rather than of maintaining a mere temporary residence or abode incident to enrollment in an institution of higher education."<sup>1</sup> Moreover, there are certain legal presumptions that apply in determining whether a person qualifies as a resident for tuition purposes. For example, the residence of an individual's parents or court-appointed guardian is presumed to be the individual's residence and this evidence is strongest if the individual is under 18 years of age. This presumption also applies to individuals over the age of 18 but can be rebutted if there is evidence that the person is financially independent and has made the State his or her permanent home. G.S. 116-143.1(e) specifically states that the legal residence of an individual whose parents are domiciled outside of North Carolina shall not be the basis for a presumption against the individual's residence if the individual has lived in North Carolina the five consecutive years prior to

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*The baseline standard to qualify for in-State tuition is that a person must have established legal residence or domicile for at least 12 months prior to the person's classification as a resident of the State for tuition purposes.*

*A person's presence in North Carolina must be for the purpose of maintaining a real domicile rather than just having a temporary residence incident to enrollment in an institution of higher education.*

*Legal presumptions include the presumption that the residence of an individual's parents is the individual's residence, particularly if the individual is under the age of 18.*

<sup>1</sup> N.C.G.S. 116-143.1(c).

enrolling or re-registering at the institution of higher education.

As for determining the legal residence or domicile of married persons, the domicile must be determined as in the case of an unmarried person through all relevant evidence of domiciliary intent. In other words, no person can be precluded from establishing and maintaining legal residence in the State and thereby qualifying as a resident for tuition purposes just because of being married to a person outside of the State. However, the reverse is also stated in the law and no person is deemed to have established or maintained a legal residence in the State solely by reason of marriage to a person domiciled in North Carolina. In both situations, the marriage and the domicile of the spouse is relevant evidence in the determination of the person's domiciliary intent.

In making the determination of whether a person qualifies as a resident for tuition purposes, an institution will look at a variety of factors. These factors include the following:

- Whether the person is claimed by parents as a dependent for income tax deductions
- Whether the person holds a North Carolina driver's license and where the person's car is licensed
- Whether the person is registered to vote in the State
- Whether the person pays North Carolina income taxes
- Whether the person has actually lived or spent time in the State during the prior 12 months
- Whether the person has a North Carolina address at which he or she maintains personal property
- Where the person is or was employed
- Where the person maintains membership in one or more professional associations or other organizations
- Where the person last attended school or graduated from high school

Each community college and UNC constituent institution must provide a method to appeal a decision to classify a student as a non-resident for tuition purposes. The first appeal is made to the institution's chief executive officer or that officer's

*Although the domicile of a married person is not solely based on the residence of the spouse, it is relevant evidence in the determination of the married person's domicile.*

*Institutions of higher education look at a variety of different factors when determining whether a person qualifies as a resident of the State for tuition purposes.*

*A two-step appeals process allows individuals to appeal residency status decisions made by an institution.*

designee. The next appeal is made to the State Residence Committee. A student who is already enrolled may apply to change his or her residency status any number of times during a given semester and there is no limitation on the number of times a student may inquire about his or her residency status.

### Exceptions to General Requirements

There are several statutory exceptions to the baseline standard that a person must have established "legal residence" or domicile in North Carolina and maintained that legal residence for at least 12 months immediately prior to the person's classification as a resident for tuition purposes.

- **University Employees** – A person who is a full-time employee of The University of North Carolina or is the spouse or dependent child of a full-time employee of The University of North Carolina qualifies as a resident for tuition purposes even if he or she has not maintained a legal residence for at least 12 months prior to his or her classification as a resident for tuition purposes.
- **Teachers** – A teacher or other individual paid on the teacher salary schedule who has established a legal residence in the State and is employed full-time by a North Carolina public school is eligible to be charged the in-State tuition rate for courses relevant to teacher certification or professional development as a teacher.
- **Armed Services Personnel and their Dependents** – Active duty members of the armed services who do not qualify as residents for tuition purposes are still eligible to pay in-State tuition rates while the member is living in North Carolina due to active military service in the State. If the active duty member retires or is reassigned outside of North Carolina, the member continues to be eligible for in-State tuition as long as the member is continuously enrolled in the degree or other program in which the member was enrolled when he or she retired or was reassigned. If the member receives an Honorable Discharge, he or she continues to be eligible for in-State tuition if the member establishes residency in the State within 30 days after the discharge and stays enrolled in the degree or other program that the member was enrolled in at the time of the discharge.

A dependent relative of an armed services member who

*Applications to change residency status may be made at any time during a given semester and can be made repeatedly.*

*Several exceptions to the baseline requirement of the 12 month residency requirement exist in the statutes.*

*University employees and their spouses and dependents, certain public school teachers, armed service personnel and their dependents, and nonresident North Carolina National Guard members are exempted from the 12 month residency requirement. However, these exempted individuals must meet certain other criteria set forth in the statutes.*

lives with that member in North Carolina because of the member's active military service in the State is eligible for in-State tuition. The dependent relative continues to be eligible for in-State tuition even if the active duty member retires or is reassigned outside of North Carolina, as long as the dependent is continuously enrolled in the degree or other program in which he or she was enrolled when the active duty member retired or was reassigned. If the member receives an Honorable Discharge, the dependent continues to be eligible for in-State tuition if the dependent establishes residency in the State within 30 days after the discharge and stays enrolled in the degree or other program that the dependent was enrolled in at the time of the member's discharge.

- North Carolina National Guard Members – Any member of a North Carolina National Guard unit in a reserve or active duty status is eligible for in-State tuition even if the member does not reside in the State.

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*Any person seeking advice regarding a specific case should contact an attorney for advice and assistance.*

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