

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1138 (First Edition)

SHORT TITLE: UNC Tuition and Fees set by Legislature

SPONSOR(S): Rep. Arnold

FISCAL IMPACT

Yes () No () No Estimate Available (X)

FY 2001-02 FY 2002-03 FY 2003-04 FY 2004-05 FY 2005-06

REVENUES See Assumptions and Methodology

EXPENDITURES

POSITIONS:

**PRINCIPAL DEPARTMENT(S) &
PROGRAM(S) AFFECTED:** University System

EFFECTIVE DATE: When it becomes law

BILL SUMMARY: **UNC TUITION & FEES/SET BY LEGISLATURE. TO PROVIDE THAT THE GENERAL ASSEMBLY SHALL FIX THE RATE OF TUITION FOR THE STATE'S UNIVERSITY SYSTEM.** Rewrites GS 116-143 to provide that the General Assembly, rather than the Board of Governors of the University of North Carolina, shall (1) fix the tuition and fees for the University's institutions

ASSUMPTIONS AND METHODOLOGY: The current statute states that "The Board of Governors of the University of North Carolina shall fix the tuition and fees, not inconsistent with the actions of the General Assembly..." .Since it was the General Assembly that granted the university system the ability to establish campus-initiated tuition increases, it is reasonable to assume that this is consistent with the actions of the General Assembly. If the present General Assembly chose to disagree with the current Board of Governors, the 2001-02 campus initiated tuition rates could be set at a different amount or directed to the General Fund. If the General Assembly decided to direct the 2001-02 campus-initiated rates to the General Fund rather than to the specific campuses raising the

campus-initiated rates, the General Fund would receive approximately \$29 million for the 2001-02 fiscal year. It is impossible to predict what any future General Assemblies would do in setting a tuition rate that would vary from ones set by future Boards of Governors. Therefore there is no way to estimate if there would be savings under this proposed change in the statute.

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DATE: May 21, 2001



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