

Dear WCU Campus Community,

Over the past week, campus leadership has reviewed and evaluated the potential impact of Senate Bill 873 on Western Carolina University. This is a complex and multifaceted bill with many different components, some of which apply directly to WCU and others that do not. Three parts of the bill would affect WCU considerably, including:

1. Fixed tuition and fees – All UNC institutions would be required to guarantee a set tuition rate for four years (10 consecutive semesters) for all new freshmen and transfer students.
2. Reduced tuition – WCU and four other institutions (ECSU, UNCP, WSSU, FSU) would be required to offer \$500 in-state tuition per semester and \$2,500 out-of-state tuition per semester.
3. Reduction of fees – The UNC Board of Governors would be required to mandate a 10 to 25 percent reduction in student fees at all UNC institutions.

First and foremost, WCU is committed to working with legislative leaders to determine the most effective ways to achieve the shared goal of providing a high-quality education at the most affordable rate. Student access, success, and affordability are at the heart of our University's mission, and that has not changed. Any potential impact of SB 873 must be assessed in these terms.

With respect to fixed tuition and fee rates, WCU welcomes discussion with the NC General Assembly and the UNC Board of Governors about controlling tuition costs to keep a college education within the financial means of all students. The approach outlined in SB 873 to control rising tuition rates, however, assumes costs are fixed, which they are not. Utilities, benefits, and other expenses increase year to year. On the other hand, we recognize that, while fixed tuition and fee rates would be an administrative burden to manage, should the bill pass with this requirement included, the implementation challenges would not be insurmountable.

As for the reduced tuition component of the bill, the cost to WCU would be roughly \$13 million per semester or \$26 million per year. As we understand it, the intent of the bill sponsors, Senators Berger and Apodaca, is to ensure that lost tuition receipts would be replaced with an appropriation from the state's general fund. We have no reason to believe that, should the bill pass, they would not follow through on that commitment. Furthermore, if lost tuition receipts were fully funded, the lower tuition rates could result in WCU potentially seeing an increase in enrollment, both in-state and out-of-state. We would be remiss in noting, however, that if the lost tuition receipts were not replaced with an appropriation from the state, this would effectively represent a budget cut to the University. We have provided feedback on this component of the bill to General Administration and are having ongoing conversations with our elected officials.

The mandate to reduce fees by up to 25 percent would have, certainly in the near term, a significant negative effect on the overall student experience at WCU. This action would disproportionately affect fee-supported units on campus, most significantly those

units in student affairs and athletics, but also a number in IT and academic affairs. Under a mandated fee reduction of this magnitude, WCU would run the risk of reduced reserves, increased repair and renovation needs, and a significant reduction in services and programs in fee-supported units.

As you can see, SB 873 is a complex piece of proposed legislation and it is still very early in the legislative process. Please know that we are engaged with UNC General Administration and members of the General Assembly to ensure that all parties understand the potential effects of this bill, both positive and negative. We understand that there will be many questions as this matter moves forward, and we will keep you informed as the legislative process continues.

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