

APPENDIX A

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President's Report to the Board of Governors
UNC General Administration Building Board Room
November 14, 2003
9:30 a.m.

2003 Enrollment Continues Strong Growth Trend

Yesterday, during the Ed Planning Committee meeting, Dr. Mabe provided a comprehensive report on University enrollment for fall 2003. That final report confirms a continuing trend of extraordinary enrollment growth across the University, even in the face of ongoing state budget constraints. University-wide enrollment is up by nearly 6,400 students, reaching a historic high of 183,347. This increase, akin to adding the entire student bodies of Elizabeth City State University and Winston-Salem State University, exceeded campus growth targets and budgeted enrollment by more than 650 students. This marks the third consecutive year that UNC enrollment has risen by more than 6,000 students, proof positive that our campuses are fulfilling their stated commitment to access and opportunity.

Copies of the full report are in your folders, but let me take just a moment to mention a few highlights:

- While enrollment dipped at the School of the Arts by a mere 25 students, every other UNC campus experienced growth. Six absorbed more than 500 additional students this fall. ECU absorbed nearly 1,200, and North Carolina A&T, one of our focused growth institutions—enrolled more than 900 additional students.
- We experienced significant growth in every identified racial category, with minority enrollment increasing at more than triple the rate of white enrollment.
- Enrollment growth remained especially strong among our focused-growth institutions, critical to managing University-wide growth over the decade. As a group, these seven campuses grew by more than 8 percent, tangible evidence that the legislative support provided to help these smaller campuses build capacity in enrollment management, fundraising, and other areas is paying dividends.

- Student demand for distance education continues to grow, particularly among nontraditional students. Nearly 14,500 students (a cohort larger than the student body of Appalachian) enrolled in courses taught at a distance, including more than 4,500 who also were taking regular on-campus courses. About 75 percent of students enrolled in off-campus distance-education courses this fall are age 25 or older.
- The proportion of recent North Carolina high school graduates who enrolled on a UNC campus hit an all-time high of 31 percent this fall. This increase in the UNC-going rate is great news, but we must continue to push this number ever higher if North Carolina is to be competitive in a global, knowledge-based economy.

Measures of College Affordability

In a related vein, I am pleased to report that a forthcoming study by the NC State Education Assistance Authority concludes that despite rising tuition, the University of North Carolina remains affordable for North Carolina residents. In fact, on certain key measures, the University appears to be *as* affordable or even *more* affordable for most students today than it was five years ago.

SEAA has begun a longitudinal study that will provide an annual assessment of the affordability of higher education in North Carolina, using a rolling five-year period for each report. To do this, researchers have identified three key measures that—over time—are designed to provide a systematic and measurable way to assess affordability issues and to ensure that higher education remains accessible to all North Carolinians. They include:

- Changes in college attendance rates;
- Net prices paid by various income groups for college attendance; and
- Average cumulative student indebtedness at graduation.

College Going Rate: The first report, scheduled to be released within a few weeks, reveals that during 2000, almost two-thirds of North Carolina high school graduates

enrolled in some postsecondary program of study somewhere in the U.S. the following fall. After surpassing the national average a couple of years ago, North Carolina has become one of only five states enrolling over 60 percent of their recent high school graduates in some form of postsecondary training. (As I noted earlier, about 31 percent of the state's high school graduates enroll on a UNC campus the following fall.)

Net Price of College in Relation to Family Income: This measure examines the total average price of a year on a UNC campus, which covers not only tuition and fees, but also required expenses such as books, housing, meals, and transportation. The study considered the price of attendance, family ability to pay as measured by federal formulas, grant aid to students, and annual student borrowing. Even though the price of attendance rose by 25 percent over the five-year period, average North Carolina grant aid increased by more than 25 percent for students at all income levels, and it more than doubled for students from families in the lowest income brackets. The creation and expansion of the UNC Need-Based Aid Program is largely responsible for this increased aid availability. In short, remaining need after grant aid was applied remained stable and well within the capacity of most students in all income groups to fund with reasonable amounts of work and low-interest student loans.

Average Cumulative Student Debt at Graduation: This measure examines the total amount of education loan debt a student accrued as an undergraduate. Because prior UNC cumulative data wasn't available for comparison in this first year, researchers drew comparisons to national studies. They found that dependent North Carolina residents who attended UNC borrowed 11 percent to 14 percent less than their counterparts nationally.

Director Steve Brooks has assured me that each member of the Board of Governors will soon receive a copy of this first annual study, which I am certain will become a critically important tool in the years ahead as we strive to abide by our commitment to keep UNC accessible *and* affordable for all qualified state residents. These early findings are

encouraging, but we must keep a close eye for any indication that the crucial balance between tuition and available aid is shifting out of kilter.

And needless to say, financial aid is not the only approach UNC is employing to sustain and expand affordable access. Multiple efforts are underway to take the mystery and confusion out of preparing for and obtaining the financial resources needed for college, particularly for first-generation college students, who account for about 40 percent of UNC freshmen. The College Foundation of North Carolina, which offers a “one-stop shop” that provides all the information and resources students and parents need to plan for, apply for, and pay for college, is but one fine example. I’m pleased to report that a new CFNC feature, just instituted in cooperation with the NC Department of Public Instruction, will allow North Carolina students to send their high school transcripts *electronically* when applying for admission to more than 100 colleges and universities in the state. This service is now operational for a set of pilot high school districts, and it is envisioned that every high school in North Carolina will be participating within the next couple of years.

Mr. Chairman, this concludes my report.