

Nonresident Enrollment Policy Options

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Why we are looking at these options?

- The Board's action regarding the 18% cap at the April meeting included a recommendation that staff bring nonresident policy options for discussion at the June meeting.
- 4 key considerations:
 - ☐ Student quality and success
 - ☐ Efficiency
 - ☐ Fiscal stability
 - ☐ Economic development

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2

Guiding Principles

- Fall 2014 implementation; allow time for analysis, legislative changes and deliberation
 - Possibly pilot to evaluate long-term potential
- No negative impact on in-state students
- Optional participation by Campuses
- Focus on institutions with capacity and/or high out-of-state demand

Options Summary

1. Lower the non-resident tuition rate at historically minority institutions
2. Lower the tuition rate for border counties/states
3. Raise non-resident cap at historically minority institutions
4. System-wide cap with institutional flexibility
5. Exclude international students from non-resident cap.

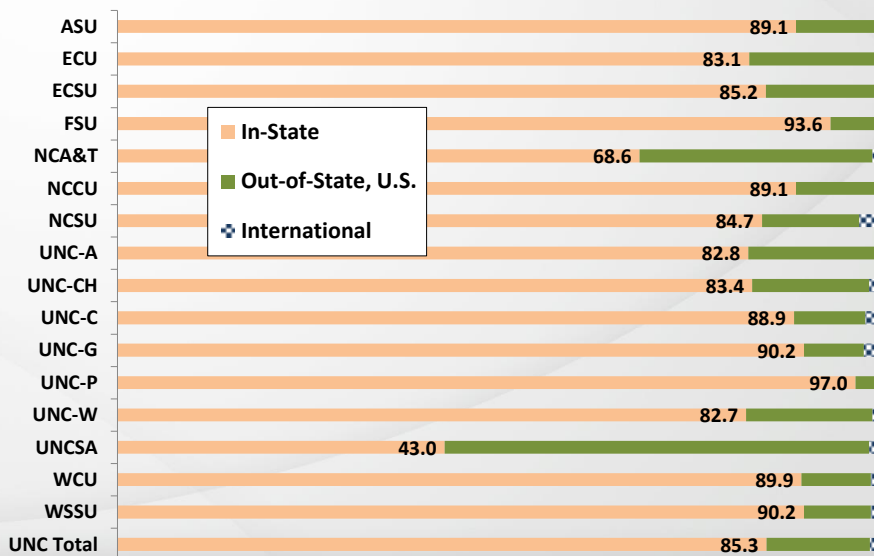
Background: Current Policy

- UNC Policy 700.1.3 means that at least 82% of entering first-time undergraduates must be NC residents.
 - Penalty for two consecutive years of violation
 - Non-resident SAT scores not to fall below those of NC residents
 - UNC School of the Arts exempt
 - NCA&T non-resident engineering students excluded
- G.S. 116-144 and UNC Policy 1000.1.1 require nonresident tuition be set at rates higher than those charged to residents and in line with rates charged at comparable public institutions nationwide.
- The BOG 4-year tuition plan requires that nonresident tuition be set at market rates and cover the cost of education.

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5

Background: Percentage of First-Time Undergraduates Who Are NC Residents



Note: Data are from Fall 2012

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6

Option 1: Lower Non-resident Tuition at Historically Minority Institutions

- Allow HMIs to reduce non-resident tuition to no lower than 110% of the cost of education
- Permitted under current policy; requires Board approval of lower tuition rate
- Campuses Include: ECSU, FSU, NC A&T, NCCU, UNCP and WSSU
- Data specific to this option:
 - ☐ Tuition comparison with peers

Option 1: Tuition Comparisons

Campus	Current Nonresident Tuition Rates	Peer Rank of Current Nonresident Tuition and Fees	Nonresident Tuition Rates at 110% of Cost	Peer Rank at Reduced Nonresident Tuition and Fees
ECSU	\$13,632.91	12 of 16	\$10,281.00	14 of 16
FSU	13,539.00	10 of 17	11,249.00	14 of 17
NC A&T	14,351.00	12 of 18	12,608.00	13 of 18
NCCU	14,351.00	12 of 18	11,464.00	15 of 18
UNCP	12,418.00	12 of 19	9,015.00	17 of 19
WSSU	11,957.00	16 of 17	11,715.00	16 of 17

Notes: Cost is estimated by running a representative distribution of 30 student credit hours through the UNC Enrollment Funding Model for each of the campuses.

Option 2: Lower Out-of-State Tuition for States Near Border Campuses

- Allow campuses located within 25 miles of the NC border to lower non-resident tuition as low as 110% of the cost of education for nonresident students located in counties within a 100 mile radius of the main UNC campus.
- Would require a statutory change
- Campuses include: ASU, ECSU, UNCA, UNCC, UNCP and WCU
- Data specific to this option:
 - Tuition comparison with peers

Option 2: Tuition Comparisons

Campus	Current Nonresident Tuition Rates	Peer Rank of Current Nonresident Tuition and Fees	Nonresident Tuition Rates at 110% of Cost	Peer Rank at Reduced Nonresident Tuition and Fees
ASU	\$15,980.00	8 of 19	\$10,989.00	18 of 19
ECSU	13,632.91	12 of 16	10,281.00	14 of 16
UNCA	17,488.00	5 of 15	11,602.00	11 of 15
UNCC	16,051.00	13 of 18	13,394.00	17 of 18
UNCP	12,418.00	12 of 19	9,015.00	17 of 19
WCU	13,266.00	10 of 18	11,898.00	14 of 18

Notes: Cost is estimated by running a representative distribution of 30 student credit hours through the UNC Enrollment Funding Model for each of the campuses.

Option 3: Raise HMI Non-resident Admissions Cap

- Raise 18% cap to 30% for HMIs
- “Hold harmless” the number of NC residents admitted
- Maintain the academic quality of the pool of nonresident students admitted
- Would require Board of Governors action
- Campuses Include: ECSU, FSU, NC A&T, NCCU, UNCP, and WSSU
- Data specific to this option:
 - ☐ Applicant numbers and test scores

Option 4: System-wide Cap with Institutional Flexibility

- Cap based on system average rather than applied to each campus individually
- Campuses may exceed 18%, up to 22%, with constraints:
 - ☐ “Hold harmless” the number of NC residents admitted
 - ☐ Maintain the academic quality of the pool of nonresident students admitted
- Would require Board of Governors action
- Data specific to this option:
 - ☐ Applicant numbers

Potential Additional Admissions Pool

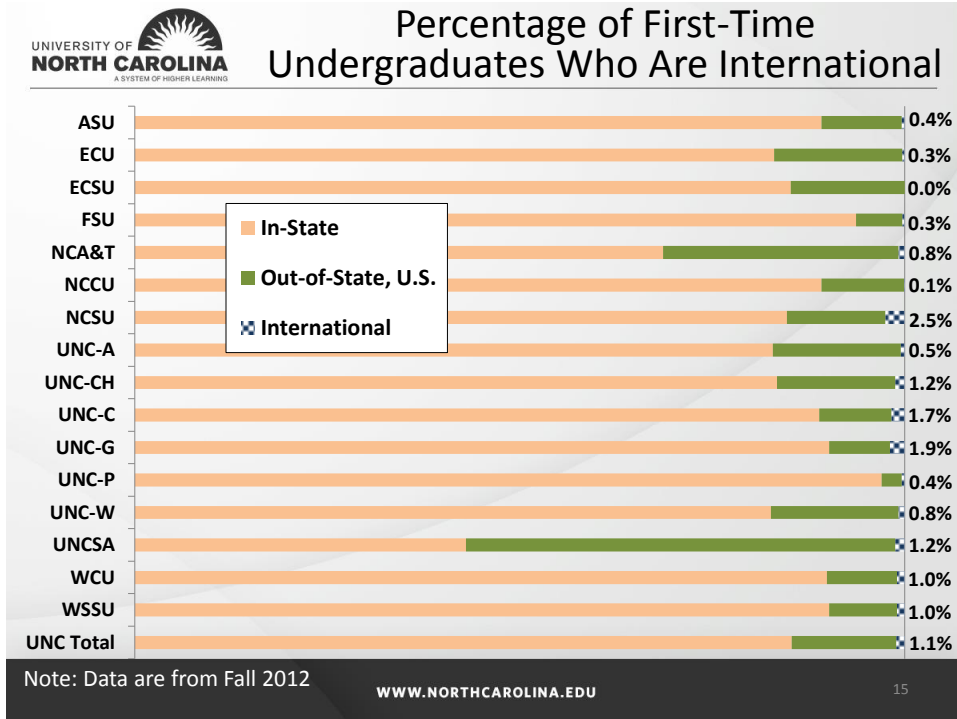
Campus	Percentage of Nonresidents in Fall 2012 (first-time undergraduates)	Number of Additional Undergraduates Who Could Be Admitted, Up to Current 18% Cap	Number of Additional Undergraduates Who Could Be Admitted, Above 18% up to a <u>22%</u> Hypothetical Cap	Number of Additional Undergraduates Who Could Be Admitted, Above 22% up to a <u>30%</u> Hypothetical Cap	Estimated Number of Rejected but Potentially Qualified Applicants in Fall 2012 (top 25 th percentile SAT scores)
ASU	10.9%	263	169	-	4
ECSU	14.8%	20	28	66	3
ECU	16.9%	52	208	-	309
FSU	6.4%	86	36	84	10
NCA&T	31.4%	NA	NA	-	21
NCCU	10.9%	122	78	184	12
NCSU	15.3%	147	233	-	389
UNC-CH	16.6%	68	204	-	1,869
UNCA	17.2%	5	29	-	67
UNCC	11.1%	298	197	-	101
UNCG	9.8%	252	142	-	39
UNCP	3.0%	186	62	144	9
UNCSA	57.0%	NA	NA	-	-
UNCW	17.3%	16	106	-	561
WCU	10.1%	150	88	-	59
WSSU	9.8%	68	39	90	8

Notes: Fall 2012 data; SAT scores only, and excludes a small number with only ACT scores 13
Assumes no reduction in in-state student enrollment



Option 5: Exclude International Students from Cap

- Change calculation of non-resident percentage to exclude international students
- Would require Board of Governors action
- Data specific to this option:
 - ❑ International students in relation to all undergraduates



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Other Data to Consider

- Dollars per degree
- Economic development (workforce impact)
- Potential fiscal impacts

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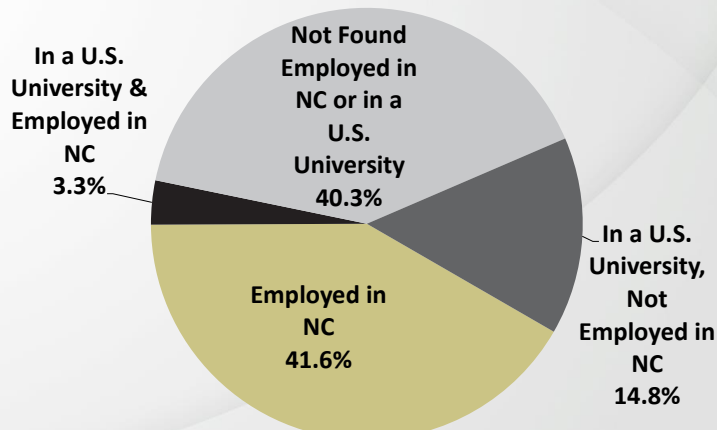
16

Policy Options Impact on Spending per Degree

- Increased enrollment of high quality students should lead to more efficient production of degrees
 - This will drive down cost per degree in the long run.
- Greatest potential impact at campuses with capacity and lower degree efficiency
- Time lag between additional enrollment and production of additional degrees

Economic Development

Almost half of UNC's out-of-state bachelor's graduates either work in North Carolina at some point during the three years after graduation or enroll in a post-bachelor's university program.



Notes: (1) "Not Found" means the graduate was either self-employed, unemployed, or employed in another state. (2) Data are from bachelor's degree graduates from 2004-2009, matched to unemployment insurance filings for the 12 quarters after receiving the degree. (3) This analysis excludes foreign students for whom social security numbers (the basis for matching) are often not available. (4) Graduates were also matched to the National Student Clearinghouse to identify those entering other university programs nationally after completing the bachelor's degree.

Monitoring / Due Diligence

- Financial analysis to estimate impact on financial sustainability and changes to nonresident tuition revenue stream.
- Market pricing analysis necessary to balance competition for nonresident students and revenue generation.

Reviewing the Options

All options are for Board consideration and may be analyzed further. No recommendations have been made.

1. Lower the non-resident tuition rate at historically minority institutions
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