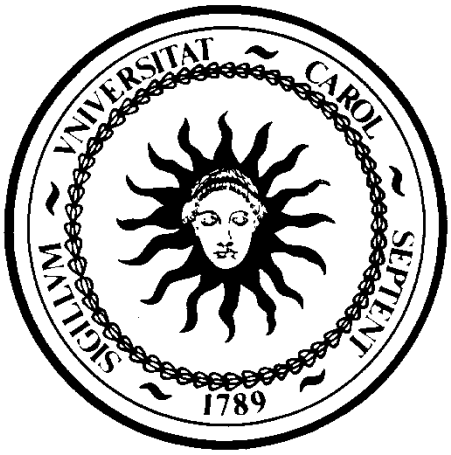
FIFTH ANNUAL REPORT ON UNIVERSITY OF NORTH CAROLINA ENROLLMENT PLANNING

December 15, 2003



Submitted by the University of North Carolina Board of Governors
in response to North Carolina Session Laws 1999, Chapter 237,
General Statute 10.8 of the North Carolina General Assembly

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North Carolina Session Laws 1999, c. 237, s. 10.8 (UNC Enrollment Planning)

The Board of Governors shall report to the Joint Legislative Education Oversight Committee by December 15 of each year on enrollment planning, current and anticipated growth, and management of capacity to meet the demands for higher education in North Carolina. These reports shall continue through December 2005.

I. Enrollment Planning

It is the statutory responsibility of the University of North Carolina to extend the benefits of higher education to the people of North Carolina. Among the six strategic directions that drive the Board of Governors' UNC long-range plan for 2002-2007 is the following: *Access: Ensure affordability and access to higher education for all who qualify and embrace a vision of lifelong learning.* Included among the major strategies associated with this strategic direction are the following:

- Implement and monitor annually the 10-year enrollment plan adopted by the Board of Governors in response to the anticipated surge in enrollments, with special attention to efforts to increase enrollments at focused-growth institutions.
- Continue to promote access, retention, and graduation of traditionally underrepresented segments of North Carolina's population, implementing and monitoring the strategies outlined in the diversity plan adopted by the Board of Governors in 2001.
- Ensure financial access to North Carolina residents by keeping tuition and fees as low as practicable, while continuing to expand need-based financial aid resources for low-income students.
- Facilitate educational access through the effective use of information technology to provide information on educational opportunities (e.g., CFNC and Pathways), to offer e-learning courses and programs, to deliver academic and student services, and to promote inter-institutional collaboration in course and program delivery.
- Continue to promote collaboration with community colleges through initiatives such as the North Carolina Comprehensive Transfer Articulation Agreement, delivery of baccalaureate completion and graduate programs at community college sites, and enrollment planning.
- Assist North Carolina in reaching its goal of closing the gap between the state and the national average with respect to the percent of residents who have earned a bachelor's degree or higher, with no significant differences between the educational attainment of majority and minority populations.
- Maximize the capacity of UNC institutions to serve the anticipated enrollment growth through more efficient use of on-campus facilities, increased summer school

enrollment, expanded use of off-campus instruction sites, new academic programs, and e-learning.

- Ensure the timely and cost effective construction and renovation of facilities to accommodate current students and anticipated enrollment growth.

The Board of Governors adopted the first ten-year enrollment plan for UNC in April 1999 to cover the period 1998-2008. At that time, it was understood that the plan would have to be monitored carefully and be revised and updated biennially. This was accomplished with the adoption in June 2001 of an updated 10-year enrollment plan for the period 2000-2010. In concert with developing the *Long-Range Plan 2004-2009*, which will be presented to the Board of Governors in January 2004, UNC is revising its ten-year enrollment plan to cover the years 2002-12.

A. Meeting the Projections of the 2000-2010 Enrollment Plan

A significant factor in the justification of the 2000 Bond Program was the need to accommodate student demand for access to UNC institutions. There has been significant growth at all levels and UNC has exceeded the 2000-2010 enrollment plan each year. Undergraduate enrollment has grown from 129,375 in fall 1999 to 145,153 in fall 2003; graduate enrollment has increased from 31,612 in fall 1999 to 38,194 in fall of 2003, which combined is an increase from 160,987 to 183,347 or an increase of 22,360 students.

The planned enrollment number from the initial 2000-2010 plan for fall 2003 was 172,633. The fall 2003 actual enrollment was 183,347 or 10,684 students more than contemplated in the summer of 2000. Careful planning and adjustment in planned numbers have been made along the way and the fall 2003 enrollment was just 630 students more than the headcount plan associated with the enrollment change budget for that year.

First-time-in-college freshman enrollment has grown from 24,433 in fall 1999 to 28,332 in the fall of 2003. Resident freshmen have grown from 20,483 in fall 1999 to 24,165 in fall 2003, an 18 percent increase. Nonresident freshmen have grown from 3,950 to 4,167 in the same period.

The enrollment projections and plans made in connection with the bond program have all been met and exceeded, and current analysis suggests this will continue to be the pattern for UNC growth.

B. Enrollment Projections: Population Pools and UNC Participation Rates

The first step in updating the UNC enrollment plan was the development of enrollment projections. Projections must be understood for what they are—planning tools that enable the University to estimate future "demand"—the number of students that could be expected to enroll in future years if past trends continue into the future.

The UNC projections are designed to identify expected future enrollment for the 16 UNC constituent institutions. It assumes that the other sectors of higher education in North Carolina (the NCCCS and independent colleges and universities) will do projections for their respective institutions. Total future demand for higher education in North Carolina can be determined by summing the projections of these three sectors.

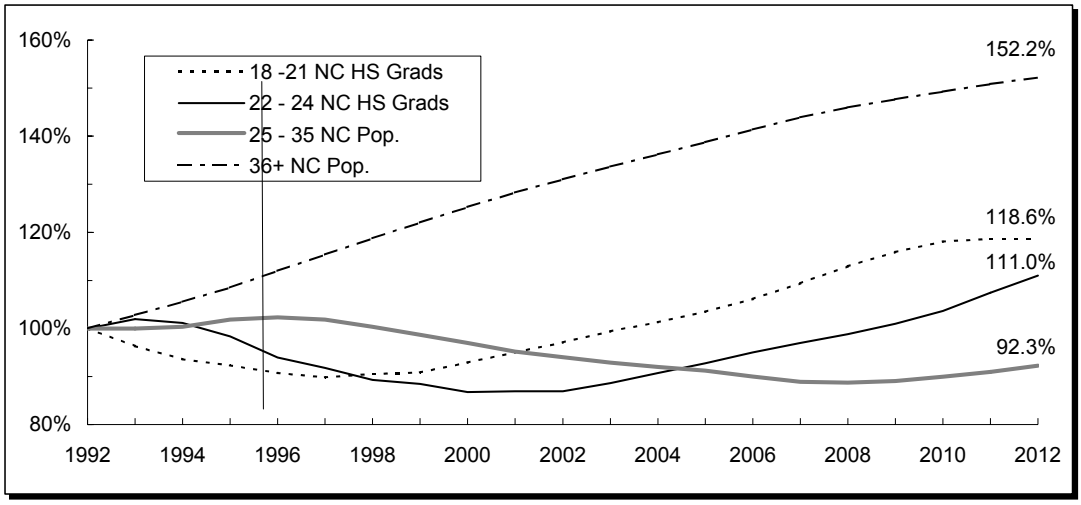
The UNC enrollment projections are built on extrapolations of two elements: 1) pools of potential students by age group or cohort (e.g., 18-21, 22-24, 25-35, and 36 and older) for the planning period to estimate the total potential "market," and 2) the historic UNC attendance rates of these groups to determine the percent of that market that has traditionally enrolled at a UNC institution. Continuation of enrolled students is factored in as well.

Pools of Potential Students by Age Group or Cohort

UNC relies upon population projections by independent sources for the number of potential students in various age cohorts. For North Carolina public high school graduates, UNC uses the projections of high school graduates provided by the NC Department of Public Instruction and for special and private high school graduates the projections by the Office of the President. For age groupings of North Carolinians, UNC uses the most recent projections supplied by the U.S. Census Bureau. These population projections represent potential demand.

Figure 1 plots data on percentage changes in the actual and projected pools of potential in-state students. The data show that the primary pool of potential undergraduates—18-21 year-old public high school graduates—will increase steadily throughout the decade.

Figure 1. Pools of Potential In-State Students (Actual & Projected)



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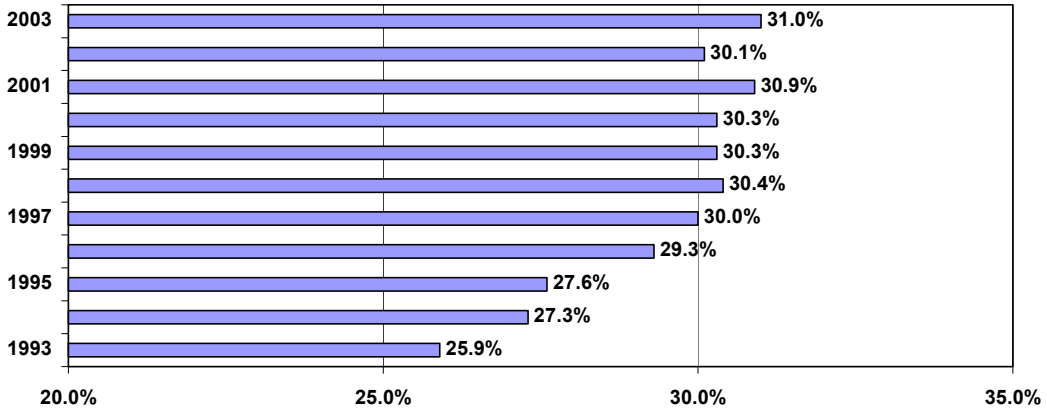
Historic UNC Attendance Rates

To determine what percent of this potential demand can be expected to enroll at a UNC institution, the projections take into account the UNC attendance rates of members of these various population pools or cohorts at each UNC institution over the past seven years. This reduces the focus from the entire North Carolina population (or "market") to that percentage of the population that has historically enrolled in UNC institutions. The projections multiply the projected attendance rate of each age cohort by the projected size of that group for a given year at each campus, thus producing an annual enrollment projection for each constituent institution. Projections for the campuses are then summed

to produce a total UNC projection of enrollment demand. Given the high cost of nonresident tuition, the model assumes that the participation rate of nonresident undergraduates will remain relatively stable.

Figure 2 depicts UNC attendance rates for North Carolina high school graduates over the past decade. Fall 2003 participation rose to its highest level ever at 31 percent based on DPI's 10-29-03 estimate of the number of high school graduates. With some small fluctuations, there has been a steady growth in participation rising from 25.9 percent in 1993 to the current 31 percent. These data suggest that the range for participation for NC high school graduates is likely to be between 30% and 32% in the near term.

Figure 2. UNC College-Going Rate for North Carolina High School Graduates: 1993-2003

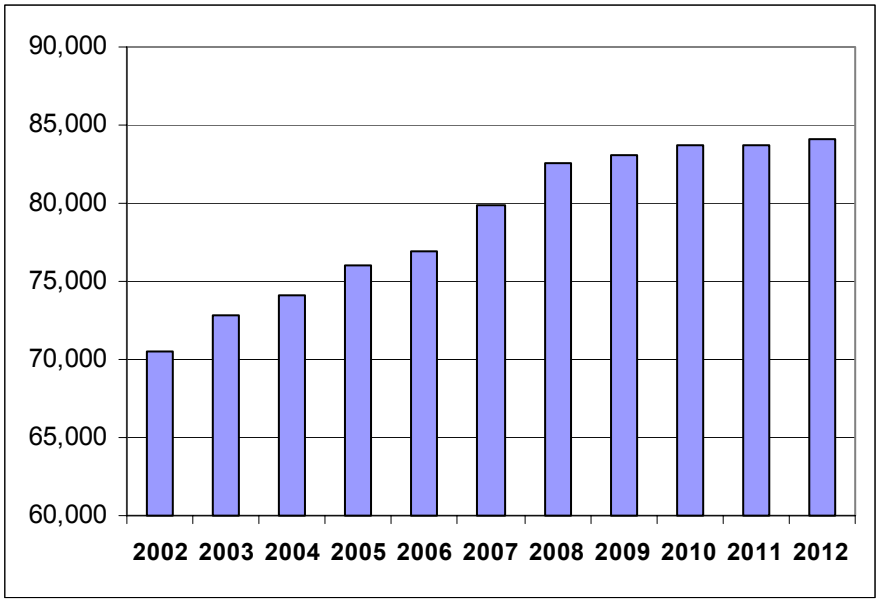


Growth in High School Graduates in North Carolina

North Carolina is experiencing a significant increase in high school graduates during this decade, with the steepest increase continuing to 2008 and then leveling off slightly. These projections are based on the NC Department of Public Instructions projections for public high schools and the Office of the President's projections for special public high school and private high schools. UNC's projections combine the two sources.

The information in Figures 1, 2, and 3 suggests that UNC will continue to experience enrollment increases throughout the decade at the undergraduate level. However, the University also expects participation rates to increase among students seeking graduate and first professional degrees. This will be a result of increased numbers of students receiving baccalaureate degrees and the demand of older citizen to complete degrees or seek new degrees relevant to the changed economy. The availability of distance and online degree programs will enhance UNC's ability to serve these older citizens.

Figure 3. Projected North Carolina High School Graduates: 2002-2012



Financial Aid

The Board of Governors established a Task Force on Student Financial Aid to address the needs of those who were least able to attend college because of financial concerns.
As the need-based financial aid plan was developed, UNC trailed other major institutions in the nation in funding for need-based financial aid. To help address this issue, the UNC Need Based Financial Aid Program was inaugurated for the 2000-2001 academic year, using the formula recommended in the report of the Task Force on Student Financial Aid presented to the Board of Governors in November 1999. The formula takes advantage of federal data collection (so no additional application for this program is required) and fully leverages other federal funds such as Pell Grants and tax credits. Due to continuing funding by the General Assembly, over 25,000 students have been aided through this program for 2003-2004. The budget now allows funding for all four classes of undergraduate students. Fund information is offered via the Internet so that all campuses at which a student expresses an interest are simultaneously notified of grant eligibility and can include the UNC Need Based Grant in their aid offers before an enrollment decision is made.

The State Education Assistance Authority released an affordability study in November 2003. Its finding on three broad measures of affordability -- the college-going rate in North Carolina, the net price of college in relation to family income, and average cumulative student debt upon graduation – indicate that "despite increased prices, higher education for North Carolinians remains affordable…."

C. Planning to Accommodate Projected Enrollment Growth

Enrollment projections do not constitute an enrollment plan. Rather, they serve as a planning tool that enables institutional leaders to estimate future enrollment demand. The

next step is to determine whether (and how) the institution—or, in the case of a system, all of the constituent institutions combined—can meet the projected demand. The answer requires an evaluation of several elements—e.g., institutional mission, current physical capacity, and future capacity for growth.

Development of the UNC enrollment plan was guided by the following principles:

- Use existing capacity to the fullest extent possible.
- Promote economies of scale and stronger institutional financial capacity by setting a target of at least 5,000 to 6,000 students for most campuses.
- Restrain enrollment growth at UNC Asheville and the North Carolina School of the Arts in recognition of their special missions.
- Serve some of the projected enrollment growth through distance learning at off-campus sites and through e-learning.
- Implement the Bond Program to provide additional and upgraded dormitory space and campus facilities to accommodate growth.

Applying these principles in partnership with UNC chancellors, each board of trustees adopted appropriate targets for enrollment growth for each campus. The process began by asking each constituent institution to review its respective enrollment projections and then to indicate the extent to which it could accommodate or exceed its projected enrollment growth. For some UNC institutions, the challenge in serving projected enrollment growth on campus was the lack of adequate facilities, which required assignment of targets that were lower than their projected enrollment growth. On the other hand, seven institutions with then-current capacity on campus and, in five cases, total enrollments below 6,000 students, were targeted for above-average enrollment growth—ECSU, FSU, NCA&T, NCCU, UNCP, WCU, and WSSU. To assist these institutions in meeting ambitious growth targets, the North Carolina General Assembly has appropriated over $20 million in recurring funds. These funds have been used to develop comprehensive enrollment growth plans, improve instruction, develop new academic programs, promote greater operating efficiencies, enhance development offices, strengthen facilities management capabilities, and now are being used to address additional stresses on campus services due to the success of the Focused-Growth Plan.

In the expectation that some students would prefer the convenience of distance education, institutions were encouraged to consider meeting some of their projected demand through off-campus sites and e-learning.

The 2000-2010 enrollment plan took into account population projections and enrollment data available since 1999, when the original plan was adopted; enrollment projections by the Office of the President blended with the projections of individual campuses; current and anticipated (as a result of the $2.5 billion bond issue) enrollment capacity on each campus; and each institution's strategic plan, in particular its proposed role in distance education. Table 1 summarizes the targets set (on-campus and off-campus enrollments combined) by institution for the period 2000-2010.

II. Current and Anticipated Enrollment Growth

A. Fall 2003 Enrollment[1]

The UNC enrollment plan set enrollment targets (Table 1) for two five-year periods (2000-2005 and 2005-2010), with the understanding that both the plan itself and the projections upon which it is based must be carefully monitored and revised as necessary. The University now has enrollment information for the first four years covered by the new plan (fall 2000, fall 2001, fall 2002, and fall 2003). Table 2 compares fall 2003 enrollment with fall 2002 enrollment and with the targets set for fall 2003.

As Table 2 shows, headcount enrollment in fall 2003 reached a record high of 183,347 students. This is an increase of 6,380 (or 3.6 percent) over the 176,967 students who were enrolled in fall 2002. This marks the third year in a row that the enrollment increase exceeded 6,000 students. The University as a whole exceeded the combined enrollment targets set for the 16 UNC institutions by 680 students. The resulting enrollment was only 0.3 percent above the planned enrollment.

Table 1. UNC Ten-Year Enrollment Growth Plan (2000-2010)

Fall headcount enrollment, 2000 actual and targets for 2005 and 2010, on-campus and off-campus enrollment combined							
Institution	**2000 (actual)**	**2005 (target)**	**% increase (2000-05)**	**2010 (target)**	**% increase (2005-10)**	**Total Increase**	**% increase (2000-10)**
ASU	13,227	14,850	12.27%	16,600	11.78%	3,373	25.50%
ECU	18,750	22,630	20.69%	27,500	21.52%	8,750	46.67%
ECSU	2,035	2,590	27.27%	3,270	26.25%	1,235	60.69%
FSU	4,487	5,480	22.13%	6,260	14.23%	1,773	39.51%
NCA&T	7,748	9,340	20.55%	11,000	17.77%	3,252	41.97%
NCCU	5,476	6,980	27.47%	8,230	17.91%	2,754	50.29%
NCSA*	768	840	9.38%	900	7.14%	132	17.19%
NCSU	28,619	31,020	8.39%	36,000	16.05%	7,381	25.79%
UNCA	3,292	3,530	7.23%	3,760	6.52%	468	14.22%
UNC-CH	24,892	28,100	12.89%	29,250	4.09%	4,358	17.51%
UNCC	17,241	20,430	18.50%	24,130	18.11%	6,889	39.96%
UNCG	13,125	15,360	17.03%	18,330	19.34%	5,205	39.66%
UNCP	3,445	5,170	50.07%	6,140	18.76%	2,695	78.23%
UNCW	10,100	11,270	11.58%	12,320	9.32%	2,220	21.98%
WCU	6,699	7,840	17.03%	9,530	21.56%	2,831	42.26%
WSSU	2,857	3,830	34.06%	4,780	24.80%	1,923	67.31%
TOTAL	**162,761**	**189,260**	**16.28%**	**218,000**	**15.19%**	**55,239**	**33.94%**

* NCSA enrollment figures do not include high school students.

[1] This year marks the fourth year that the University's report on fall enrollment includes off-campus enrollments. These data are included because (a) off-campus enrollments are now funded on the same basis as on-campus enrollments; (b) the board's enrollment strategies encompass both forms of enrollment; and (c) this convention is consistent with federal guidelines for reporting fall enrollments.

Table 2. Comparison of Fall 2002 and Fall 2003 Headcount Enrollment

	Fall 2002	Fall 2003		Change (2002-2003)	
Institution	**Actual**	***Target***	**Actual**	**Number**	**Percent**
ASU	14,178	*14,330*	14,343	165	1.2
ECU	20,577	*21,659*	21,756	1,179	5.7
ECSU	2,150	*2,270*	2,308	158	7.3
FSU	5,308	*5,393*	5,329	21	0.0
NCA&TSU	9,115	*9,716*	10,030	915	10.0
NCCU	6,519	*6,727*	7,191	672	10.3
NCSA	817	*800*	792	-25	-0.3
NCSU	29,637	*30,108*	29,854	217	0.1
UNCA	3,391	*3,535*	3,446	55	0.2
UNC CH	26,028	*26,561*	26,359	331	0.1
UNCC	18,916	*19,519*	19,605	689	3.6
UNCG	14,453	*14.793*	14,870	417	2.9
UNCP	4,432	*4,920*	4,722	290	6.5
UNCW	10,918	*11,158*	11,079	161	1.5
WCU	7,033	*7,326*	7,561	528	7.5
WSSU	3,495	*3,852*	4,102	607	17.4
TOTAL	**176,967**	***182,667***	**183,347**	**6,380**	**3.6**

All sixteen institutions experienced enrollment growth for fall 2003 except NCSA. Eight institutions, including six focused-growth campuses, equaled or exceeded the system-wide average rate of growth of 3.6% percent—WSSU (16.8%), NCCU (10.3%), NCA&TSU (10.0%), WCU (7.5%), ECSU (7.3%), ECU (6.0%), and UNCC (3.6%). The headcount growth was most dramatic among seven institutions, each with increases of 500 or more students—ECU (1,179), NCA&TSU (915), UNCC (689), NCCU (672), WSSU (607), and WCU (528).

Each of the seven focused-growth institutions experienced growth, and only FSU did not exceed the system percentage increase. As a group, the focused-growth institutions grew by 8.4 percent, as compared to 2.3 percent among the non-focused-growth institutions and the 3.6 percent overall growth rate. Historically black and historically American Indian institutions grew at a faster pace (8.9 percent and 6.5 percent, respectively) than did historically white institutions (2.5 percent).

Specific groups of students that experienced above average increases in their enrollment this year include:

- First-time students at all degree levels (up 5.9 percent)
- 18- to 24-year-old students (up 3.3 percent)
- Full-time students (up 3.8 percent)
- Minority students (up 7.2 percent)
- Women (up 4.1 percent)

Diversity

Minority enrollment (of those identified) increased by 3,437 students (7.2 percent) and is 29.2 percent of the University's enrollment adjusted for those whose race is not known, up from last year's 28.2 percent. In percentage terms, the growth for three of the four identified minority groups exceeded the growth rate for white students, which was 1.9 percent or 2,282. The percentages are:

- African American students (up 7.3 percent or 2,761 students)
- American Indian students (up 2.9 percent or 58 students)
- Asian students (up 5.5 percent or 297 students)
- Hispanic students (up 11.3 percent or 321 students)

African American enrollment increased at both the historically black institutions (9.7 percent) and the historically white institutions (3.6 percent). White enrollment increased at both the historically black institutions (3.8 percent) and historically white institutions (1.7 percent). Taken together, these changes produced an enrollment at the historically white institutions that is 10.6 percent African American (up slightly from last year), and an enrollment at the historically black institutions that is 13.6 percent white (down slightly from last year). In percentage terms, this is the sixth year in a row that African American students have exceeded 10 percent of the total enrollment at the historically white institutions. This means that 41.6 percent (16,904**)** of UNC's African American students now enroll at historically white or historically American Indian institutions. By contrast, 5.2 percent (6,457**)** of UNC's white students enroll at historically African American or American Indian institutions.

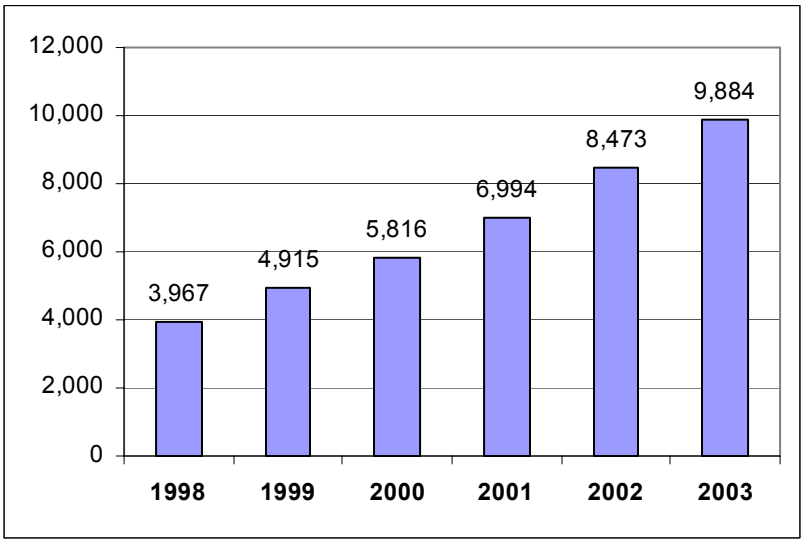
Distance Education

The number of students enrolled in off-campus distance education courses this fall and not taking courses on campus was 9,884, an increase of 1,411 (16.7 percent) as shown in Figure 4. An additional 4,545 students enrolled in distance education courses while taking courses on-campus, for a total of 14,429 students enrolled in such courses. This suggests that growing numbers of regular session students are choosing to take distance-learning courses, generally through the use of information technology. As might be expected, distance education courses are especially convenient for nontraditional students (age 25 and older), who constitute 73.9 percent of off-campus enrollment.

Increase in Enrollment, Diversity, and SAT Scores

Not only has UNC experienced record enrollment growth but both diversity and freshmen SAT scores have increased. The University is more diverse overall and eight institutions have increased diversity as defined for their campuses (ASU, ECU, NCA&TSU, NCSU, UNCA, UNC CH, UNCP, UNCW). Eleven institutions saw the average SAT for first-time-in-college students increase (ECU, ECSU, NCA&TSU, NCSU, UNC CH, UNCC, UNCG, UNCP, UNCW, WCU, WSSU). The UNC average SAT score increased from 1072 to 1075.

Figure 4. Growth in UNC Off-Campus Distance Education Headcount: 1998-2003



B. Revised Fall Headcount Enrollment Planning for 2002-2012

The enrollment projections that formed the basis for the 2000-2010 enrollment plan were generated using enrollment data from fall 1994 through fall 2000. With the additional fall 2001 and 2002 data, projections were revised and extended to fall 2012.

These projections suggest that total fall headcount enrollment will rise to approximately 235,000 by fall 2012. The UNC enrollment plan established planned targets for the 16 constituent institutions that sum to just over 208,000 by 2007, and to just over 235,000 for fall 2012. Projected enrollment growth for the ten-year period (2002-12) is approximately 58,213 or a 32.9 percent increase over fall 2002.

While the increase in high school graduates will begin to level off as we approach 2012, the impact of the rapid growth of high school graduates will be felt for several years subsequent to 2012, as they complete undergraduate study and contribute to a growing demand for graduate education. Table 3 summarizes by campus and for UNC what the expectations are for the next ten-year period.

III. Management of Capacity

The 2002-12 UNC enrollment plan, like the previous plan, is based on the concept of maximizing the efficient use of existing capacity and taking advantage of the new and renovated facilities being provided by the bond program. The space planning standards adopted by the Board of Governors in 1998 represent an aggressive adaptation of space standards promulgated by university systems throughout the United States. Applying these standards, institutions are better able to determine how efficiently they are using existing campus facilities and how many students they ought to be able to serve on campus, and can predict the kinds of new facilities they will require in order to meet the long-range enrollment targets.

Table 3. UNC Ten-Year Enrollment Growth Plan (2002-2012)

Fall headcount enrollment, 2002 actual and planned targets for 2007 and 2012							
Institution	**2002 (actual)**	**2007 (target)**	**% increase**	**2012 (target)**	**% increase**	**Total Increase**	**% increase**
ASU	14,178	15,382	8.49%	16,731	8.77%	2,553	18.01%
ECU	20,577	24,569	19.40%	28,500	16.00%	7,923	38.50%
ECSU	2,150	2,848	32.47%	3,578	25.63%	1,428	66.42%
FSU	5,308	5,919	11.51%	6,603	11.56%	1,295	24.40%
NCA&T	9,115	12,900	41.52%	15,867	23.00%	6,752	74.08%
NCCU	6,519	8,234	26.31%	9,938	20.69%	3,419	52.45%
NCSA*	817	899	10.04%	923	2.67%	106	12.97%
NCSU	29,637	32,249	8.81%	36,500	13.18%	6,863	23.16%
UNCA	3,391	3,717	9.61%	3,717	0.00%	326	9.61%
UNC-CH	26,028	27,868	7.07%	28,871	3.60%	2,843	10.92%
UNCC	18,916	23,504	24.25%	28,430	20.96%	9,514	50.30%
UNCG	14,453	17,367	20.16%	18,683	7.58%	4,230	29.27%
UNCP	4,432	6,446	45.44%	6,786	5.27%	2,354	53.11%
UNCW	10,918	12,348	13.10%	13,641	10.47%	2,723	24.94%
WCU	7,033	9,460	34.51%	10,210	7.93%	3,177	45.17%
WSSU	3,495	5,121	46.52%	6,202	21.11%	2,707	77.45%
TOTAL	**176,967**	**208,831**	**18.01%**	**235,180**	**12.62%**	**58,213**	**32.89%**

* NCSA enrollment figures do not include high school students.

Using its space planning standards, the University was able to compare the number of students projected to enroll over the coming two five-year periods with the estimated capacity at each UNC institution. Development of this plan took into account capital projects that were funded as a result of the successful UNC/Community College bond program. The University has developed an aggressive schedule that projects when each project will be designed, bid, and ultimately completed. This has aided considerably in estimating future enrollment capacity at each campus. All the bond projects are scheduled to be completed by the end of 2009. In developing the 2004-2014 UNC enrollment plan, facilities for accommodating the increases will again have to be carefully evaluated.

The UNC enrollment plan is built on an effort to reduce somewhat the need for new facilities over the next decade by gradually modifying traditional enrollment patterns. This plan presumes that the focused-growth campuses will continue to grow at rate higher than the growth rate of UNC as a whole. Second, the plan seeks to meet some of the projected demand off campus through distance education. In fall 2003 UNC institutions served almost 10,000 students off-campus either through site-based distance education or online programs. This represents 5.4 percent of the total fall headcount enrollment. By 2012 the UNC enrollment plan calls for approximately 22,000 students to

be taught through distance and online education. This increase would represent nearly 20 percent of total anticipated enrollment growth.

Another strategy to maximize capacity is expansion of enrollment in summer sessions. Like distance education before it was fully funded in 1998-99, summer school degree-credit instruction receives minimal state funding and so is essentially self-supporting. This constrains the ability of campuses to make full use of summer session to deliver degree-credit courses. In order to support instructional costs, most campuses must charge higher tuition in the summer and lack financial aid to assist low-income students. Therefore many students cannot afford summer school courses. Second, in order to be economically viable, courses must attract a high enrollment. This generally limits courses to those at the introductory level and makes it too costly to offer many of the upper division courses that juniors and seniors require to complete their degrees.

Adequate state funding for summer instruction would enable campuses to expand their summer offerings, thereby making year-round use of their facilities more feasible, hastening degree completion, and opening more places for future students. As a test of this thesis, the University's budget request for 2003-05 included a proposal for funding of pilot summer programs at North Carolina A&T State University, North Carolina State University, and UNC Wilmington. The pilots, if funded, would run for three years. If successful, the board would follow with a request for summer school funding based on an application of the regular-term funding model. With year-round utilization of their facilities, UNC campuses would increase their effectiveness in meeting the growing demand for higher education.