



AGENDA ITEM

- A-4. Actions Taken Pursuant to Section 700.1.3 of the UNC Policy Manual, *Policy on Out-of-State Undergraduate Enrollment*..... Kimberly van Noort

Situation: Section 700.1.3 of the UNC Policy Manual states that any constituent institution that exceeds their out-of-state freshman enrollment limitation identified in the policy for two consecutive fiscal years shall have its state operating budget reduced. This reduction shall be made in the second fiscal year in which the two consecutive fiscal year condition is violated; the reduction shall be made, on a nonrecurring basis, immediately after the Board of Governors approves the annual enrollment report. The budget reduction shall be based on the number of out-of-state freshmen enrolled in excess of their specified limitation and the established method used for calculating the operating requirements for regular term enrollment changes. Institutions are provided a warning (no penalty) in the first year that they exceed their Board limitation.

Background: The Committee on Educational Planning, Policies, and Programs adopted revisions to Section 700.1.3 of the UNC Policy Manual that raised the cap on non-resident first-time (freshmen) undergraduate enrollment from 18 percent to 25 percent effective fall 2021 at the University of North Carolina System HBCUs. The cap remains at 18 percent for other UNC institutions (the University of North Carolina School of the Arts is exempted from the policy, as its non-resident enrollment threshold is specified by S.L. 1985-479, § 73, North Carolina Central University received a warning for exceeding their institutional cap in the fall of 2020, but did not exceed the cap for the fall of 2021 and is therefore not subject to a financial penalty.

Almost every UNC System institution saw dramatically increased enrollment demand from non-resident students for the fall of 2021. This happened at the same time that the pool of North Carolina high school students flattened, following projected demographic shifts. The result of these two factors was a significant increase in the percentage of non-resident undergraduate enrollment, and five constituent institutions exceeding their Board identified cap.

Assessment: It is recommended that the Board officially notify Elizabeth City State University, North Carolina Agricultural and Technical State University, the University of North Carolina at Chapel Hill, the University of North Carolina at Wilmington, and Western Carolina University that they have exceeded their institutional cap, and if they do so again in the fall of 2022, they shall be assessed a financial penalty in accordance with the policy.

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Action:

This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

The UNC Policy Manual
700.1.3
Adopted 03/14/86
Amended 02/10/95
Amended 07/01/07
Amended 02/21/14
Amended 04/22/21

Policy on Out-of-State Undergraduate Enrollment

To ensure that constituent institutions maintain a level of out-of-state undergraduate enrollment consistent with historical University policy and tradition, and one consistent with strong and balanced educational programs, it is recommended that the Board of Governors adopt this statement of policy:¹

- a. Each constituent institution, except the North Carolina School of the Arts, shall take necessary steps to limit the proportion of out-of-state students in the entering freshman class to not more than 18 percent by the fall of 1988. In any instance in which a chancellor believes that his institution would suffer serious problems or hardships in reaching this limit within the time provided, he may petition the president and the Board of Governors for an extension of time to meet the 18 percent limit, which petition may be granted on an annual basis not to extend beyond the fall of 1990. The petition shall set forth the reason for the request, the steps taken by the institution in furtherance of the policy, and the progress made. The chancellor shall furnish such other information as may be requested by the President.
- b. The president shall monitor progress toward this goal, and shall make interim reports on fall 1986, and fall 1987, enrollments to the board.
- c. The board shall review this policy in 1988-89 and consider then whether amendments should be made or further measures adopted.
- d. It is the board's expectation that institutions will admit only academically well-qualified out-of-state students. In any year in which the average combined SAT score for out-of-state freshmen is below that for North Carolina freshmen, the president shall require a written report from the chancellor. The president will include in his interim reports to the board information on the average combined SAT scores for both groups of freshmen.
- e. Beginning with the fall of 1994, any constituent institution, except the North Carolina School of the Arts, that exceeds the 18 percent out-of-state freshman enrollment limitation prescribed in paragraph a., above, or the 25 percent out-of-state freshman enrollment limitation prescribed in paragraph g., below, for two consecutive fiscal years shall have its State operating budget reduced. This reduction shall be made in the second fiscal year in which the two consecutive fiscal year condition is violated; the reduction shall be made, on a non-recurring basis, immediately after the Board of Governors approves the annual enrollment report at its November meeting. The budget reduction shall be based on the number of out-of-state freshmen enrolled in excess of the 18 percent limitation and the established method used for calculating the operating requirements for regular term enrollment changes.
- f. The Board of Governors may, on the president's recommendation, authorize enrollment pilot programs that are exempt from the requirements of paragraphs a., and e., of this policy.

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g. Effective with the entering class of the fall semester 2021, the following institutions are authorized to enroll not more than 25 percent of non-resident students for tuition purposes in the entering full-time first-time (freshman) class: Elizabeth City State University, Fayetteville State University, North Carolina Agricultural & Technical State University, North Carolina Central University, and Winston-Salem State University. These institutions remain subject to all other requirements of this policy.

¹The North Carolina School of Science and Mathematics may not admit or enroll out-of-state students. See G.S. 116-235.