

Date: April 12, 2004

To: Paul Lingenfelter, Executive Director
SHEEO

From: Gretchen M. Bataille

RE: National Commission on Accountability in Higher Education

Thank you for providing an opportunity for the University of North Carolina to present testimony at the May 10, 2004, meeting of the Commission. As we have discussed, UNC is actively engaged in a number of initiatives to determine “best practices” in accountability, and we welcome the opportunity to learn more about what our colleagues are doing. We remain concerned that “simple” solutions to accountability often ignore the realities of changing student participation and graduation patterns, an increasingly diverse student body, and evolving expectations of business, industry, and government of what defines an “educated” graduate. Some of the measures we have used in the past to assess professional education—such as passing rates on licensure examinations—will continue to provide us with useful information. Other measures, such as graduation rates, provide less useful information unless we can track students over longer periods of time and across multiple campuses.

Our testimony begins with a focus on North Carolina’s increased participation rate in higher education over time. From 1986 to 2002, high school graduates in North Carolina have increased their participation in postsecondary education from 55% to nearly 66%. At the same time, the UNC participation rate for traditional freshmen has increased from 22.5% to 30.4%. The accountability measure that we will address is maintaining affordable access to higher education. UNC’s testimony will acknowledge these results and then work back to determine what actions resulted in improved participation in higher education in North Carolina and particularly in UNC’s sixteen constituent institutions.

I look forward to seeing you in Washington.

Xc: President Molly C. Broad

May 10, 2004
National Commission on Accountability in Higher Education

University of North Carolina: Sustaining Affordable Access
Testimony Provided by Gretchen M. Bataille, Senior Vice President for Academic Affairs

Introduction and Context

The University of North Carolina is data-rich! Since 1975 we have collected information on every employee at each of our sixteen campuses, at affiliated entities, and at the Office of the President. We collect sixty-one data elements that are used for AAUP, IPEDS, and special reports to inform our decision-making processes.

We have been collecting applicant, enrolled student and graduate data since 1980. At this point we have collected over 8.5 million records, each containing 88 data elements. Data collection was expanded in 1995 when we added course registration and grading information. This was followed by the collection of financial aid information in 1996. The analysis of transfer performance was enhanced in 1988 when the North Carolina Community College and UNC systems began sharing data and regularly reporting information back to the community colleges on the status of their former students. Records in student data systems are all linked using common student identifiers.

In addition to individual records on employees and students, UNC has been conducting surveys since 1974. Some of these surveys are biennial; others are every year. At this point, we have surveyed alumni, freshmen, sophomores, graduating seniors, and faculty. Most recently, senior faculty as well as faculty participating in the phased retirement program were surveyed. A survey of early career faculty is planned for the near future. In most cases, these surveys use identifiers that enable us to draw conclusions about specific groups and/or campuses based on the responses.

The UNC system office also has collected facilities information since the 1960s, maintaining annual inventories on each room owned or leased by North Carolina Higher Education. These records are extensive; however, at this point they are not linked to student or personnel records. UNC is currently taking steps to improve this data collection process and establish the linkages needed to conduct new data analysis activities.

Although much of our data is linked, we are working to establish additional links to provide more information. With this extensive data system, we are able to produce reports on retention, enrollment, the effects of changing tuition and fees, demographics on students and faculty, success of transfer students by community college, graduation rates, salary differentials, and space utilization.

The testimony prepared for the National Commission on Accountability in Higher Education focuses on the most important strategic direction of UNC—sustaining affordable access to higher education. The use of selected data demonstrates how such data has informed decision-making and has led us to achieve this critically important outcome.

Postsecondary Participation and Equity

UNC's testimony begins with a focus on North Carolina's increased participation rate in higher education over time. From 1986 to 2002, high school graduates have increased their participation in post-secondary education from 55% to nearly 66%. At the same time, the UNC participation rate for traditional freshmen has increased from 22.5% to 30.4% (**Figure 1**). This testimony focuses on the actions of the State and the University that have resulted in improved participation in higher education in North Carolina and particularly in UNC's sixteen constituent institutions. Access to higher education is the highest priority of the Board of Governors of the University of North Carolina. The *Long-Range Plan (2004-09)* approved by the Board states that UNC must "ensure affordability and access to higher education for all who qualify and embrace a vision of lifelong learning." North Carolina has experienced dramatic changes in the economic environment, changes that have been marked by the loss of manufacturing, textiles, and agriculture as the foundation of the economy and the increasing importance of technology, pharmaceuticals, and knowledge-based industries. These changes demand that citizens of North Carolina have access to higher education and that colleges and universities be accessible, affordable and relevant.

The participation rate in higher education in North Carolina has grown from 55% to 66% in six years.

African Americans, Whites, and Native Americans show significant gains in UNC going rates since 1985. Compared to 1985, the UNC going-rate for African American high school graduates has increased by over 11% while the rates for Whites and Native Americans have increased by between six and eight percent. The participation of Hispanic students has declined by over 14% during the same period. These percentages are based on the number of students who graduated from high school. There has been a dramatic increase in the in-migration of Hispanics into North Carolina, and these numbers are reflected in the public schools. The number of Hispanic high school graduates doubled between 1998-99 and 2002-03. While there has been an eleven-fold increase in Hispanic high school students since 1985-86, there has been only a seven-fold increase in these students entering the UNC system. We can speculate that this difference is a result of new North Carolinians who are less-well prepared for higher education and more likely to be from families where they are the first in their families to graduate from high school and tend to go directly into the workforce. The large number of students who are undocumented and cannot afford college also contributes to this decline in participation from earlier years when most Hispanic students in North Carolina were from families who were more likely to be second or third generation.

In 2003 African American, White, and Native American high school graduates all had a 30% UNC-going rate.

Considering the projected increase in Hispanic students over the next 15-20 years (based on the newest WICHE data), strategies must be initiated now to reverse this decline. Current projections show that the number of Hispanic and African American high school graduates will be equal in 2014. By 2020, North Carolina will graduate over 20,000 more high school students than in

2003. The second largest group in that class will be Hispanic and no group will be in a clear majority.

Since 1986, high school graduates have increased their participation in post-secondary training from just over 55% to almost 66% (**Figure 2** and **Figure 3**). During this period, both the UNC system (6.3%) and the North Carolina Community College System (4.4%) have experienced higher participation rates. There was a modest decline in participation of recent high school graduates since 1998 that reflects a drop in community college participation rates from a record high of 22.5% in 1998 to the current level of 19.3%. Participation rates in independent colleges and university has remained fairly stable over time.

What factors have contributed to this dramatic growth in the college-going rate?

1. Costs, Financing and Efficiency—Enrollment Growth Funding and Focused Growth Campuses

The emphasis on access by the Board of Governors and the President of the University of North Carolina has been supported by other actions. Specifically, the Governor and the General Assembly have supported UNC's efforts through full enrollment funding as well as increased support for seven designated "focused growth" campuses that currently have excess capacity. Enrollment growth at these seven campuses has increased by 32.3% since 1999 when the focused-growth designation was first established. Funding has been provided to these campuses to improve marketing, enrollment services, outreach, academic support, and new academic programs, all directed toward expanding access to students throughout the State. UNC's overall enrollment has grown from 156,072 to 183,347, an increase of 27,275 students or about 17.5%. The approval by North Carolina citizens of a \$3.1 billion bond issue for construction and renovation on UNC campuses (\$2.5 billion) and community college campuses (\$600 million) expands access to higher education throughout the State. To accommodate students unable to take courses in residence, the General Assembly fully funds distance education courses. All of these factors contribute to ensuring access to higher education.

Enrollment at the seven focused-growth campuses has increased by 32.3% since 1999.

In North Carolina access has been accompanied by affordability, both through need-based aid and loans (**Figure 4**). Most significantly, need-based aid has kept pace with increased tuition and debt has not increased for students graduating from UNC. Dependent North Carolina residents who attended UNC borrowed less than their counterparts nationally. Two recent national surveys of undergraduate indebtedness found average total education debt to be 11% higher and 14% higher respectively than are the averages for North Carolina.

During the period from 1997-98 until 2003-04, need based grant aid for undergraduates in North Carolina increased by almost 200%, from \$37 million in 1997 to \$111 million in 2003. Among the reasons for the significant increase were two new programs funded for students in the University of North Carolina system and the Community College System. These grants, the UNC Need Based Grant and the North Carolina Community College Grant, grew from nothing

in 1997 to nearly \$30 million and \$10 million respectively in 2003. Another new fund, the Teacher Assistant Scholarship Fund, provided almost \$1 million in grants to teacher assistants in the public schools of North Carolina who are seeking four year degrees in teacher education.

Programs designed to encourage access to education leading to vocational service in teaching, nursing, and a number of health care professions have seen a more modest increase for undergraduates during the same period, rising 34% from \$13.6 million in 1997-98 to approximately \$18.3 million in 2003-04. These programs provide financial assistance in meeting the costs of higher education in exchange for the promise of vocational service in North Carolina. A recent performance audit of the programs by the State Auditor found that nearly three of every four recipients cancel the repayment obligation through appropriate vocational service in the state, with roughly 20% repaying in cash. Default rates are low, around 6%.

North Carolina participates in the Federal Family Education Loan program through a central non-profit lending institution, College Foundation, Inc., affiliated with the state's higher education finance agency, the North Carolina State Education Assistance Authority. Recently these organizations have worked with the University of North Carolina Board of Governors to propose a payment "holiday" for one month annually for North Carolina teachers who have borrowed from the program. Such teachers will have one monthly payment each year paid on their behalf by College Foundation, Inc., as an encouragement to continue teaching in our public schools.

2. Commitment to Outreach and Equity

www.CFNC.org

The Education Cabinet (chaired by the Governor and including the leaders of UNC, NCCCS, DPI, and the Association of Independent Colleges and Universities) made a commitment in 1999 to support a statewide college access initiative and sought funding from the North Carolina General Assembly. Initially, the state invested \$1M annually to create a program with a primary focus to increase the college-going rate in North Carolina with particular attention to the first generation college student.

The program was established to focus on information dissemination through a web portal and a resource center with a toll-free hotline. The program has evolved into a partnership of all 111 colleges and universities, the K-12 Department of Education, the state's student financial aid agency and a non-profit organization (that administers grants, loans and college-savings programs in service to the state) to create a single source website and resource center with a toll-free hotline.

The CFNC Website receives more than **300,000 hits per day** with over **5,000 unique visitors to the website per day**. Since the website was established, **more than 500,000 student accounts** have been established with **over 150,000 online applications** for admissions submitted through CFNC (Figure 5).

GEAR UP

The CFNC program was used as a foundation to apply for a state GEAR UP program, which the university (on behalf of the state) received in October 2000. The CFNC effort is also aimed at keeping middle school students in the “college pipeline,” so the GEAR UP NC program, which begins with 7th graders, was a natural extension of the state’s college access goal. In addition to the state grant, there are five local partnership grants in the state. The partnership grants are housed on three campuses of The University of North Carolina, one community college, and a local school system

GEAR UP NC (state grant) serves fifteen school districts in North Carolina and through an external state grant, five additional school districts have been added to the program. The partnership grants serve a total of seven school districts. Together, 27 of the state’s 117 school districts now have a GEAR UP program in place.

The GEAR UP state grant program served 700 students in the first year; this year it is serving over 7,100 students. GEAR UP NC has taken the lead in developing the statewide NC College Access Conference. The purpose of the conference is to bring together all educators, counselors, program coordinators and university representatives who work on college access and increasing the college-going rate in the state. In three years, the conference has grown from 180 participants in 2002 to 315 participants in 2004.

A significant component of the GEAR UP NC program is the Hispanic initiative. In response to the rapid growth of Hispanic students, GEAR UP supported replicating the CFNC website in Spanish and providing bilingual services through the toll-free hotline. In addition, a Hispanic focus was introduced into the College Access conference in 2004.

3. Increased entrance requirements to UNC and parallel expectations for high school graduation

In 1988, the Board of Governors of The University of North Carolina introduced the Minimum Course Requirements that every entering student would need to meet for admission to any of the 16 campuses of the University. The requirements had a positive impact on the academic preparation of students who entered the university and actually increased the proportion of African American students entering UNC. Three years ago the Board of Governors raised the admission requirements for students entering in 2004 and 2006. Beginning in 2004, all entering students are required to have two years of a second language and in 2006, students will need to have a minimum of 4 math credits with at least one course beyond Algebra II. This new math requirement places North Carolina among only a small handful of states requiring mathematics beyond Algebra II for college admissions (**Figure 6**).

As a result of these new minimum requirements, the State Board of Education changed the high school graduation requirements for the college prep course of study to align credit by credit with the UNC admissions requirements.

Conclusions

The University of North Carolina has been successful in increasing the college-going rate and at the same time closing the achievement gap. This past fall, the participation rates of African American high school graduates was higher than that of white graduates. The success the University of North Carolina has achieved in closing the achievement gap for African Americans must be replicated with the growing Hispanic population, providing a new challenge for all levels of education. The inability of undocumented Hispanics to attend UNC or community colleges at resident tuition inhibits the participation rate of this group of students, many of whom have been in North Carolina for many years. The University of North Carolina is grateful that even during a period of budget cuts, the State has fully funded increased enrollments and need-based financial aid. Cooperation among the segments of education in the State has enabled high school students to better prepare for college, has resulted in multiple 2+2 programs because of a Comprehensive Articulation Agreement, and has supported a comprehensive portal (www.CFNC.org) to help students prepare, plan, and pay for college. The examples provided in this brief testimony are, by necessity, abbreviated. A great deal of institutional research supported the decisions to increase minimum admission requirements, to address the needs of institutions with excess capacity, and to ensure that all sixteen UNC campuses are prepared to admit, retain, and graduate students prepared for the new economy of the South.

APPENDICES

Figure 1—Participation Rates for UNC

UNC Going-Rate for Traditional Freshman, 1985 - 2003

Fall Semester of:	African American	White	Native American	Asian	Hispanic	Total
1985	19.0%	23.7%	21.9%	44.0%	33.6%	22.5%
1990	19.5%	25.0%	20.0%	50.1%	30.4%	23.7%
1995	24.5%	28.3%	25.5%	47.3%	30.0%	27.6%
2000	27.6%	30.6%	32.5%	48.3%	25.6%	30.3%
2003	30.1%	29.8%	29.7%	45.0%	19.4%	30.4%

Source: UNC Office of the President, Division for Strategy Development and Analysis

Figure 2—Participation Rates for all Post-Secondary Institutions in North Carolina

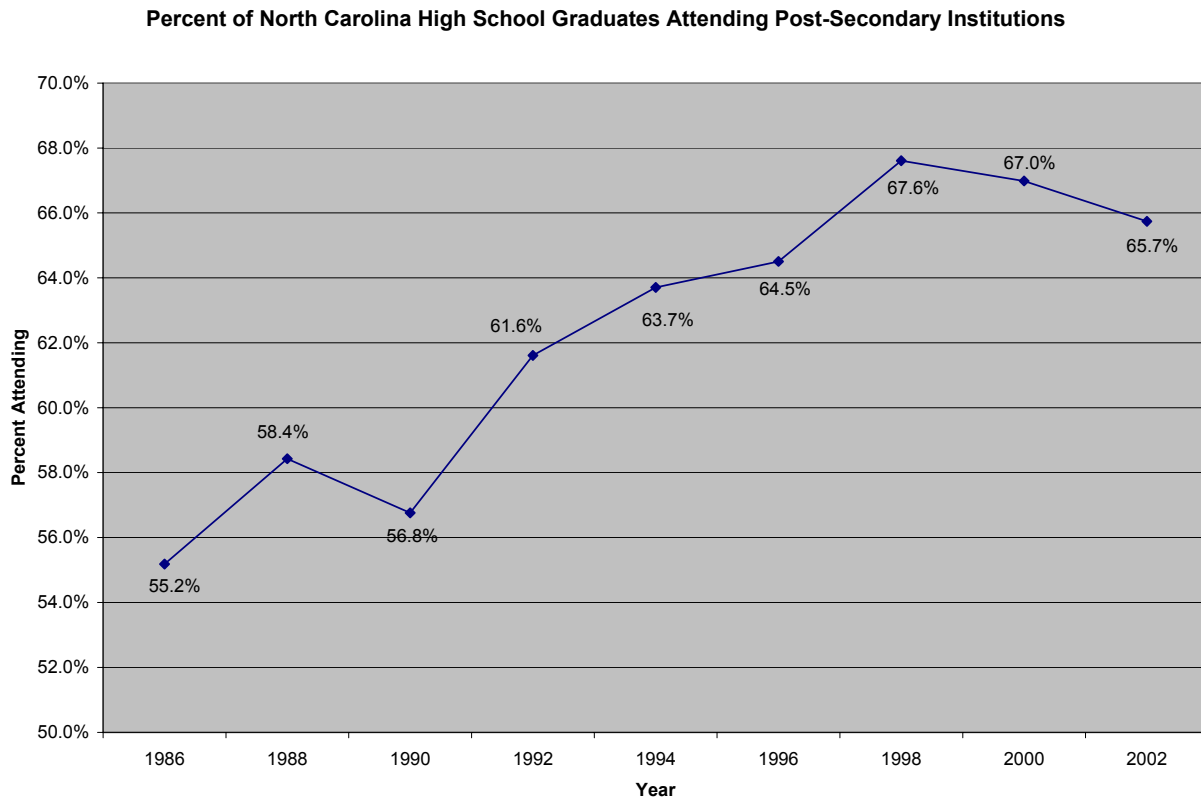


Figure 3—Distribution of Students in North Carolina Postsecondary Institutions

Percent of North Carolina's High School Graduates Attending Postsecondary Institutions, 1986-2002

	UNC Enrollment	Private Colleges	Community Colleges	Attend Out-of-State	Other* Post-Secondary	Total Post-Secondary
1986	23.9%	9.2%	14.9%	3.9%	3.4%	55.2%
1988	24.6%	9.8%	16.1%	4.5%	3.4%	58.4%
1990	23.7%	9.2%	16.5%	4.3%	3.1%	56.8%
1992	25.5%	8.3%	20.4%	4.6%	2.8%	61.6%
1994	27.3%	7.9%	21.0%	4.9%	2.7%	63.7%
1996	29.3%	7.1%	20.4%	5.3%	2.4%	64.5%
1998	30.4%	7.1%	22.5%	5.6%	2.1%	67.6%
2000	30.3%	7.7%	20.8%	6.0%	2.1%	67.0%
2002	30.1%	7.6%	19.3%	6.5%	2.3%	65.7%

* - Business and Trade Schools

Figure 4—Grants, Scholarships, and Need-Based Aid

Total State Grants and Scholarships to Undergraduates

<u>Year</u>	<u>Dollars</u>	<u>Annual Increase</u>	<u>Cumulative Increase</u>
1997-98	37,093,965		
1998-99	41,441,260	12%	12%
1999-00	50,266,849	21%	36%
2000-01	58,985,927	17%	59%
2001-02	72,195,398	22%	95%
2002-03	90,948,088	26%	145%
2003-04 (est)	111,043,416	22%	199%

UNC Need-Based Grant for Undergraduates

<u>Year</u>	<u>Dollars</u>	<u>Annual Increase</u>	<u>Cumulative Increase</u>
1997-98	0		
1998-99	0		
1999-00	1,251,300		
2000-01	6,140,441	391%	391%
2001-02	14,856,826	142%	1087%
2002-03	19,146,758	29%	1430%
2003-04 (est)	29,600,000	55%	2266%

Community College Grants

<u>Year</u>	<u>Dollars</u>	<u>Annual Increase</u>	<u>Cumulative Increase</u>
1997-98	341,458		
1998-99	347,200	2%	2%
1999-00	2,747,112	691%	705%
2000-01	4,303,997	57%	1160%
2001-02	5,832,504	36%	1608%
2002-03	6,577,508	13%	1826%
2003-04 (est)	10,000,000	52%	2829%

Scholarship-Loans for Undergraduates

<u>Year</u>	<u>Dollars</u>	<u>Annual Increase</u>	<u>Cumulative Increase</u>
1997-98	13,631,934		
1998-99	15,693,104	15%	4496%
1999-00	15,315,639	-2%	4385%
2000-01	16,030,369	5%	4595%
2001-02	15,489,272	-3%	4436%
2002-03	15,882,491	3%	4551%
2003-04 (est)	18,249,978	15%	5245%

Figure 5—CFNC Accounts—Yearly Comparisons

CFNC Accounts - Yearly Comparison for 2001, 2002, & 2003

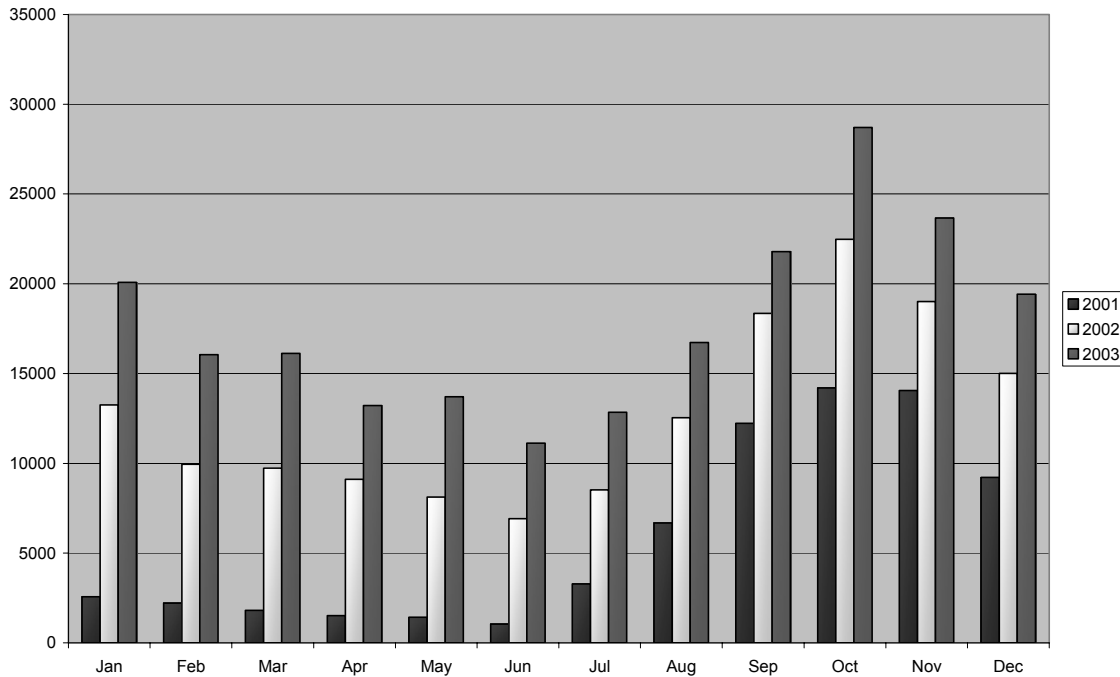


Figure 6

UNC Minimum Course Requirements

Effective in Fall 2004 and Fall 2005

Six course units in **language**, including

- four units in **English** emphasizing grammar, composition, and literature, and
- two units of a **language other than English**.

Three course units of **mathematics**, in any of the following combinations:

- algebra I and II, and geometry,
- algebra I and II, and one unit beyond algebra II, or
- integrated math I, II, and III.

It is recommended that prospective students take a mathematics course unit in the twelfth grade.

Three course units in **science**, including

- at least one unit in a life or **biological science** (for example, biology),
- at least one unit in **physical science** (for example, physical science, chemistry, physics), and
- at least one **laboratory course**.

Two course units in **social studies**, including one unit in **U.S. history**, but an applicant who does not have the unit in U.S. history may be admitted on the condition that at least three semester hours in that subject will be passed by the end of the sophomore year.

Effective in Fall 2006

Six course units in **language**, including

- four units in **English** emphasizing grammar, composition, and literature, and
- two units of a **language other than English**.

Four course units of **mathematics**, in any of the following combinations:

- algebra I and II, geometry, and one unit beyond algebra II,
- algebra I and II, and two units beyond algebra II, or
- integrated math I, II, and III, and one unit beyond integrated math III.

(The fourth unit of math affects applicants to all institutions except the North Carolina School of the Arts.) It is recommended that prospective students take a mathematics course unit in the twelfth grade.

Three course units in **science**, including

- at least one unit in a life or **biological science** (for example, biology),
- at least one unit in **physical science** (for example, physical science, chemistry, physics), and
- at least one **laboratory course**.

Two course units in **social studies**, including one unit in **U.S. history**, but an applicant who does not have the unit in U.S. history may be admitted on the condition that at least three semester hours in that subject will be passed by the end of the sophomore year.