

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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HOUSE BILL 1541

Short Title: UNC/Cap Out-of-State Students. (Public)

Sponsors: Representatives Warner, Gorman (Primary Sponsors); Church, Hilton, Lucas, McAllister, Parmon, Pate, Sauls, Stiller, Tolson, Wainwright, Warren, and Womble.

Referred to: Rules, Calendar, and Operations of the House.

May 20, 2004

A BILL TO BE ENTITLED

AN ACT TO LIMIT OUT-OF-STATE UNDERGRADUATE ENROLLMENT AT EACH CONSTITUENT INSTITUTION EXCEPT THE NORTH CAROLINA SCHOOL OF THE ARTS TO EIGHTEEN PERCENT OF THE ENTERING FRESHMAN CLASS AT THE INSTITUTION AND TO APPROPRIATE FUNDS TO ASSIST IN IMPLEMENTING THE ACT.

The General Assembly of North Carolina enacts:

SECTION 1. Part 3 of Article 1 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"§ 116-40.7. Out-of-state undergraduate enrollment limited.

(a) Each constituent institution, except the North Carolina School of the Arts, shall limit the proportion of out-of-state students in the entering freshman class to not more than eighteen percent (18%).

(b) Any constituent institution, except the North Carolina School of the Arts, that exceeds the eighteen percent (18%) out-of-state freshman enrollment limitation prescribed in subsection (a) of this section 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 at its November meeting. The budget reduction shall be based on the number of out-of-state freshmen enrolled in excess of the eighteen percent (18%) limitation and the established method used for calculating the operating requirements for regular term enrollment changes.

(c) The Board of Governors shall report to the Joint Legislative Education Oversight Committee by December 1 each year regarding the out-of-state enrollment at each constituent institution."

SECTION 2. G.S. 116-11(8) reads as rewritten:

1 **"§ 116-11. Powers and duties generally.**

2 The powers and duties of the Board of Governors shall include the following:

3 ...

4 "(8) The Board shall set enrollment levels of the constituent
5 ~~institutions~~.institutions, subject to the limitations set out in
6 G.S. 116-40.7."

7 **SECTION 3.** There is appropriated from the General Fund to the Board of
8 Governors of The University of North Carolina the sum of fifty thousand dollars
9 (\$50,000) for the 2004-2005 fiscal year to assist with the cost of collecting the
10 information required to be reported to the Joint Legislative Education Oversight
11 Committee.

12 **SECTION 4.** Section 3 of this act becomes effective July 1, 2004. The
13 remainder of this act is effective when it becomes law.