



**NC Promise Tuition Plan  
FY 2020-21 Annual Report  
as required by G. S. 116-143.11(d)**

**September 16, 2020**

## NC Promise Tuition Plan Annual Report 2020-21

Session Law 2016-94 created the NC Promise Tuition Plan, which sets tuition at \$500 per semester for residents and \$2,500 per semester for nonresidents at Elizabeth City State University, The University of North Carolina at Pembroke, and Western Carolina University. The General Assembly implemented a “buy-down” of any financial obligations resulting from the loss of tuition receipts with a \$40 million appropriation in the first year (2018-19) and \$51 million in recurring funds for the 2019-20 academic year. The General Assembly appropriated an additional \$15 million in nonrecurring funds for a total of \$66 million for the 2020-21 academic year. Session Law 2018-5 requires an annual report on how the UNC System Office allocated the appropriated funds and the number of students enrolled at the NC Promise institutions.

The \$66 million buy-down that was appropriated to offset the reduced tuition will be allocated for the 2020-21 fiscal year by the UNC System Office to ECSU, UNCP, and WCU based upon the enrollment at each institution and the difference in the tuition rate charged by the campus and the NC Promise rate.

The NC Promise Program has generated significant enrollment increases at the three NC Promise institutions. UNCP and WCU enrolled their largest classes ever in the fall of 2018, and ECSU reversed a decreasing enrollment trend. Even given the challenges of the COVID-19 pandemic, fall 2020 full-time equivalent (FTE) enrollment increased significantly at ECSU and remained steady at UNCP and WCU.

**Table 1: Buy-down Rate Calculation**

		Annual Rates		
Institution	Residency	Base Tuition	NC Promise Tuition	Buy-Down Rate
ECSU	Resident	\$ 2,856	\$1,000	\$ 1,856
	Nonresident	16,000	5,000	11,000
UNCP	Resident	3,602	1,000	2,602
	Nonresident	15,193	5,000	10,193
WCU	Resident	3,971	1,000	2,971
	Nonresident	14,364	5,000	9,364

Now that enrollment has been verified at census, the initial FY 2020-21 allocation of the NC Promise funds will be distributed. Spring semester enrollment was estimated using a three-year average fall-to-spring retention at each institution. ECSU averaged 90.5% retention, UNCP averaged 91.8% retention, and WCU averaged 92.9%. The methodology was the same as required by G. S. 116-30.7 and used for the enrollment funding allocation.

**Table 2: FY 2020-21 Calculated Buy-down and Initial Allocation**

Institution	Residency	Fall FTE	Estimated Spring FTE	Buy-down Rate	Calculated Buy-down
ECSU	Resident	1,418	1,289	\$ 1,856	\$ 2,512,277
	Nonresident	334	294	11,000	3,451,250
	<b>Total</b>	<b>1,752</b>	<b>1,583</b>		<b>5,963,527</b>
UNCP	Resident	5,385	4,957	2,602	13,454,432
	Nonresident	381	332	10,193	3,634,530
	<b>Total</b>	<b>5,766</b>	<b>5,289</b>		<b>17,088,962</b>
WCU	Resident	8,396	7,791	2,971	24,045,411
	Nonresident	1,270	1,192	9,364	11,525,881
	<b>Total</b>	<b>9,666</b>	<b>8,983</b>		<b>35,571,292</b>
Total	Resident	15,199	14,037		40,012,121
	Nonresident	1,985	1,817		18,611,661
	<b>Total</b>	<b>17,184</b>	<b>15,854</b>		<b>\$58,623,782</b>

Due to the budget impasse, no additional funds were allocated for the buy-down to the NC Promise institutions in FY 2019-20. In July of 2020, the Board of Governors allocated \$6.6M to the NC Promise institutions to make up for the difference between the calculated buy-down and final buy-down allocation in FY 2019-20. Additional allocations will be made this fall resulting in the allocation shown in Table 2, which will be adjusted after the spring census when actual spring enrollment figures are available. Approximately \$7.6 million of the funding allocated for FY 2020-21 will be nonrecurring, so it is important that these funds be replaced with recurring dollars in FY 2021-22 to continue to support the students who are already enrolled, as well as new growth.

G.S. 116-143.11(d) requires the System Office to submit an NC Promise report by October 1 of each year; however, the spring census data is not available until late February. The final allocation of the NC Promise buy-down does not occur until after the spring census. Changing the reporting date to April 1 would allow the System Office to collect all the relevant data for the current academic year.

The NC Promise Program has been a success on multiple fronts. College affordability has increased, and ECSU, UNCP, and WCU have increased their enrollment. The System Office expects the enrollment growth trend to continue as awareness of the NC Promise Program expands and the universities remain below capacity.