



**THE  
UNIVERSITY OF  
NORTH CAROLINA  
SYSTEM**

**NC Promise Tuition Plan  
FY 2021-22 Annual Report  
as required by G. S. 116-143.11(d)**

**December 15, 2021**

## NC Promise Tuition Plan Annual Report 2021-22

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 in 2020-21, which was then appropriated on a recurring basis in 2021-22 in the 2021 Appropriations Act, for a total of \$66 million.

The \$66 million buy down that is appropriated to offset the reduced tuition will be allocated for the 2021-22 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 2021 Appropriations Act also added Fayetteville State University to the NC Promise Program beginning in FY 22-23. There is an additional \$11.5M appropriated on a recurring basis beginning in FY 22-23 for the tuition buy down of FSU students and an additional \$5M recurring in FY 22-23 for enrollment growth at ECSU, UNCP, and WCU. The total appropriated in FY 22-23 is \$82.5M recurring. 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 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. Undergraduate fall 2021 full-time equivalent (FTE) enrollment remained steady at ECSU and dipped slightly at UNCP and WCU. Enrollment at all three NC Promise institutions remains well above enrollments prior to the implementation of the NC Promise program.

The table below shows the buy down calculation for the three current NC Promise institutions. To keep up with higher costs and for parity with other institutions, the base tuition rate for nonresidents attending NC Promise institutions increased by 2.5 percent. The increase is equal to the average increase in nonresident tuition at the other non-research institutions in the UNC System since Fall 2018 (the beginning of the NC Promise Program). Increasing the base tuition will increase the buy down rate for the institutions but not increase the tuition paid by students.

**Table 1: Buy Down Rate Calculation**

		Annual Rates			
Institution	Residency	Previous Base Tuition	New Base Tuition	NC Promise Tuition	Buy Down Rate
ECSU	Resident	\$ 2,856	\$ 2,856	\$1,000	\$ 1,856
	Nonresident	16,000	16,400	5,000	11,400
UNCP	Resident	3,602	3,602	1,000	2,602
	Nonresident	15,193	15,573	5,000	10,573
WCU	Resident	3,971	3,971	1,000	2,971
	Nonresident	14,364	14,723	5,000	9,723

Now that enrollment has been verified at census, the initial FY 2021-22 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 91.5 percent retention, UNCP averaged 92.1 percent retention, and WCU averaged 92.4 percent. The methodology was the same as required by G. S. 116-30.7 and previously used for the enrollment funding allocation.

**Table 2: FY 2021-22 Calculated Buy Down and Initial Allocation**

Institution	Residency	Fall FTE	Estimated Spring FTE	Buy Down Rate	Calculated Buy Down
ECSU	Resident	1,360	1,244	\$ 1,856	\$ 2,416,512
	Nonresident	418	382	11,400	4,560,000
	<b>Total</b>	<b>1,778</b>	<b>1,626</b>		<b>6,976,512</b>
UNCP	Resident	5,164	4,756	2,602	12,905,920
	Nonresident	431	397	10,573	4,377,222
	<b>Total</b>	<b>5,595</b>	<b>5,153</b>		<b>17,283,142</b>
WCU	Resident	7,887	7,288	2,971	22,542,463
	Nonresident	1,368	1,264	9,723	12,795,468
	<b>Total</b>	<b>9,255</b>	<b>8,552</b>		<b>35,337,931</b>
Total	Resident	14,411	13,288		37,864,895
	Nonresident	2,217	2,043		21,732,690
	<b>Total</b>	<b>16,628</b>	<b>15,331</b>		<b>\$ 59,597,585</b>

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 the program becomes effective for FSU.