



**COMMUNITY COLLEGE WORKFORCE STUDY
PRELIMINARY REPORT**

**REPORTED TO THE
OFFICE OF STATE BUDGET AND MANAGEMENT
FISCAL RESEARCH DIVISION
AND
JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE**

As Required by Section 9.3 of Session Law 2017-57

SEPTEMBER 1, 2018

As directed by Section 9.3 of S.L. 2017-57, the State Board of Community Colleges hereby submits a preliminary report on the costs of workforce training and academic instruction delivered by community colleges.

Background

Section 9.3 of S.L. 2017-57 directed the State Board of Community Colleges to study the costs of workforce training and academic instruction delivered by the community colleges. As a result of this legislation, the North Carolina Community Colleges System Office (System Office) has contracted with the Friday Institute for Educational Innovation at North Carolina State University to study costs associated with instruction and to assist in the development of the report to be submitted to the Office of State Budget and Management, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee.

The scope of work for the Friday Institute team includes:

- ***Conduct a comprehensive scan*** of methods for estimating higher education instructional costs, with an emphasis on models specifically for community colleges;
- ***Propose multiple modeling options*** for estimating instructional costs;
- Work with community college representatives to ***validate the assumptions*** of each proposed model;
- Assess the effectiveness of each proposed instructional cost model and ***recommend a preferred model***;
- ***Evaluate the costs of instruction*** (per-student FTE) using the preferred model;
- ***Evaluate differences*** between the *status quo* model and the preferred model;
- Assist the System Office in the ***development of the legislative report*** detailing study results and tier recommendations.

Accomplishments to Date

In winter - spring 2018, the System Office, in partnership with the Friday Institute evaluation team, began examining ***instructional costs*** of delivering courses at all 58 community college campuses. During analysis, the external evaluators determined that additional data is needed to complete the analysis and develop the preferred funding model.

To address these challenges and improve the estimation of instructional costs, the System Office and the Friday Institute evaluation team created a tool to gather additional information about faculty and course-related costs. First, the System Office categorized each course prefix into one of 13 program areas. Next, for each program area, representative colleges were selected randomly. These colleges will be asked to provide information about the instructional costs associated with prefixes offered in that program area at those colleges.

The tool currently is being piloted at three colleges; the Friday Institute evaluation team plans to make edits to the tool based on pilot feedback and is targeting full implementation for all community colleges and program areas in fall 2018. Barring unforeseen obstacles, results of the analysis that incorporates survey data should be available by December 2018.

Upon completion of the analysis, a final report will be submitted detailing study results and tier recommendations.