



Start-Up Funds for High Cost Workforce Programs

**Report to the Joint Legislative Education
Oversight Committee**

**Submitted by the State Board of
Community Colleges**

March 1, 2019

Background. In 2017, the General Assembly established a start-up fund for high-cost workforce programs. Section 9.5(a) of Session Law 2017-57 stated:

“The State Board of Community Colleges shall establish the Community College High-Cost Workforce Program Grant to allocate funds to community colleges to establish new high-cost workforce Tier 1A and Tier 1B courses that require significant start-up funds. The State Board shall adopt an application process for community colleges to apply for the award of funds to establish new courses beginning with the 2018-2019 fiscal year. To be eligible to receive the funds, community colleges shall submit to the State Board a completed application, which shall include at least the following information:

- (1) A description of the proposed program of study.
- (2) An impact assessment of implementing the proposed course on existing programs at contiguous colleges.
- (3) Documentation of student interest in the course.
- (4) Alignment of the course with the future employment needs within the area served by the community college and the State.”

In order to implement the grant fund, the General Assembly appropriated \$2,500,000 in non-recurring funds for Fiscal Year 2018-2019.

Section 9.5(b) of the provision also included the following reporting requirement:

“The State Board of Community Colleges shall submit a report to the Joint Legislative Education Oversight Committee by March 1, 2019, on the implementation of the new high-cost workforce Tier 1A and Tier 1B courses, including at least the following information:

- (1) The use of funds by community colleges participating in the grant program, including:
 - a. Start-up costs to establish new courses.
 - b. Costs associated with student instruction, including faculty salaries, instructional supplies, and related instructional equipment.
- (2) Evaluation of the success of the community college courses, including:
 - a. Student enrollment numbers.
 - b. Student outcomes, including job attainment and placement data and completion of any certification, diploma, or associate degree programs.”

2018 Legislative Session. In 2018, the top budget priority of the State Board of Community Colleges and the NC Association of Community College Presidents was a request for \$16,525,254 in recurring funds to fund short-term workforce training programs in Tier 1A, Tier 1B, and Tier 2 at the same level as curriculum programs. The enacted budget (S.L. 2018-5) included \$6,389,425 in recurring funds and \$8,283,552 in non-recurring funds for a total appropriation of \$14,672,977. In order to maximize the amount of non-recurring funds available for the Community College System's top budget priority, the General Assembly re-allocated the \$2,500,000 in start-up funds for high-cost workforce programs to help fund the short-term workforce funding parity. However, in doing so, the language in Section 9.5 of S.L. 2017-57, including the reporting requirement, was not repealed.

Conclusion. Since the start-up funds for high-cost workforce programs appropriated in S.L. 2017-57 were reallocated to support the System's 2018 budget request for short-term workforce training funding parity, start-up funds for these programs were not available for allocation.