



**THE
UNIVERSITY OF
NORTH CAROLINA
SYSTEM**

**NC Promise Tuition Plan
FY 2022-23 Annual Report
as required by G. S. 116-143.11(d)**

October 19, 2022

NC Promise Tuition Plan Annual Report 2022-23

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, Fayetteville State University, The University of North Carolina at Pembroke, and Western Carolina University. The North Carolina 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 2021 Appropriations Act also added Fayetteville State University to the NC Promise Program beginning in 2022-23. There was an additional \$11.5 million appropriated on a recurring basis beginning in 2022-23 for the tuition buy down of FSU students and an additional \$5 million recurring in 2022-23 for enrollment growth at ECSU, UNCP, and WCU. The total appropriated for the program in 2022-23 is \$82.5 million recurring.

The \$82.5 million buy down that is appropriated to offset the reduced tuition will be allocated for the 2022-23 fiscal year by the University of North Carolina System Office to ECSU, FSU, 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 four 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 2022 full-time equivalent (FTE) enrollment increased at ECSU, decreased at UNCP and WCU, and FSU enrolled its largest class ever. Enrollment at all four NC Promise institutions remains above enrollments prior to the implementation of the NC Promise program.

The table below shows the buy down calculation for the four 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 .75 percent in 2022-23. The increase is equal to the average increase in nonresident tuition at the other non-research institutions in the UNC System for the 2022-23 academic year. Increasing the base tuition will increase the buy down rate for the institutions but will 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	16,400	16,523	5,000	11,523
FSU	Resident	2,982	2,982	1,000	1,982
	Nonresident	14,590	14,699	5,000	9,699
UNCP	Resident	3,602	3,602	1,000	2,602
	Nonresident	15,573	15,690	5,000	10,690
WCU	Resident	3,971	3,971	1,000	2,971
	Nonresident	14,723	14,833	5,000	9,833

Now that enrollment has been verified at census, the initial 2022-23 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 92.3 percent retention, FSU averaged 93 percent, UNCP averaged 90.1 percent retention, and WCU averaged 91.7 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 2022-23 Calculated Buy Down and Initial Allocation

Institution	Residency	Fall FTE	Estimated Spring FTE	Buy Down Rate	Calculated Buy Down
ECSU	Resident	1,369	1,263	\$ 1,856	\$ 2,442,577
	Nonresident	485	447	11,523	5,370,684
	Total	1,854	1,710		7,813,262
FSU	Resident	4,484	4,168	1,982	8,574,189
	Nonresident	419	389	9,699	3,920,882
	Total	4,903	4,558		12,495,071
UNCP	Resident	4,545	4,093	2,602	11,237,988
	Nonresident	458	412	10,690	4,647,889
	Total	5,003	4,505		15,885,876
WCU	Resident	7,670	7,035	2,971	21,844,941
	Nonresident	1,398	1,282	9,833	13,176,106
	Total	9,068	8,318		35,021,047
Total	Resident	18,067	16,561		44,099,695
	Nonresident	2,759	2,531		27,115,561
	Total	20,826	19,092		71,215,256

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 UNC 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, FSU, UNCP, and WCU have increased their enrollment.