

**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# North Carolina Community College System Budget Overview

**Stephen Bailey**  
**Fiscal Research Division**  
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## Agenda – NC Community College System

1. Governance and structure
2. Enrollment and tuition
3. Funding overview
  - How colleges generate funds
  - How State funds are used in the System
  - How State funds may be expended by the colleges
4. FY 2023-25 biennium outlook



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# North Carolina Community College System (NCCCS) Governance and Structure



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## NCCCS and the State Constitution

- **Article IX, Section 8:** “The General Assembly shall maintain a public system of higher education, comprising The University of North Carolina **and such other institutions of higher education as the General Assembly may deem wise**. The General Assembly shall provide for the selection of trustees of The University of North Carolina and of the other institutions of higher education, in whom shall be vested all the privileges, rights, franchises, and endowments heretofore granted to or conferred upon the trustees of these institutions. The General Assembly may enact laws necessary and expedient for the maintenance and management of The University of North Carolina and the other public institutions of higher education.”
- **Article IX, Section 9:** “The General Assembly shall provide that the benefits of The University of North Carolina and **other public institutions of higher education**, as far as practicable, be extended to the people of the State free of expense.”



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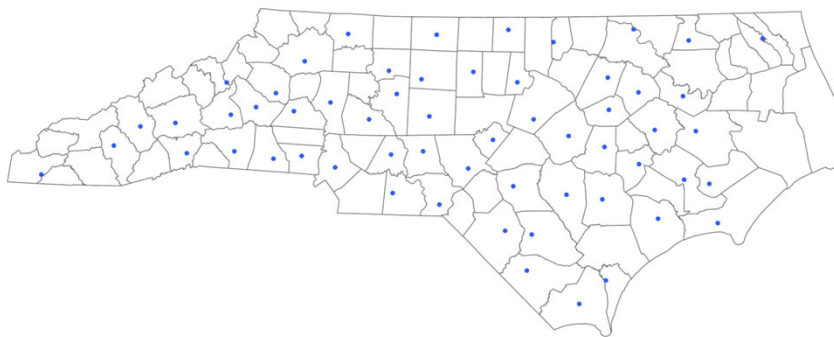
# NCCCS General Statute Purpose Statement

## G.S. 115D-1

- “...educational institutions throughout the State offering courses of instruction in one or more of the general areas of two-year college parallel, technical, vocational, and adult education programs.”
- “...designated as the primary lead agency for delivering workforce development training, adult literacy training, and adult education programs.”

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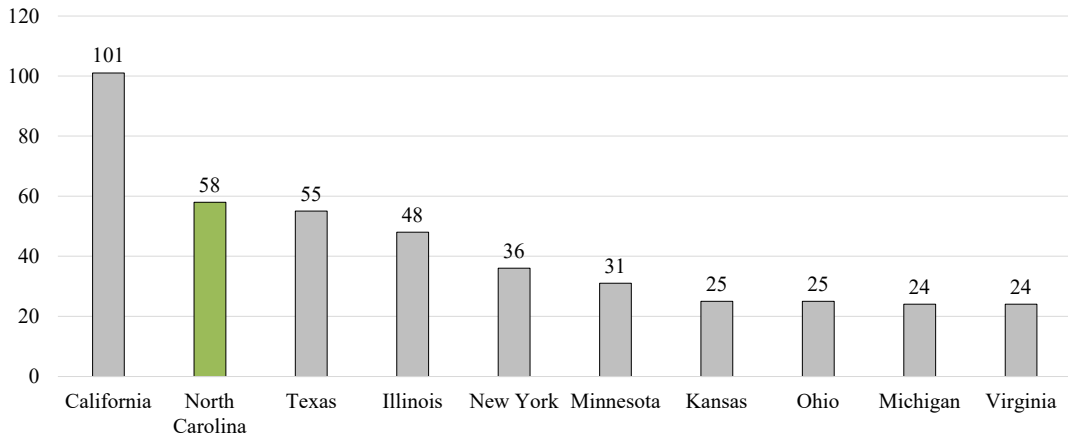
# North Carolina Community College System (NCCCS)



58 colleges  
41 multi-campus centers  
~575,000 students enrolled  
in 1 or more courses  
~220,000 budgeted full-time  
equivalent (FTE) students

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## Number of Public 2-Year Institutions, by State, Top 10



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## NCCCS Governance Structure

### State Board of Community Colleges

- Serves as the governing authority for NCCCS
- 21 members
  - 18 appointed
  - 3 ex-officio
- Elects system president
- Sets system policies and regulations

### Local Boards of Trustees

- Serve as the governing authority for each college
- 13 members (minimum)
  - 12 appointed
  - 1 ex-officio
- Elect college presidents

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# NCCCS

## Enrollment and Tuition



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## Major Instructional Program Areas

### Curriculum

Credit courses that lead to certificates, diplomas, or associate degrees

Includes Career & College Promise (high school students earning college credit)

### Workforce Continuing Education

Non-credit courses that provide job training opportunities to individuals

### Basic Skills

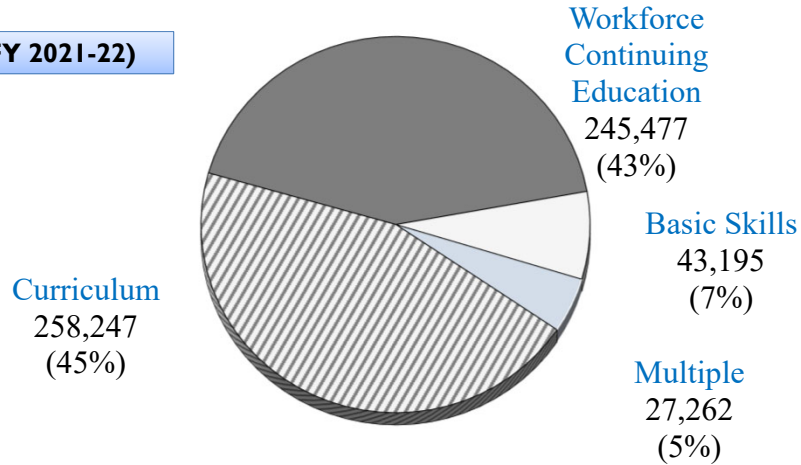
Includes Adult Basic Education, GED, Adult High School, English as a Second Language (ESL), and Compensatory Education



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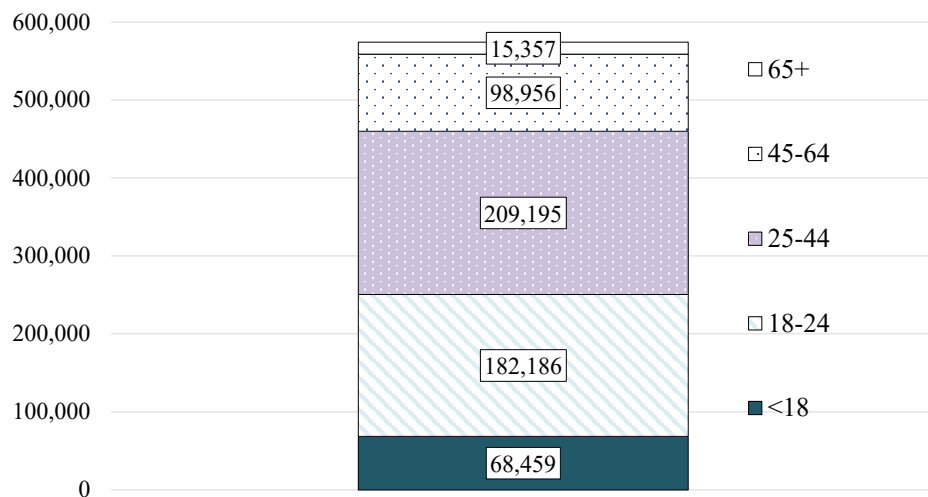
# Instructional Programs by Headcount

**Total: 574,181 (FY 2021-22)**



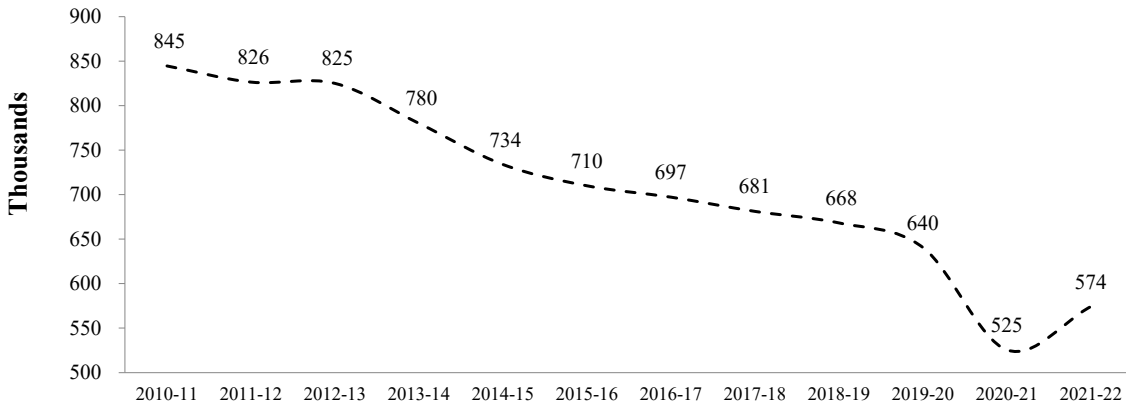
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# Total Headcount by Age Range, FY 2021-22



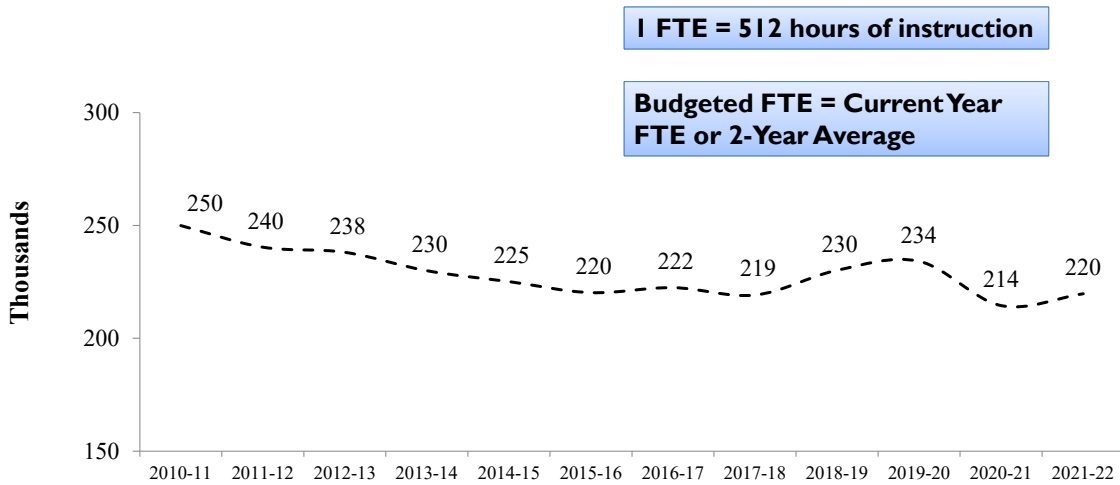
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# NCCCS Total Enrollment (Headcount)



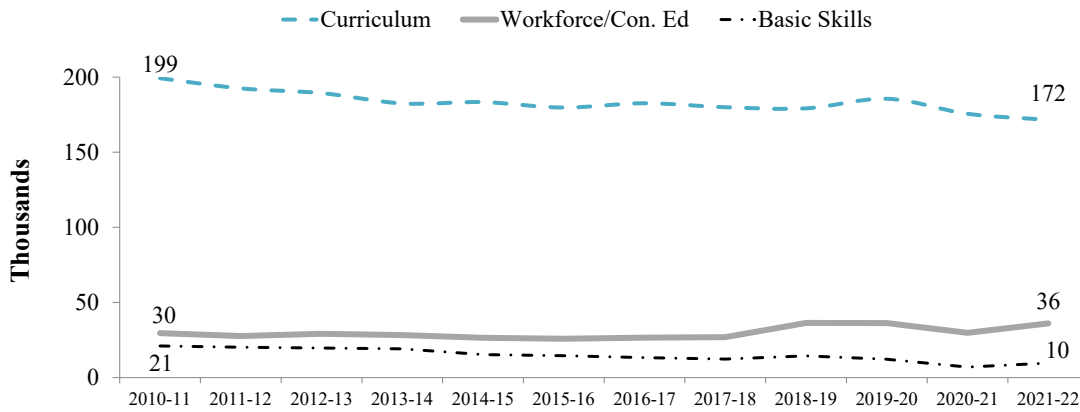
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# Budgeted Full-Time Equivalent (FTE) Enrollment Trend



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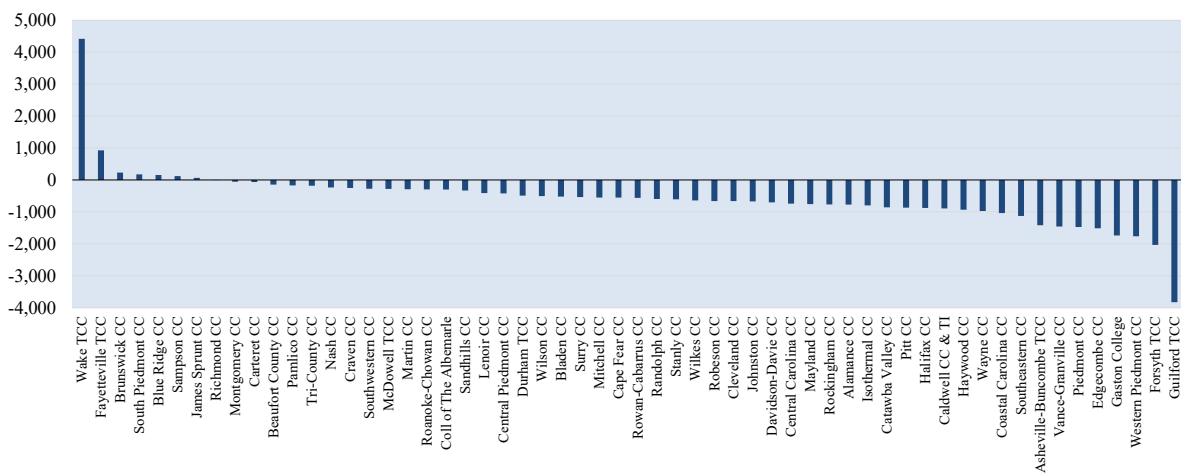
# Enrollment Trend – By Instructional Area (FTE)



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# Change in Total Students – FY 2010-11 to FY 2021-22

Full-Time Equivalent Student Changes

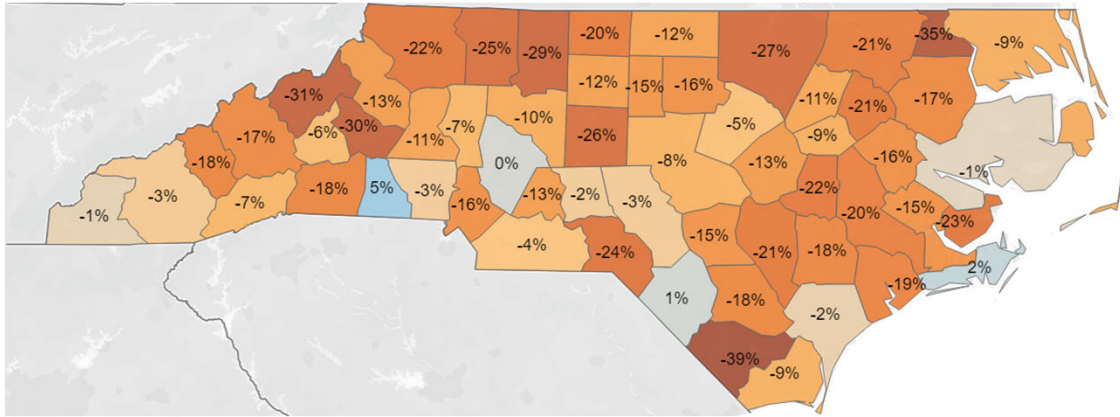


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# Student Enrollment Changes - By Student's County

Fall 2017 to Fall 2021, By Headcount

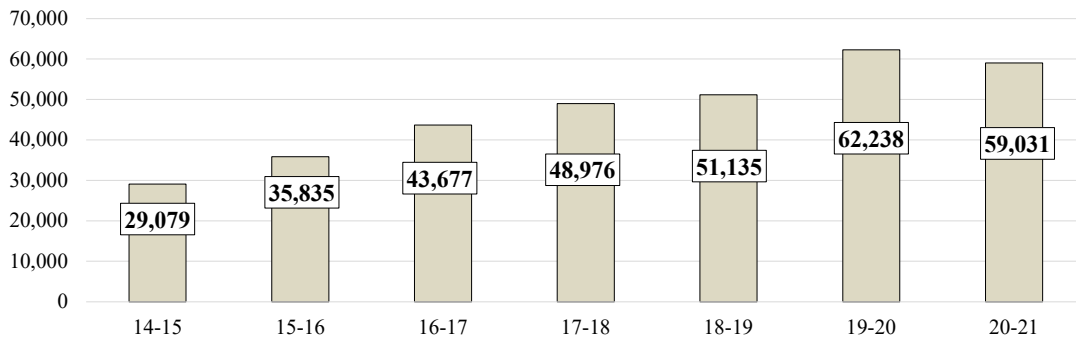


Screenshot of NCCCS Data Dashboard

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# Number of NC High School Students Dually Enrolled

General Assembly allows high school students to take community college courses through Career and College Promise pathways at no tuition cost.

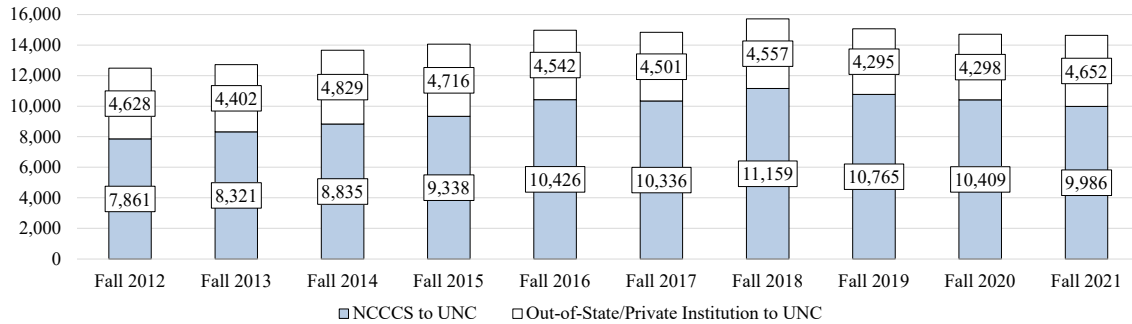


Source: NCCCS Dashboard, Percentage of NC public school students who are dually enrolled in NCCCS.

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# Transfers into the UNC System

NCCCS students account for majority of transfer students into the UNC System.

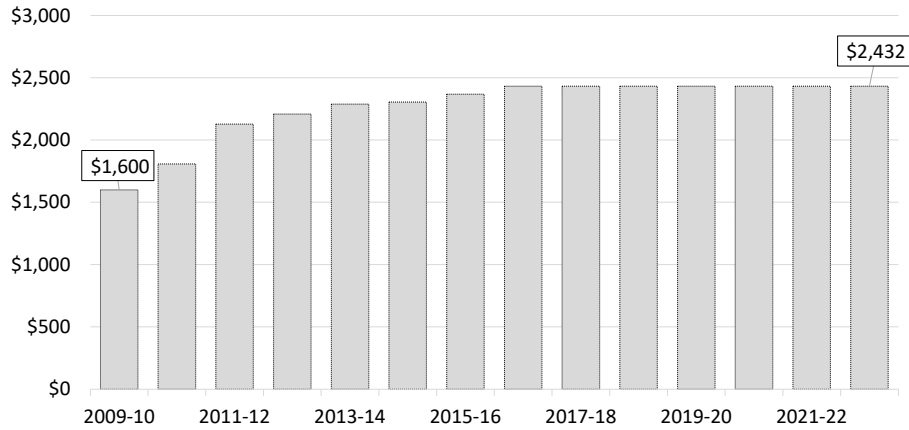


Source: UNC Data Dashboard, Transfer Student Data Less UNC-to-UNC transfers

# Tuition & Fees, FY 2022-23

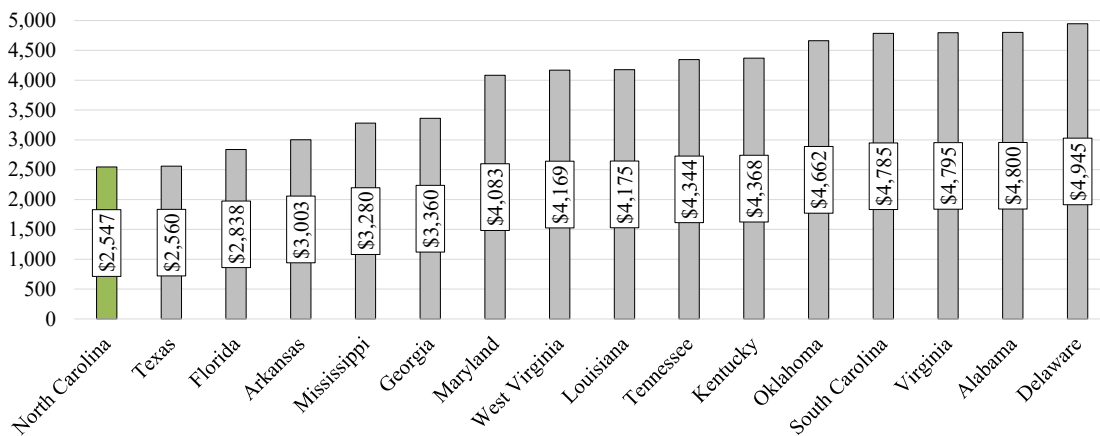
Curriculum (Tuition)	Workforce Continuing Education (Fees)	Basic Skills
<u>In-State</u> \$76 per credit hour \$2,432 full-time  <u>Out-of-State</u> \$268 per credit hour \$8,576 full-time	\$70 for 0-24 hours \$125 for 25-50 hours \$180 for 51+ hours	\$0

## Curriculum Tuition, Full-Time Student, Annual



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## In-State Tuition and Fees, Regional Comparison, 2019-20



Source: Southern Regional Education Board (SREB) State Ranks, Two-Year Public, 2019-20

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## Tuition and Fee Waivers, FY 2021-22

### **G.S. 115B-2 and G.S. 115B-2**

The General Assembly provided tuition waivers to 203,365 students in FY 2021-22 for a value of \$107.2 million in FY 2021-22 for a variety of purposes.

#### Largest waivers

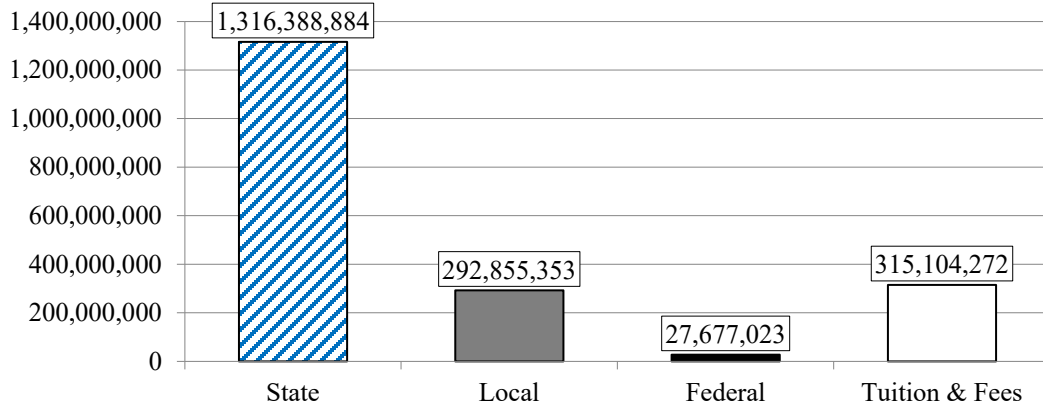
1. Career and Collect Promise (High School): 75k students, \$64.5 million
2. Law Enforcement Agencies: 39k students, \$13.0 million
3. Fire Department (Volunteer): 24k students, \$9.9 million



# NCCCS Funding Overview

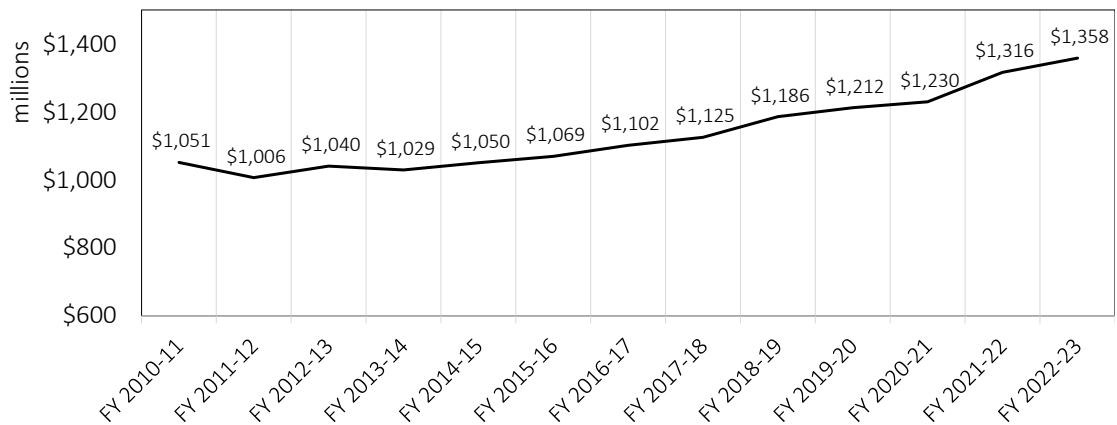


## NCCCS Main Operating Fund Sources, FY 2021-22



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## Net State Appropriation, FY 2010-11 to FY 2022-23



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## NCCCS – General Fund Appropriation

State General Fund authorized requirements equal **\$1.83 billion** in FY 2022-23, with receipts of **\$468 million** and a net appropriation of **\$1.36 billion**.

	Authorized Budget FY 2021-22	Authorized Budget FY 2022-23
Requirements	\$1,917,581,556	\$1,826,285,414
Receipts	\$601,192,672	\$467,855,169
<b>Net Appropriation</b>	<b>\$1,316,388,884</b>	<b>\$1,358,430,245</b>

Source: North Carolina Accounting System - Authorized Budget FY 2021-22 (Year-end) and FY 2022-23 (Jan 2023)



## How Do Colleges Generate Funding?



## Budget Allocation Formula

\$1.4 billion of \$1.8 billion total NCCCS State budget is distributed to the 58 colleges by a Formula Budget. Majority of funding is tied to enrollment.

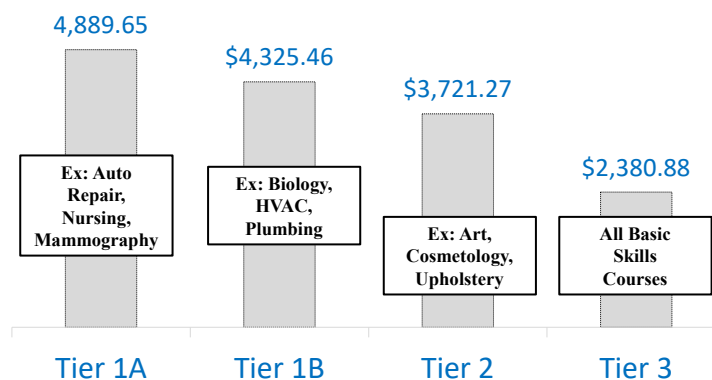
- **Instructional (\$898 million):** based on number of FTEs and type of course
- **Institutional and Academic Support (\$528 million):** campuses are provided a base allotment but can receive additional funds for additional FTEs and multicampus centers
- **Performance-based Allocation (\$18 million)** determined by student success on performance measures



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## Formula Budget – Instructional Funding Component

State funds are allocated for instruction to the 58 colleges based on the number of FTE they have in each type of course. Certain courses receive more State funds.



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## Formula Budget – Further Tier Breakdown

Funding per FTE (2022-23)	Curriculum	Workforce Continuing Education	Basic Skills
<b>Tier 1A</b> \$4,889.65	Priority occupations with documented <u>skills gaps and higher wages</u> in healthcare and technical education	Priority occupations with documented <u>skills gaps and higher wages</u> *	-
<b>Tier 1B</b> \$4,325.46	Other high-cost areas of healthcare, technical education, lab-based science, and college-level math courses	Priority occupations with industry credentials*	-
<b>Tier 2</b> \$3,721.27	All remaining curriculum courses	State or industry-recognized credentials	Transition English and Math courses
<b>Tier 3</b> 2,380.88	-	All remaining workforce continuing education courses	All remaining basic skills courses

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## Instruction Fund Allocation, FY 2022-23

FTEs are added together for each instructional area and tier. This is an example of an allocation sheet that summarizes the allocation across all 58 colleges in FY 2022-23.

Curriculum:				
Base				\$ 28,505,550
Tier 1A	28,876.0	FTE @	\$ 4,889.65	\$ 141,193,418
Tier 1B	44,782.4	FTE @	\$ 4,325.46	\$ 193,704,388
Tier 2	100,921.6	FTE @	\$ 3,761.27	\$ 379,593,556
<b>Total</b>				<b>\$ 742,996,912</b>
Continuing Education:				
Base				\$ 4,750,896
Tier 1A	2,121.0	FTE @	\$ 4,889.65	\$ 10,370,921
Tier 1B	3,116.5	FTE @	\$ 4,325.46	\$ 13,480,221
Tier 2	17,508.0	FTE @	\$ 3,761.27	\$ 65,852,263
Tier 3	13,355.5	FTE @	\$ 2,380.88	\$ 31,797,930
<b>Total</b>				<b>\$ 126,252,231</b>
Basic Skills (State \$ Only)				
	9,707.0	FTE @	\$ 2,380.88	\$ 23,111,200
			State Performance-Based Allotment	\$ 6,000,000
<b>Total</b>				<b>\$ 29,111,200</b>
<b>Total Instruction</b>				<b>\$ 898,360,343</b>

When calculating FTE totals, each college can use the higher of their current year or 2-year average enrollment in each academic area and tier.

Source: Screenshot NCCCS State Aid Allocations and Budget Policies, FY 2022-23

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## Formula Budget – Institution and Academic Support

Colleges are provided base funding, as well as additional funds for multi-campus centers and enrollment size, for institutional and academic support.

This is an example of an allocation sheet that summarizes the allocation across all 58 colleges in FY 2022-23.

Institutional and Academic Support:				
Presidents' Salary and Benefits				\$ 12,598,179
Base Allotment - First 750 FTE				\$ 158,588,472
MCC Allotment	35	MCC(s) @	\$ 637,951	\$ 22,328,285
	6	MCC(s) @	\$ 1,066,851	\$ 6,401,106
Enrollment Allotment @	177,129	\$	1,853 per FTE above 750	\$ 328,220,037
<b>Total Institutional and Academic Support</b>				<b>\$ 528,136,079</b>

Source: Screenshot of NCCCS State Aid Allocations and Budget Policies, FY 2022-23

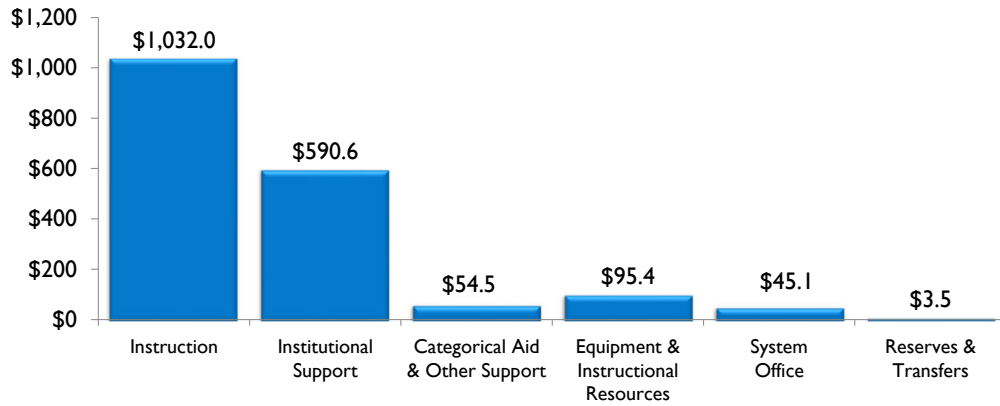


## How Are Funds Used in NCCCS System?



# How is NCCCS Funding Distributed?

\$ millions

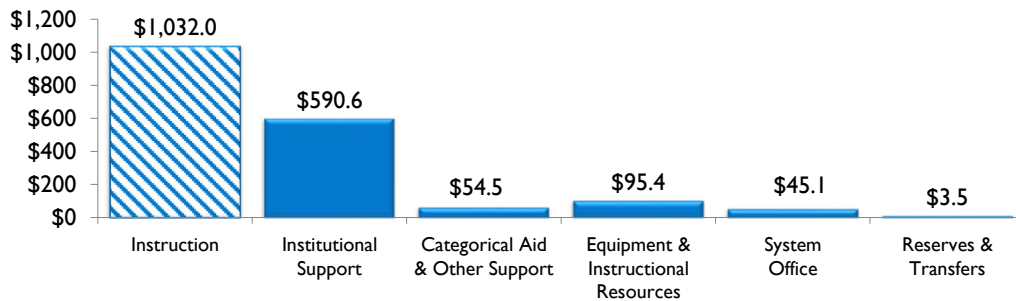


Source: NCAS, Jan. 2023 Authorized Budget

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# \$1.8 billion Requirements by Funding Category

\$ millions



**What it is:**

- Curriculum
- Continuing Education
- Basic Skills

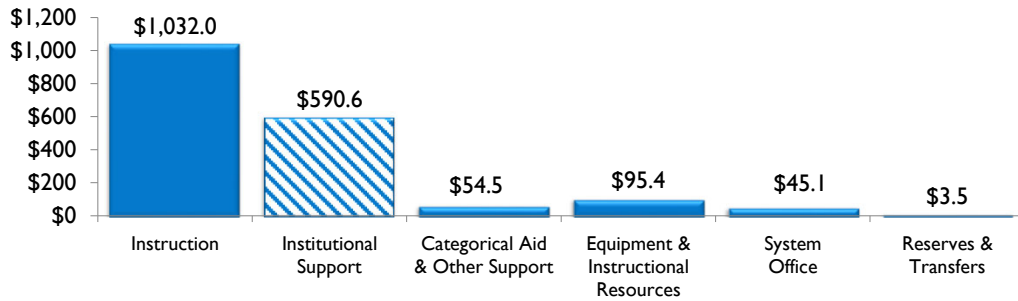
**What it pays for:**

- Faculty Salaries
- Instructional Supplies

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# Institutional & Academic Support Requirements

\$ millions



**What it is:**

- Academic & Student Support
- General College Administration
- Multi-campus college (MCC) funding

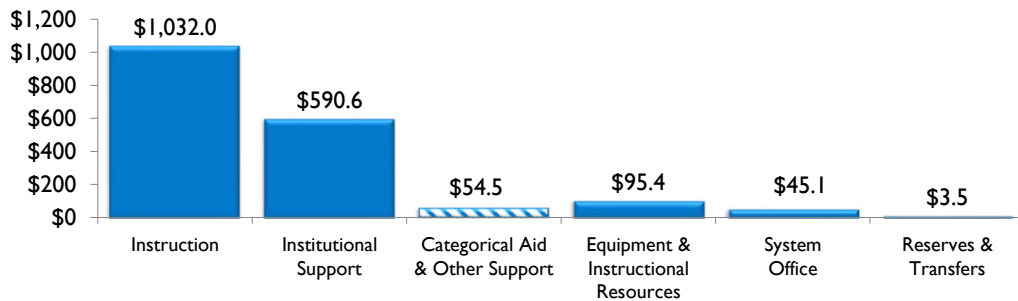
**What it pays for:**

- College Presidents & Senior Administrators
- Guidance Counselors & Financial Aid Officers
- Librarians & IT Staff
- Paraprofessionals & Clerical Staff



# Institutional & Academic Support Requirements

\$ millions



**What it is:**

- Funding provided to colleges outside the regular allotments

**What it pays for:**

- Specific campus initiatives
- Specific programs



# Special Programs and Centers

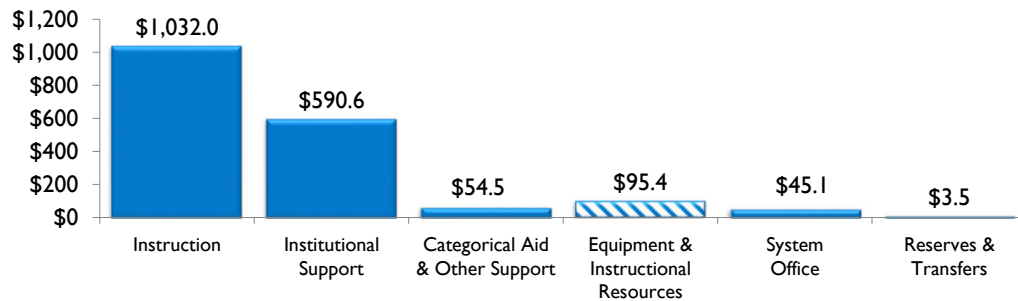
## Examples of Programs in this Category (FY 2022-23):

NC Research Campus:	\$3.5 million
Child Care Grants:	\$3.0 million
NC Military Business Center (Fayetteville TCC):	\$2.1 million
Manufacturing Solutions Center (Catawba Valley CC):	\$1.0 million
Marine Technology (Cape Fear CC):	\$902,000

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# Institutional & Academic Support Requirements

\$ millions



**What it is:**

- Equipment
- Instructional Resources

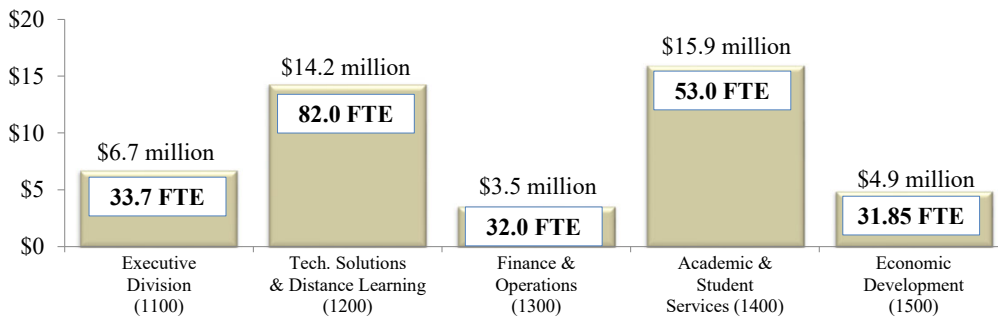
**What it pays for:**

- Computers
- Instructional equipment
- Books and other library resources

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## Community College System Office

\$ millions



**What it is:**

- Central system support
- Systemwide initiatives

**What it pays for:**

- Finance, management, allocations
- System IT
- Academic and student service support
- ApprenticeshipNC



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## How May State Funds Be Expended By Colleges?



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## Funding Flexibility for State Funds

### G.S. 115D-31(b1)

- The General Assembly provides colleges to have flexibility in order to meet individual college needs
- The formula budget is for allocation purposes only
- Colleges can spend the allocations for purposes that meet the demands of the local community except:
  - Basic Skills funds
  - Customized Training funds



## Workforce Development

NCGA has funded initiatives that support workforce development in addition to instructional funds, including:

1. Customized Training Program
2. Small Business Centers
3. ApprenticeshipNC



# NCCCS

## FY 2023-25 Biennium Outlook



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## Potential Issues of Interest for the NCGA

- Enrollment declines across the System
- State COVID funding provided in FY 2021-22, which has supported colleges and students, is set to end
  - Longleaf Commitment Program (\$25.5 million NR): provided additional need-based aid to 2022 high school class entering NCCCS
  - Budget Stabilization (\$80.0 million NR): allocated to colleges that experienced enrollment declines during the pandemic



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## Questions?

Eric Moore (Public Schools) - [eric.moore@ncleg.gov](mailto:eric.moore@ncleg.gov)

Amanda Fratrick (Public Schools) - [amanda.fratrick@ncleg.gov](mailto:amanda.fratrick@ncleg.gov)

Stephen Bailey (UNC/CC) - [stephen.bailey@ncleg.gov](mailto:stephen.bailey@ncleg.gov)

Room 619 LOB

(919) 733-4910

