



**NC Promise Tuition Plan
FY 2024-25 Annual Report
as required by G.S. 116-143.11(d)**

October 17, 2024

NC Promise Tuition Plan Annual Report 2024-25

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, 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 \$51 million appropriation for each of the first two years of the program, 2018-19 and 2019-20. 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 buydown 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 2023-24 and 2024-25 is \$82.5 million recurring.

The \$82.5 million buydown that is appropriated to offset the reduced tuition will be allocated for the 2024-25 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. In FY 2023-24, funding was only sufficient to fund 87 percent of the buydown rate for summer.

Undergraduate enrollment at three of the four NC Promise institutions remains above enrollment prior to the implementation of the program and nonresident enrollment has increased at all four institutions. UNCP and WCU enrolled their largest classes to date in the fall 2018 at the outset of the program, and ECSU reversed a decreasing enrollment trend. FSU has increased enrollment each year since joining the NC Promise program. Undergraduate fall 2024 full-time equivalent (FTE) enrollment increased at ECSU and FSU and decreased at UNCP and WCU compared to fall 2023.

The table below shows the buydown 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 0.6 percent in 2024-25. The increase is equal to the average increase in nonresident tuition at the other non-research institutions in the UNC System for the 2024-25 academic year. Increasing the base tuition will increase the buydown rate for the institutions but not increase the tuition paid by students.

Table 1: Buydown Rate Calculation

Institution	Residency	Annual Rates			Buydown Rate
		Previous Base Tuition	New Base Tuition	NC Promise Tuition	
ECSU	Resident	\$ 2,856	\$ 2,856	\$1,000	\$ 1,856
	Nonresident	16,755	16,855	5,000	11,855
FSU	Resident	2,982	2,982	1,000	1,982
	Nonresident	14,905	14,994	5,000	9,994
UNCP	Resident	3,602	3,602	1,000	2,602
	Nonresident	15,910	16,005	5,000	11,005
WCU	Resident	3,971	3,971	1,000	2,971
	Nonresident	15,041	15,131	5,000	10,131

Now that enrollment has been verified at census, the initial 2024-25 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 88.9 percent retention, FSU averaged 93.6 percent, UNCP averaged 87.2 percent retention, and WCU averaged 91.1 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 2024-25 Calculated Buydown and Initial Allocation

Institution	Residency	Fall FTE	Estimated Spring FTE	Buydown Rate	Calculated Buydown
ECSU	Resident	1,386	1,233	\$ 1,856	\$ 2,430,197
	Nonresident	557	495	11,855	6,235,367
	Total	1,943	1,728		8,665,564
FSU	Resident	4,727	4,422	1,982	9,067,068
	Nonresident	655	613	9,994	6,335,170
	Total	5,382	5,035		15,402,238
UNCP	Resident	4,205	3,666	2,602	10,240,123
	Nonresident	568	496	11,005	5,853,465
	Total	4,773	4,162		16,093,588
WCU	Resident	7,564	6,892	2,971	21,474,355
	Nonresident	1,751	1,595	10,131	16,951,355
	Total	9,315	8,487		38,425,710
Total	Resident	17,882	16,214		43,211,743
	Nonresident	3,531	3,199		35,375,357
	Total	21,413	19,413		78,587,100

Because G.S. 116-143.11(d) requires the System Office to submit an NC Promise report by October 1, this report only reflects the initial allocation of NC Promise funds for this fiscal year. Allocations will be further adjusted in late February based on spring census data and in May based on the prior year's summer term enrollment. The funds remaining for summer after the spring reallocation will be insufficient to fund the full buydown rate. The System Office will distribute the funds for summer proportionally between the institutions based on the buydown rate and summer credit hours.

The NC Promise Program has been a success on multiple fronts. College affordability has increased, contributing to a significant decrease in undergraduate student debt at graduation at all NC Promise institutions. In addition, ECSU, FSU, and WCU have increased their enrollment.