NC Community College System: Overview

Presentation to Joint Appropriations Subcommittee on Education
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Fiscal Research Division
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Presentation Agenda

1. NCCCS Background
2. Enrollment
3. Budget Overview
4. State Aid Allocation
5. Questions
NCCCS Background
Locations

• 58 colleges, 3rd most in the nation.
• 33 additional campuses
Governance

State Board of Community Colleges
- Serves as the governing authority for NCCCS
- 21 members – 18 are appointed by Governor (10), House (4), and Senate (4); 3 serve ex-officio
- Elects the System President and sets system policies and regulations

Local Boards of Trustees
- Serve as the governing authority for 58 colleges
- At least 13 members – 12 appointed by local Board of Ed, county commissioners, and Governor; 1 ex-officio
- Elect college presidents
College Faculty and Staff

Full-Time College Staff: FY 2014-15

- Faculty: 6,929 (43%)
- Staff: 3,777 (24%)
- Technical Paraprofessional: 2,330 (14%)
- Support: 1,622 (10%)
- Service Maintenance: 1,078 (7%)
- Senior Administration: 311 (2%)

Total: 16,047 FT Staff

Note: This does not include positions in the NCCCS System Office; Source: FY 2014-15 NCCCS Statistical Report
College Faculty and Staff

Full-Time versus Part-Time Faculty, FY2014-15

Curriculum

- Part-Time: 56%
- Full-Time: 44%

Continuing Education

- Part-Time: 92%
- Full-Time: 8%

Note: This does not include positions in the NCCCS System Office; Source: FY 2014-15 NCCCS Statistical Report
Enrollment
Headcount = # of students that enroll and take at least 1 course

Source: NCCCS Statistical Reports for FY 2002-03 to FY 2011-12
Curriculum and Non-Curriculum Headcount
FY 2005-2014

Source: NCCCS Statistical Reports for FY 2004-05 to FY 2013-14
Actual FTE: FY 2005-2014

FTE = # of full-time equivalent students

Source: NCCCS Statistical Reports for FY 2004-05 to FY 2013-14
Actual FTE by Program Area
FY 2013-14

Total FTE: 233,300

- Curriculum: 79%
- Continuing Education: 12%
- Basic Skills: 8%
- Other*: 1%

*“Other” includes Customized Training FTE, Small Business Center FTE, self-supporting continuing education FTE, and other non-budget FTE.

Source: NCCCS 2013-14 Statistical Report
FTE & Budget Allocations

- Funds are allotted on a full-time equivalent (FTE) basis
- Based on prior year enrollment numbers – not projections
- A college’s budgeted FTE is determined by the Modified Budget Stability Formula
  - Calculates the higher of
    - the prior year; or
    - the average of the two previous years’ enrollment.
Budget Overview
# Financial Support of Institutions

<table>
<thead>
<tr>
<th>State</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.S. 115D-31</td>
<td>G.S. 115D-32</td>
</tr>
<tr>
<td>- Operating costs for instruction, administration, and support services</td>
<td>- Operation and maintenance of plant</td>
</tr>
</tbody>
</table>

Per G.S. 115D-32, capital construction is the legal responsibility of the county. However, G.S. 115D-31 authorizes the State to provide capital funding to local institutions, provided that it is matched on a dollar-for-dollar basis.
FY 2014-15 Sources of Funding

Total: $1.73 billion

- Tuition and Fees: $357,932,547 (21%)
- Local: $230,872,309 (13%)
- Federal: $36,704,406 (2%)
- Carryforward from Prior Year: $27,029,133 (2%)
- Other Receipts and Transfers: $22,523,179 (1%)

Sources: FY 2014-14 Certified Budget as of Dec. 2014, DCC 2-1 Summary
NCCCS General Fund Appropriations

Sources: June 30 Actual Appropriations (BD 701) FY 2005-2014, Sept 30 Certified Budget FY 2014-15
Tuition: FY 2014-15

Curriculum Tuition per Credit Hour

- In-state: Max. $2,304 per year
- Out-of-State: Max. $8,448 per year

Continuing Education Fees

- 0-24 hours: $70
- 25-50 hours: $125
- 51+ hours: $180
Tuition: Maximum Curriculum Tuition

<table>
<thead>
<tr>
<th>Year</th>
<th>Tuition (in dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>05-06</td>
<td>$1,136</td>
</tr>
<tr>
<td>06-07</td>
<td>$1,216</td>
</tr>
<tr>
<td>07-08</td>
<td>$1,264</td>
</tr>
<tr>
<td>08-09</td>
<td>$1,264</td>
</tr>
<tr>
<td>09-10</td>
<td>$1,344</td>
</tr>
<tr>
<td>10-11</td>
<td>$1,344</td>
</tr>
<tr>
<td>11-12</td>
<td>$1,600</td>
</tr>
<tr>
<td>12-13</td>
<td>$1,808</td>
</tr>
<tr>
<td>13-14</td>
<td>$2,128</td>
</tr>
<tr>
<td>14-15</td>
<td>$2,304</td>
</tr>
</tbody>
</table>
Tuition: SREB States FY 2012-13

Median Resident Tuition & Fees for Public 2-Year Colleges

Source: SREB State Data Exchange; *The College Board

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State Aid Allocation
Allocation of Funds: FY 2014-15

<table>
<thead>
<tr>
<th>Category</th>
<th>Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$840.1</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>$501.6</td>
</tr>
<tr>
<td>Categorical Aid &amp; Other Support to Colleges</td>
<td>$50.2</td>
</tr>
<tr>
<td>Equipment &amp; Instructional Resources</td>
<td>$54.4</td>
</tr>
<tr>
<td>System Office</td>
<td>$31.1</td>
</tr>
<tr>
<td>Student Financial Aid</td>
<td>$16.5</td>
</tr>
</tbody>
</table>

Total: $1.49 billion

Source: Dec. 2014 Certified Budget
Funding Flexibility

• The General Assembly has allowed colleges to have flexibility in order to meet individual college needs.

• Formulas are for allocation purposes only.

• Colleges can spend the formula allocations however they choose, except:
  – **Basic Skills funding may only be used for basic skills programs.**
State Aid: FY 2014-15

Total Support: $1.45 billion
% of System Budget: 96.8%

Instruction: $840.1 million
Institutional Support: $501.6 million
Categorical Aid & Other Support to Colleges: $50.2 million
Equipment & Instructional Resources: $54.4 million

Total Support: $1.45 billion
% of System Budget: 96.8%

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Instruction: Base Funding

- Each college receives a base funding amount through the curriculum and continuing education formulas.

- **Curriculum** = $393,005 (equivalent to 6 full-time faculty members)

- **Continuing Education** = $65,501 (equivalent to 1 full-time faculty member).
Instruction: Legislative Changes

• S.L. 2011-145 directed the Community Colleges to allocate funding on a formula weighted basis
  – Implemented by allocating funds on a Three Tier Basis, primarily by program delivery cost

• S.L. 2014-100 authorized the creation of a Fourth Tier under the “Closing the Skills Gap” plan
Instruction: Equivalent Values

- Instructional funds are allocated on a tiered-funding basis.

<table>
<thead>
<tr>
<th>Tier</th>
<th>Curriculum</th>
<th>Continuing Education</th>
<th>Equiv. Value per BFTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1a</td>
<td>High Cost Courses: Health Care and Technical</td>
<td>Courses for a third party industry standard certification equal to curriculum</td>
<td>$4,170.62</td>
</tr>
<tr>
<td>Tier 1b</td>
<td>High Cost Courses: Health Care and Technical</td>
<td>Short-term, high priority area courses and lead to competency based industry credentials</td>
<td>$3,691.47</td>
</tr>
<tr>
<td>Tier 2</td>
<td>All other Curriculum</td>
<td>Courses scheduled for 96 hours or more and mapped to third party credential, certification, or industry designed curriculum.</td>
<td>3,208.16</td>
</tr>
<tr>
<td>Tier 3</td>
<td>All other curriculum</td>
<td>All other curriculum</td>
<td>$2,724.95</td>
</tr>
</tbody>
</table>
Instruction: Equivalent Values

Basic Skills

• Funded at Tier 2 rate ($3,208.16 per BFTE).

• Performance Based Funding: $6 million

• Remaining State funds allocated based on colleges’ pro-rata share of the number of GEDs and Adult High School diplomas awarded.
  
Instruction: Performance Based Funding

• S.L. 2013-360 directed the Community Colleges to develop a performance measure system and begin allocating funds based on it
• Community College allocates funds based on six factors
  – Considers “Quality” and “Impact”
• Appropriated $24 million in FY 2014-15, of which $12 million was reallocated from other sources
Institutional & Academic Support

What it is:
- Academic & Student Support
- General College Administration
- Multi-campus college (MCC) funding

What it pays for:
- President & Senior Administrators
- Guidance Counselors & Financial Aid Officers
- Librarians & IT Staff
- Paraprofessionals & Clerical Staff
- Salary and Benefit related items
Institutional: Base Allotment

• Represents what is needed to “open the doors”
• FY 2014-15 base allotment is $2,202,021 based on the costs for 30 positions.

Administrative (9)
• 4 senior administrators
• 1 general institution
• 1 technical/paraprofessional
• 3 clerical

Instructional Support (21)
• 2 program supervisors
• 7 student support services
• 4 general institution
• 4 technical / paraprof.
• 4 clerical
Institutional: Multi-Campus Allotment

- Provides funding for colleges with multi-campus centers (MCC), self-contained satellite campuses.
- MCCs offer all student services – financial aid, registration, guidance counselors, and libraries.
- To be classified as an MCC, a campus must offer at least one Associate Degree obtainable entirely at that campus and have an enrollment of at least 300 FTE.
Institutional: Multi-Campus Allotment

- Two levels of MCC funding:

<table>
<thead>
<tr>
<th>Level</th>
<th>FTE</th>
<th>Allotment</th>
<th>Campuses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>≤ 1,500</td>
<td>$512,706</td>
<td>28</td>
</tr>
<tr>
<td>Level 2</td>
<td>&gt; 1,500</td>
<td>$858,341</td>
<td>5</td>
</tr>
</tbody>
</table>
Institutional: FTE Enrollment Allotment

- Provides additional funding for each FTE over 750.
- FY 2014-15 enrollment allotment: $1,699 per FTE.
Categorical Aid & Other Support to Colleges

What it is:
• Funding provided to colleges outside the regular allotments

What it pays for:
• Items outside of Instruction, Institutional Support, Equipment, and other formula driven items
• Specific campus initiatives
• Specific programs
Categorical Aid & Other Support to Colleges

• Examples of Programs Included in this area are (FY 2014-15):
  – Customized Training: $23,501,183
  – Small Business Centers: $6,149,577
  – BioNetwork: $4,240,277
  – NC Research Campus (Rowan-Cabarrus): $3,401,260
  – Child Care Grants: $1,837,141
  – NC Military Business Center (Fayetteville): $1,140,603
  – Prison Program Start Up and Funding: $50,000 and $1,104,890
    (operating transfer from Dept. of Public Safety)
Equipment and Instructional Resources

What it is:
• Equipment
• Instructional Resources

What it pays for:
• Computers
• Instructional equipment
• Books and other library resources

3.8% of Total Support

Millions

Instruction | Institutional Support | Categorical Aid & Other Support to Colleges | Equipment & Instructional Resources

$840.1 | $501.6 | $50.2 | $54.4
Equipment Allotment

- Each college receives a base allocation of $100,000.
- Remaining funds are allocated to the colleges on a weighted FTE basis.
- $245.12 per Equipment FTE (E/FTE)
  - Low = .5 E/FTE (College Transfer, General Education, Basic Skills)
  - Moderate = .75 E/FTE (Occupational Education)
  - High = 1.0 E/FTE (Technical and Vocational Education)

$48,962,762 allotted in FY 2014-15
Instructional Resources Allotment

• Each college receives a base of $25,000.
• Remaining funds are allocated to the colleges on a weighted FTE basis.
• $4.96 per Library FTE (L/FTE) over 1,000 L/FTE.
  • Low = .25 L/FTE (Basic Skills and Occupational Education)
  • Moderate = 1.0 L/FTE (Technical and Vocational Education)
  • High = 2.0 L/FTE (College Transfer and General Education)

$2,500,000 allotted in FY 2014-15
Management Flexibility Reserve

Total Management Flexibility Reduction: $59,233.302

• Management flexibility reduction is a budget cut that is not specifically prescribed.

• Colleges have the flexibility to determine what budget line items to cut, within certain parameters.

• Allocated on a pro-rata basis based on each colleges’ estimated General Fund appropriation.
Management Flexibility Reduction

<table>
<thead>
<tr>
<th>Instruction</th>
<th>Institutional Support</th>
<th>Categorical Aid &amp; Other Support to Colleges</th>
<th>Equipment &amp; Instructional Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>($38.80)</td>
<td>($17.00)</td>
<td>($0.02)</td>
<td>($3.50)</td>
</tr>
</tbody>
</table>

(Fiscal Research Division)

3/18/15
Questions

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