

NC Community College System: Overview



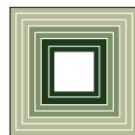
Presentation to Joint Appropriations Subcommittee on Education

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

Presentation Agenda

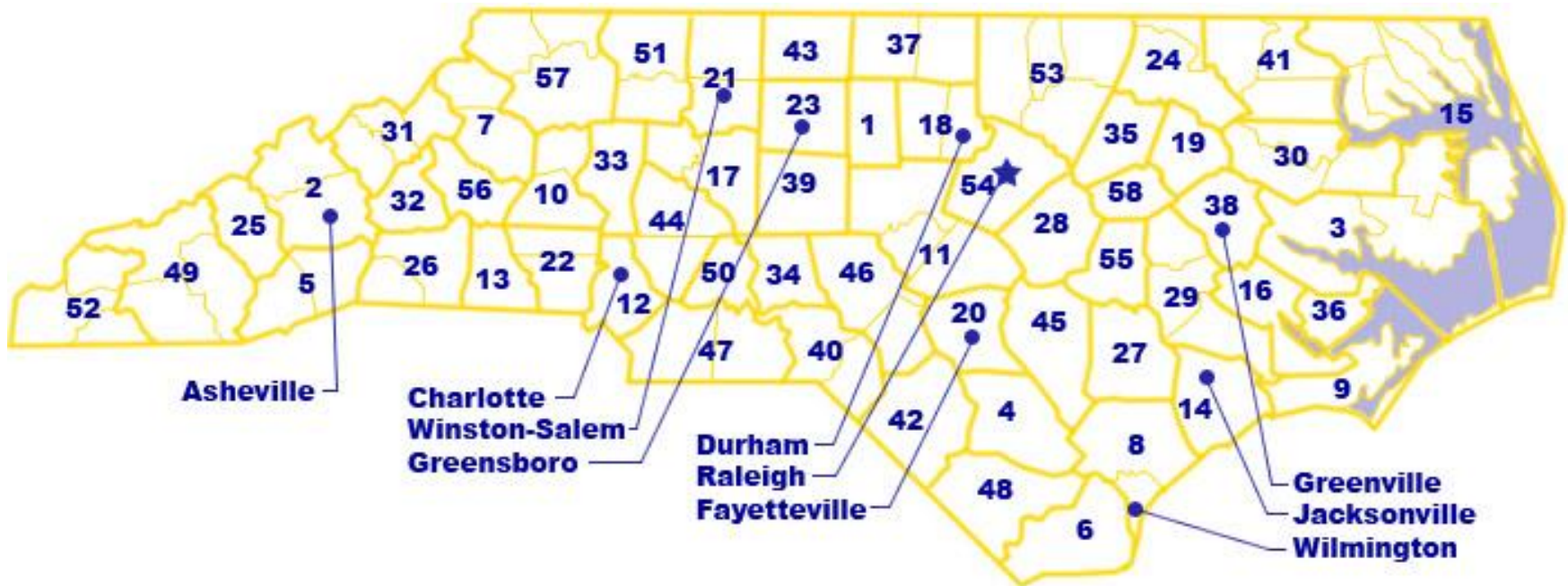
1. NCCCS Background
2. Enrollment
3. Budget Overview
4. State Aid Allocation
5. Questions

NCCCS Background



Locations

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



Governance

State Board of Community Colleges

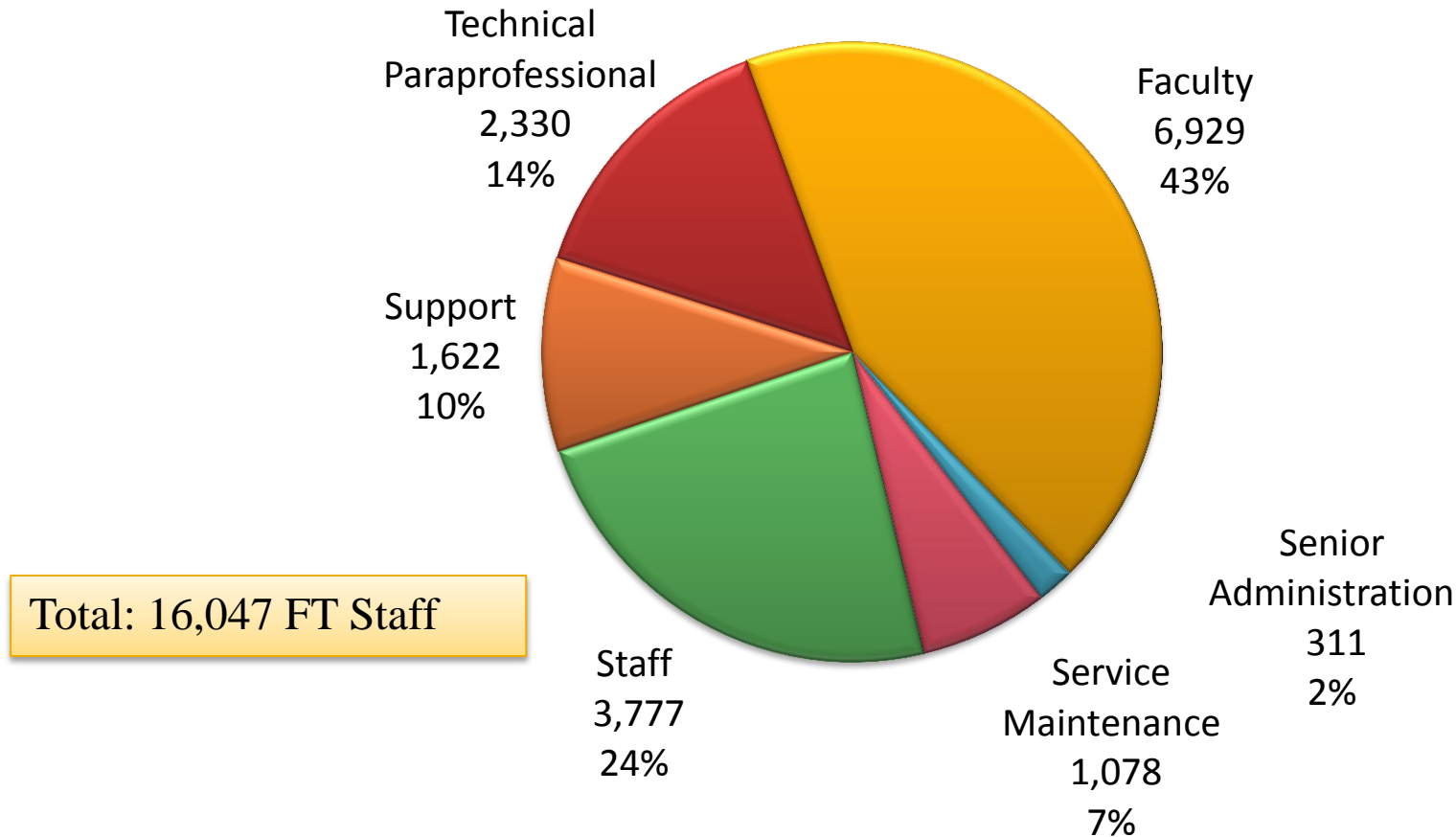
- Serves as the governing authority for NCCCS
- 21 members – 18 are appointed by Governor (10), House(4), and Senate (4); 3 serve ex-officio
- Elects the System President and sets system policies and regulations

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

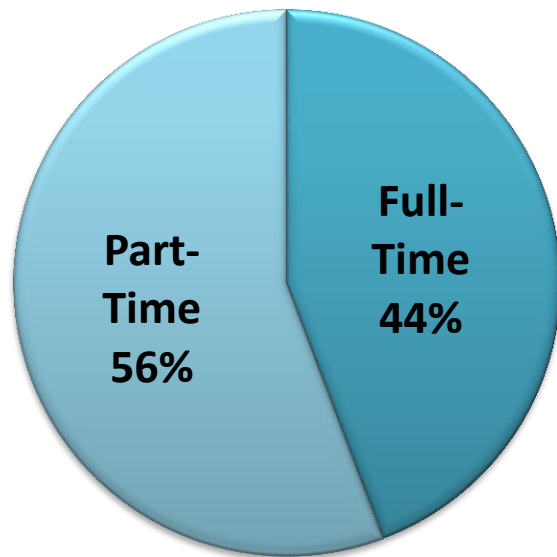


Note: This does not include positions in the NCCCS System Office; Source: FY 2014-15 NCCCS Statistical Report

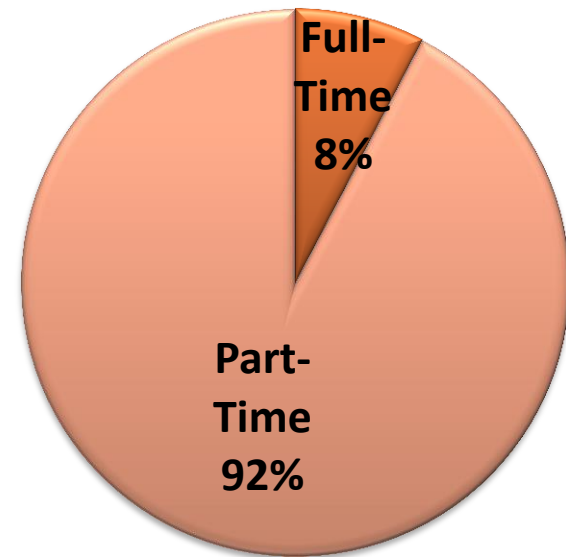
College Faculty and Staff

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

Curriculum



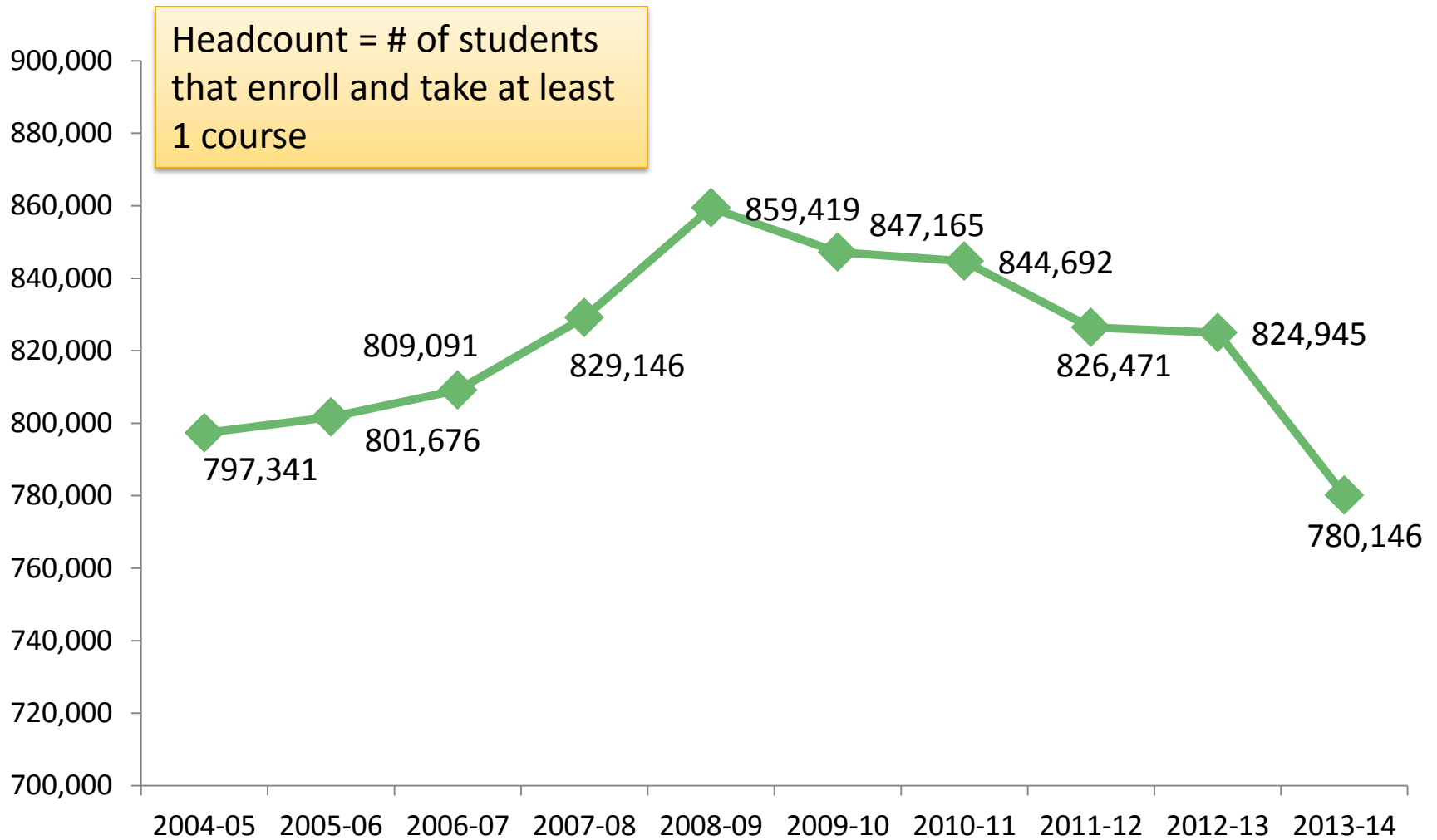
Continuing Education



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

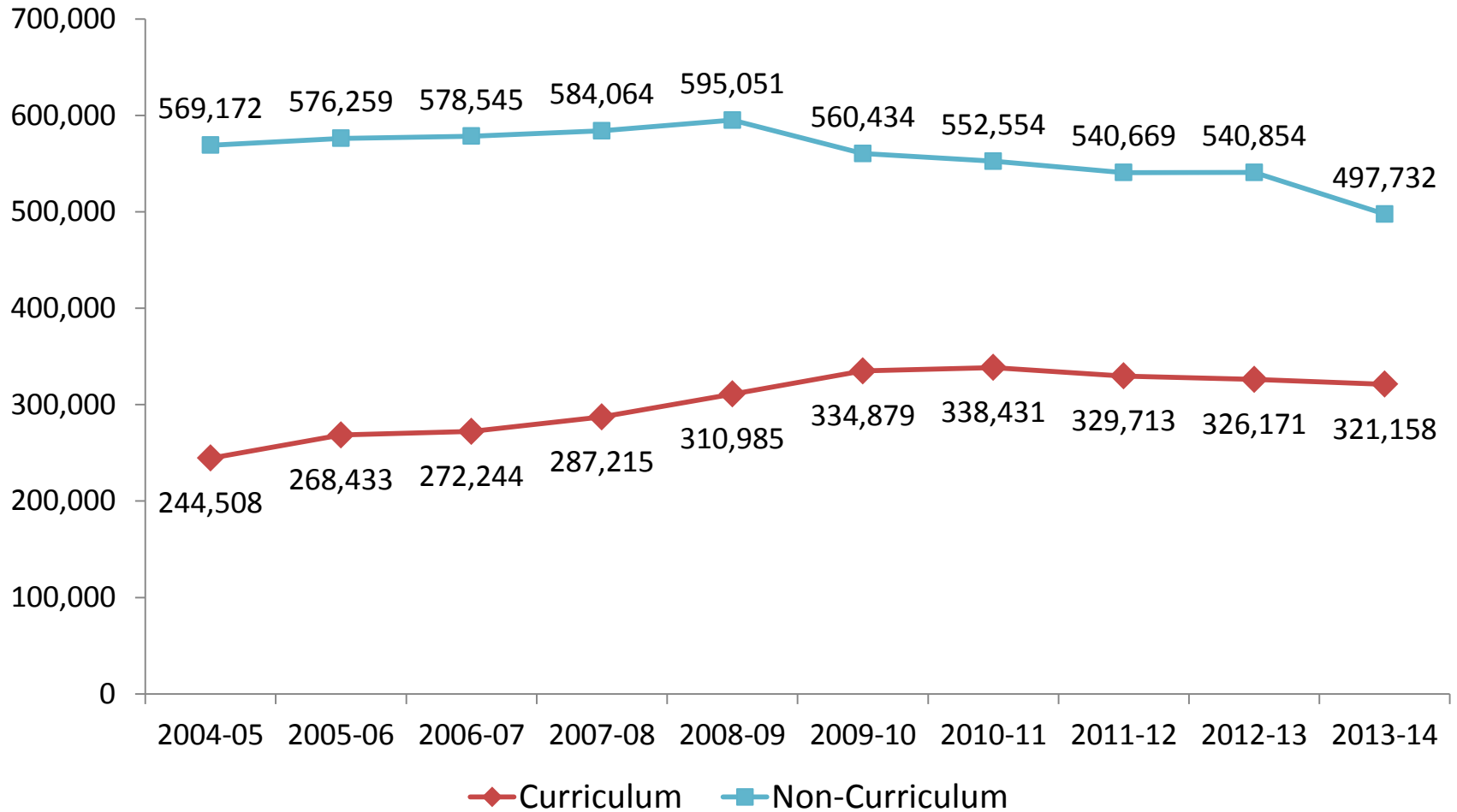
Enrollment

Headcount: FY 2005-2014



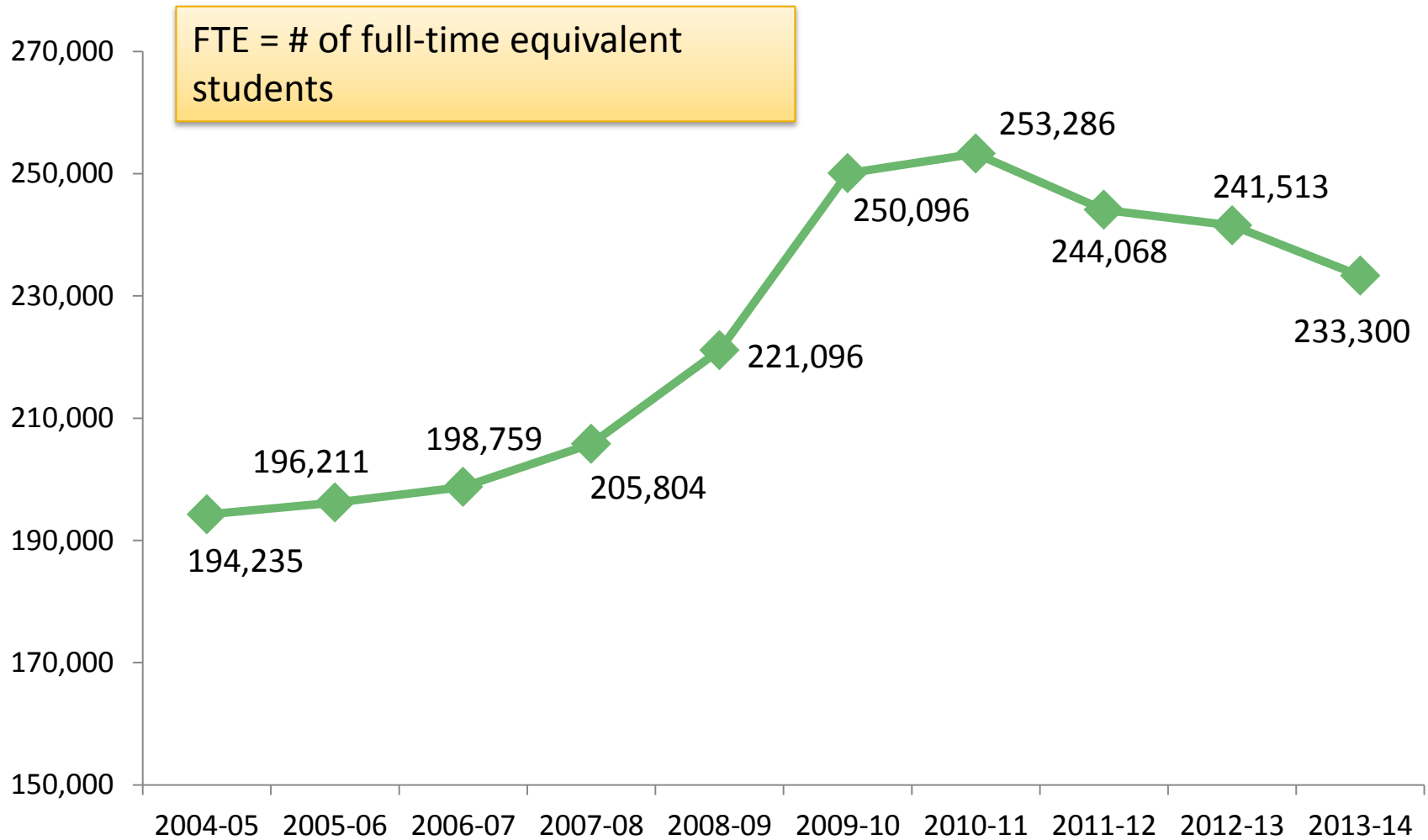
Source: NCCCS Statistical Reports for FY 2002-03 to FY 2011-12

Curriculum and Non-Curriculum Headcount FY 2005-2014



Source: NCCCS Statistical Reports for FY 2004-05 to FY 2013-14

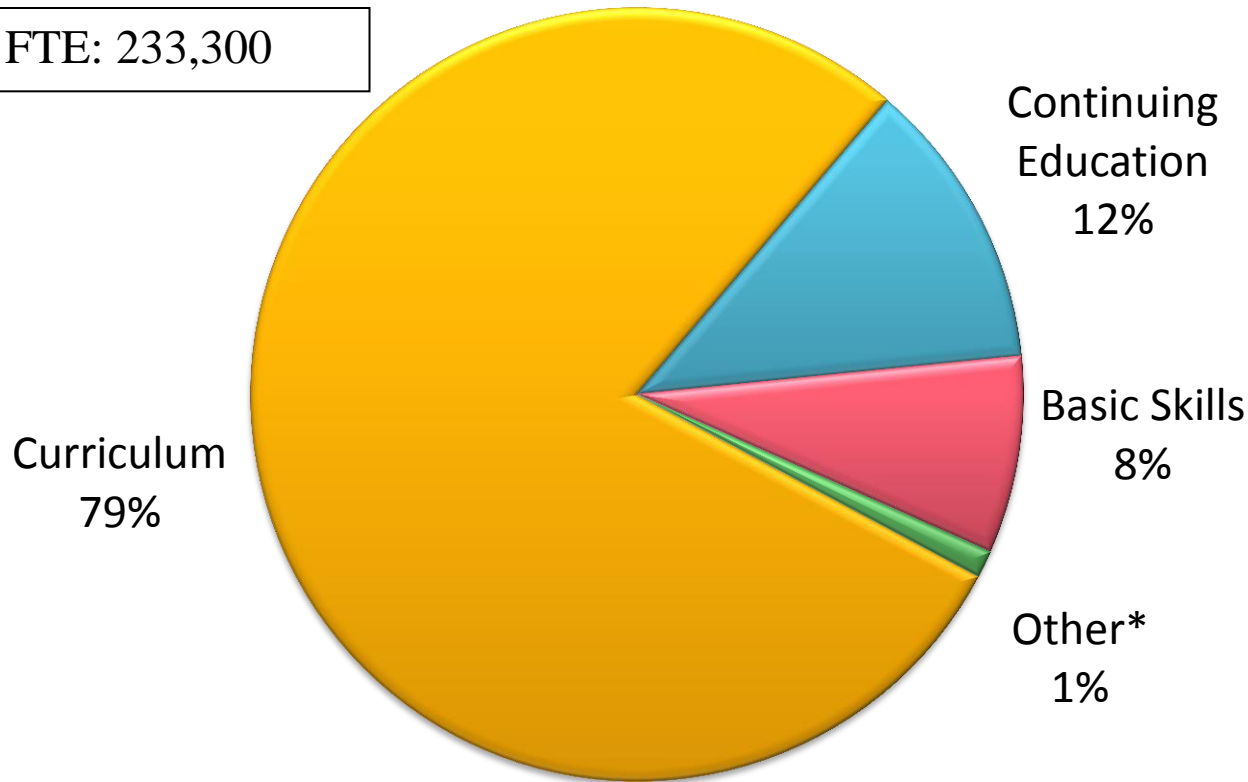
Actual FTE: FY 2005-2014



Source: NCCCS Statistical Reports for FY 2004-05 to FY 2013-14

Actual FTE by Program Area FY 2013-14

Total FTE: 233,300



*"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

State

G.S. 115D-31

- Operating costs for instruction, administration, and support services

Local

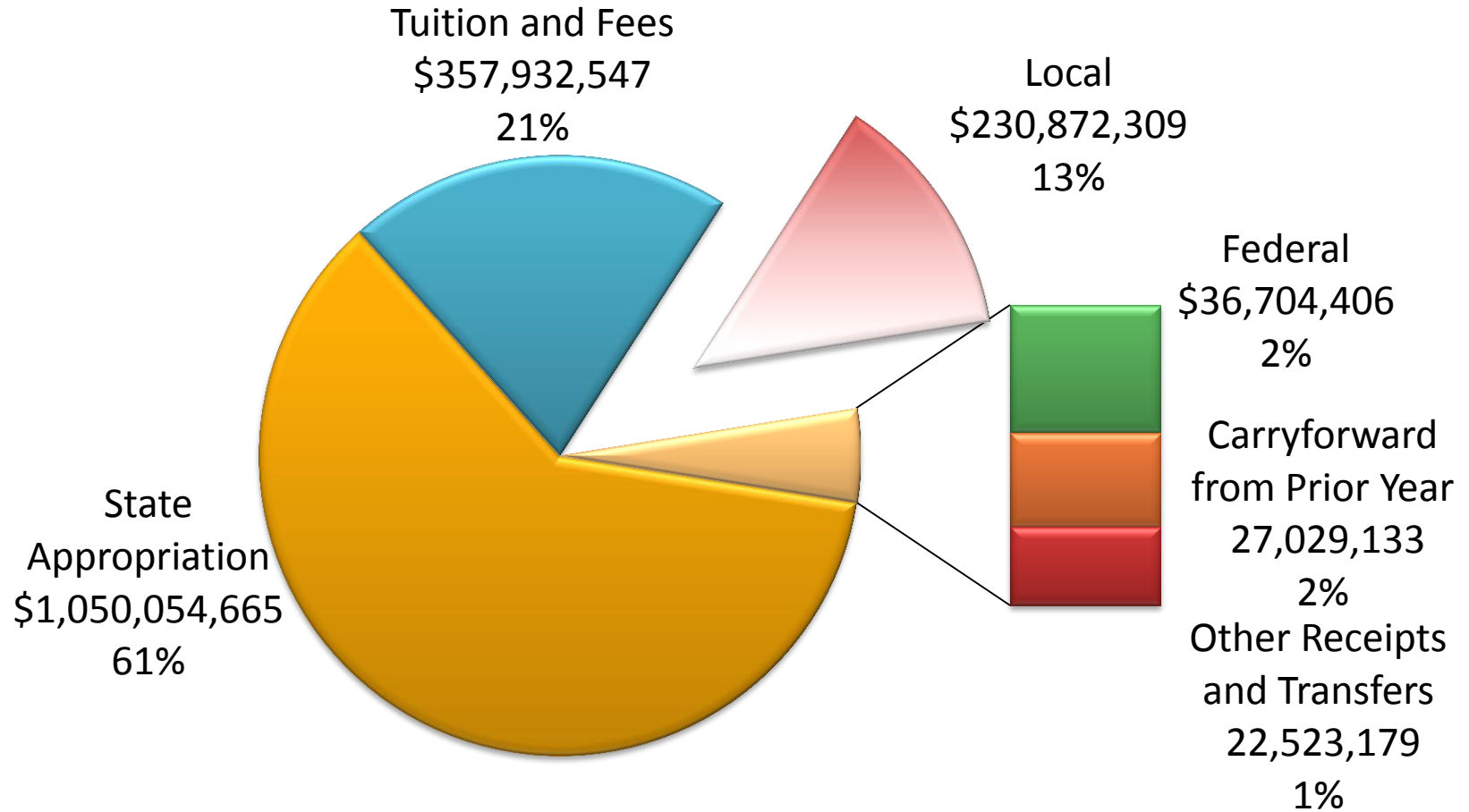
G.S. 115D-32

- Operation and maintenance of plant

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.

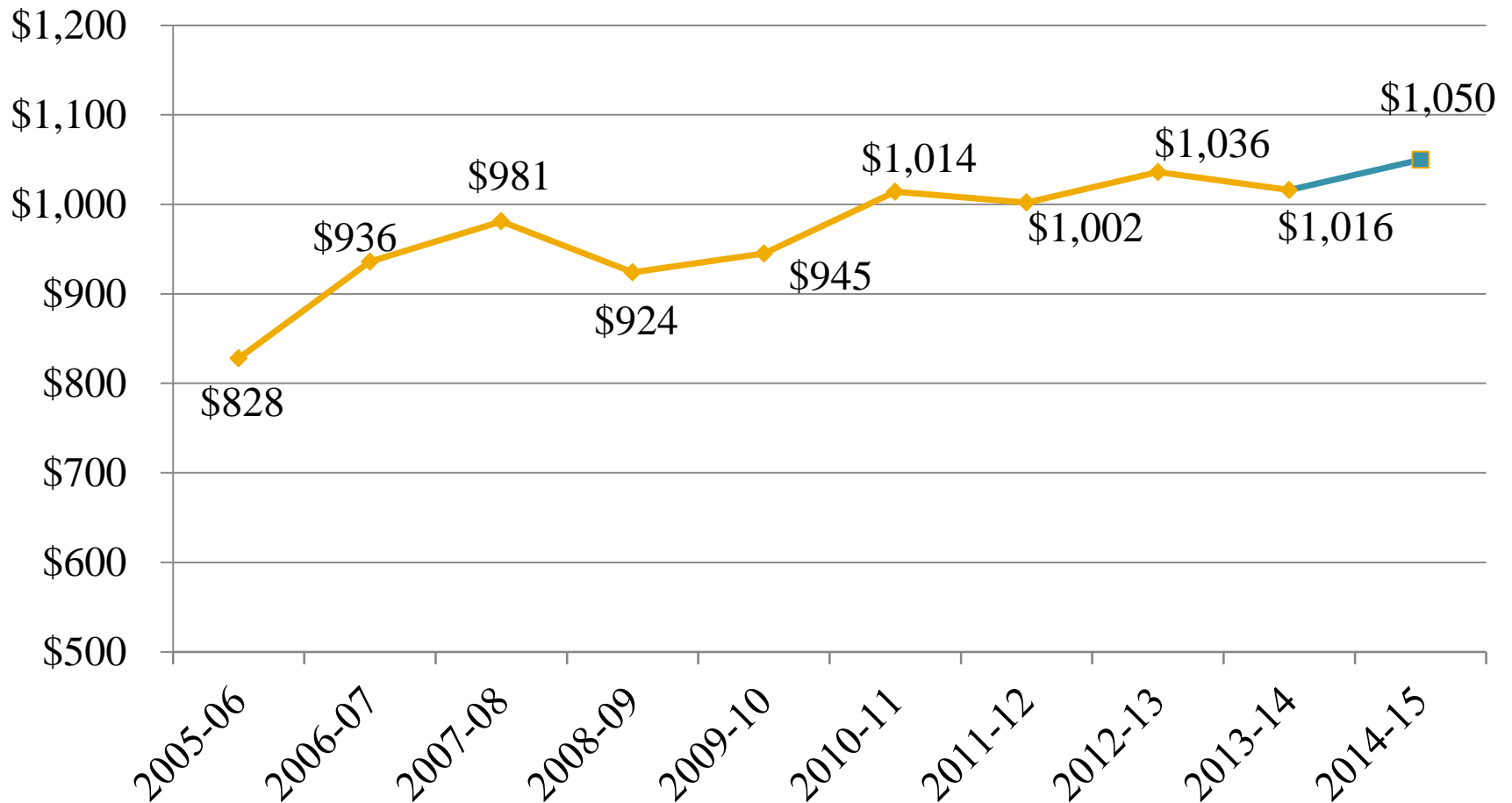
FY 2014-15 Sources of Funding

Total: \$1.73 billion



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

NCCCS General Fund Appropriations

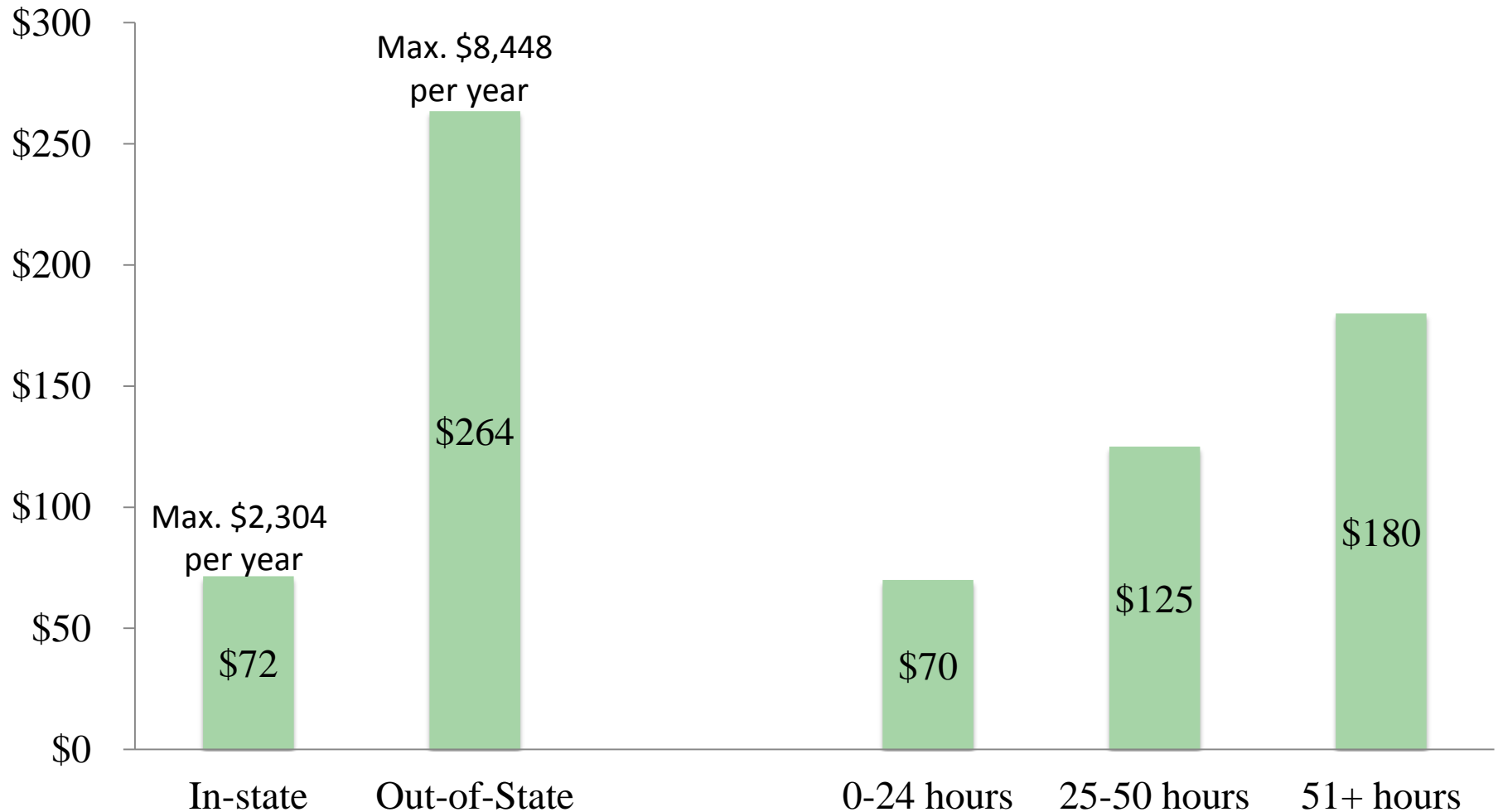


Sources: June 30 Actual Appropriations (BD 701) FY 2005-2014, Sept 30 Certified Budget FY 2014-15

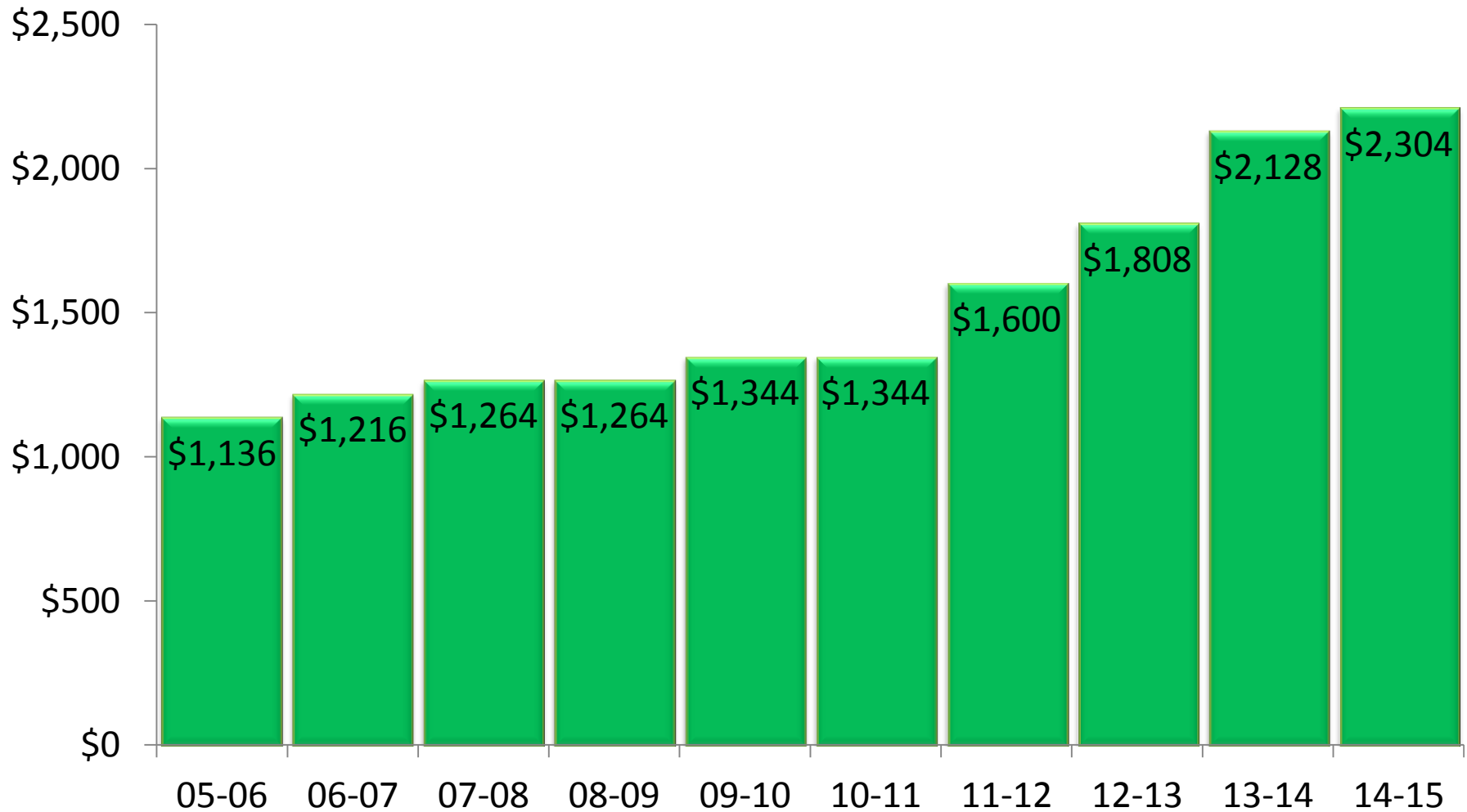
Tuition: FY 2014-15

Curriculum Tuition per Credit Hour

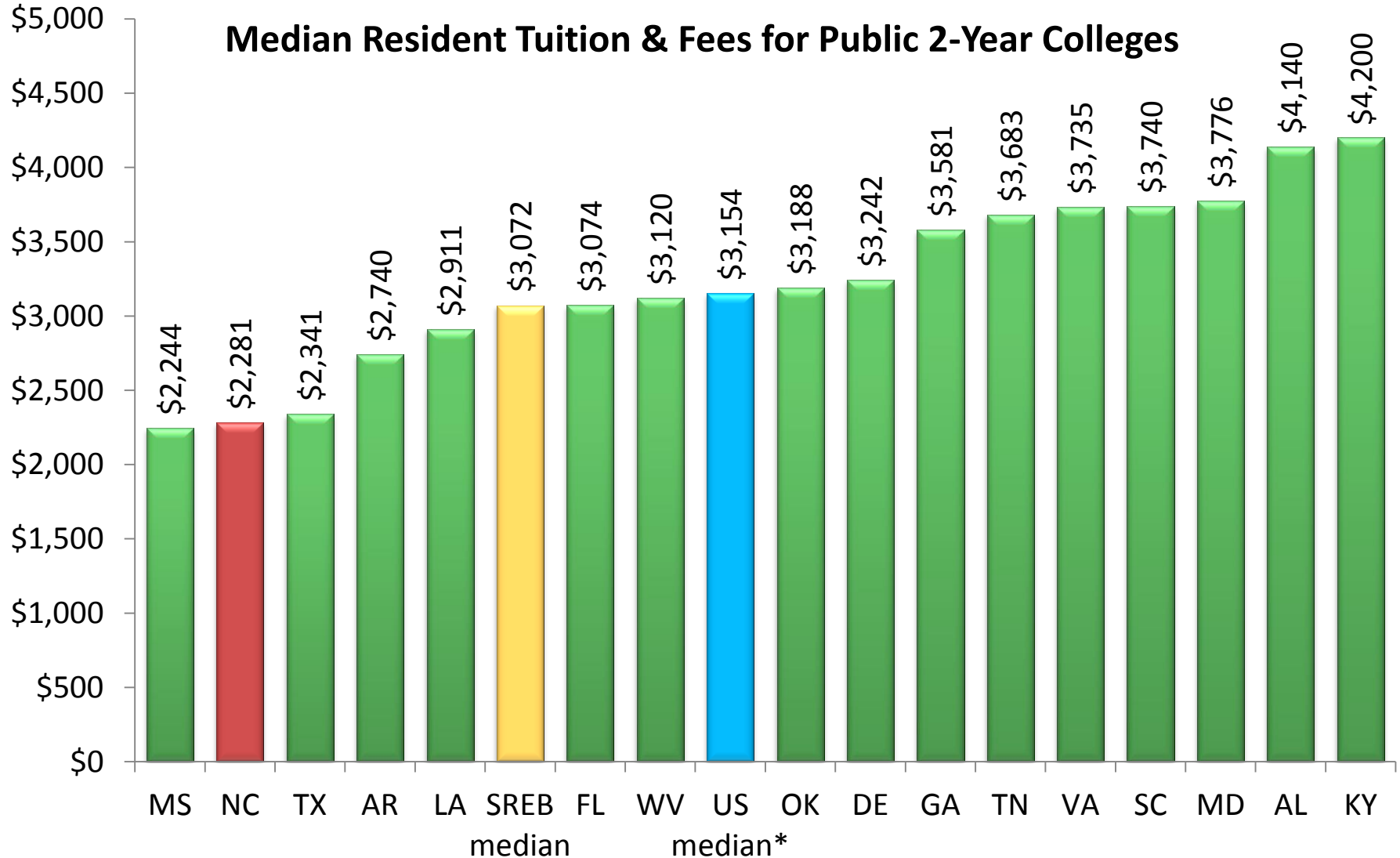
Continuing Education Fees



Tuition: Maximum Curriculum Tuition

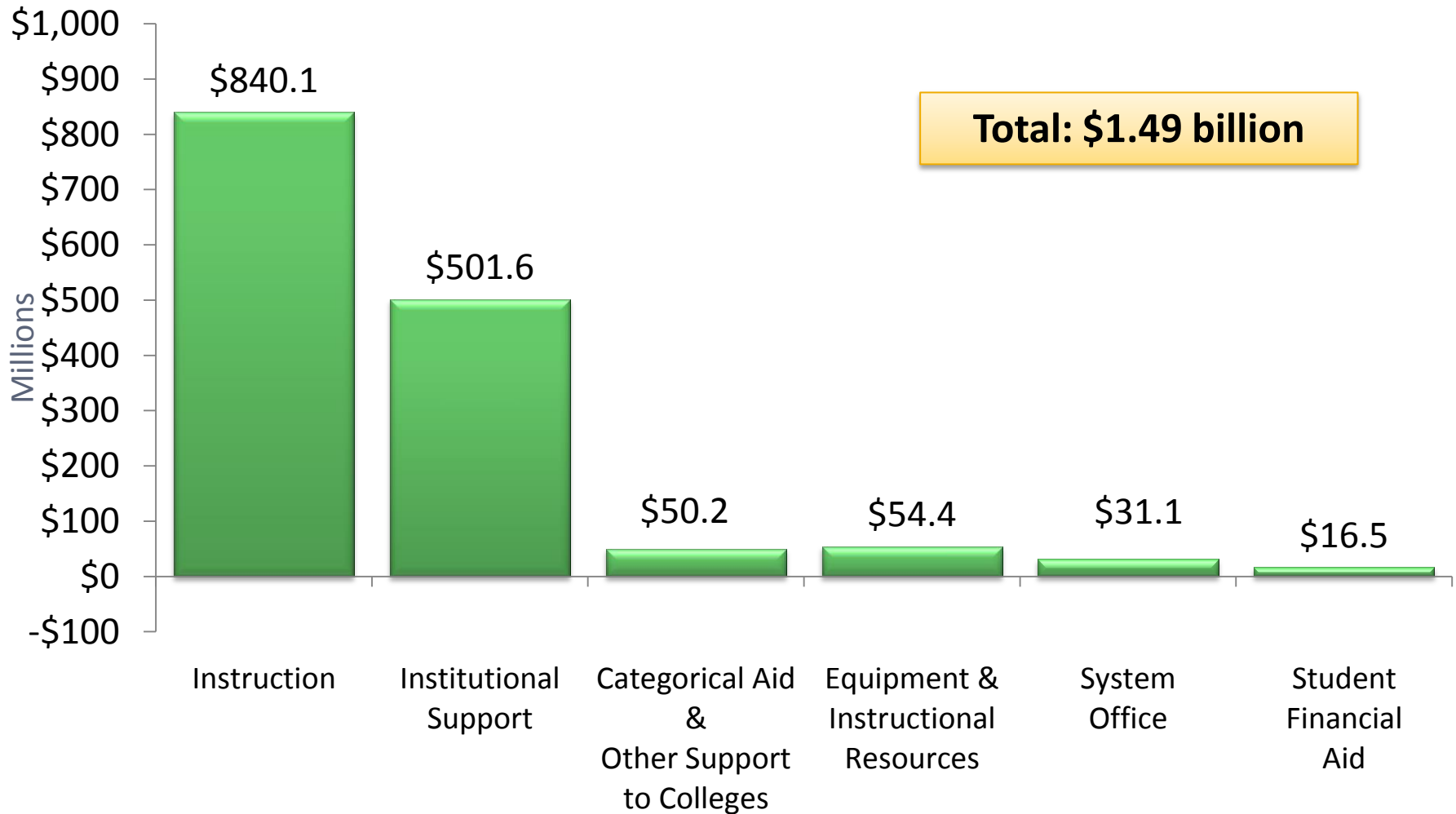


Tuition: SREB States FY 2012-13



State Aid Allocation

Allocation of Funds: FY 2014-15

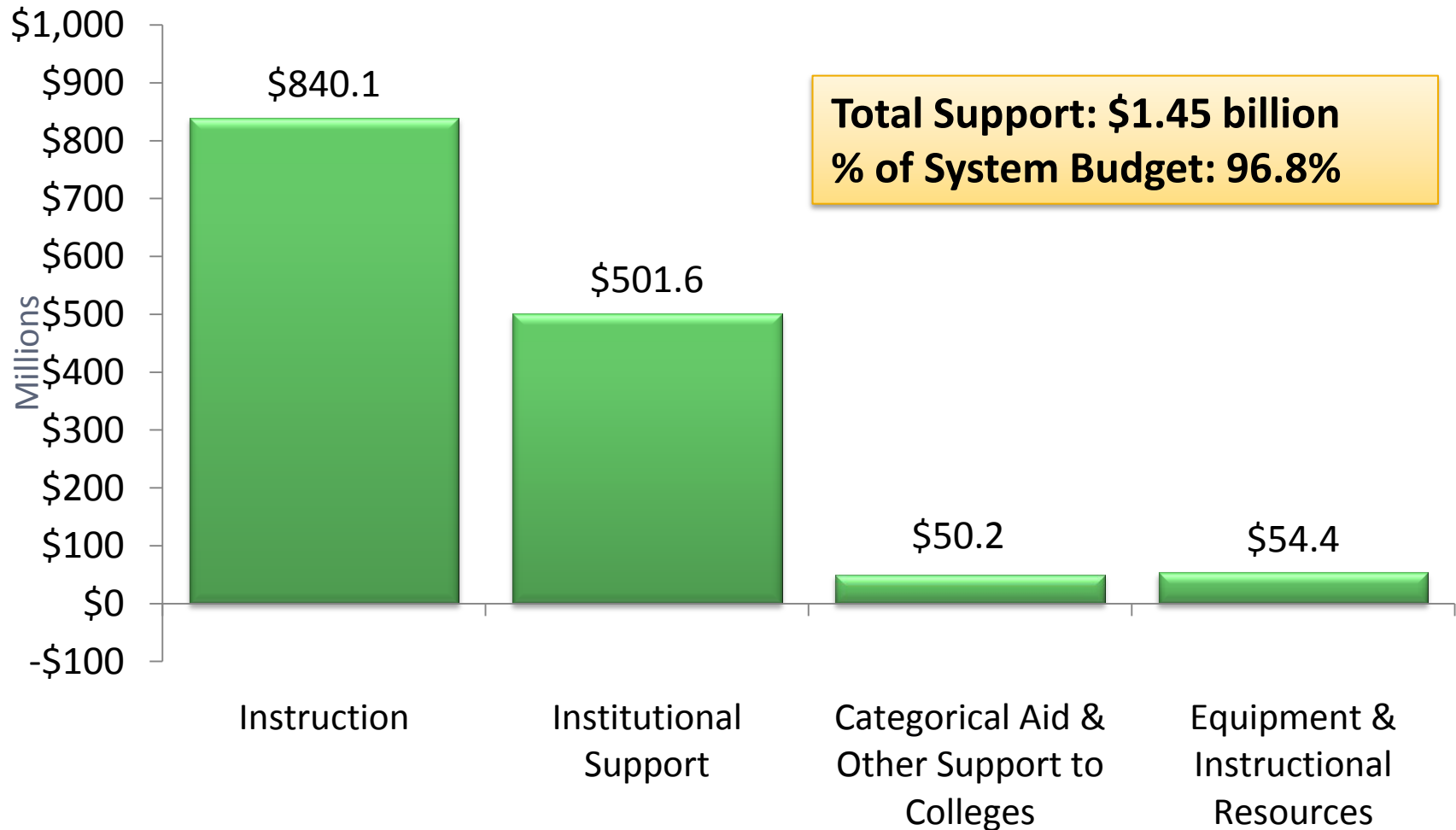


Source: Dec. 2014 Certified Budget

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



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 allocated 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.

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

Instruction: Equivalent Values

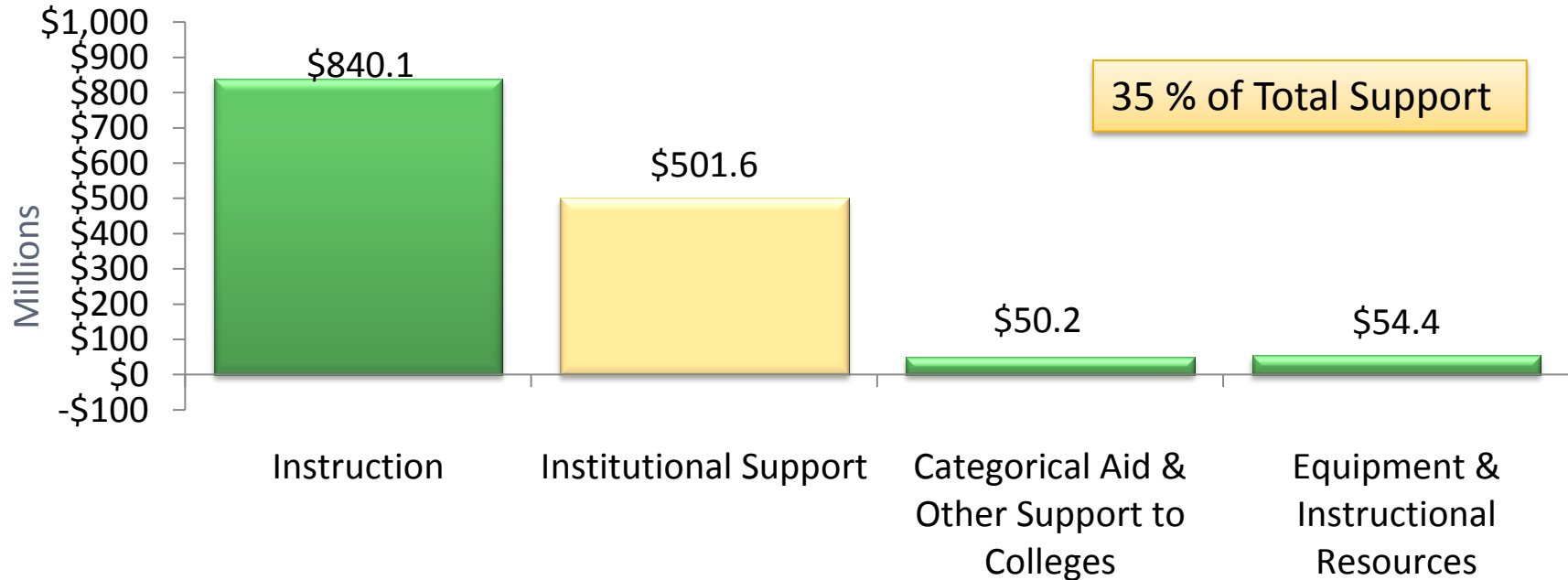
Basic Skills

- 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.
 - \$279.11 per GED/AHS diploma in FY 2014-15.

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

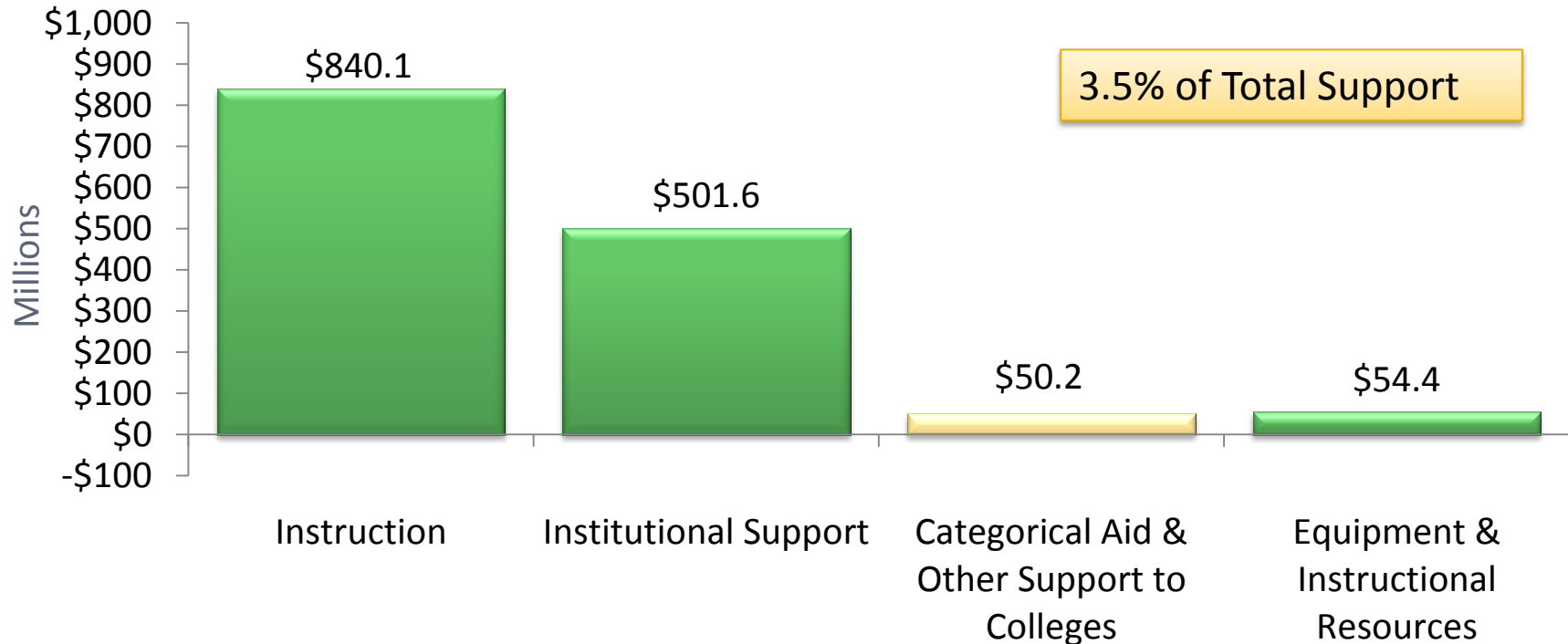
- Two levels of MCC funding:

	FTE	Allotment	Campuses
Level 1	$\leq 1,500$	\$512,706	28
Level 2	$> 1,500$	\$858,341	5

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

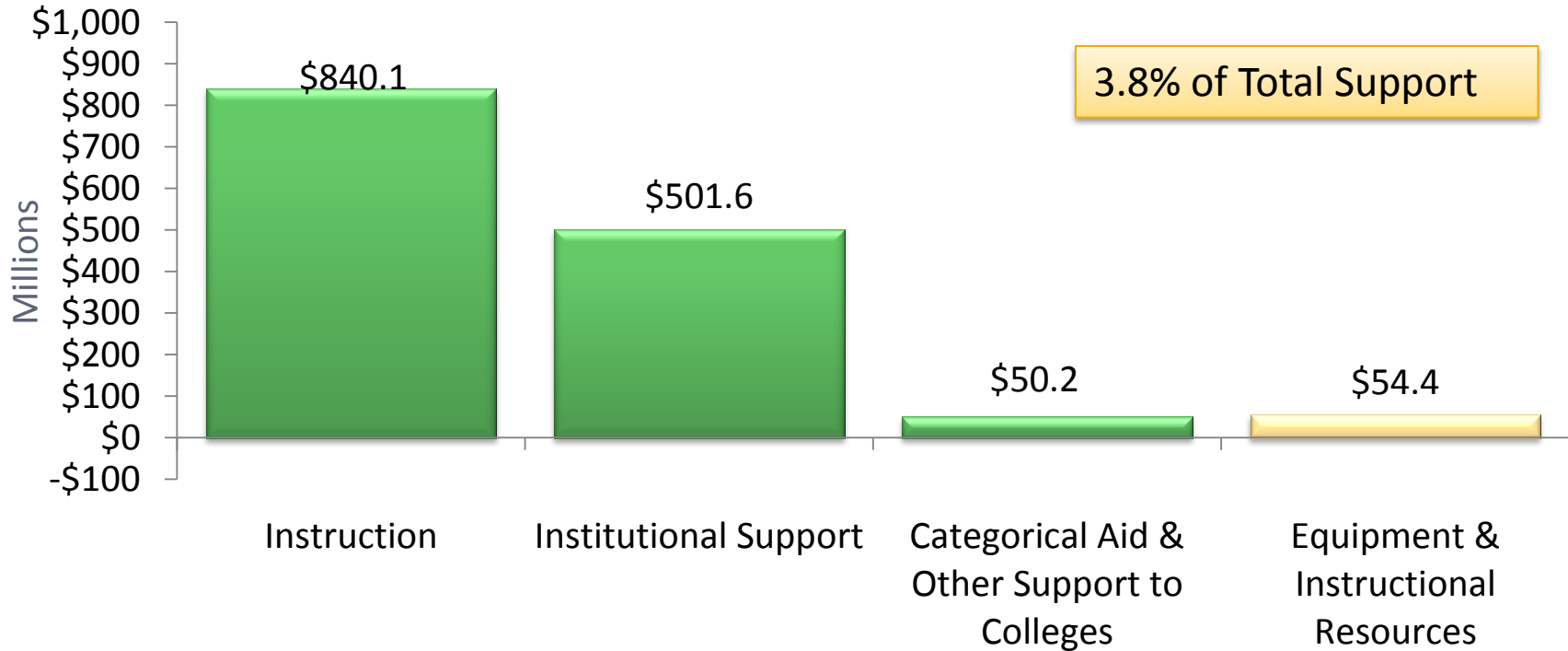
What it pays for:

- 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

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)

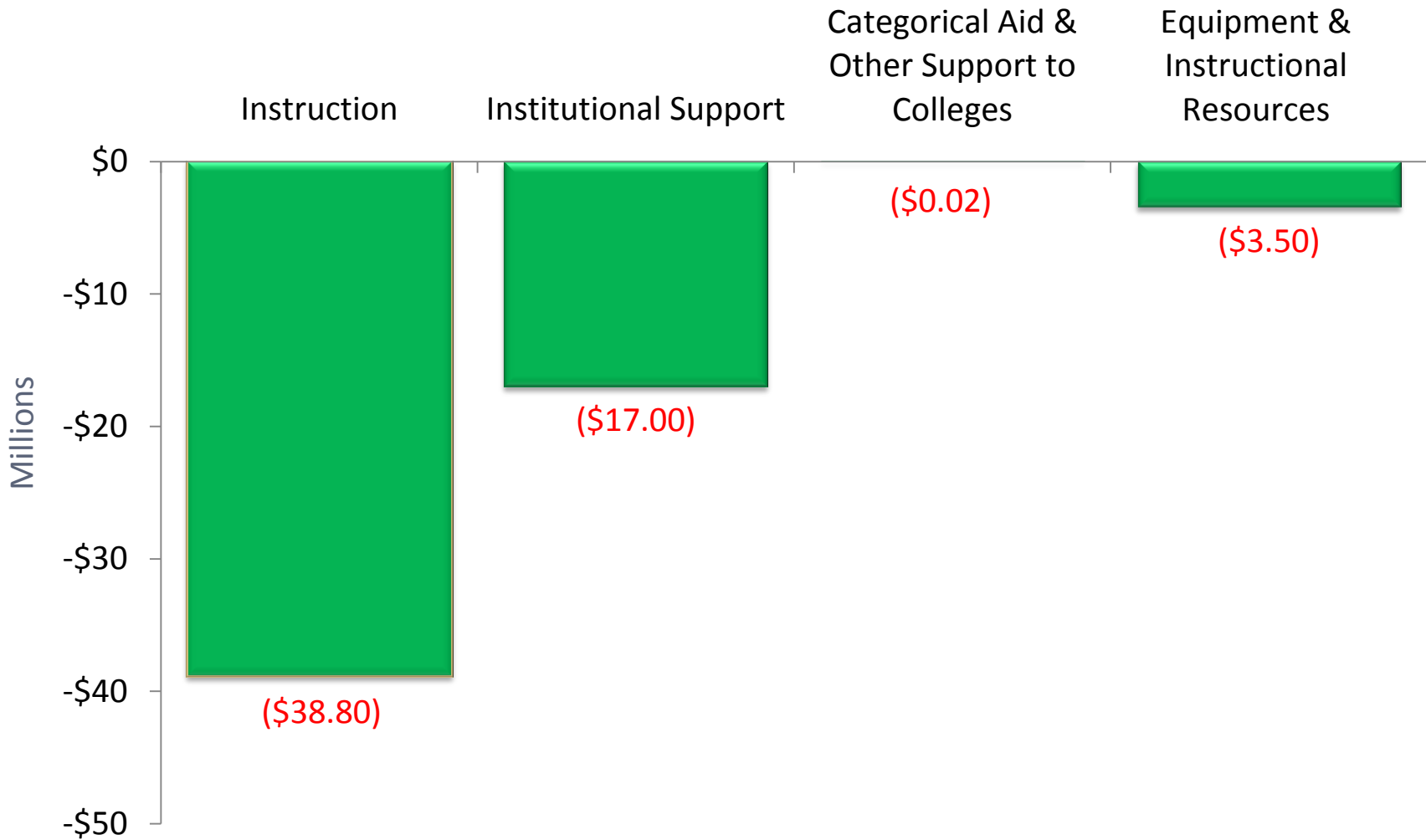
\$2,500,000 allotted in FY 2014-15

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



Questions

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