

NC Community College System:

Budget Overview

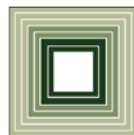


Presentation to the Joint Appropriations Committee on Education

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Fiscal Research Division

March 8, 2017



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

Presentation Agenda

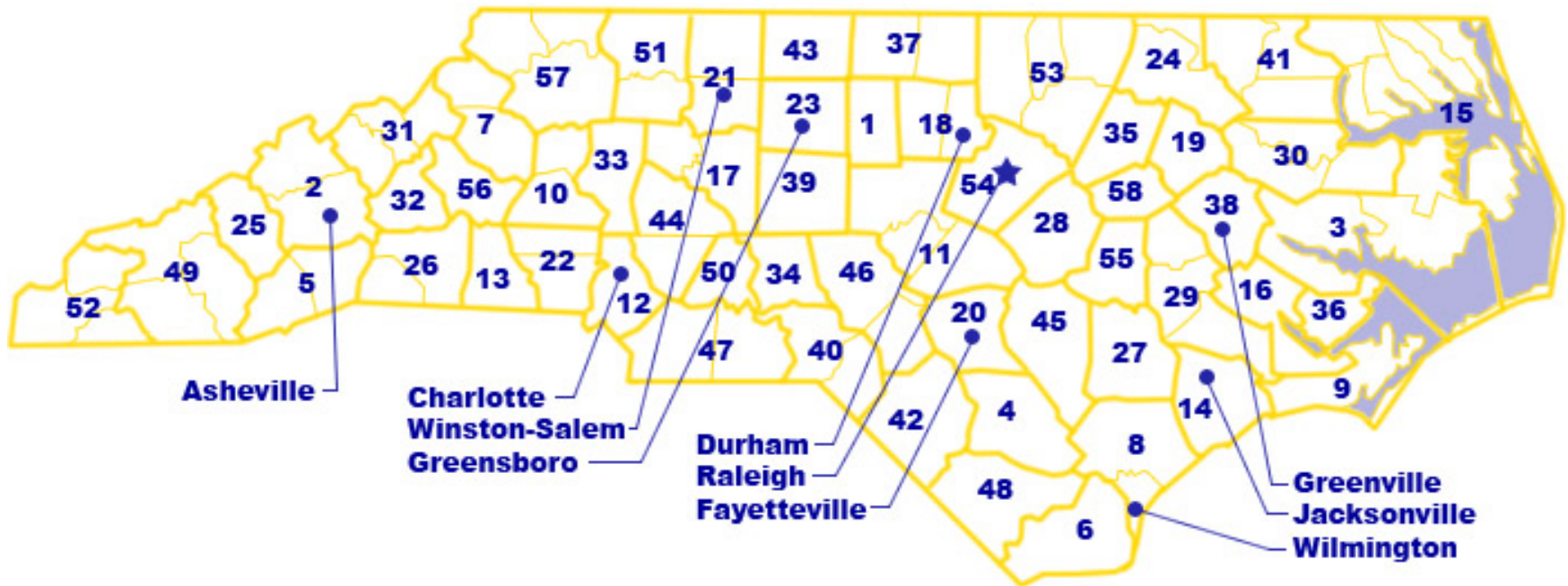
1. NCCCS Background
2. Enrollment
3. Budget Overview
4. Budget Allocations
5. Recent Legislative Actions
6. Questions

NCCCS Background



Locations

- 58 colleges, 3rd most in the nation.
- 36 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 each of the 58 colleges
- At least 13 members – 12 appointed by local Board of Ed, county commissioners, and Governor; 1 ex-officio
- Elect college presidents

Major Program Areas

Curriculum

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

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

Occupational Continuing Education

Non-credit courses that provide job training opportunities to individuals.

Basic Skills

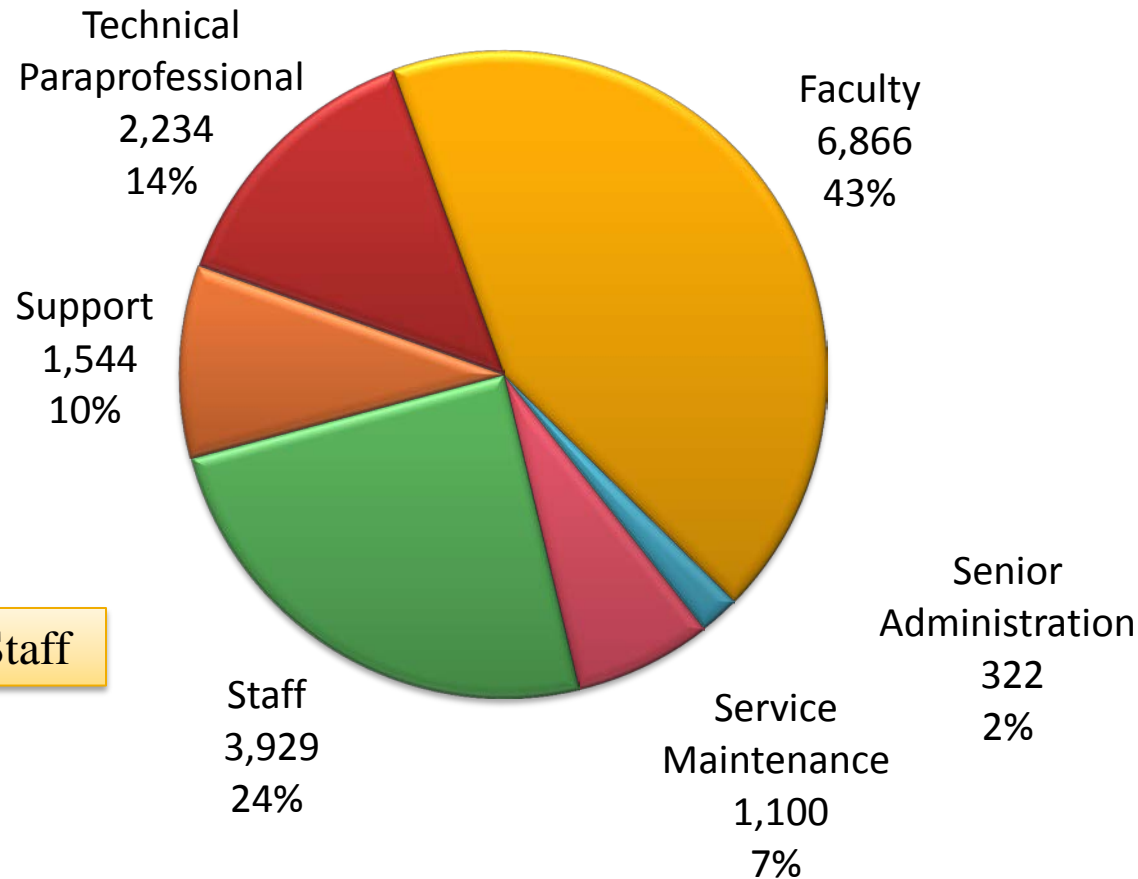
Includes Adult Basic Education, GED, Adult High School, English as a Second Language (ESL), and Compensatory Education.

Economic Development Programs

Job training programs targeted to specific types of companies or populations.

College Faculty and Staff

Full-Time College Staff: FY 2016-17



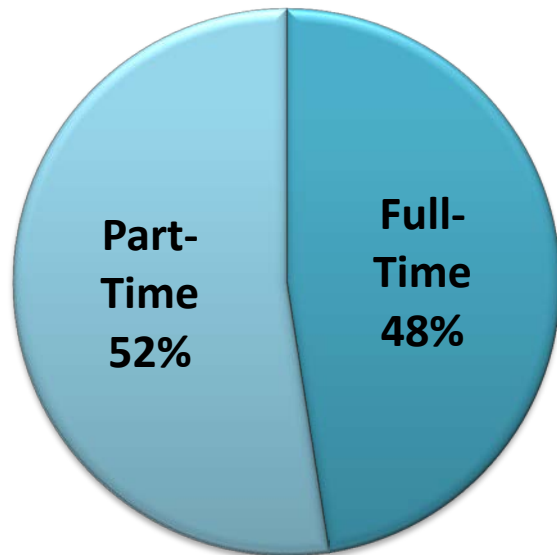
Total: 15,965 FT Staff

Note: This does not include positions in the NCCCS System Office; Source: NCCCS System Office

College Faculty

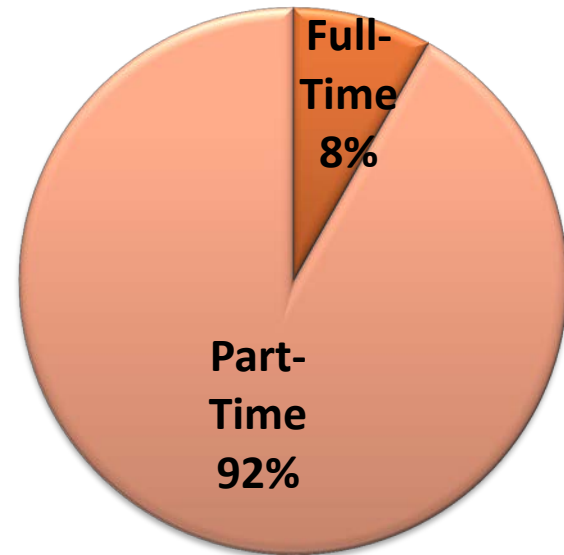
Full-Time versus Part-Time Faculty, FY2016-17

Curriculum



Total Full-Time Faculty: 6,866

Continuing Education

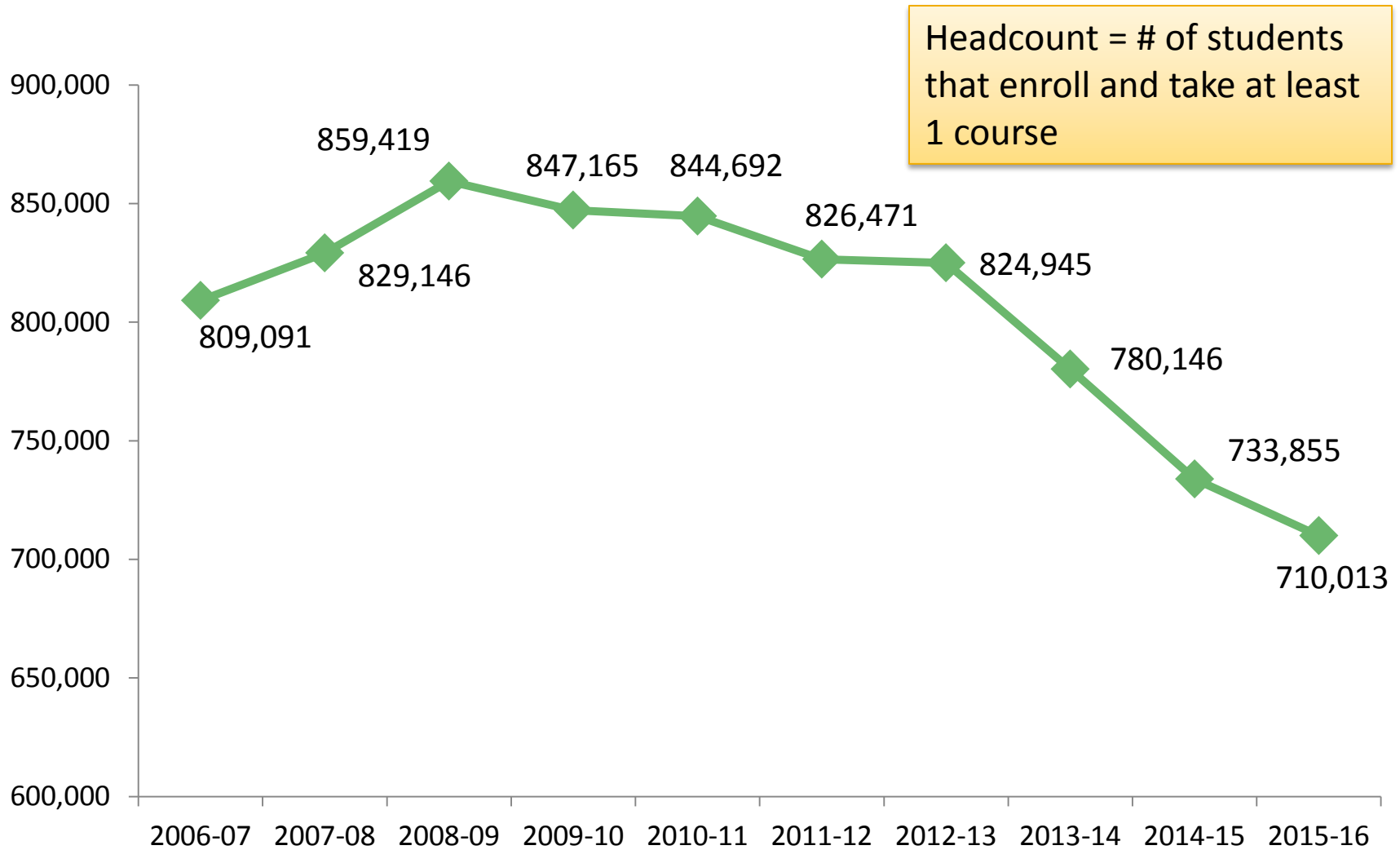


Total Part-Time Faculty: 13,488

Source: NC Community College System Office

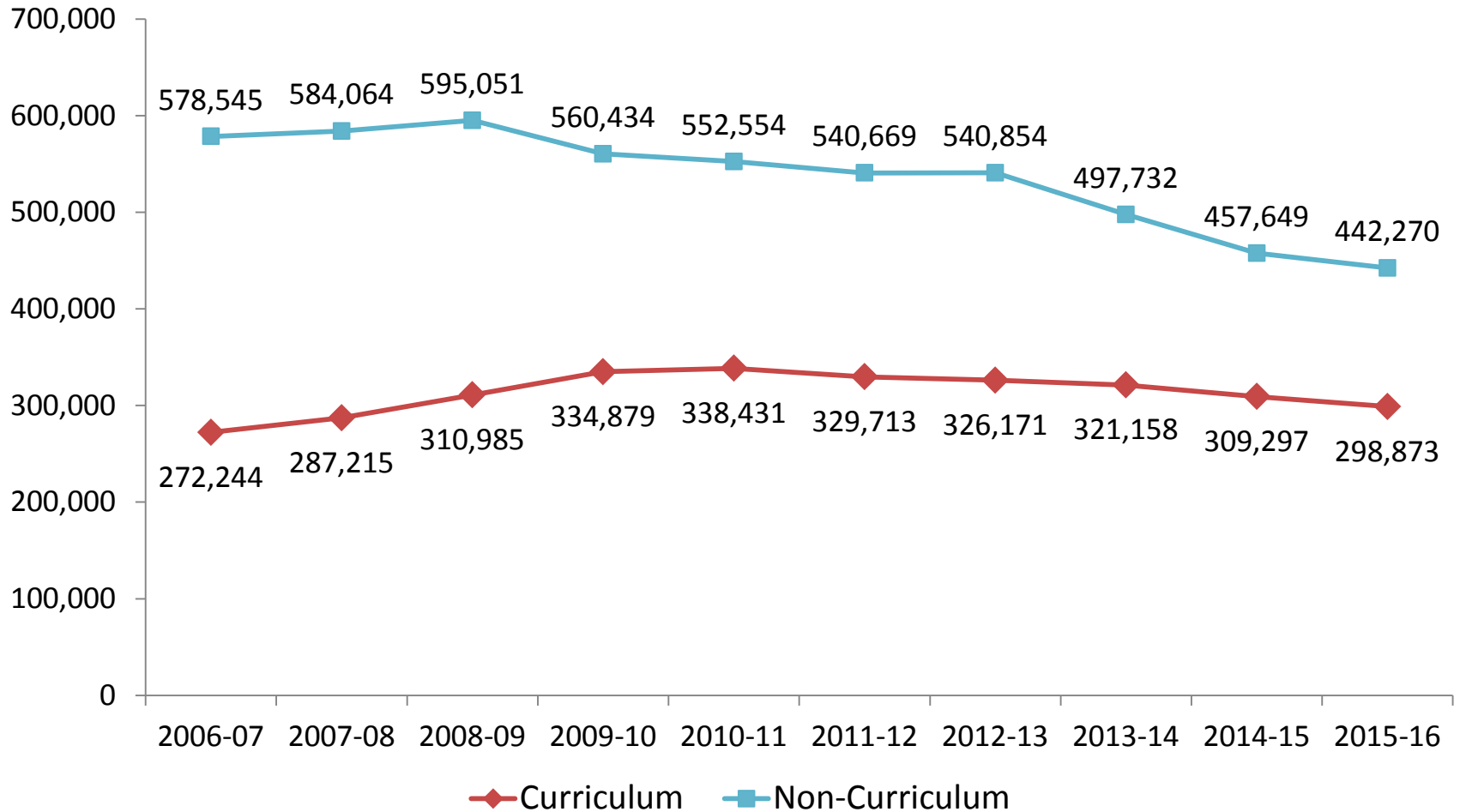
Enrollment

Headcount: FY 2007-2016



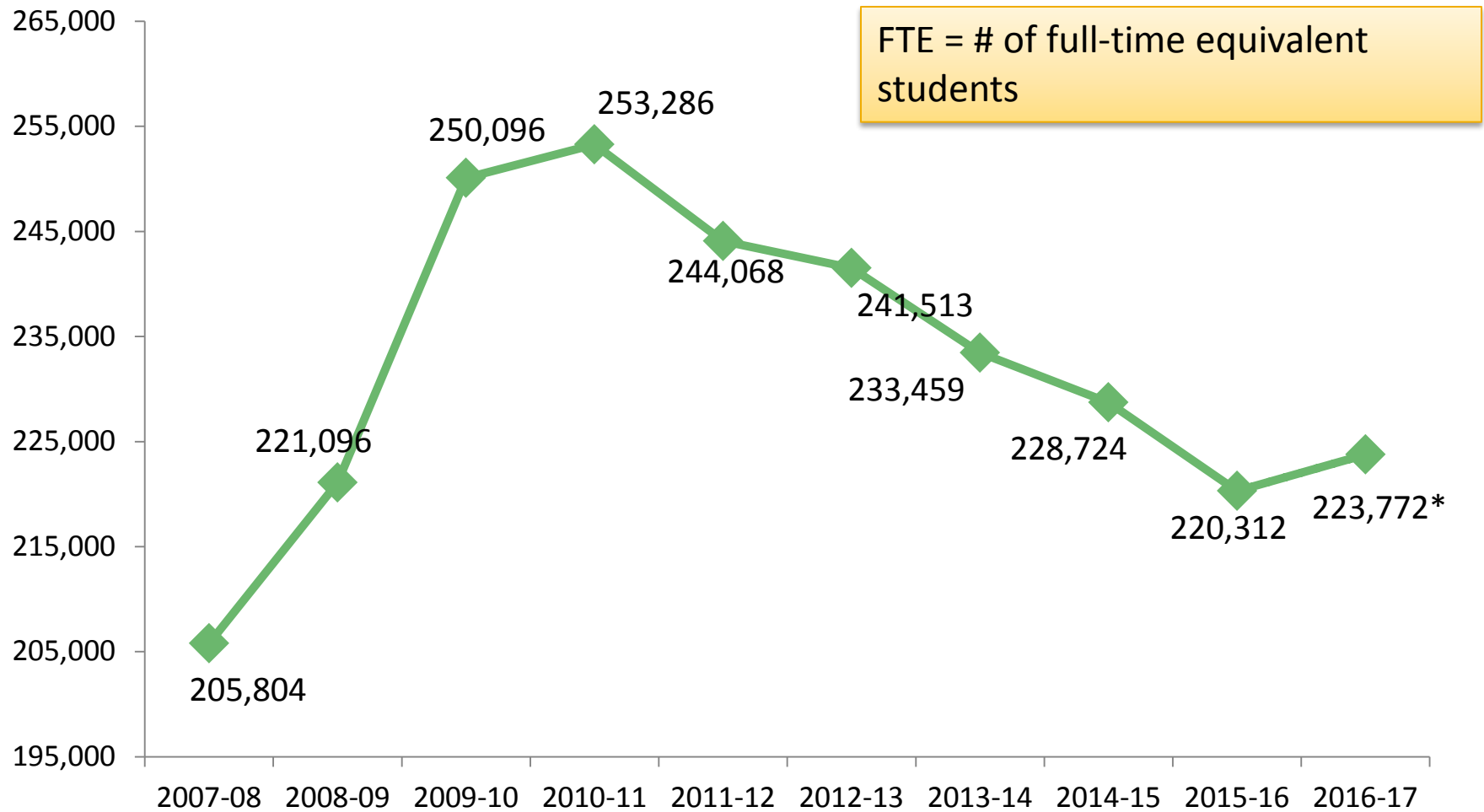
Source: NCCCS Statistical Reports for FY 2006-07 to FY 2015-16

Curriculum and Non-Curriculum Headcount FY 2007-2016



Source: NCCCS Statistical Reports for FY 2006-07 to FY 2015-16

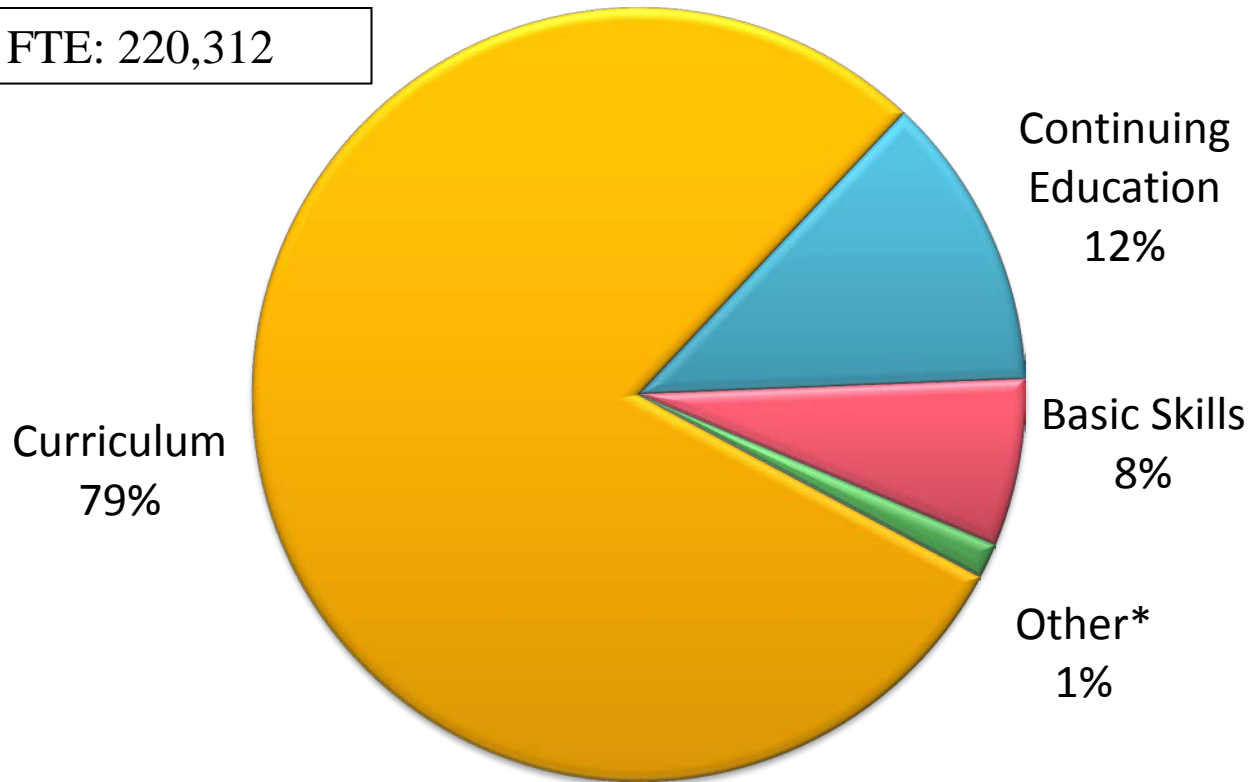
Actual FTE: FY 2008-2017*



Source: NCCCS Statistical Reports for FY 2007-08 to FY 2015-16; *NCCCS System Office for 2016-17 estimate

Actual FTE by Program Area FY 2015-16

Total FTE: 220,312



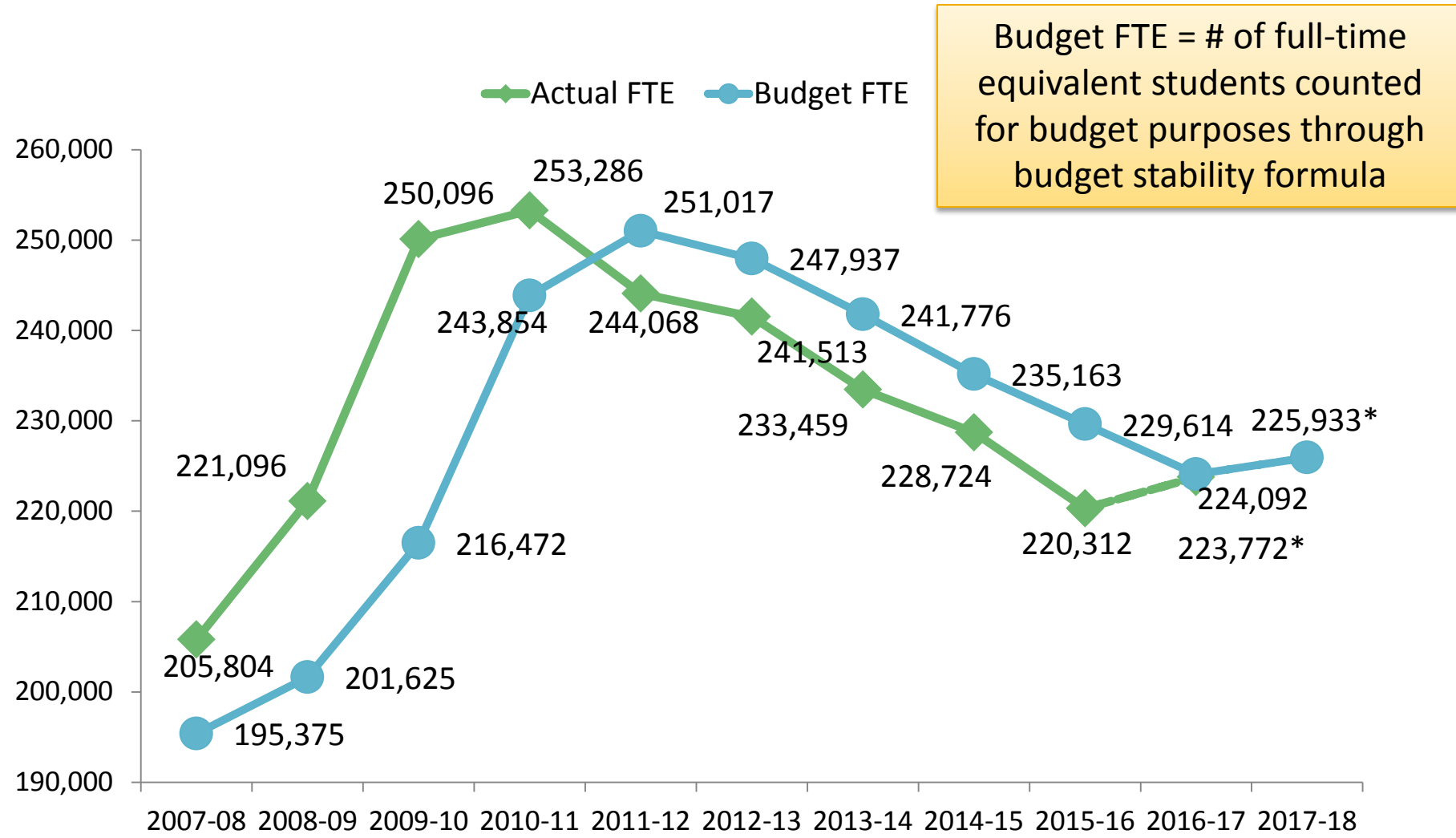
*“Other” includes Customized Training FTE, Small Business Center FTE, self-supporting continuing education FTE, and other non-budget FTE.

Source: NCCCS 2015-16 Statistical Report

FTE & Budget Allocations

- Funds are allotted on a full-time equivalent (FTE) basis
- Based on actual enrollment numbers – not projections
- A college's Budget 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.

Actual vs Budget FTE: FY 2008-2018*



Source: NCCCS Statistical Reports for FY 2007-08 to FY 2015-16; *NCCCS System Office for 2016-17 and 2017-18 estimates

Budget Overview



Financial Support of Institutions

State

G.S. 115D-31

- Operating costs for instruction, administration, and support services

Local

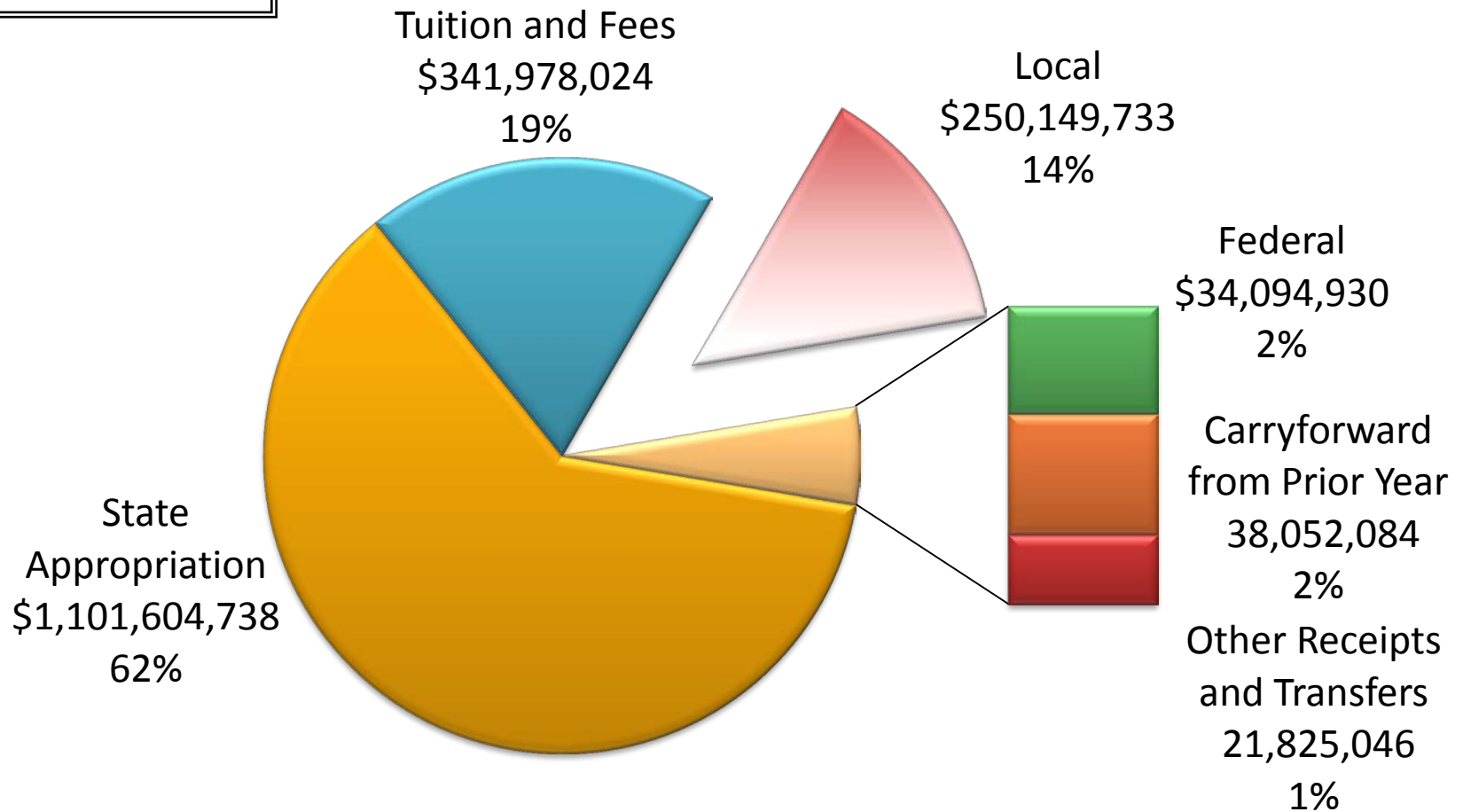
G.S. 115D-32

- 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.

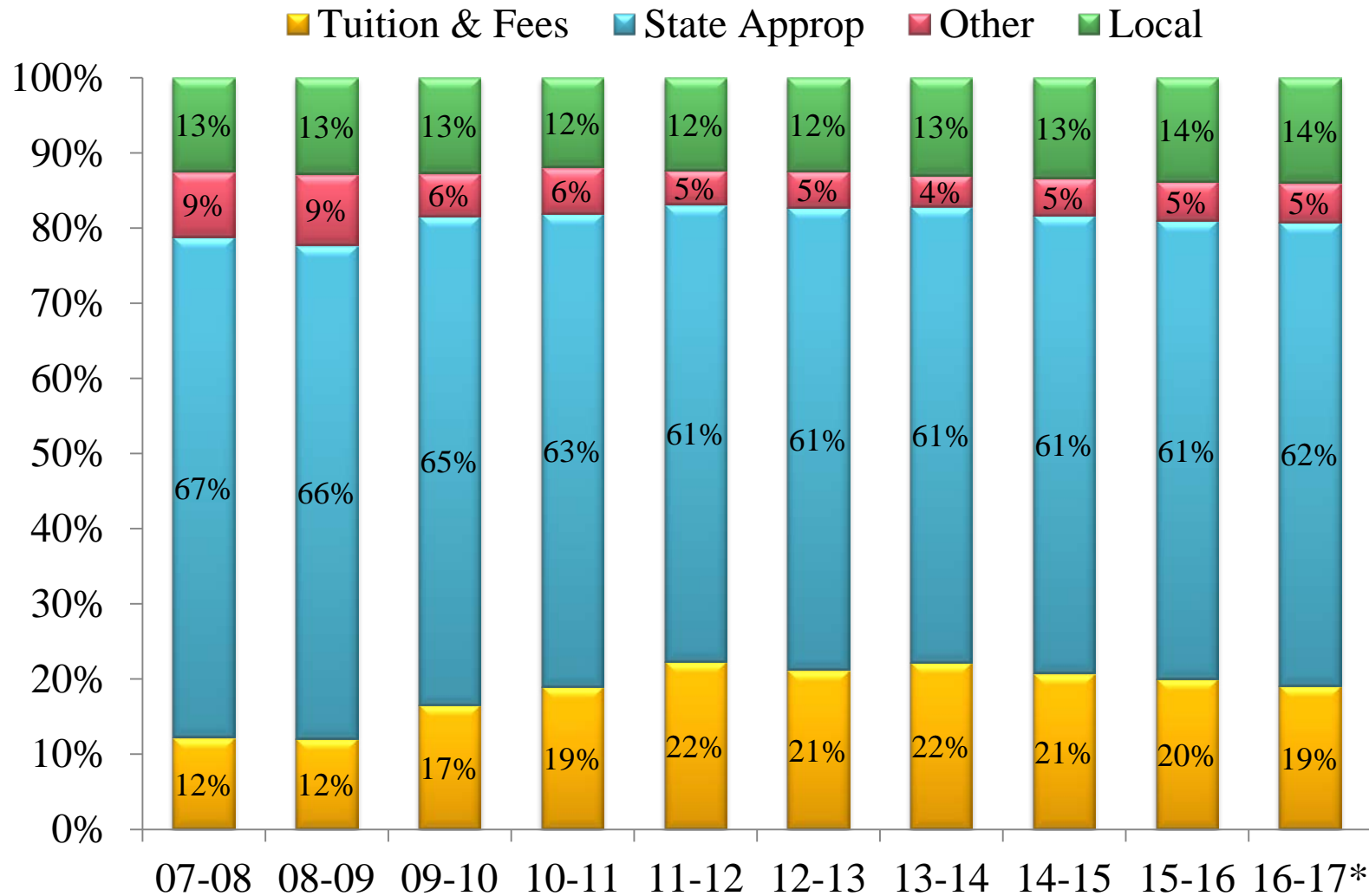
FY 2016-17 Sources of Operational Funding

Total: \$1.79 billion



Sources: FY 2016-17 Authorized Budget as of Jan. 2017, NCCCS College Budget Summary (2-1)

% Total Operational Budget by Source, FY 2008-17

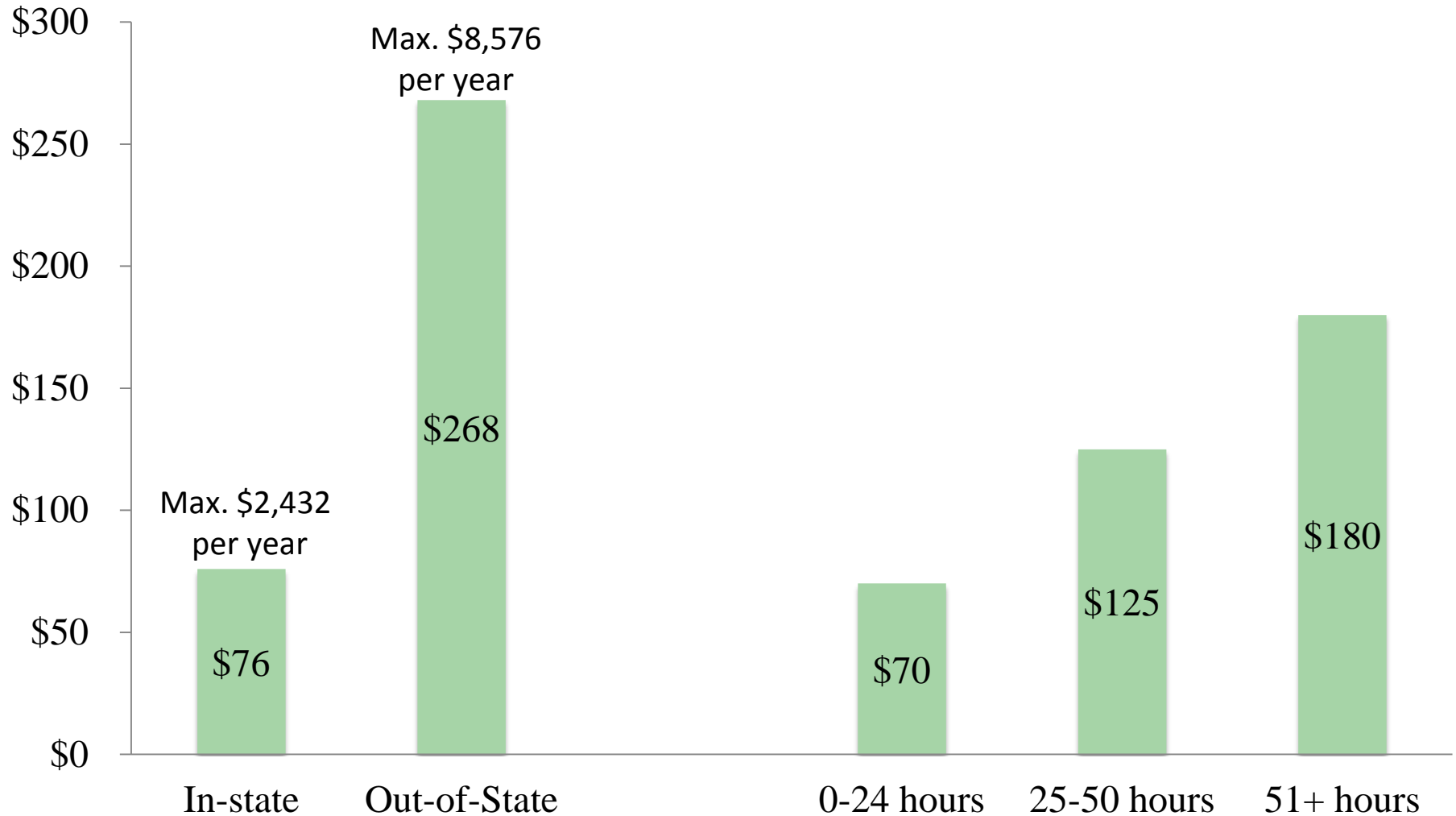


Sources: NCAS Final Authorized Budgets FY 2008-2016, *FY 2016-17 Jan. Auth. Budget, NCCCS College Budget Summaries

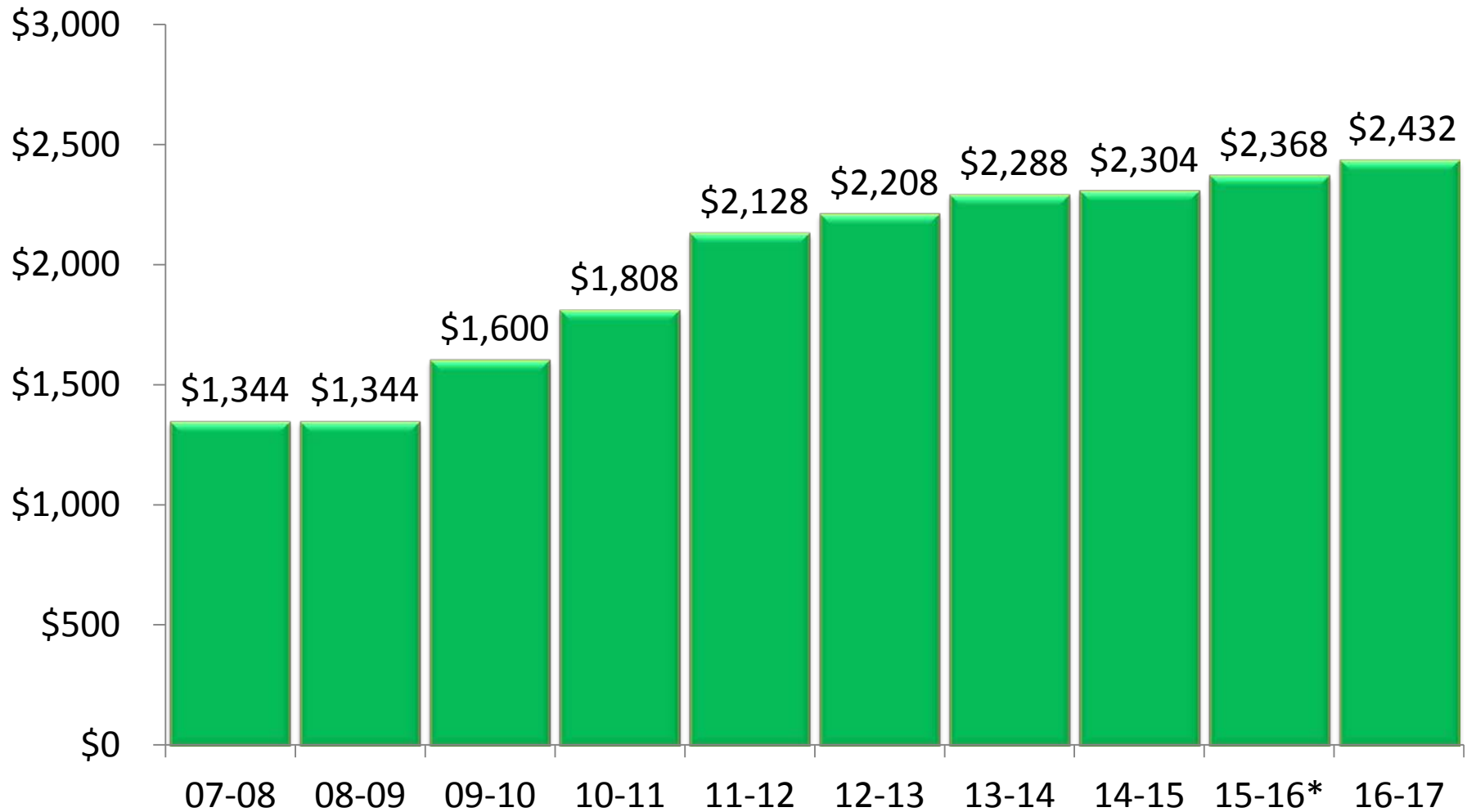
Tuition: FY 2016-17

Curriculum Tuition per Credit Hour

Continuing Education Fees



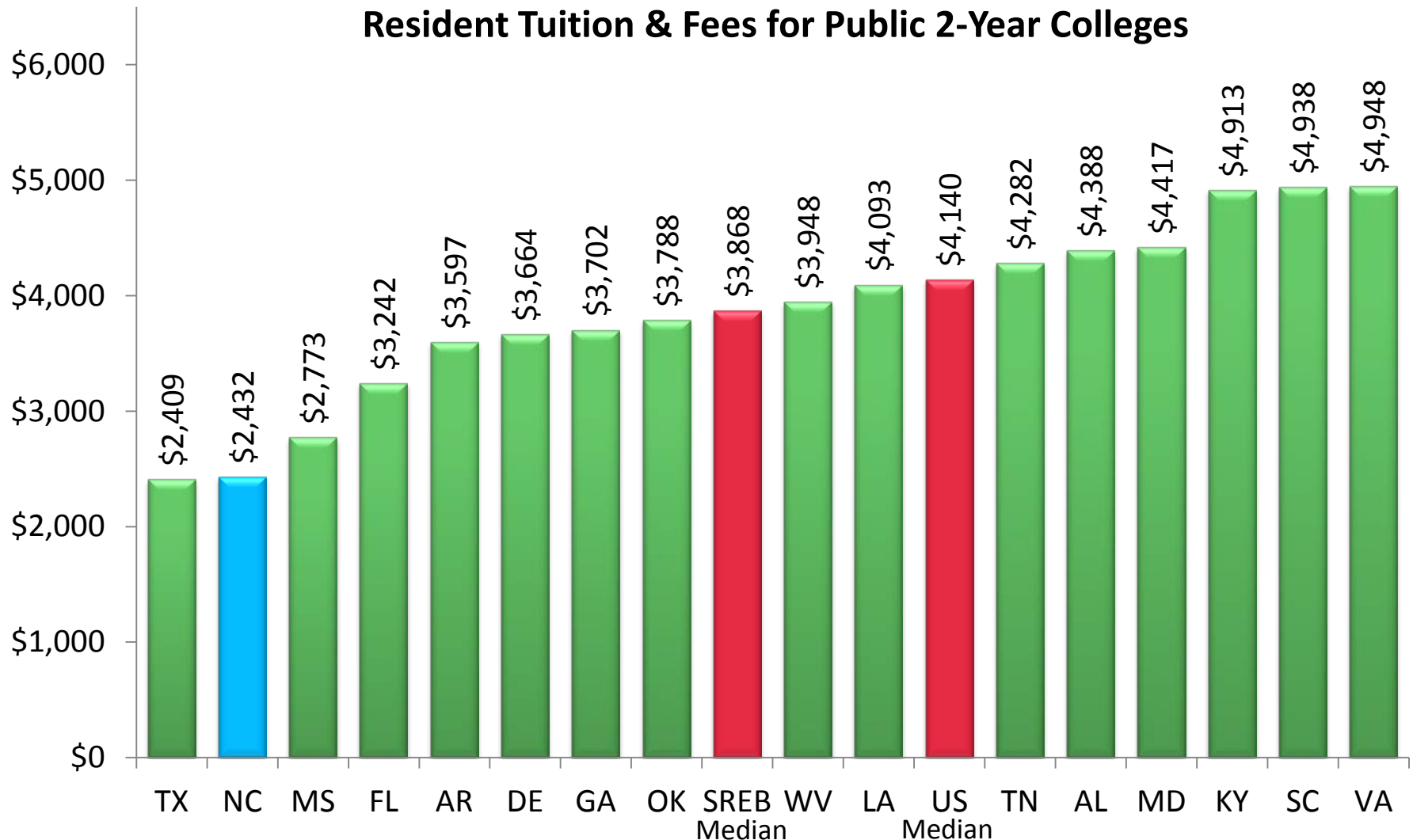
Tuition: Maximum Curriculum Tuition



Note: 2015-16 rate was increased from \$72 to \$76 per credit hour beginning with the Spring Semester.

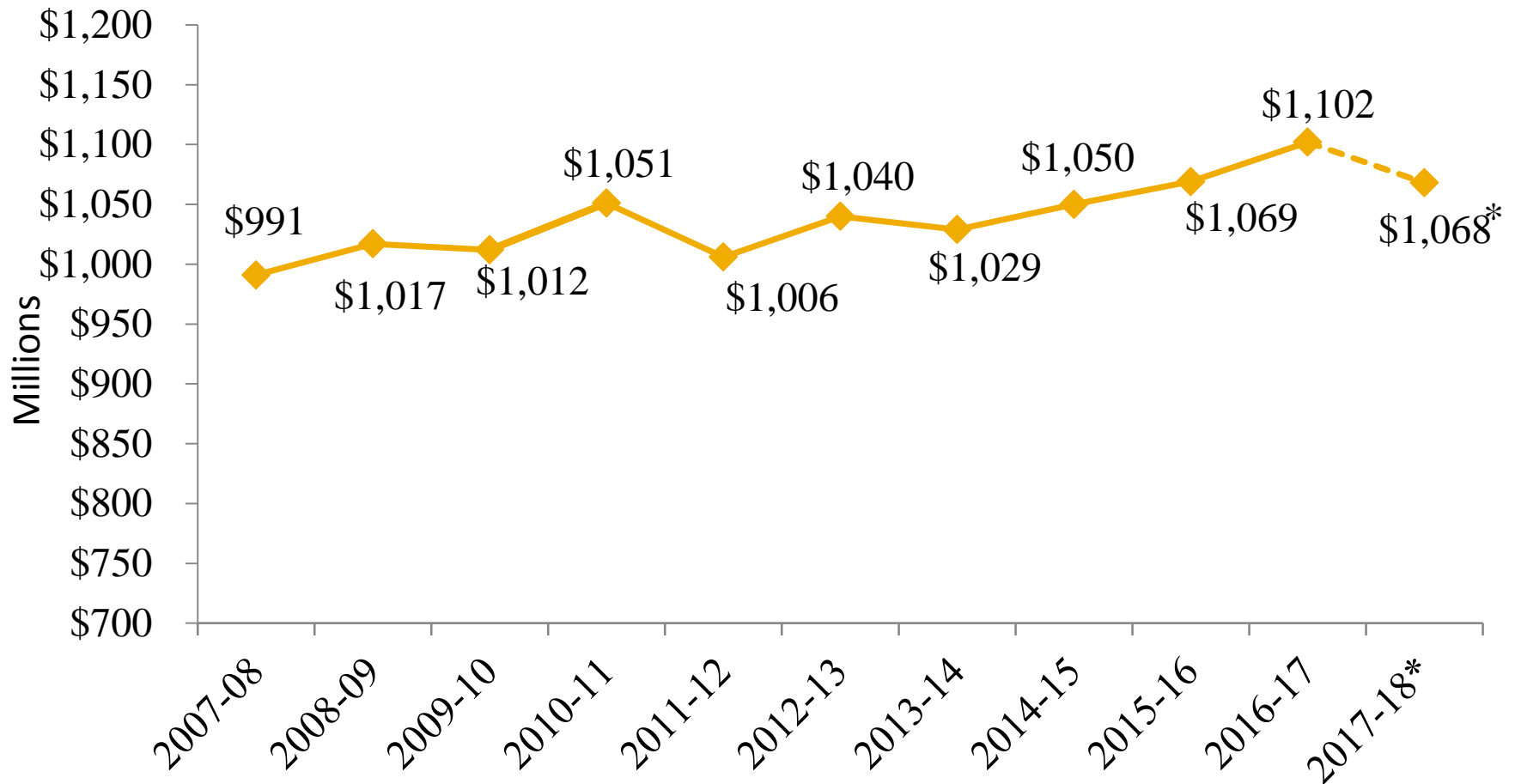
Tuition: SREB States FY 2016-17

Resident Tuition & Fees for Public 2-Year Colleges



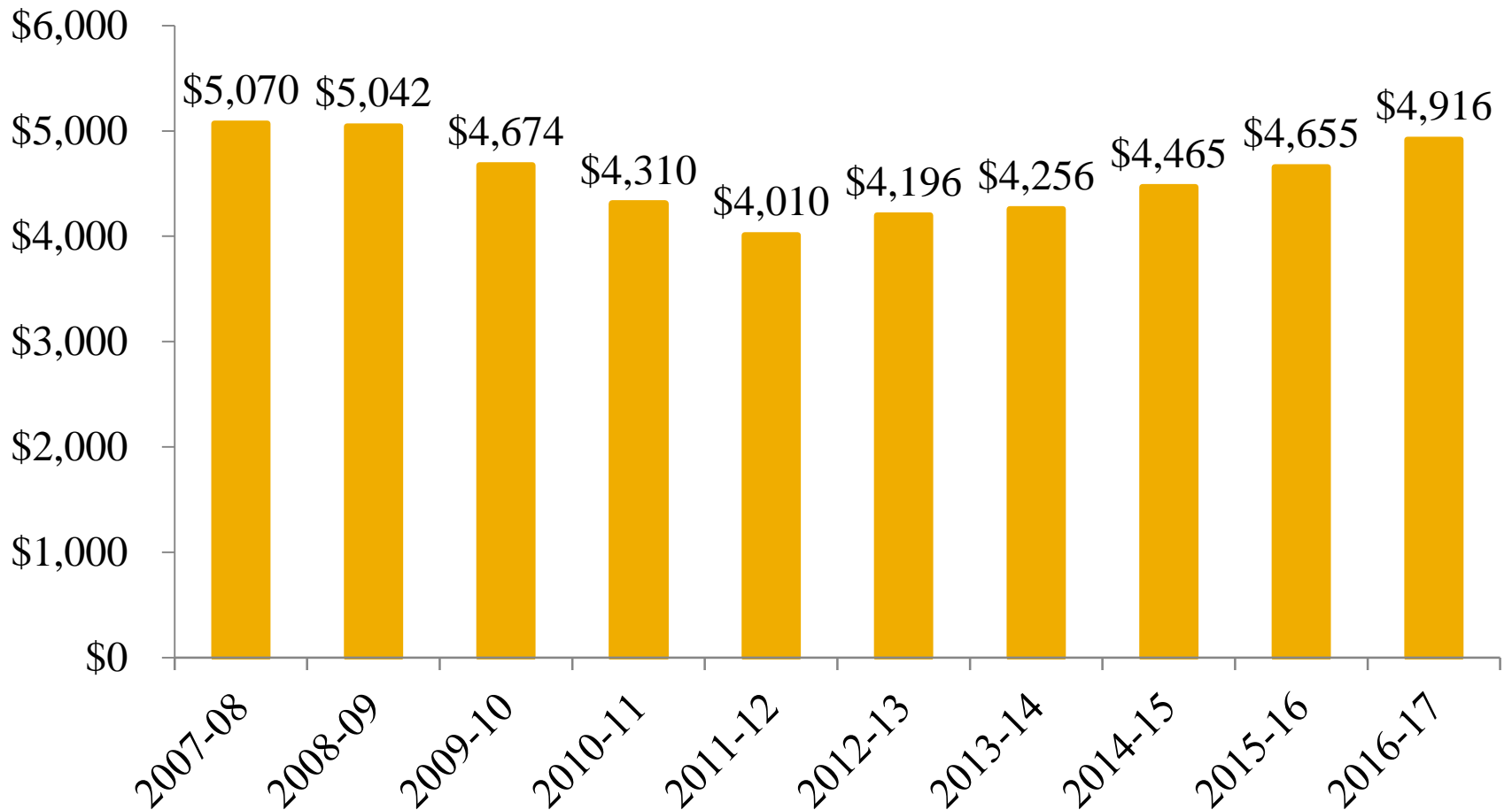
Source: The College Board, NC Community College System

NCCCS General Fund Appropriations



Sources: NCAS Final Authorized Budgets FY 2008-2016, *FY 2016-17 Jan. Auth. Budget

General Fund Appropriations per BFTE



Sources: NCAS Final Authorized Budgets FY 2008-2016, *FY 2016-17 Jan. Auth. Budget, NCCCS System Office

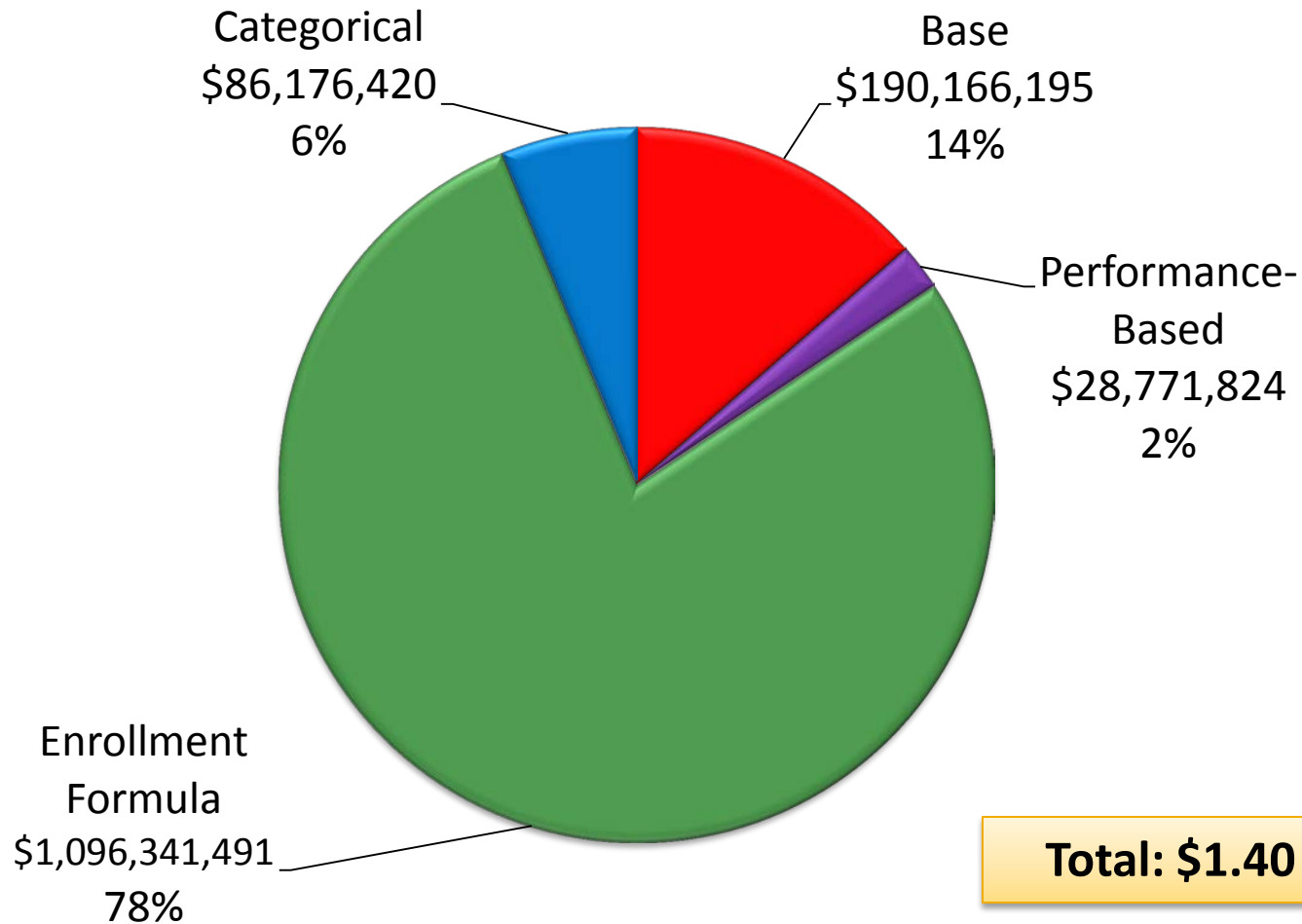
State Aid Allocation



State Aid Allocations

- Formula Budget:
 - Base allocation to provide a standard amount of support regardless of size
 - Enrollment allocation driven by tier classification of a college's Budget FTE
 - Performance-based allocation determined by student success on 6 performance measures and Basic Skills.
- Categorical Allocations
- Specific Program Categorical Allocations

Formula Allocation of Funds: FY 2016-17

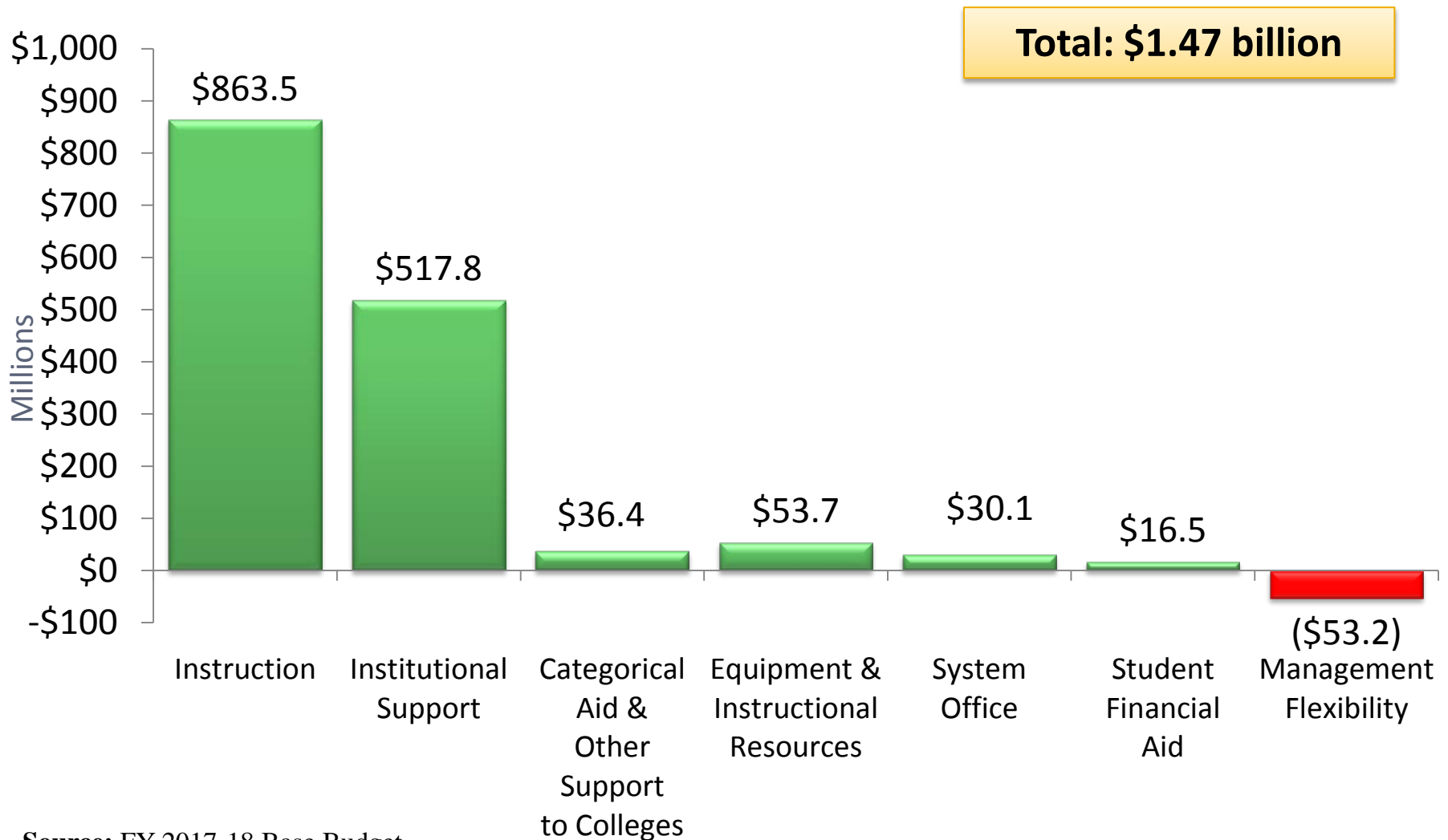


Source: FY 2016-17 NCCCS State Aid Allocations and Budget Policies

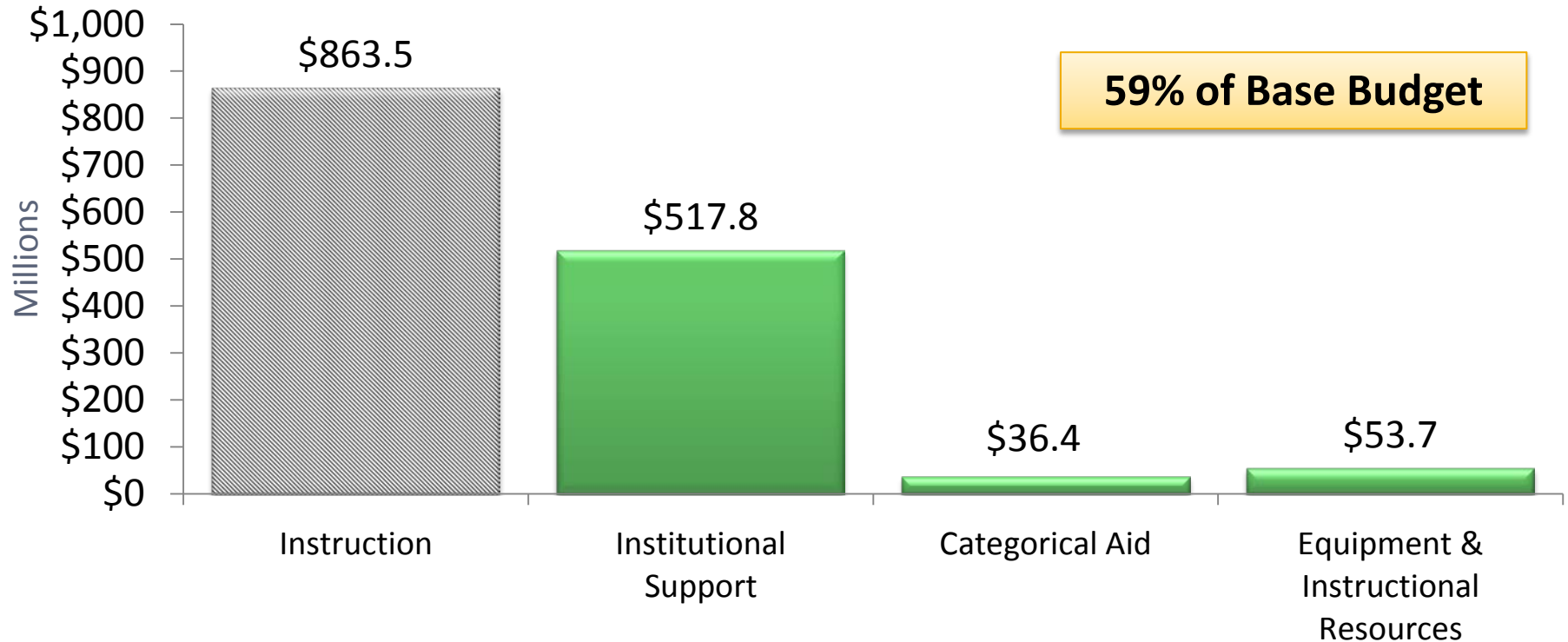
Funding Flexibility

- 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:
 - Literacy (Basic Skills) funds and Customized Training funds must be used for those specific purposes.

Allocation of Funds: FY 2017-18



Instruction



What it is:

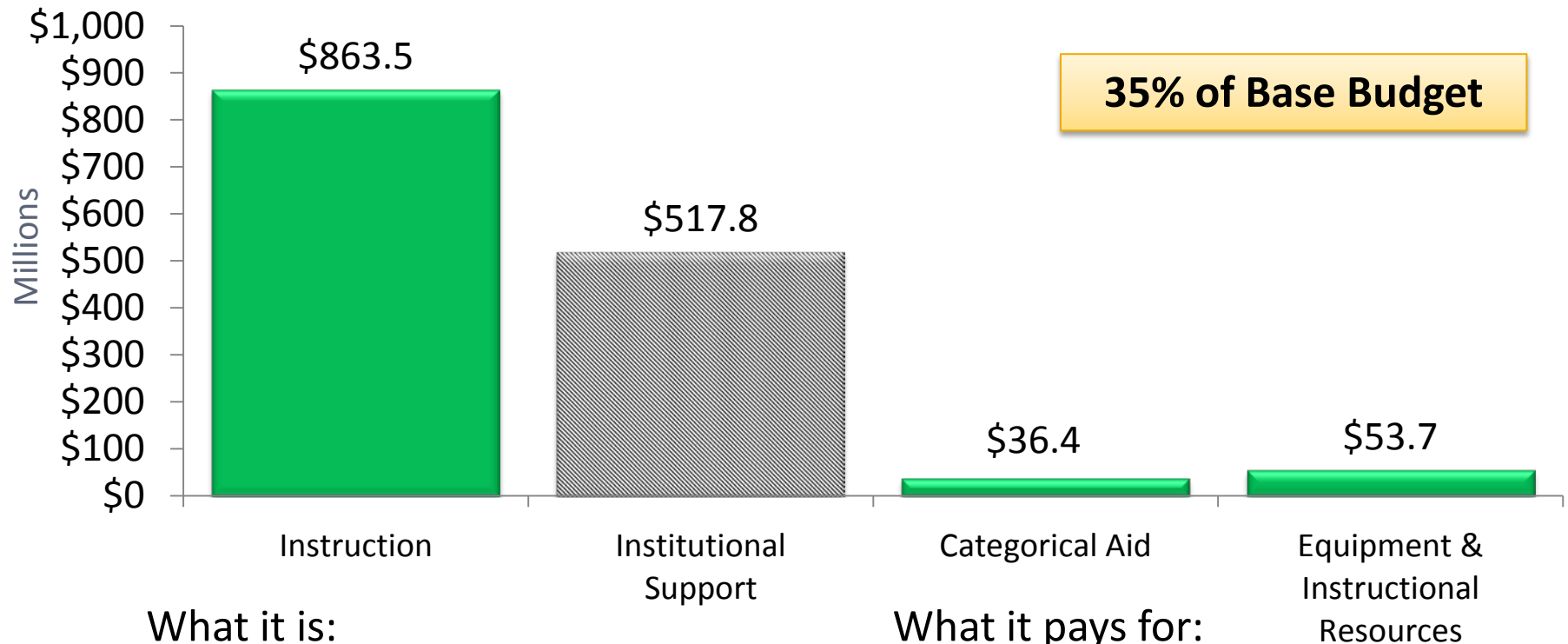
- Curriculum
- Continuing Education
- Basic Skills

What it pays for:

- Faculty Salaries
- Instructional Supplies

Source: FY 2017-18 Base Budget

Institutional & Academic Support



What it is:

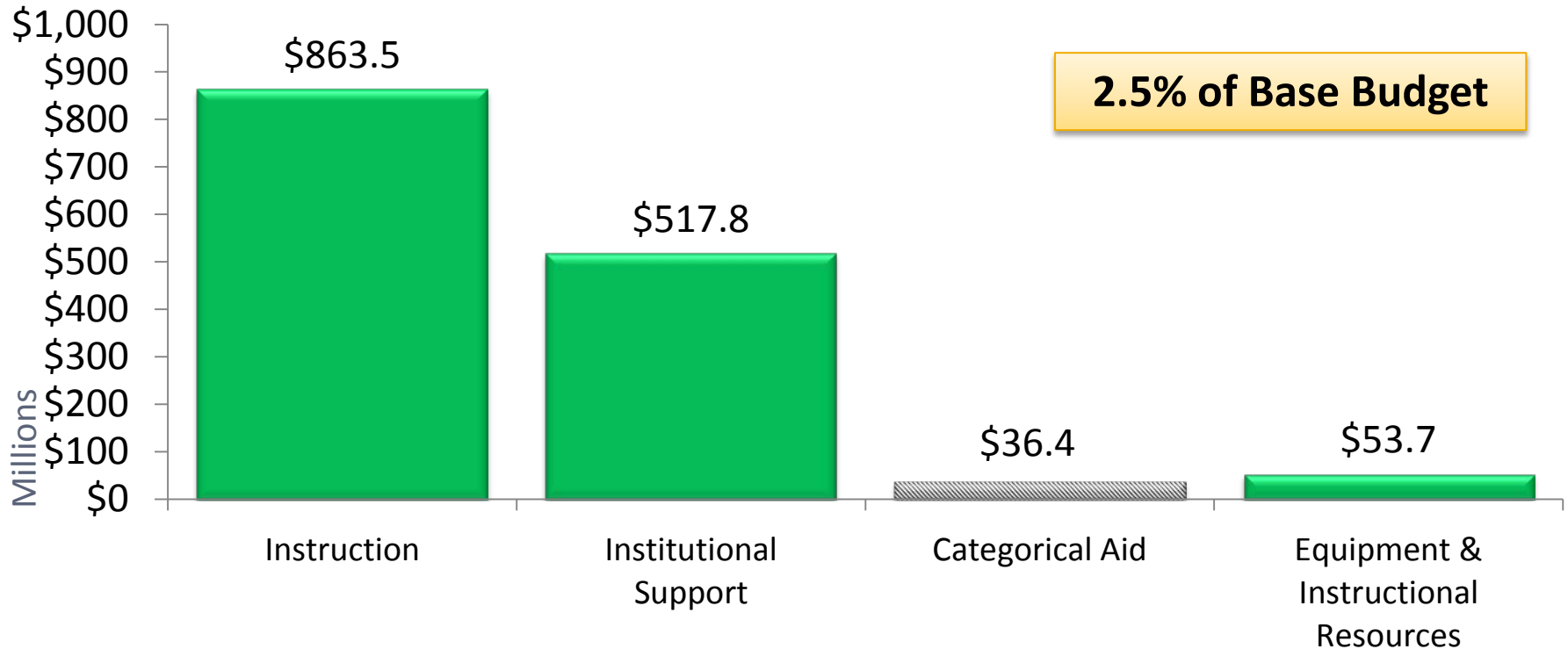
- Academic & Student Support
- General College Administration
- Multi-campus college (MCC) funding

What it pays for:

- President & Senior Administrators
- Guidance Counselors & Financial Aid Officers
- Librarians & IT Staff
- Paraprofessionals & Clerical Staff
- Salary & Benefit-related items

Source: FY 2017-18 Base Budget

Categorical Aid & Other Support



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

Source: FY 2017-18 Base Budget

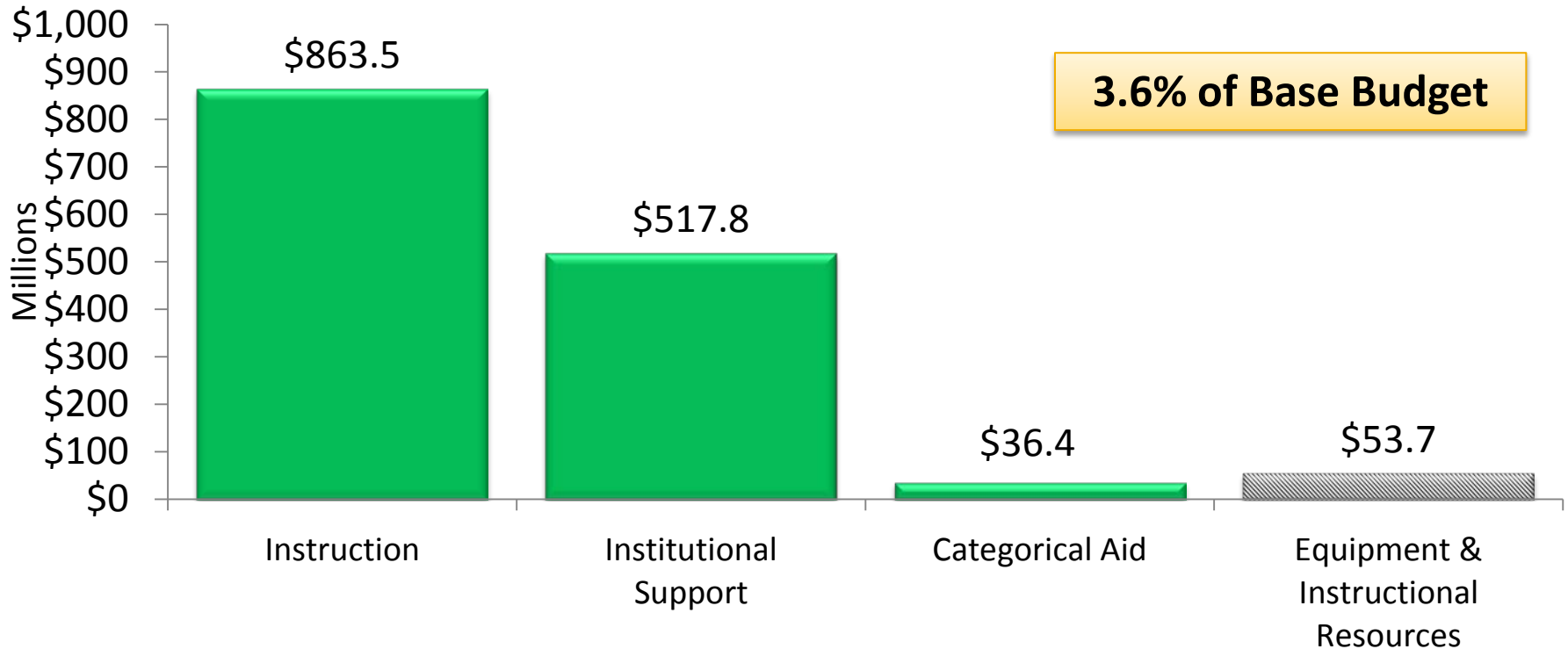
Categorical Aid & Other Support

- Examples of Programs in this Category:

– Customized Training:	\$12.5 million
– Small Business Centers:	\$6.3 million
– BioNetwork:	\$4.3 million
– NC Research Campus:	\$3.4 million
– Child Care Grants:	\$1.8 million
– NC Military Business Center:	\$1.1 million
– NC Works Career Coaches:	\$1 million
– Manufacturing Solutions Center:	\$887,159
– Center for Applied Textile Tech:	\$669,228

Source: FY 2017-18 Base Budget

Equipment & Instructional Resources



What it is:

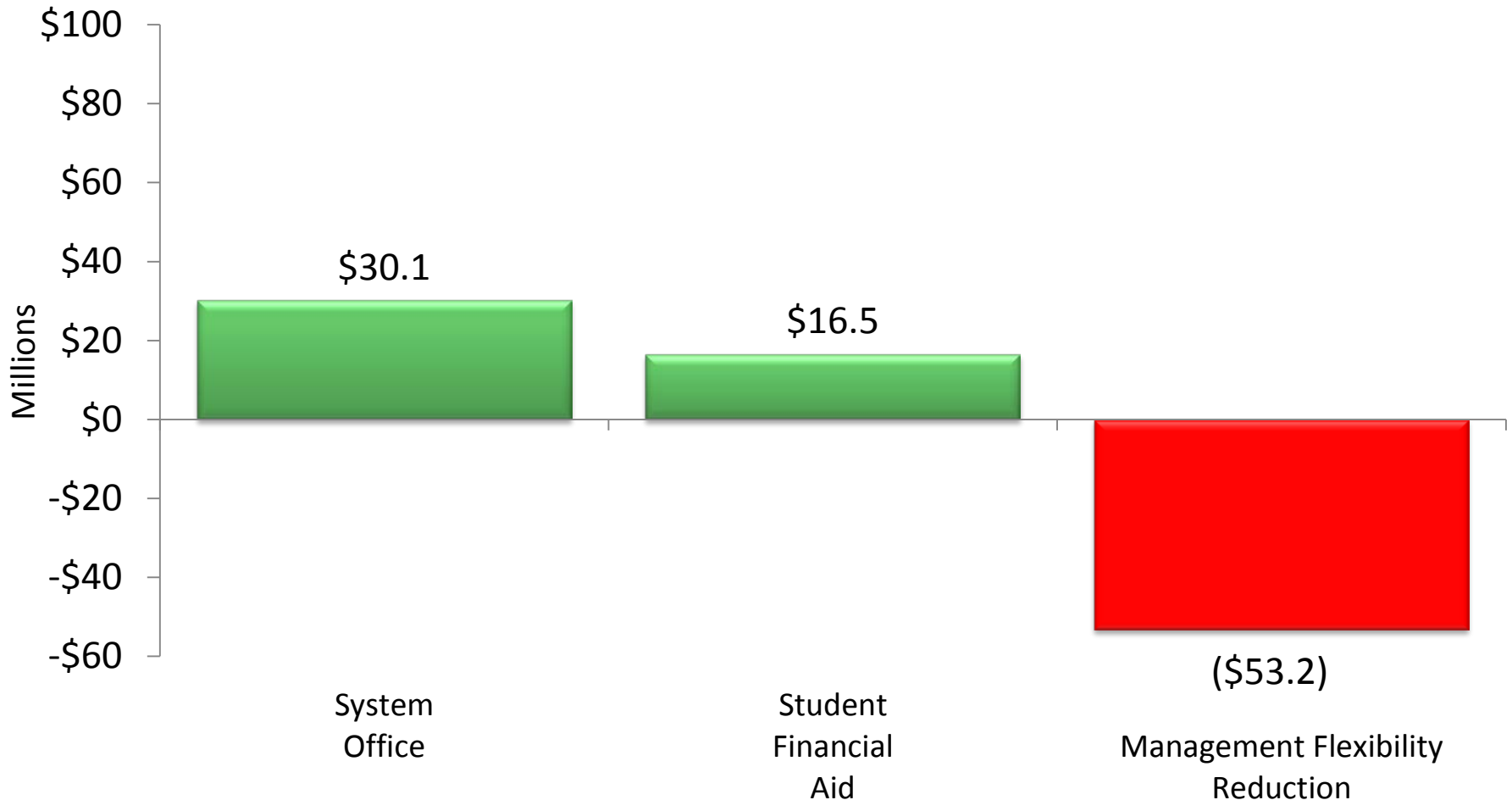
- Equipment
- Instructional Resources

What it pays for:

- Computers
- Instructional equipment
- Books and other library resources

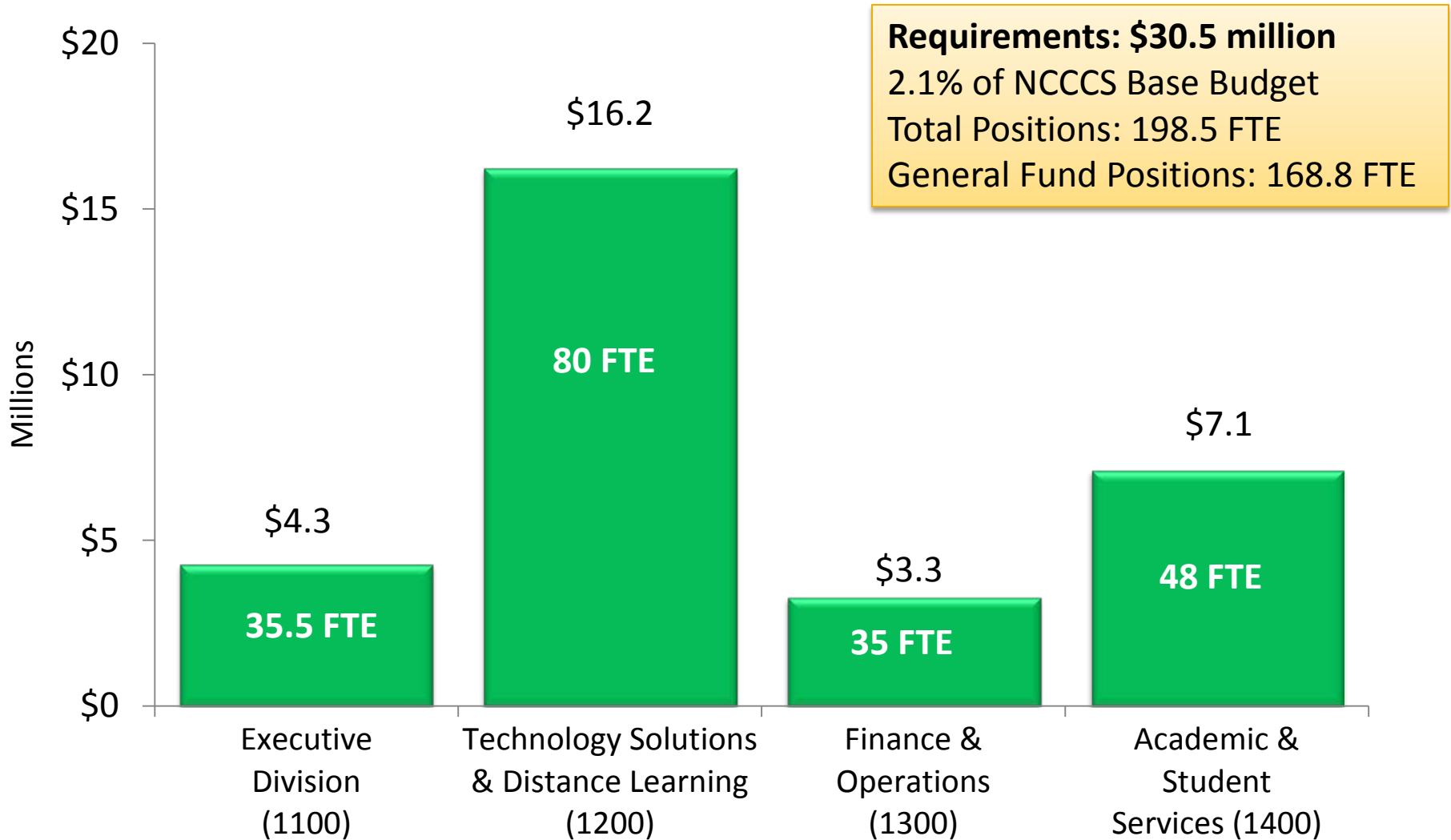
Source: FY 2017-18 Base Budget

Allocation of Funds: FY 2017-18



Source: FY 2017-18 Base Budget

Community Colleges System Office Budget

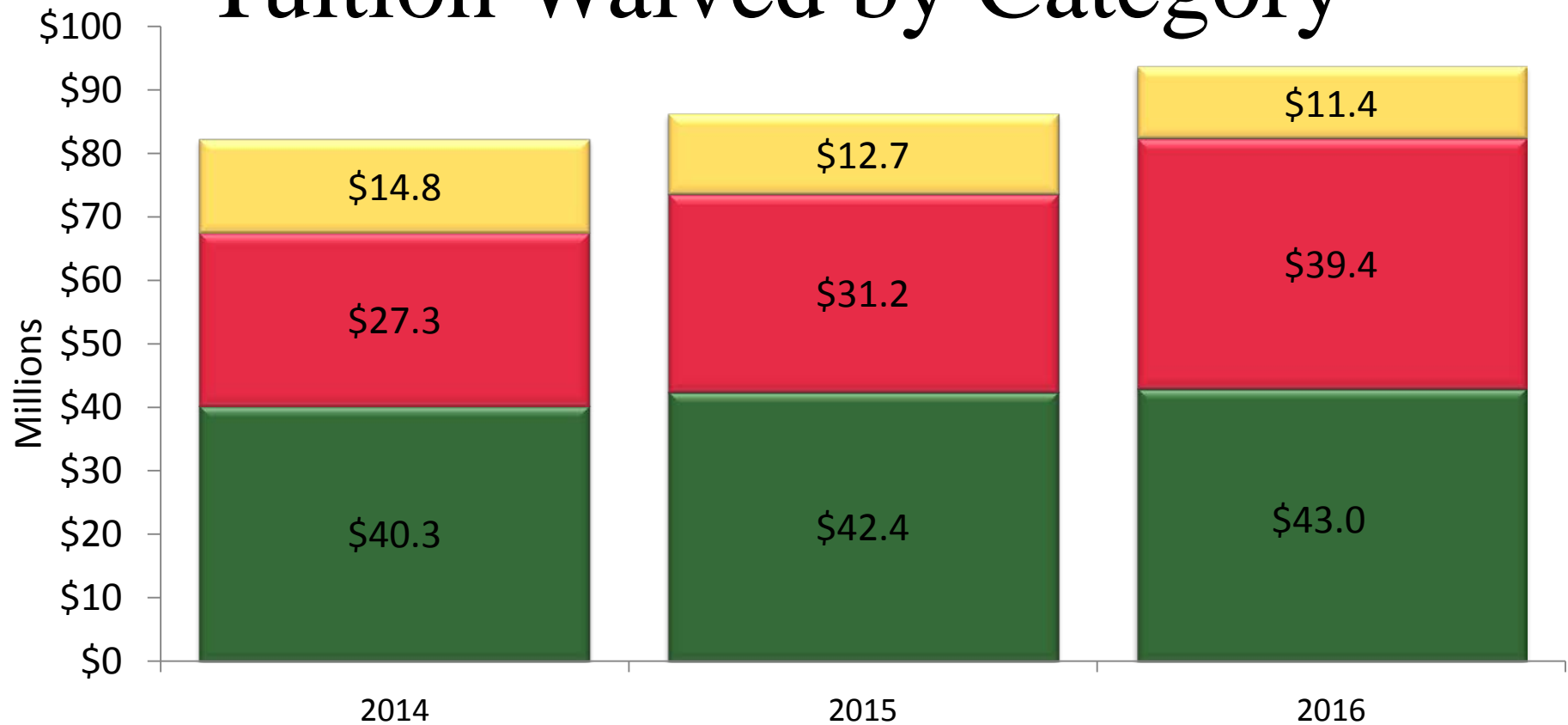


Source: FY 2017-18 Base Budget

Student Financial Aid

- NC Community College Grant
 - \$16.5 million from Escheats budgeted in NCCCS
- Education Lottery Scholarship
- Tuition Waivers
 - \$93.8 million in waived tuition in 2016
 - Waivers for particular instruction are authorized in statute

Tuition Waived by Category



■ Human Resources Development

■ High School Students (CCP)

■ Fire, EMS, Law Enforcement, Public Safety

Source: NC Community College System Office

Management Flexibility Reserve

FY 2017-18 Base Management Flexibility Reduction: \$53.2 million

- Management flexibility reduction is a budget cut that is not specifically prescribed.
- Colleges have the flexibility to determine which budget line items to cut, within certain parameters.
- Allocated on a pro-rata basis based on each colleges' estimated General Fund appropriation.

Recent Legislative Actions

- Weighted FTE Tier System
 - Instituted 2011, additional tier added 2014
- FTE rolling average reduced
 - From 3 years to 2 years in 2013
- Summer curriculum instruction counted for Budget FTE purposes
 - Partial 2014, extended to all curr. courses in 2015

Questions

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