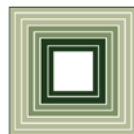


NC Community College System: Overview



Presentation to the Joint Appropriations Committee on Education
Lisa Fox, Fiscal Research Division
March 20, 2019



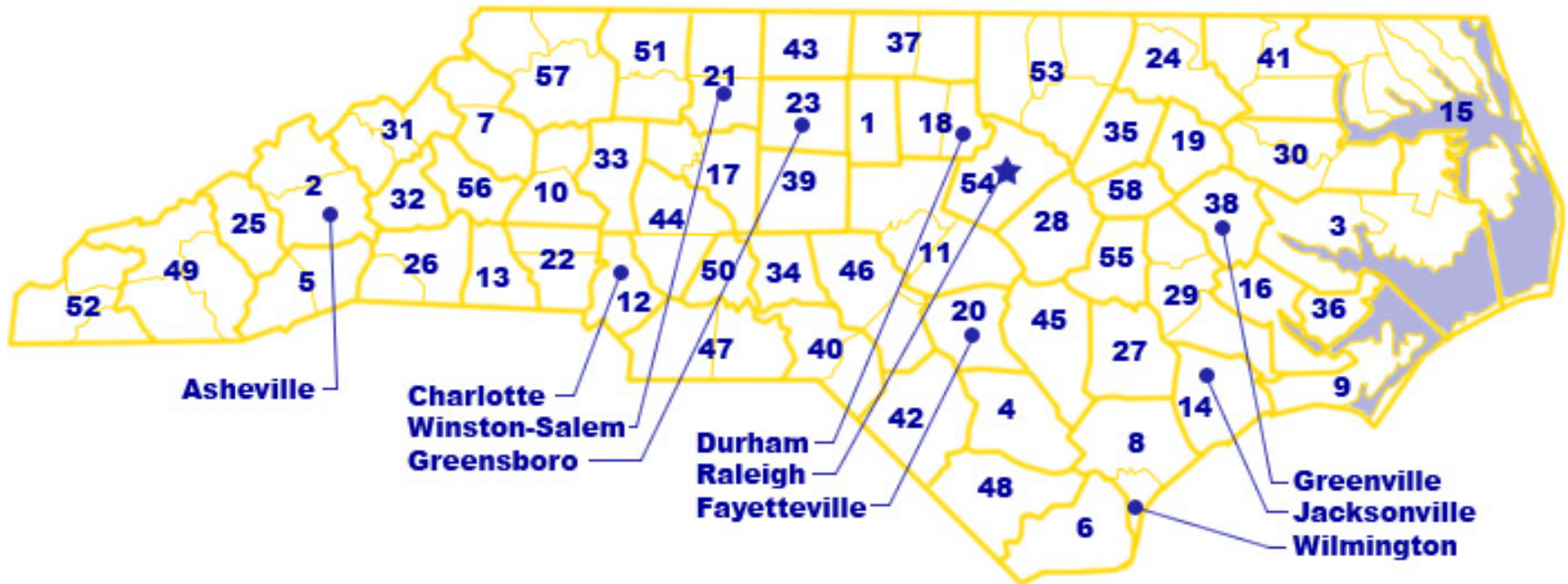
FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Presentation Agenda

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

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

Whom Do NC Community Colleges Serve?

- Approximately 700,000 students
- Open door enrollment
- Typically, enrollment increases during recessions and decreases during economic expansion

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

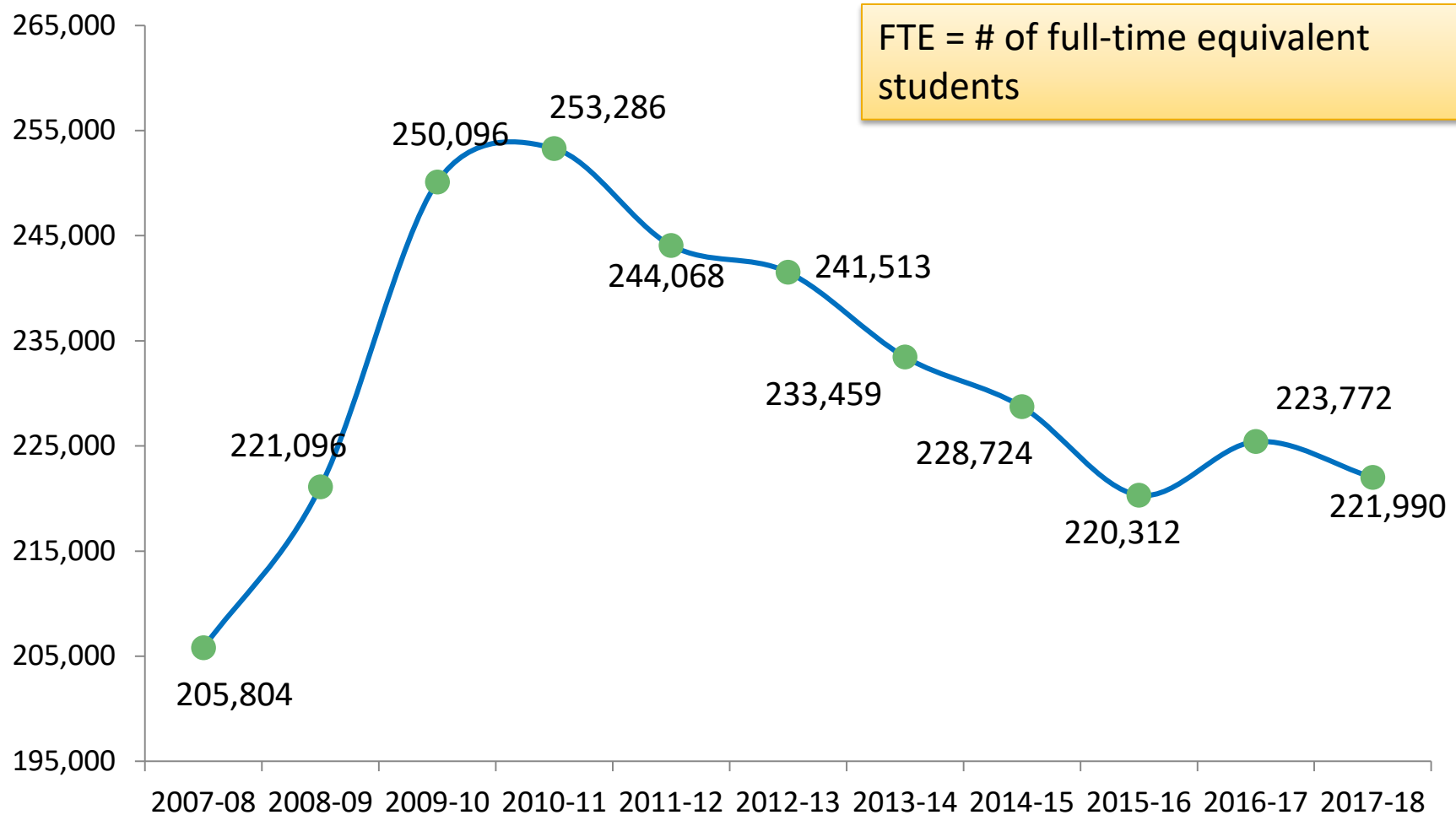
Includes Adult Basic Education, GED, Adult High School, English as a Second Language (ESL), and Compensatory Education.

Economic Development Programs

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

Enrollment Trends

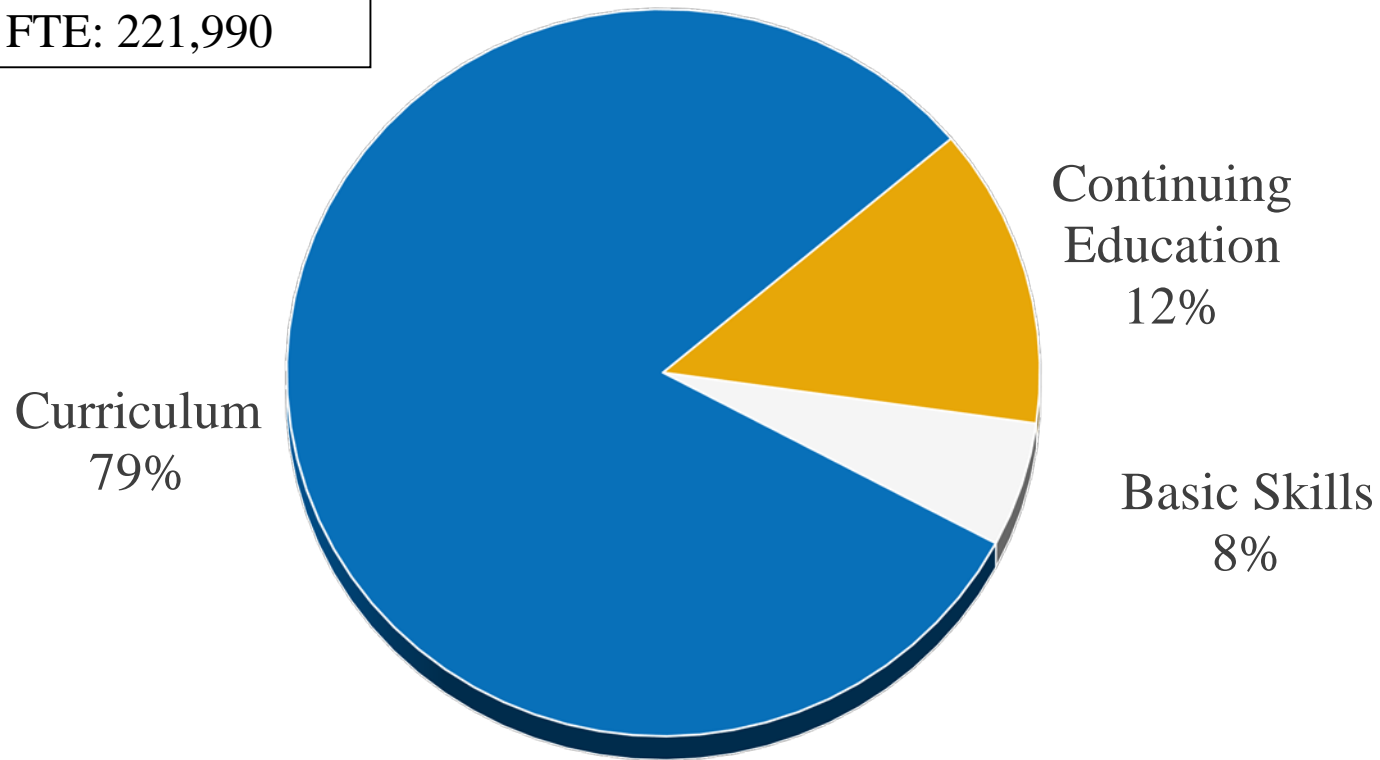
Actual FTE: FY 2007-2018



Source: NCCCS Statistical Reports for FY 2007-08 to FY 2017-18

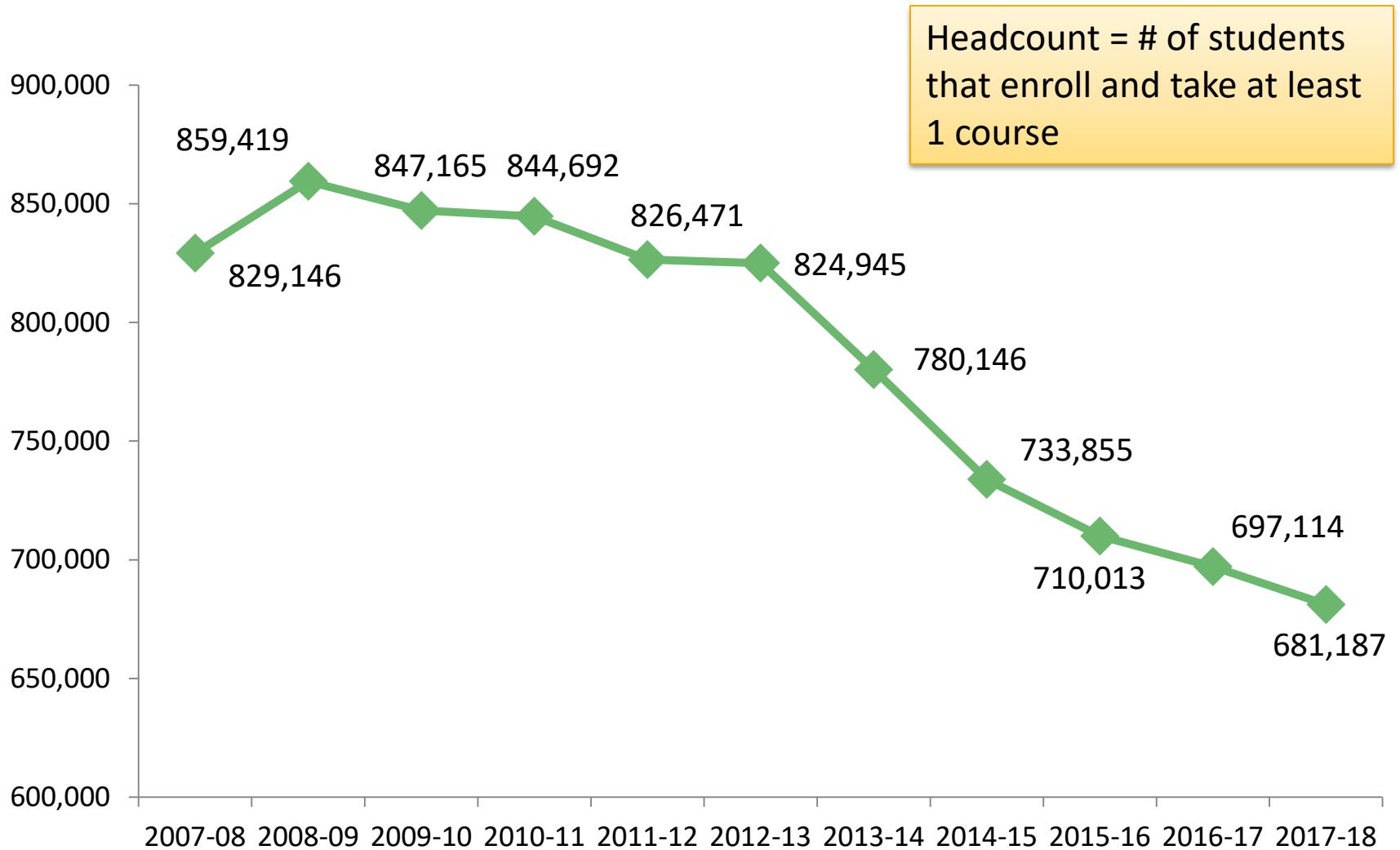
Actual FTE by Program Area FY 2017-18

Total FTE: 221,990



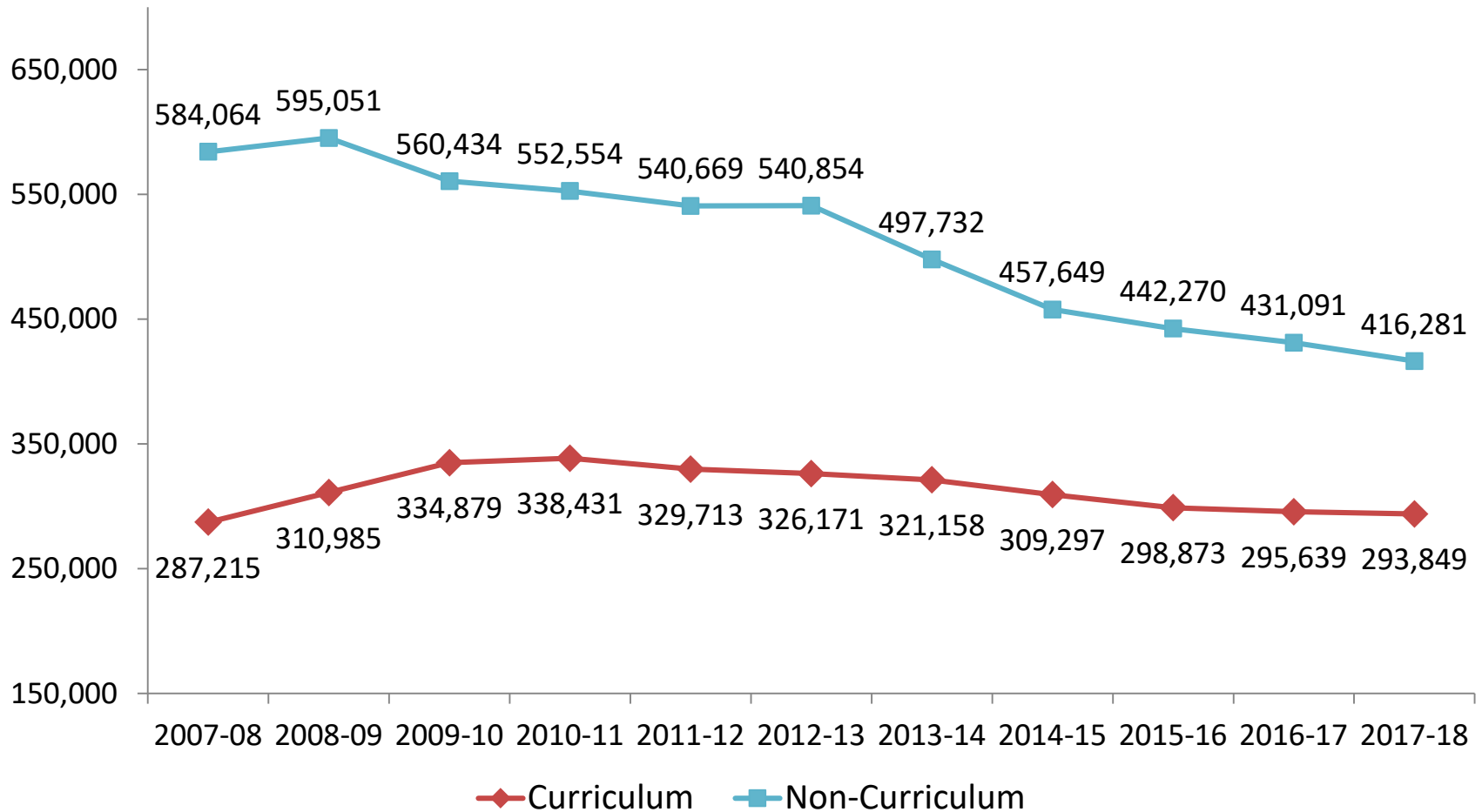
Source: NCCCS 2017-18 Statistical Report

Headcount: FY 2007-2018



Source: NCCCS Statistical Reports for FY 2007-08 to FY 2017-18

Curriculum and Non-Curriculum Headcount FY 2007-2018



Source: NCCCS Statistical Reports for FY 2007-08 to FY 2017-18

Funding

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.

How Are Community Colleges Funded?

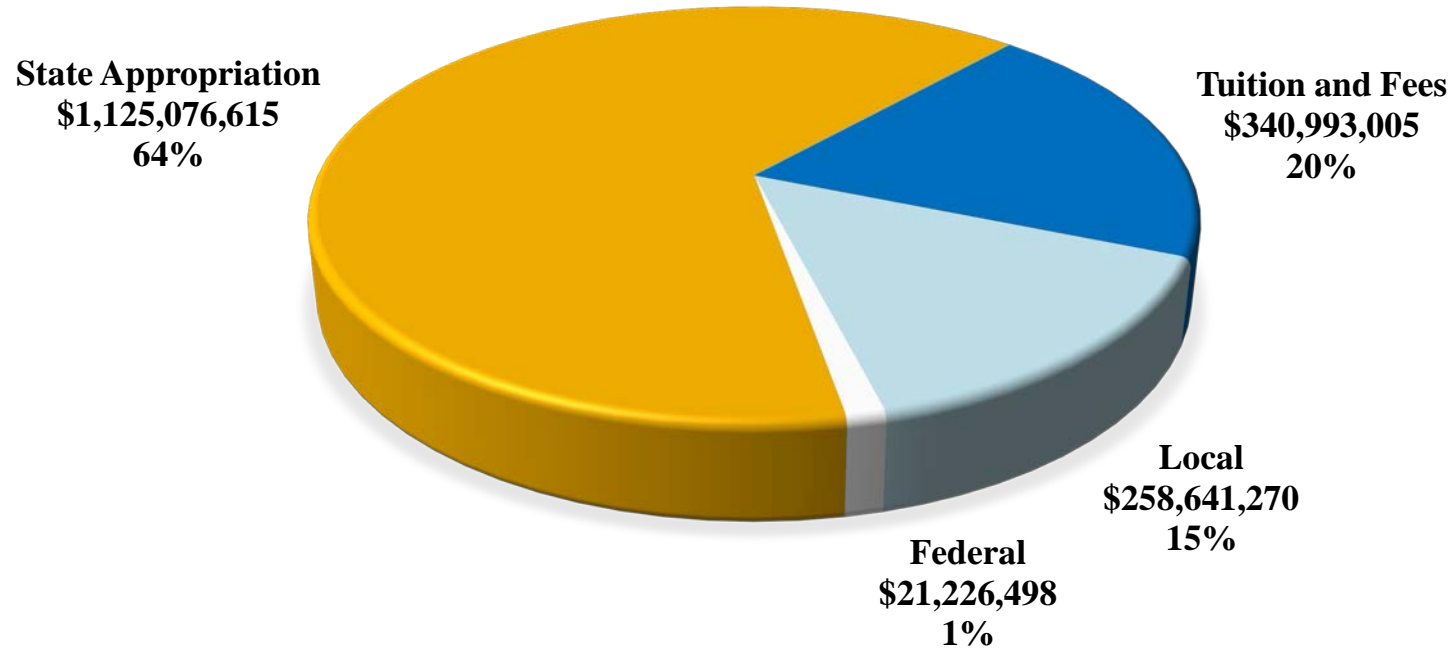
- Colleges are funded based on actual enrollment
 - “Full-Time Equivalent” (FTE)
 - The higher of: the previous year’s enrollment or the average of the two previous years
- Enrollment is distributed over a tiered system of funding
 - The tiers allow for differentiation in the costs of delivering different types of courses

Tier Funding per FTE, 2018-19

- Curriculum Tiers:
 - Tier 1A: \$4,583
 - Tier 1B: \$4,054
 - Tier 2: \$3,525
- Occupational Extension/Continuing Education:
 - Tier 1A \$3,838
 - Tier 1B: \$3,396
 - Tier 2: \$2,953
 - Tier 3: \$2,229
- Basic Skills: \$2,229

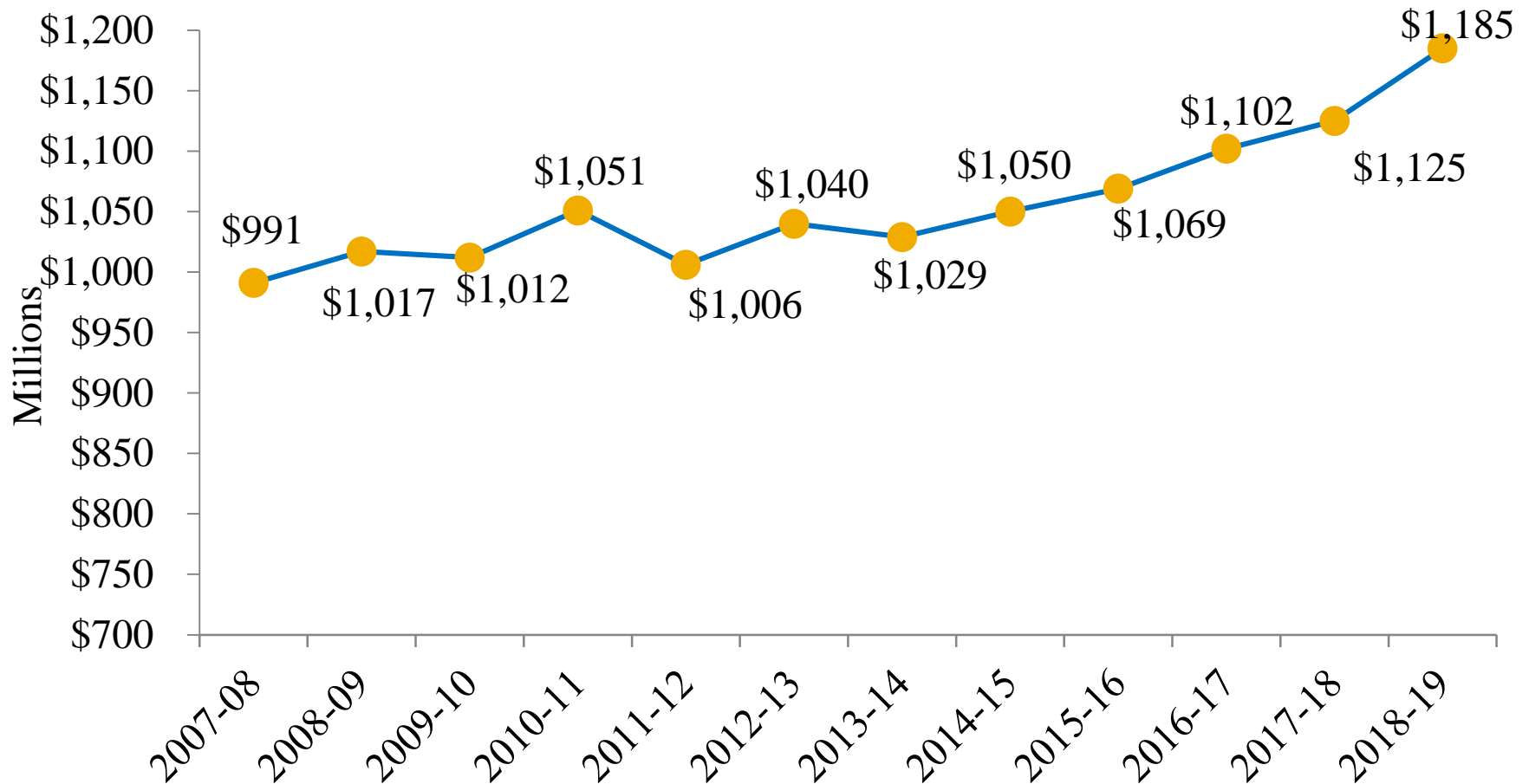
FY 2017-18 Sources of Operational Funding

Total: \$1.79 billion



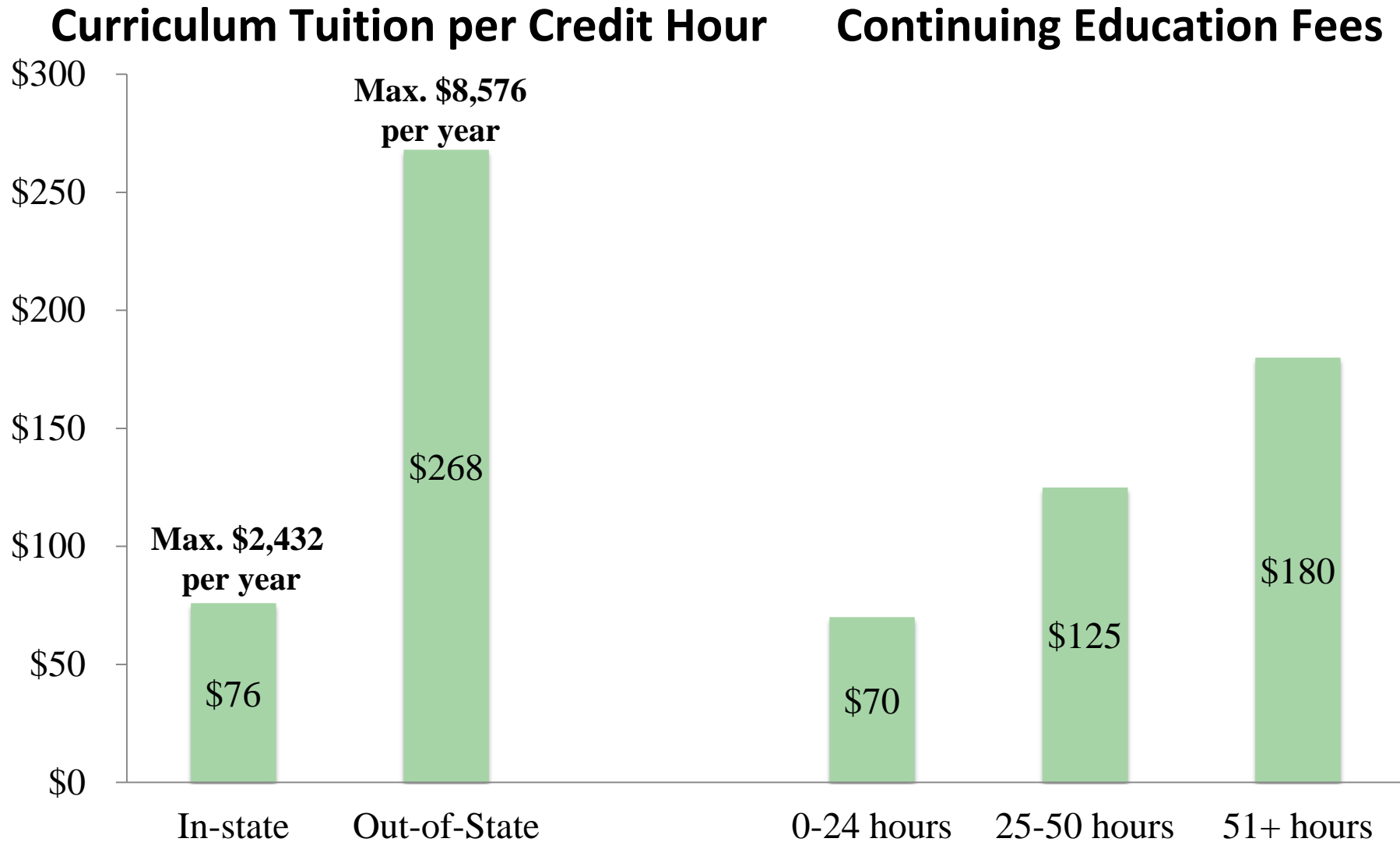
Sources: FY 2017-18 Authorized budget, NCCCS College Budget Summary (2-1)

NCCCS General Fund Appropriations

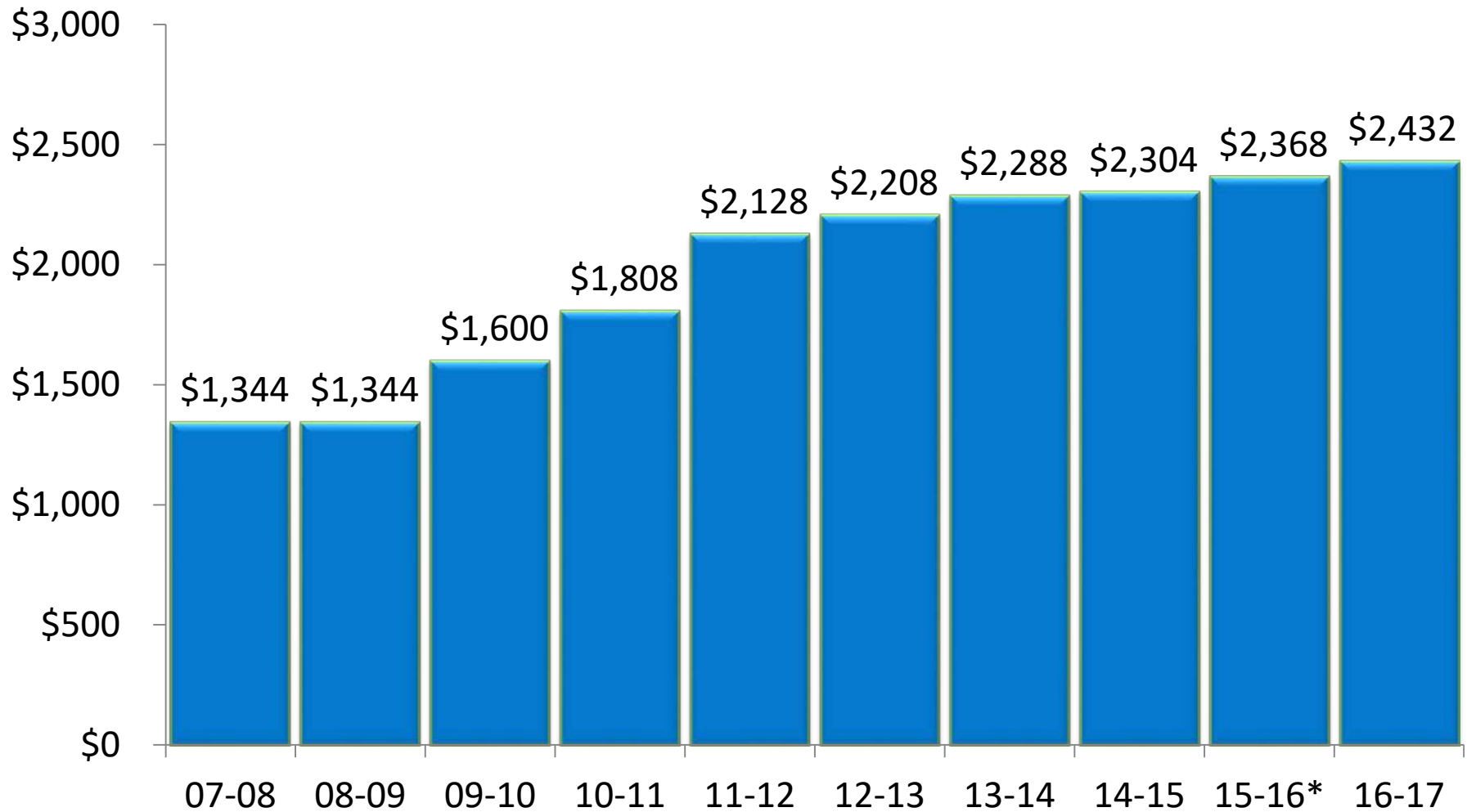


Sources: NCAS Final Authorized Budgets FY 2008-2018

Tuition: FY 2018-19



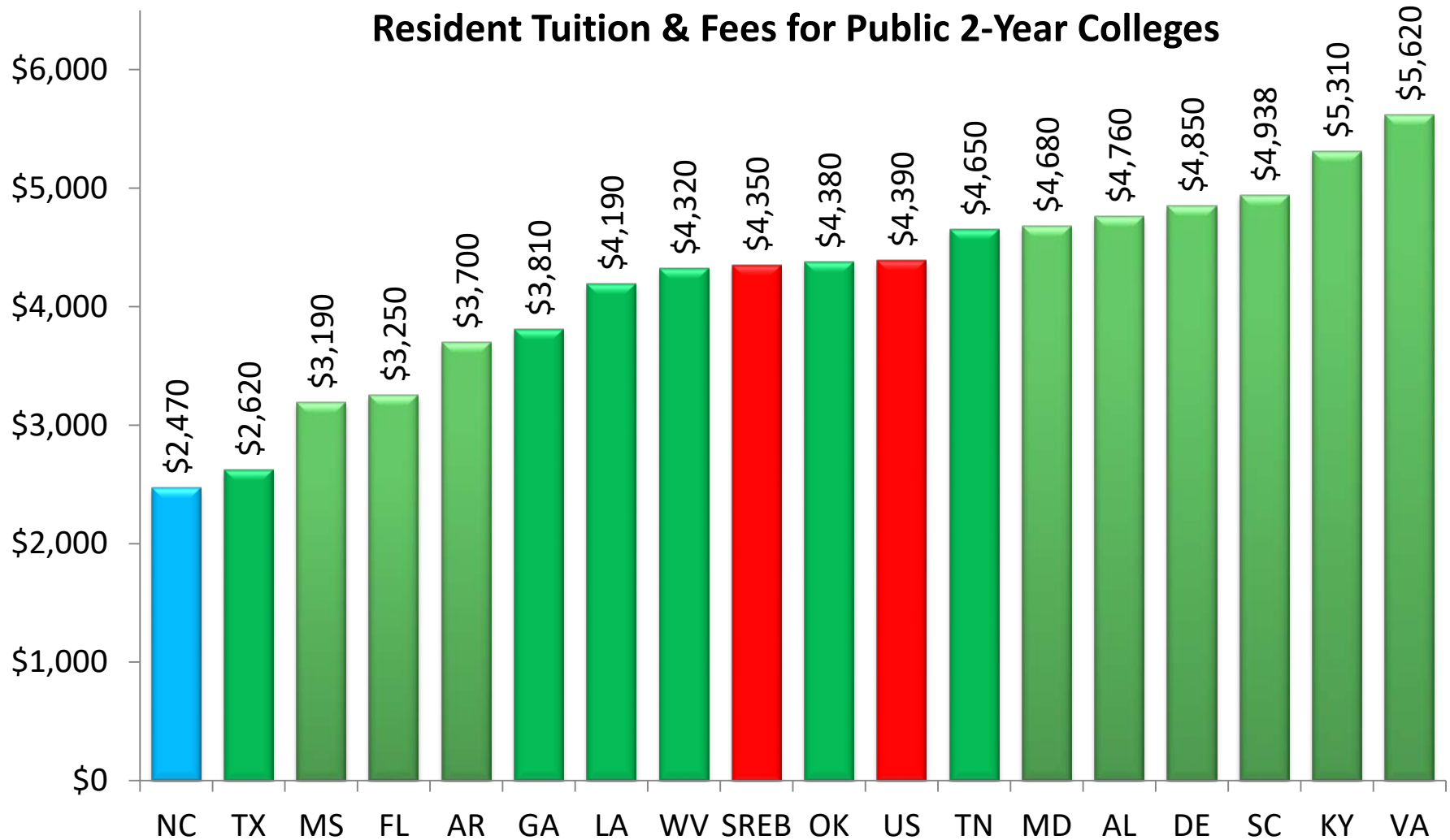
Tuition: Maximum Curriculum Tuition



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

State Aid Allocation



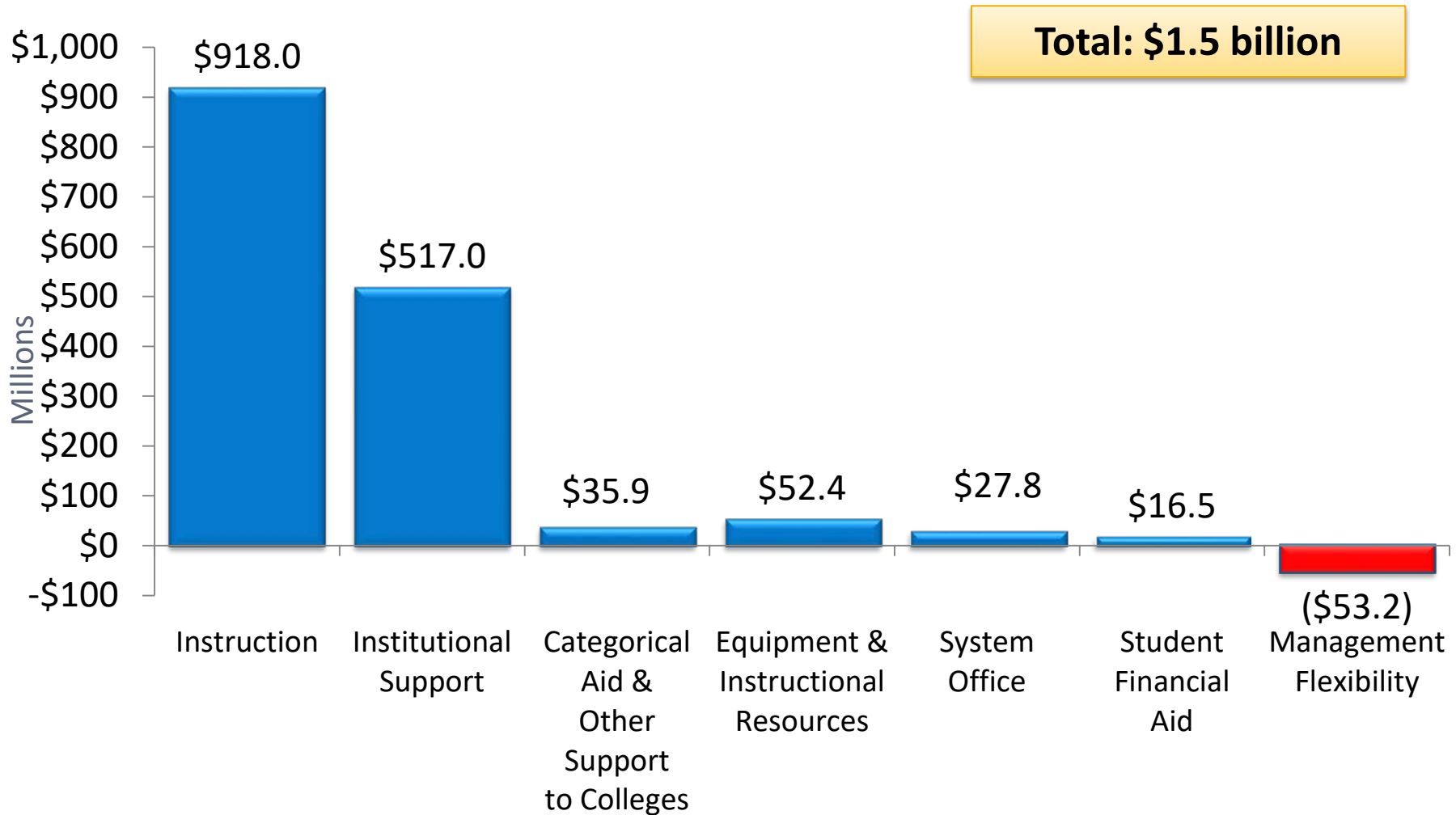
State Aid Allocations

- 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 Allocations

Funding Flexibility

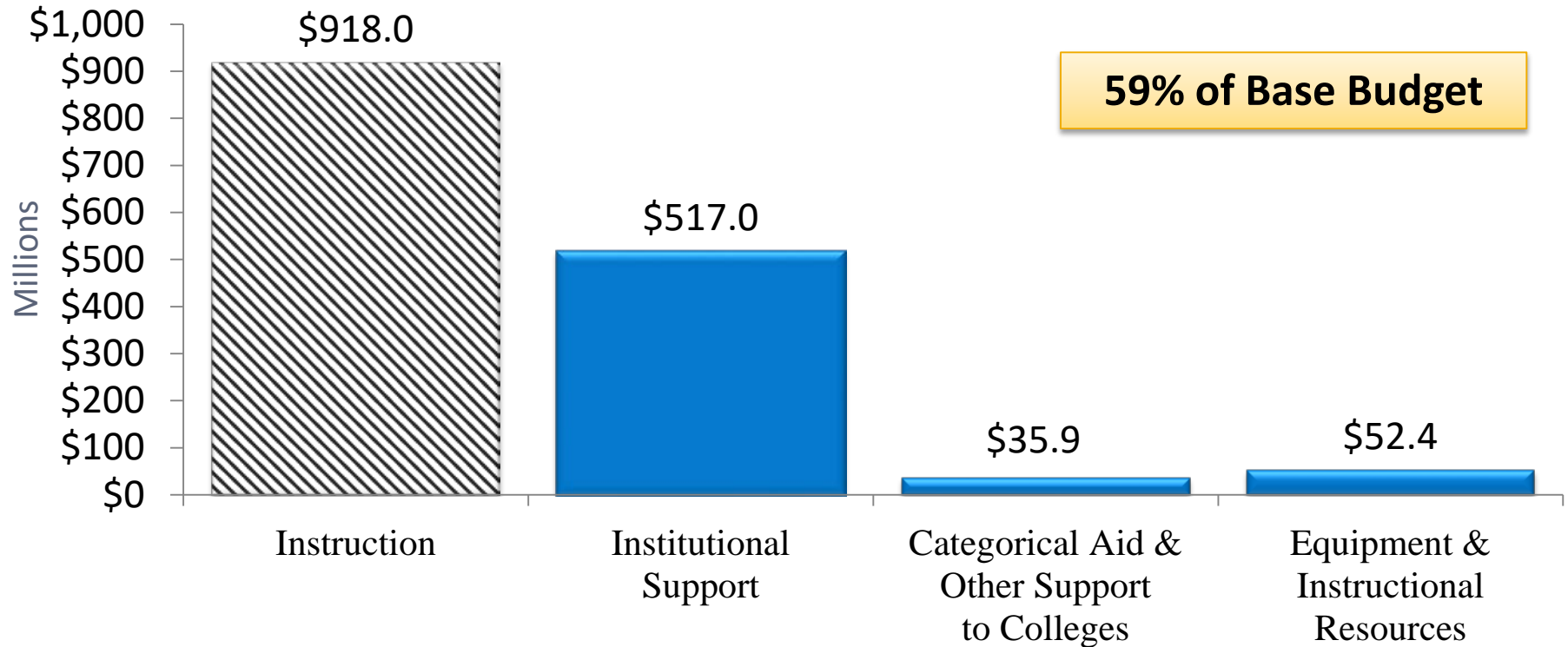
- The General Assembly has allowed colleges to have flexibility in order to meet individual college needs.
- Formulas are for allocation purposes only.
- Colleges can spend the formula allocations however they choose, except:
 - Literacy (Basic Skills) funds and Customized Training funds must be used for those specific purposes.

Base Budget Allocations: FY 2019-20



Source: FY 2018-19 NCCCS State Aid Allocations and Budget Policies; FY 19-20 Base Budget

Instruction



What it is:

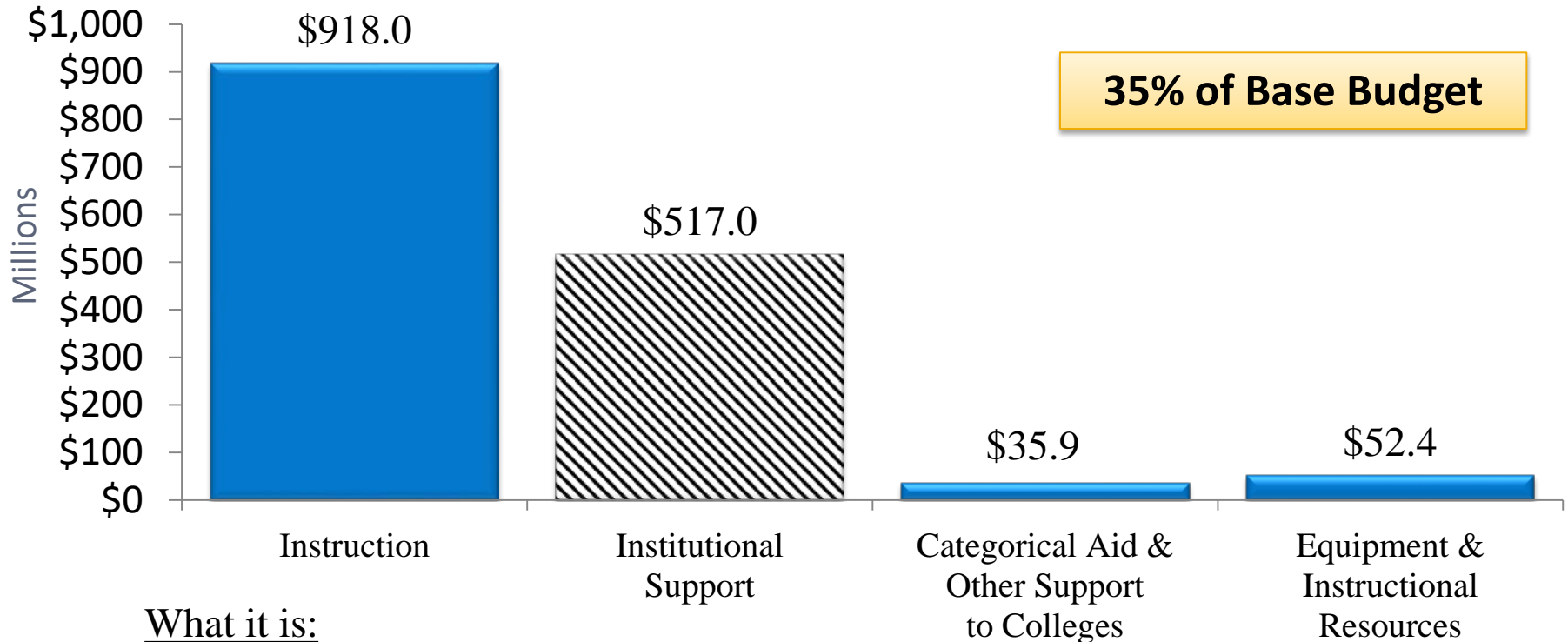
- Curriculum
- Continuing Education
- Basic Skills

What it pays for:

- Faculty Salaries
- Instructional Supplies

Source: FY 2019-20 Base Budget

Institutional & Academic Support



What it is:

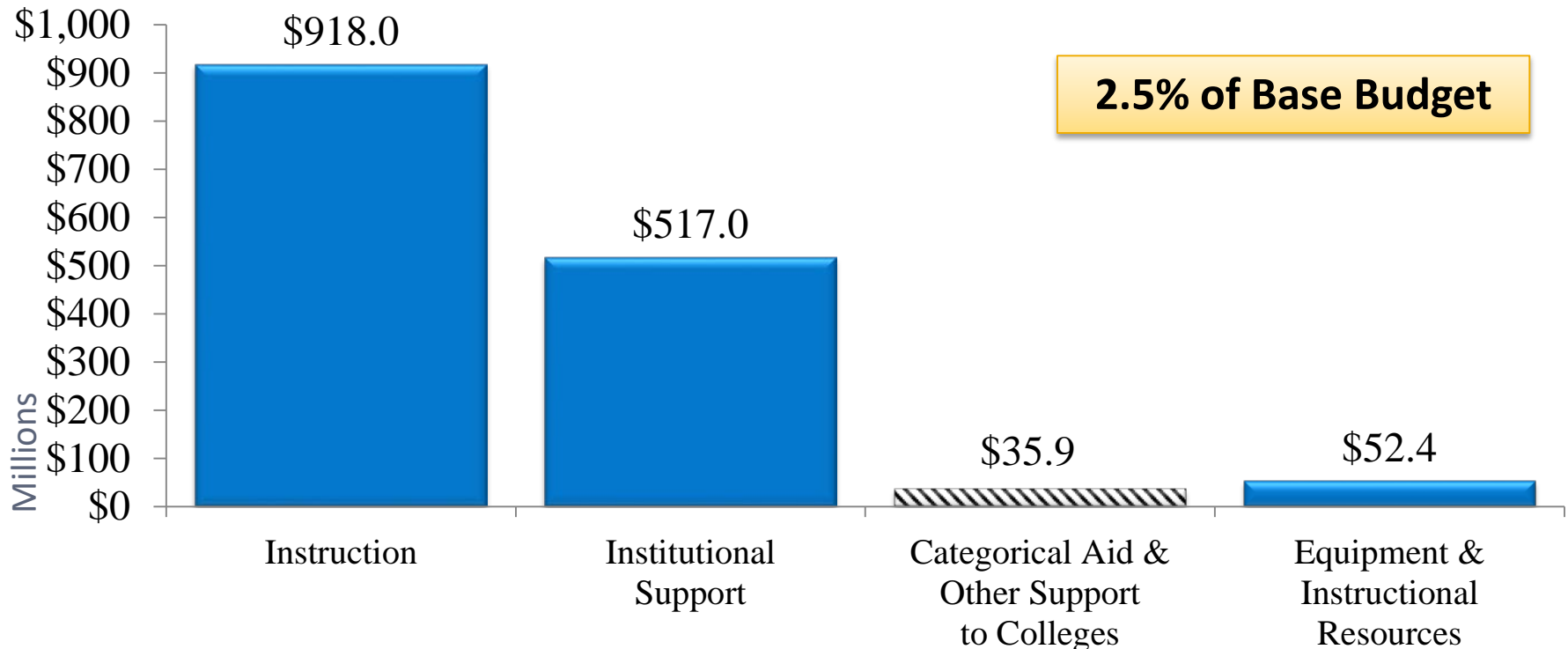
- Academic & Student Support
- General College Administration
- Multi-campus college (MCC) funding

What it pays for:

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

Source: FY 2019-20 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 2019-20 Base Budget

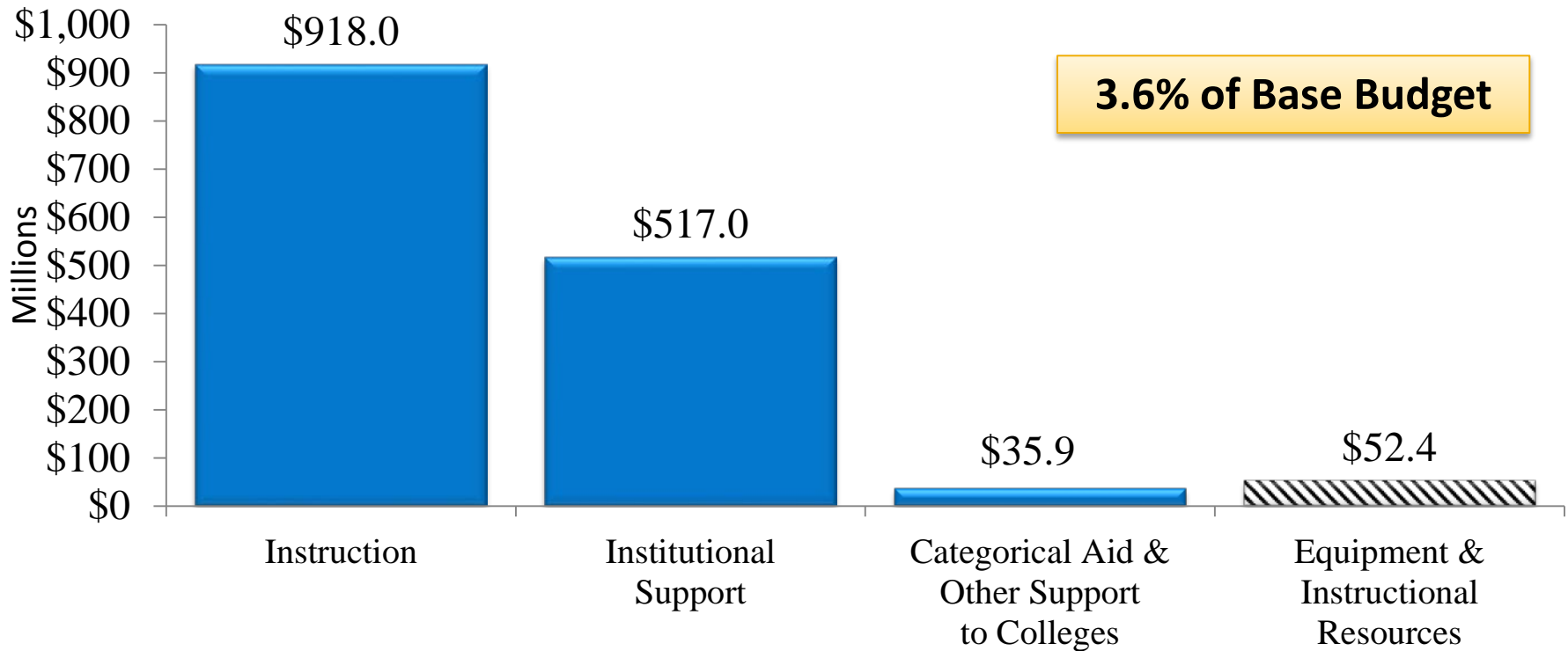
Categorical Aid & Other Support

- Examples of Programs in this Category:

– Customized Training:	\$12.5 million
– Small Business Centers:	\$6.5 million
– BioNetwork:	\$4.0 million
– NC Research Campus:	\$3.4 million
– Child Care Grants:	\$1.8 million
– NC Military Business Center:	\$1.1 million
– NC Works Career Coaches:	\$2.8 million
– Manufacturing Solutions Center:	\$887,159
– Center for Applied Textile Tech:	\$686,693

Source: FY 2019-20 Base Budget

Equipment & Instructional Resources



What it is:

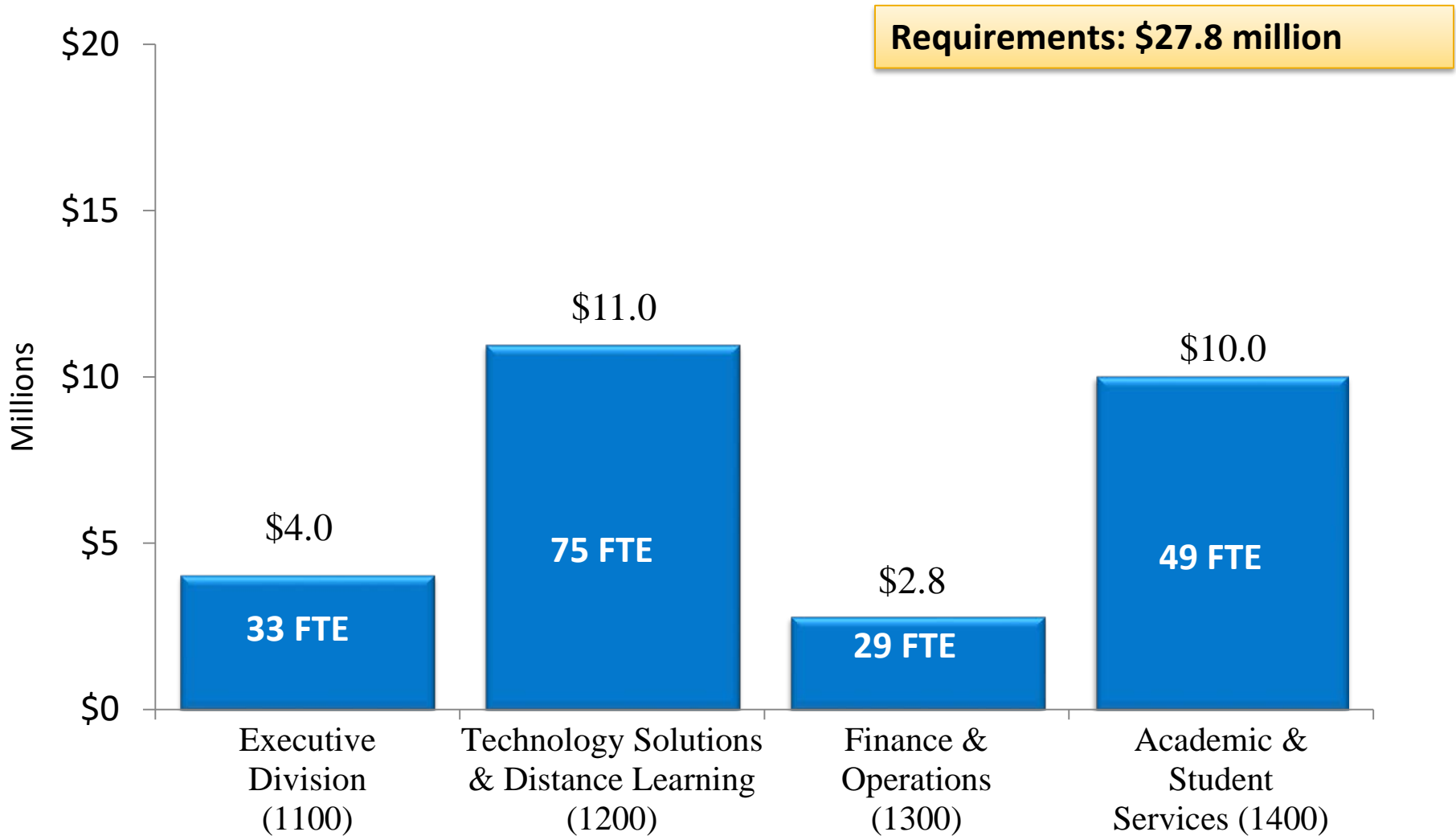
- Equipment
- Instructional Resources

What it pays for:

- Computers
- Instructional equipment
- Books and other library resources

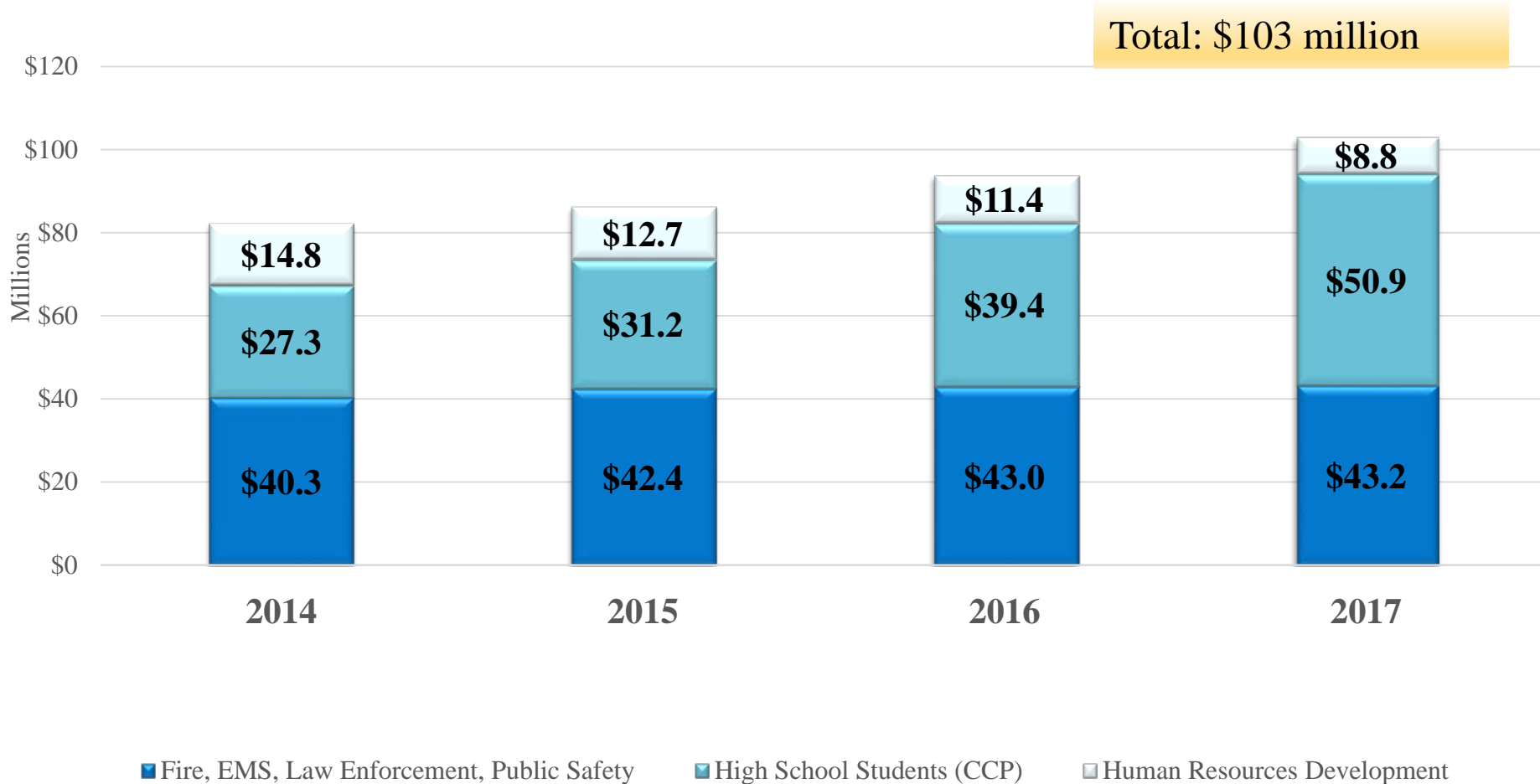
Source: FY 2019-20 Base Budget

Community Colleges System Office Budget



Source: FY 2019-20 Base Budget

Tuition Waivers by Category



Source: NCCCS System Office

Management Flexibility Reserve

FY 2019-20 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

- 2011/2014: Weighted FTE Tier System
- 2014-15: Summer curriculum instruction counted for Budget FTE purposes
- 2015-18: Career Coaches: \$2.8 million
- 2018: Equalize funding for workforce development courses, \$11 million NR

Questions?

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919-733-4910

