

STATE BOARD OF COMMUNITY COLLEGES
Allocation for High-Cost Workforce Start-Up Funds FY 2024-25
through FY 2025-26

Request: The State Board of Community Colleges is requested to approve an allocation of \$4,000,000 in High-Cost Workforce Start-Up funding to support new healthcare workforce programs offered at NC community colleges, including new programs offered in short-term workforce development/workforce continuing education (WCE) and curriculum (CU).

Strategic Plan Reference: Goal 4: Economic and Workforce Development
Provide education, training, and credentials to develop the most competitive workforce in the nation.
Strategies: 4.1.1 and 4.2.2

Background: In 2023, the General Assembly appropriated \$20,000,000 in non-recurring funds to assist NC community colleges in starting new programs in high-demand healthcare careers that require significant start-up funds. The funds were appropriated through Session Law 2023-134 Section 6.2 to support the start-up of health-related workforce programs offered at NC community colleges. Further, new programs can be provided in workforce continuing education (WCE) and curriculum (CU).

The General Assembly also appropriated an additional \$15,000,000 in non-recurring funds for community colleges to develop and expand courses that lead to a degree or credential in a healthcare-related field. These program offerings can also be offered in both WCE and CU.

Rationale: The State of North Carolina is committed to meeting the workforce needs of today and the future. Under this program, eligible colleges will receive start-up and/or expansion funding to support implementation of new programs and course offerings. This allocation program will build capacity for workforce training in high-demand healthcare occupations where unmet employer demand exists.

Method of Allocation: Per Session Law 2023-134 Section 6.2(c), a community college may only apply for funds to support one new program in CU or CE each fiscal year. The funds shall remain available to the community college for two fiscal years.

In accordance with Session Law 2023-134 Section 6.2(d), colleges receiving start-up funds shall be required to match a percentage of the total cash cost of the program with non-State funds. The amount of the match is based on a college's total full-time equivalent (FTE) according to the following:

(1) Community colleges with a total FTE of greater than 6,500 shall be required to match fifteen percent (15%) of the cost.

(2) Community colleges with a total FTE between 2,500 and 6,500 shall be required to match ten percent (10%) of the cost.

(3) Community colleges with a total FTE below 2,500 are not required to provide matching funds.

A Request for Proposals (RFP) for High-Cost Workforce funding was released in March 2024. A team from the System Office reviewed applications received and scored them using the rubric in the RFP grant instructions packet. Bonus points were awarded for colleges proposing regional collaborations and/or projects involving rural colleges from Tier 1 counties. The review team comprised a representative group of System Office staff and a part-time project consultant hired in January 2024 with experience in NCCCS as a Chief Academic Officer and nursing educator. The team discussed funding recommendations for Round 4 based on the scores and those applications that best presented plans to start up programs within the project period.

Nine applications were received from nine separate colleges. All proposals excluding one were recommended for funding based on their clear demonstration of need, workforce demand, and readiness to implement. Technical assistance is being provided to the college whose application was not approved for future funding consideration. Table 1 outlines the funding recommendations for eight new start-up programs.

Table 1 –Start-Up Funds Allocation and Matching Requirement

College (3)	Program	Allocation	Matching %	Required Matching
Caldwell CCTI	Surgical Technology	\$500,000	10%	\$50,000
Catawba Valley CC	Radiographic Assistant	\$500,000	10%	\$50,000
Cleveland CC	Medical Lab Technology	\$500,000	10%	\$50,000
James Sprunt CC	Surgical Technology	\$500,000	N/A	
Pamlico CC	Massage Therapy	\$500,000	N/A	
Rowan-Cabarrus CC	Massage Therapy	\$500,000	15%	\$75,000
Wake TCC	Sonography, Cardiovascular	\$500,000	15%	\$75,000
Western Piedmont CC	Dental Hygiene	\$500,000	N/A	

Start-up Total Allocation: \$4,000,000

Impact Assessment & Legislative Report:

Per Session Law 2023-134 Section 6.2(f), a report is required to the Joint Legislative Education Oversight Committee by December 1st annually . The report is to include:

- a) the community colleges that received funds, the amount of funds, and the types of healthcare programs started.
- b) the uses of funds by community colleges receiving awards, including costs associated with student instruction, faculty salaries, instructional supplies, related instructional equipment, and accreditation costs, and
- c) an evaluation of the success of the new community college healthcare programs receiving funds, including enrollment, persistence rates, completion, credential attainment, and program sustainability as these become available; employment and labor market outcomes; and how the program meets local, regional, and statewide workforce demands.

Fund Source and Availability: Funding is available through the ARPA Temporary Savings Fund as authorized by Session Law 2023-134, Section 6.2.

Allocation Period: July 1, 2024-June 30, 2026

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