

STATE BOARD OF COMMUNITY COLLEGES
Legislative Update

Executive Summary: The General Assembly passed its compromised Recommended Conference State Budget for FY2026-27 Conference State Budget [bill](#) and [money report](#) ([Senate Bill 257](#)) on July 2, 2026. The conference budget was signed by the Governor on July 7, 2026.

The conference budget makes significant investments in our Community College System, including PropelNC and our System's approved 2026-27 Legislative Agenda. These investments show strong support for our System, and System-wide advocacy efforts over the recent years.

Below is a summary of the key investments made in our North Carolina Community College System.

<i>Item</i>	<i>Request</i>	<i>Funding Received</i>	
System Approved 2026-27 Legislative Agenda			
PropelNC			
Workforce Sector Funding Formula Modernization	\$68.5M (R)	\$57.5M (R)	√
Base Funding Modernization	\$24.4M (R)	-	
Enrollment Growth Increase Reserve	\$6M (NR)	\$6M (NR)	√
Enrollment Growth Increase	\$99M (R)	\$99M (R)	√
Community College Multi-Campus Funding	\$2M (R)	\$2M (R)	√
Salary Increases	Align with State Employees	3% (R) + Bonuses (NR)	√
ApprenticeshipNC	\$3.1M (R)	\$3.1M (R)	√
Other System Notable Investments			
IDD Workforce Training Expansion		\$3.85M (R)	
High-Cost Workforce Program Start-Up		\$6M (NR)	
ERP		\$25M (NR)	
Customer Relationship Management (CRM) System		\$10M (NR)	
Digital Credential Program		\$5M (NR)	
Community College Short-Term Workforce Program		\$1M (NR)	
Community College System President		\$250,000 (R)	

Budget Tracking Sheet: Attached is the budget tracking sheet documenting the original request from the NC Community College System and Conference Budget.

Contact:

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**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
BUDGET TRACKING SHEET: FY 2026-27**

Attachment FC 19

1		Budget Priorities		Conference	
		2026-27		2026-27	
2	2026-27 Base Budget	1,670,600,008		1,670,600,008	
3	Enrollment Adjustment*	73,748,797	R	73,748,797	R
	Expansion				
4	Propel NC				
5	Workforce Sectors	68,583,610	R	57,500,000	R
6	Base Allotment Modernization	24,435,946	R		
7	Enrollment Increase Reserve	6,000,000	R	6,000,000	NR
8	Excess Tuition Receipts	No cost		No Cost	
9	Other Priorities				
10	Apprenticeship NC	3,174,516	R	3,174,516	R
12	IDD Workforce Training Expansion			3,850,000	R
13	Wilson Community College Biologics Center			12,000,000	NR
14	High-Cost Workforce Programs			6,000,000	NR
15	Center for Applied Textile Technology			5,000,000	R
16	Digital Credential Program			5,000,000	NR
17	Central Piedmont Community College Public Safety Equipment			4,000,000	NR
18	Seamless Skills Initiative- Fayetteville Tech & Wilkes CC			3,750,000	NR
19	Workforce Diploma Program			2,250,000	NR
20	Lighthouse Math Project-Wake Tech			1,000,000	NR
21	Multi-Campus Centers			2,061,129	R
22	Short-Term Workforce Credentials Financial Assistance			1,000,000	NR
23	CRM-Customer Relationship Management System			10,000,000	NR
24	Information Technology Rates			42,734	R
25	Enterprise Resource Planning (ERP)			25,000,000	NR
26	Expansion Subtotal	102,194,072	6.1%	122,628,379	7.3%
	Reductions				
27	Minority Male Success Initiative			(810,000)	R
28	Performance Based Funding			(18,000,000)	R
29	ERP-Enterprise Resource Planning			(3,500,000)	R
30	ERP-Enterprise Resource Planning **			(25,000,000)	NR
30	Wilson Community College Biologics Center Receipts**			(12,000,000)	NR
31	Stabilization and Inflation Reserve Transfer			(80,446,750)	NR
32	Reductions Subtotal	-	0.0%	(139,756,750)	-8.4%
33	Net Adjustments to Base Budget (without salary adj)	\$ 175,942,869	10.5%	\$ 56,620,426	3.4%
34	Recommended General Fund Approp. (without salary adj)	\$ 1,846,542,877	10.5%	\$ 1,727,220,434	3.4%
	Salaries & Benefits				
35	Compensation Increase - Community Colleges			48,210,210	R
36	Compensation Increase - System Office			724,976	R
37	Bonus - Community Colleges			32,212,069	NR
38	Bonus - System Office			213,321	NR
39	Compensation Adjustment - System Office President			250,000	R
40	State Retirement - Community Colleges			8,582,440	R
41	State Retirement - System Office			127,842	R
42	Retiree COLA - System Office			132,408	NR
43	Retiree COLA - Community Colleges			8,888,952	NR
44	State Health Plan - Community Colleges			7,984,390	R
45	State Health Plan - System Office			76,052	R
46	Recommended General Fund Appropriation	\$ 1,846,542,877	10.5%	\$ 1,834,623,094	9.8%
47	Salary Increase - for College Employees			3.00%	
48	Retention Bonus			\$1,750 Bonus, \$1,000 Bonus	
49	Retirement Rate (TSERS)			26.10%	
50	State Health Plan Rate			\$8,905	
51	2026-27 Base Budget - GF Appropriation	\$ 1,670,600,008		1,670,600,008	
52	Adjustments - Recurring	175,942,869	10.5%	\$ 189,023,086	11.3%
53	Adjustments - Non-Recurring	-	0.0%	\$ -	0.0%
54	Recommended General Fund Appropriation	\$ 1,846,542,877	10.5%	\$ 1,859,623,094	11.3%
	<i>* Estimated based upon most recent data ** Budgets receipts coming from Reserve Funds</i>				

			CONFERENCE							
	FY 2025-26	2025-27	FY 2025-26	FY 2025-26	FY 2026-27	FY 2026-27	% Change vs. 24-	% Change vs. 25-26	% Change vs. 26-27	
1	Certified Budget	Base Budget	Adjustments	Recommended	Adjustments	Recommended	25 Cert.	Base	Base	
2	NCCCS State Funding									
3	Requirement	2,080,492,603	2,070,492,603	170,569,249	2,241,061,852	306,895,222	2,377,387,825	7.7%	8.2%	14.8%
4	Receipts	399,892,595	399,892,595	22,857,947	422,750,542	117,872,136	517,764,731	5.7%	5.7%	29.5%
5	GF Appropriati	\$1,680,600,008	\$1,670,600,008	147,711,302	1,818,311,310	189,023,086	1,859,623,094	8.2%	8.8%	11.3%
6	NCCCS State Funding per FTE									
7	BFTE	254,027	254,027	-	254,027	-	269,807			
8	Requirement	\$8,190.05	\$8,150.68	\$671.46	\$8,822.14	\$660.76	\$8,811.44	7.7%	8.2%	8.1%
9	Receipts	\$1,574.21	\$1,574.21	\$89.98	\$1,664.20	\$344.81	\$1,919.02	5.7%	5.7%	21.9%
10	GF Appropriati	\$6,615.83	\$6,576.47	\$ 581.48	\$ 7,157.95	\$ 315.95	\$ 6,892.42	8.2%	8.8%	4.8%

11 *Requirements = Spending Authority

Other Key Items in the Conference Budget:

- 12 SECTION 41.25.(b) Effective July 1, 2026, the annual employer contributions for the 2026-2027 fiscal year, payable monthly, by the State to the North Carolina State Health Plan for Teachers and State Employees for each covered employee is a maximum of eight thousand nine hundred twenty-five dollars (\$8,925).
- 13 SECTION 41.2.(a) Effective July 1, 2026, for the 2026-2027 fiscal year, any State-funded employee (i) whose salary is set by Part VII-A of this act (except for Section 7A.1 2 or 7A.6), by this Part, pursuant to the North Carolina Human Resources Act, or as otherwise authorized in this act and (ii) who is employed on June 30, 2026, is awarded a compensation bonus, payable as close as is practicable to October 15, 2026, in the amount of either: (1) One thousand seven hundred fifty dollars (\$1,750) awarded to employees having annual salaries of sixty-five thousand dollars (\$65,000) or less on June 30, 2026; or (2) One thousand dollars (\$1,000) awarded to employees having annual salaries greater than sixty-five thousand dollars (\$65,000) on June 30, 2026.
- 14 Effective July 1, 2026, the State Board of Community Colleges shall provide community college faculty and non-faculty personnel with an across-the-board salary increase in the amount of three percent (3%). Employed as of June 30, 2026
- 15 Effective July 1, 2026, the annual employer Retirement rate contributions for the 2026-2027 fiscal year, 26.10%
- 16 Propel-Provides funds to reorganize course tiers by workforce sector as part of the Propel NC funding model. Of funds provided for this purpose, \$39.0 million shall be used to shift courses to higher value sectors, and \$18.5 million shall be used to create funding parity between Workforce Continuing Education and
- 17 Propel NC Enrollment Increase- Provides funds to establish an enrollment increase reserve for community colleges with eligible enrollment increases that exceed
- 18 ERP-Reduces funds provided for the operation and maintenance (O&M) of system-wide Enterprise Resource Planning (ERP) solutions. The State Board of Community Colleges may request additional O&M funds when the development of the new ERP system is complete. The revised net appropriation for this purpose is \$4.8 million in FY 2026-27.
- 19 CRM- Provides funds to implement a system-wide CRM system, which will support enhanced functionality for recruitment, enrollment, and student engagement.
- 20 IT Rates- Adjusts funds based on the Department of Information Technology rate changes effective July 1, 2026. This amount reflects the net change in
- 21 Apprenticeship NC- Provides funds to support consulting services, communications and marketing, Community Colleges System Office (System Office) administration, and grant administration positions at Apprenticeship NC, which were previously supported by federal receipts. Funds may also be used to support purchased services, supplies, equipment, and other expenses. The revised net appropriation for this purpose is \$4.4 million in FY 2026-27
- 22 IDD Workforce Training Expansion: Provides funds to expand training programs for students with intellectual and developmental disabilities (IDD) at up to 10 additional community colleges. Funding provided for this purpose shall be used for the college, regional, and State level infrastructures for the program, including 2 positions at the System Office to facilitate the creation of work-based learning opportunities. The revised net appropriation for this purpose is \$7.8 million in FY 2026-27.
- 23 Minority Male Success Initiative Budget Fund: Eliminates funds provided for a program to increase the progression and completion rates of minority male students. (\$810,000)
- 24 Wilson Community College Biologics Center-Budgets receipts transferred from the Economic Development Project Reserve to Wilson Community College to support the development of its biologics training center.
- 25 Fund for High-Cost Workforce Programs Provides funds to assist community colleges in starting programs in high-demand career fields that require significant start-up funds. Colleges pay a certain percentage of program costs based on the total enrollment of FTE students.
- 26 Center for Applied Textile Technology- Provides additional funds to Gaston College to support the operations of the Center for Applied Textile Technology. The revised net appropriation for this purpose is \$5.8 million in FY 2026-27.
- 27 Digital Credential Pilot Program Provides funds to the System Office to contract with a third party entity to implement digital wallet platforms across community colleges.
- 28 Central Piedmont Community College Public Safety Equipment Budget Fund: Provides funds to Central Piedmont Community College to purchase public safety equipment for use in public safety training programs.
- 29 Seamless Skills Initiative Provides funds to Fayetteville Technical Community College and Wilkes Community College to establish the Community College Seamless Skills Initiative to create a competency based educational model connecting high school and community college
- 30 Workforce Diploma Program Provides funds to the System Office to contract with third-party entities for a workforce diploma program that will assist adults aged 21 and older to obtain a high school diploma and develop employability and career skills.
- 31 Lighthouse Math Project: Provides funds to the System Office to establish time-limited positions at Wake Technical Community College (WTCC) to assist East Wake High School and Knightdale High School in the implementation of the Lighthouse Math Project. The purpose of the Lighthouse Math Project is to offer a gateway college mathematics course to high school students using the artificial intelligence student tutoring program Khanmigo.
- 32 Performance-Based Funding Allocations: Eliminates funds from the Institutional and Academic Support allotment that are currently allocated to community colleges based on accountability measures and performance standards.
- 33 Multi-Campus Centers Funding: Provides funds to support 3 multi-campus centers that were conditionally approved by the State Board of Community Colleges. Funds will support centers for WTCC, Forsyth Technical Community College, and Alamance Community College.
- 34 Short-Term Workforce Credentials Financial Assistance: Provides funds to NCCCS to provide financial assistance of up to \$750 per course for resident students who enroll in short term workforce training programs that lead to an industry credential in fields with employer demand and competitive wages. The revised net appropriation for this purpose is \$2.0 million in FY 2026-27.

**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
BUDGET TRACKING SHEET
2026-27 Other Funding Related Items**

Attachment FC 19

Conference			
			2026-27
1	Accelerate Transfer Pathways	2,500,000	NR
2	Nursing Fellows Forgivable Education Loan Pilot Program- Wayne CC and Western Piedmont	4,300,000	NR
3	Child Care Workforce Pilot Program - Johnston CC and Wayne CC	1,500,000	NR
4	Rockingham Community College- capital and equipment at the Cooperative Innovative HighSchool	275,000	NR
5	GTCC Aviation Center-Provides a directed grant to Guilford Technical Community College for the GTCC Aviation Center.	9,623,000	NR
6	Mitchell Community College- development of a public safety center	500,000	NR
7	Rockingham Community College - capital costs relating to transformers	614,000	NR
8	Rowan-Cabarrus Community College -start-up funding for a dental hygiene program	350,000	NR
9	Sampson Community College Ag Rescue Training - capital improvements/equipment/program support for the agricultural rescue training program	1,620,000	NR
10	Southwestern Community College - capital improvements	50,000	NR
11	Town of Clayton - Water and Wastewater-Johnston Community College	1,000,000	NR
12	Tri-County Community College - capital improvements	50,000	NR
13	Wayne Community College	100,000	NR
14	Mental Health Grant Reallocation of Helene funds	(784,490)	NR
15	Blue Ridge Community College	2,000,000	NR
16	Southwestern Community College - for roof repairs to the College's Swain Center.	1,000,000	NR
17	CAGC Grant Funding Community Colleges	1,000,000	NR
18	Total	25,697,510	

- 19 Accelerate Transfer Pathways - Provides funds for the University of North Carolina (UNC)System Office, in collaboration with the Community Colleges System Office and the Department of Information Technology (DIT), to develop and expand programs that accelerate the transfer of course credits.
- 20 Nursing Fellows Forgivable Ed Loan - Provides funds to SEAA to administer a nursing fellows pilot program at Western Piedmont Community College, Wayne Community College, and WSSU. The program will provide forgivable education loans and support services to nursing students who go on to serve as a nurse or nurse instructor in the State.
- 21 Child Care Workforce Pilot Program- Provides funds for Smart Start partnerships to develop and operate child care workforce academies in Johnston and Wayne counties as well as 10 other local partnerships to be determined in collaboration with the North Carolina Community Colleges System Office.
- 22 Town of Clayton - Water and Wastewater- Provides a directed grant to the Town of Clayton for water and wastewater needs, including pump stations to support UNC Health Johnston and Johnston Community College.
- 23 Mental Health Grants Reallocation - Budgets the transfer of funds remaining at the North Carolina Community College System (NCCCS) provided for expanded mental health support for affected community college students from NCCCS (Budget Code 26800-211068) to the Helene Fund.
- 24 Blue Ridge CC - \$2m to be used for repairs and renovations at the College's campus in Brevard as well as for operating deficits due to enrollment loss at that campus.
- 25 CAGC Foundation- Supports construction workforce development through outreach, recruitment, career coaching, placement services, financial assistance, and employer grants for internships, apprenticeships, and other work-based learning opportunities for eligible participants. Also funds community college construction training programs with an emphasis on hands-on skills, safety, and workforce readiness.
- 26 Need-Based Scholarship Funding Shift - Transfers scholarship funding from the Escheat Fund and reduces Education Lottery Fund support by the same amount. Total program funding remains \$179.9 million in FY 2026-27, consisting of \$177.2 million from the Escheat Fund and \$2.7 million from the Education Lottery Fund.