

Funding Formula for NC Community Colleges

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Overview

- Overview of Budget Responsibility
- College Budget Allocation Process
- FTE, Tiers, Base Allotments, Performance
- Other Budget Issues

Please feel free to ask questions at any point!

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NC COMMUNITY COLLEGES
CREATING SUCCESS

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

Capital construction is the legal responsibility of the county. However, G.S. 115D-31 authorizes the State to provide capital funds to local institutions, provided that it is matched on a dollar-to-dollar basis.

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NC COMMUNITY COLLEGES
CREATING SUCCESS

NCCCS Total Operating Funding

Source	Percentage
State	78%
County	15%
Institutional	7%
General Fund App	75%
Tuition and Other Receipts	25%
Tuition	21%
CTE/Perkins	1%
Federal Covid	3%

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State Board Approval

- **G.S. 115D-5 (a):** “The State Board of Community Colleges may adopt and execute such policies, regulations and standards...to provide for the equitable distribution of State and federal funds to the several institutions.”

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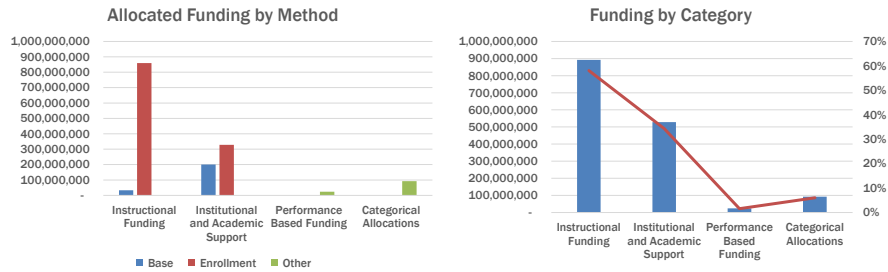
State Budget Allocations

- **Base Allocations** – All colleges get the same amount regardless of size or performance.
- **FTE Allocations** – Depends on the number of FTE students served.
- **Performance-Based Allocations:** Depends on student outcomes.

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College Allotments: FY 2022-23



Source: FY 2022-23 Summary of Budget Allocations. Note that this graph only captures funds distributed to colleges through the routine budget allocation process. This graph does NOT account for any subsequent reversions required by the Governor or allocations.

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Budget FTE

- **1 FTE = 512 Student Hours in Membership as defined in 1G SBCCC 100.1(5)**
- **Budget FTE counting period = Summer, Fall, Spring**
- **For each instructional area (curriculum, con ed, and basic skills), a college's budget FTE is determined by calculating the higher of :**
 - the most recent year's actual FTE; or
 - the average of most recent 2 year's actual FTE

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Tiered Funding

Tier 1A

Curriculum (CU) courses in programs leading to immediate employment and Con Ed courses that lead to same 3rd party credential

Tier 1B

Other CU technical, health science, lab-based science, and college-level math courses; Con Ed courses leading to a 3rd party credential for priority occupations

Tier 2

All other curriculum courses and con. ed. courses leading to a 3rd party credential

Tier 3

All other continuing education courses

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2022-23 BFTE Tier Values

	Tier 1A	Tier 1B	Tier 2	Tier 3
Instruction	\$4,889.65	\$4,325.46	\$3,761.27	\$2,380.88
Institutional & Academic Support (for BFTE > 750)	1,853.00	1,853.00	1,853.00	1,853.00

Curriculum – Tiers 1A, 1B, and 2

Workforce Continuing Education – Tiers 1A, 1B, 2, and 3

Basic Skills – Tier 3

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FY 2022-23 Base Allocations

	Amount Per College
Curriculum Instruction	\$491,475
Con Ed Instruction	81,912
Inst. & Ac. Support	<u>2,734,284</u>
Total	\$3,004,801

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Performance-Based Allocations

\$24 million is allocated to colleges based on performance on seven performance measures:

1. Student success in College-Level English courses
2. Student success in College-Level Math courses
3. Progress of first-year curriculum students
4. Curriculum student retention and graduation
5. Licensure and certification passing rates
6. Performance of students who transfer to a four-year institution
7. Progress of basic skills students

For each measure, funds are allocated based on two factors:

- **Quality:** Funds allocated based on percentage of students who succeed on each measure
- **Impact:** Funds allocated based on the number of students who succeed on each measure

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Budget 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 money however they choose with the following exceptions:
 - Basic Skills funding may only be used for basic skills programs
 - Federal Perkins (CTE) funding may not be transferred
 - Customized Training funds may not be transferred
 - Certain State-supported allocations approved by the State Board outside the budget package

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Carryforward

- The General Assembly has allowed colleges to carry forward certain unspent appropriations
- Unexpended equipment and library resources may be carried forward and spent over the next 12 months per G.S. 115D-31(c)
- Unexpended performance-based funding may be carried forward per G.S. 115D-31.3(g1)
- Customized Industry Training program funds shall not revert but shall remain available until expended per G.S. 115D-5.1(f2)

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Questions?