

Propel NC: Legislative Agenda for a New Community College Business Model

2025-2027



*Invest in reclaiming the #1 state for business **and** workforce development*

BUDGET PRIORITIES

REQUEST

Workforce Sector Funding Modernization Formula

Enhance funding model to a labor-market driven, innovative solution where allocations for programs are supported by labor-market data. Incentivizes continuing education workforce programs while also enhancing funding for high-demand, high wage workforce sectors, allowing programs offerings to be better aligned and transparent with business and industry needs.

\$68.5M (R)

Base Funding Modernization and Enhancement

Stabilizes community colleges operational costs required to meet basic student and constituent needs by aligning the funding model closer to current costs of delivering basic services. Ensures community colleges have base allocations sufficient to meet the needs of a diverse student population and the necessary tools required to help drive student success to completion.

\$24.4M (R)

Enrollment Increase Reserve

Ensure a stable, reliable funding source for enrollment spikes at community colleges that see large enrollment growth throughout the academic year.

\$6M (NR)

STRATEGIC PRIORITIES

Excess Tuition Retention

Revise GS 115D-31(e) to return total excess tuition receipts proportionally to all colleges based on actual receipts collected by colleges, if no budget call-backs are necessary.

Hurricane Helene Recovery

Support community college recovery efforts as Hurricane Helene assessments continue.

Enrollment Growth Funding, Capital Funding, Alamance Community College Multi-campus

Fully fund FY24-25 community college enrollment growth, include community colleges in capital and equipment funding proposals as a 2024 survey identified nearly \$3 billion in needs, and allocate funding for the State Board-approved multi-campus center at Alamance Community College.

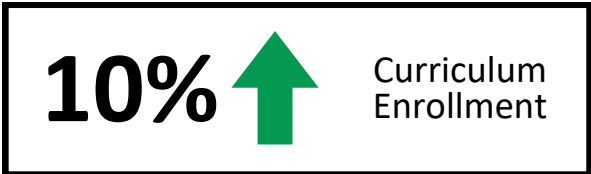
AT A GLANCE

The North Carolina Community College System's budget priorities focus on modernizing and stabilizing funding for North Carolina's community colleges to better align with workforce demands, economic growth, and operational needs. Key initiatives include a Workforce Sector Funding Modernization Formula (\$68.5M) to align program funding with labor market data and incentivize high-demand sectors, and Base Funding Modernization(\$24.4M) to ensure colleges can meet student and operational needs. Additionally, an Enrollment Increase Reserve (\$6M) addresses funding for enrollment spikes, while proposed Excess Tuition Retention statutory changes aim to return tuition receipts to colleges proportionally.

PROPEL NC

- **Recognized by** organizations like the John Locke Foundation, Triangle Business Journal, EducationNC, and Inside Higher Ed.
- **Supported by** statewide organizations, including Toyota North Carolina, UNC Health, NC Dept. of Agriculture and Consumer Services, and NC Chamber.

200+ letters of support received from business and industry partners, chambers of commerce, economic development boards and others across North Carolina!



[FTE from academic years 2021-2022 to 2023-2024]

RETURN ON INVESTMENT
First-of-its-kind, transparent, labor-market-driven model: Dynamic, results-driven transparency and incentivized accountability, funding colleges based on outcomes aligned with North Carolina’s economic needs.
Courses linked to workforce sectors and prioritized by statewide job demand data
Consolidated funding to streamline workforce continuing education, the fastest growing area of college education
Expands Options/Reduces Time & Cost for Completion: Improves flexibility to align credentials with employers’ workforce needs
Employers’ priorities are colleges’ priorities: Prioritization of key high-demand, high-wage workforce sectors
Strengthens Rural Communities: Provides access to higher education and workforce credentials that support, grow and sustain new and existing business and industry.
Build on Recent NCGA Investments: Recent investments in high-cost faculty salaries and new program start-up funds have ramped up our training capacity, but revenue modernization is needed to balance our abilities to grow enrollment and sustain high-cost, high-demand programs
Higher Quality Instruction: Employers rely on a high-quality workforce. This allows colleges to respond nimbly and responsibly to the workforce needs of NC employers.
Disaster Recovery: Strengthen the Community College System's capacity to support students, businesses, and communities in Western NC's disaster recovery efforts.
Higher Return On Investment for Taxpayers: Community colleges provide nearly double the return value for every \$1 invested and this should grow with the new model.