

PROPEL NC

A New Community
College Business
Model for the New
North Carolina
Economy

**NC COMMUNITY
COLLEGES**
CREATING SUCCESS

North Carolina's investments in economic and workforce development have created booming business and job growth in key sectors that will drive our state's economy for generations to come. Now we need to make sure North Carolinians fill those great North Carolina jobs.

The Challenge

NC Is No. 1 State for Business - But We Have a Skilled Workforce Shortage

North Carolina is booming, but we do not have enough skilled workers to meet the growing demand. If we don't change the way our community colleges do business, our residents and our communities will miss out on this once-in-a-generation period of economic growth. Yet, the current funding model limits our speed, capacity, and innovation. It needs an overhaul. And we must move with urgency.

- By 2031, there are projected to be 576,000 annual job openings and potential workforce shortages especially in healthcare, advanced manufacturing, biotechnology, and information technology
- 68% of all jobs will require a post-secondary or high-quality credential
- We have a short window of opportunity to deliver this highly skilled workforce

The Solution

PROPEL NC Will Help NC Community Colleges Meet the Challenge

PROPEL NC is a first-of-its-kind plan to directly align our program funding to North Carolina's most urgent workforce needs. That means funding will be based on outcomes that drive economic development and meet employer demand across all 100 counties.

- 98 percent of NC Community College System students are North Carolinians
- More than half of our community college students are Adult Learners (25+)
- Nearly 80 percent of students stay and work in the communities where they train and learn

PROPEL NC

- Builds on Recent Legislative Investments
- Targeted Funding for Job Training/Continuing Education
- Courses Linked to Actual Workforce Needs
- Prioritized by Job Demand Data
- Strengthens Rural Communities
- Transparent, Accountable, Results-Driven

Workforce Sectors

Challenge

The current tier-based resource allocation model was developed and implemented in fiscal year 2011-2012 with minor modifications after this point. Funding for curriculum and continuing education courses varies in some cases for the same program areas.

Proposed Modernization

The current tier-based allocation process will be shifted to a labor market driven model. Courses will be linked to workforce sectors which will be ranked and valued by statewide salary job demand data. All curriculum and continuing education courses would reside in the same workforce sector.

Request

We are proposing to update the current resource allocation process to a labor-market driven model. The estimated additional funding needed to implement is \$68,583,610.

Base Allotment Modernization

Challenge

The existing model does not match historical spending patterns for colleges or recognize student support needs. The existing allocations for other costs have not been adjusted in recent history.

Proposed Modernization

Base funding would be increased 5.8%, which closes the gap to actual spending patterns and account for inflation. This modification would also increase the enrollment allotment above 750 FTE based on this increase in other costs funding.

Request

We are proposing to increase the base funding per college by 5.8% to account for increases in the cost of providing education to students. The estimated additional funding needed to implement is \$24,435,946.

Enrollment Increase Reserve

Challenge

The existing method of funding enrollment increases is not a predictable, reliable or sustainable method as it relies on prior year over-collection of receipts as the funding source.

Proposed Modernization

An enrollment increase reserve fund would be established using \$6 million in non-recurring funds. This reserve fund would be replenished annually through the enrollment growth request. Colleges would be funded at one half of the average FTE value (currently \$2,089) per FTE for the greater of FTE increases in excess of 5% for each category (curriculum, continuing education, and basic skills) or increases in total FTE greater than 325. If enrollment growth exceeds the \$6 million fund in a given year, the value per FTE would be reduced proportionately. These funds would be distributed no later than February based on actual FTE reported for the fall semester.

Request

We are proposing to revise NCGS 115D-31(e) to create a stable and predictable method to fund enrollment increases in the fiscal year in which the increase occurs. The additional funding needed for this request is \$6 million in non-recurring funds.

Excess Tuition Retention

Challenge

The existing method of funding enrollment increases is not a predictable, reliable or sustainable method as it relies on prior year over-collection of receipts as the funding source. We are requesting to decouple excess tuition receipts from the enrollment increase reserve.

Proposed Modernization

We are proposing that when total system actual receipts exceed total budgeted receipts.

1. Hold excess receipts carry forward from preceding fiscal year in a non-reverting reserve at the System Office to help protect from potential reversions in the current fiscal year.
2. If the System Office determines that no budget call-back will be necessary (determination will usually be made in November/December), system total excess receipts will be returned proportionally to the individual colleges based on their actual receipts collected.

Request

We are proposing to revise NCGS 115D-31(e) to serve firstly as a buffer against budget callbacks, and should that be unnecessary, to return system total excess receipts proportionally to colleges based on actual receipt collections.

Workforce Sectors Projections

	New Model			Old Model (excludes base)			Increase in	
	CU and CE	CT and SBC	Total New	Curriculum	WCE	Total Old	Funding	% Variance
Alamance CC	\$ 17,095,372	\$ 38,182	\$ 17,133,555	\$ 14,028,189	\$ 1,881,302	\$ 15,909,491	\$ 1,224,064	7.14%
Asheville-Buncombe TCC	24,457,608	7,528	24,465,136	20,637,248	2,136,151	22,773,399	1,691,737	6.91%
Beaufort County CC	8,518,677	20,757	8,539,434	6,135,914	1,670,885	7,806,799	732,635	8.58%
Bladen CC	5,236,412	16,294	5,252,706	4,450,510	719,286	5,169,796	82,910	1.58%
Blue Ridge CC	11,903,252	26,146	11,929,398	9,059,740	1,750,007	10,809,747	1,119,651	9.39%
Brunswick CC	8,542,873	22,432	8,565,305	6,214,851	1,558,933	7,773,784	791,521	9.24%
Caldwell CC & TI	17,470,993	30,449	17,501,442	13,370,777	3,206,160	16,576,937	924,505	5.28%
Cape Fear CC	39,269,015	33,911	39,302,926	32,413,882	4,789,667	37,203,549	2,099,377	5.34%
Carteret CC	8,154,559	11,836	8,166,395	6,092,605	1,370,005	7,462,610	703,785	8.62%
Catawba Valley CC	20,270,687	27,756	20,298,443	15,405,777	3,298,392	18,704,169	1,594,274	7.85%
Central Carolina CC	21,825,428	80,007	21,905,435	17,780,220	2,567,976	20,348,196	1,557,239	7.11%
Central Piedmont CC	69,978,590	64,901	70,043,491	64,173,308	3,115,006	67,288,314	2,755,177	3.93%
Cleveland CC	14,854,015	83,141	14,937,156	10,487,101	3,161,331	13,648,432	1,288,724	8.63%
Coastal Carolina CC	16,983,763	26,341	17,010,104	13,676,368	2,224,650	15,901,018	1,109,086	6.52%
College of The Albemarle	10,527,652	12,983	10,540,636	8,379,093	1,287,560	9,666,653	873,983	8.29%
Craven CC	13,563,225	25,455	13,588,680	10,034,739	2,507,607	12,542,346	1,046,334	7.70%
Davidson-Davie CC	16,642,845	43,577	16,686,422	13,970,627	1,535,808	15,506,435	1,179,987	7.07%
Durham TCC	20,695,865	112,591	20,808,456	16,155,563	2,985,378	19,140,941	1,667,515	8.01%
Edgecombe CC	8,052,542	18,026	8,070,568	5,812,656	1,547,638	7,360,294	710,274	8.80%
Fayetteville TCC	54,547,109	31,516	54,578,625	38,549,866	12,420,715	50,970,521	3,608,104	6.61%
Forsyth TCC	34,898,012	30,707	34,928,718	30,454,764	2,528,775	32,983,539	1,945,179	5.57%
Gaston College	20,843,433	4,595	20,848,027	18,284,804	1,270,249	19,555,053	1,292,974	6.20%
Guilford TCC	42,414,306	62,763	42,477,069	35,697,561	4,080,285	39,777,846	2,699,223	6.35%
Halifax CC	4,795,742	46,848	4,842,590	3,531,815	727,978	4,259,793	582,797	12.03%
Haywood CC	5,383,288	12,949	5,396,238	4,395,619	800,685	5,196,304	199,934	3.71%
Isothermal CC	8,585,676	10,146	8,595,822	7,368,243	653,809	8,022,052	573,770	6.67%
James Sprunt CC	7,963,343	12,197	7,975,541	4,966,332	2,306,283	7,272,615	702,926	8.81%
Johnston CC	18,243,018	27,125	18,270,143	14,766,751	2,180,888	16,947,639	1,322,504	7.24%
Lenoir CC	14,950,484	9,822	14,960,306	8,354,265	5,739,962	14,094,227	866,079	5.79%
Martin CC	3,718,251	9,411	3,727,662	2,714,620	693,924	3,408,544	319,118	8.56%
Mayland CC	4,468,038	5,823	4,473,862	2,728,211	1,069,874	3,798,085	675,777	15.10%
McDowell TCC	5,460,901	17,564	5,478,465	4,026,384	894,029	4,920,413	558,052	10.19%
Mitchell CC	12,296,330	25,492	12,321,821	10,012,216	1,502,171	11,514,387	807,434	6.55%
Montgomery CC	4,773,006	13,474	4,786,480	3,582,865	666,727	4,249,592	536,888	11.22%
Nash CC	11,800,001	19,314	11,819,315	9,029,131	1,838,846	10,867,977	951,338	8.05%
Pamlico CC	2,557,882	2,618	2,560,499	1,215,022	768,346	1,983,368	577,131	22.54%
Piedmont CC	6,565,122	14,544	6,579,666	4,224,003	1,653,446	5,877,449	702,217	10.67%
Pitt CC	30,202,615	46,049	30,248,665	26,437,021	2,209,399	28,646,420	1,602,245	5.30%
Randolph CC	11,486,177	24,114	11,510,291	8,894,475	1,569,780	10,464,255	1,046,036	9.09%
Richmond CC	11,070,998	22,094	11,093,092	7,530,097	2,537,335	10,067,432	1,025,660	9.25%
Roanoke-Chowan CC	2,833,565	1,723	2,835,288	1,915,895	516,361	2,432,256	403,032	14.21%
Robeson CC	13,965,303	5,905	13,971,208	7,689,132	4,407,798	12,096,930	1,874,278	13.42%
Rockingham CC	7,216,893	13,064	7,229,957	5,527,858	1,175,740	6,703,598	526,359	7.28%
Rowan-Cabarrus CC	27,667,037	44,749	27,711,787	20,670,374	4,241,235	24,911,609	2,800,178	10.10%
Sampson CC	8,703,335	25,374	8,728,709	6,473,857	1,719,443	8,193,300	535,409	6.13%
Sandhills CC	15,993,858	10,732	16,004,590	13,281,525	2,016,258	15,297,783	706,807	4.42%
South Piedmont CC	13,096,264	32,151	13,128,414	9,265,718	2,606,518	11,872,236	1,256,178	9.57%
Southeastern CC	7,772,327	16,142	7,788,470	5,059,583	1,635,813	6,695,396	1,093,074	14.03%
Southwestern CC	10,161,617	17,043	10,178,661	8,017,054	1,293,855	9,310,909	867,752	8.53%
Stanly CC	11,456,865	8,023	11,464,888	7,683,481	2,426,718	10,110,199	1,354,689	11.82%
Surry CC	12,622,803	24,809	12,647,612	9,746,948	1,836,065	11,583,013	1,064,599	8.42%
Tri-County CC	4,420,533	8,938	4,429,471	3,680,551	644,702	4,325,253	104,218	2.35%
Vance-Granville CC	11,734,744	11,948	11,746,692	9,488,408	1,447,988	10,936,396	810,296	6.90%
Wake TCC	91,624,059	123,524	91,747,583	76,500,178	9,059,442	85,559,620	6,187,963	6.74%
Wayne CC	13,662,915	12,166	13,675,081	11,185,381	1,515,197	12,700,578	974,503	7.13%
Western Piedmont CC	7,963,398	5,406	7,968,804	6,501,586	780,494	7,282,080	686,724	8.62%
Wilkes CC	11,883,611	77,278	11,960,889	8,900,028	2,001,631	10,901,659	1,059,230	8.86%
Wilson CC	7,259,053	18,426	7,277,479	5,826,473	920,845	6,747,318	530,161	7.28%
Systemwide totals	\$ 951,105,287	\$ 1,608,877	\$ 952,714,164	\$ 752,457,203	\$ 131,673,351	\$ 884,130,554	\$ 68,583,610	

Enrollment Increase Reserve Model - Fall 2022

	Curriculum FTE Inc > 5%	Occupational FTE Inc > 5%	Basic Skills FTE Inc > 5%	Total FTE > 325	Greater of 5% or 325	\$2,089/FTE
Alamance CC	-	-	-	-	-	\$ -
Asheville-Buncombe TCC	-	21	30	-	51	107,375
Beaufort County CC	-	39	13	-	52	108,315
Bladen CC	-	-	-	-	-	-
Blue Ridge CC	-	15	23	-	38	78,546
Brunswick CC	-	10	1	-	11	22,561
Caldwell CC & TI	36	-	11	-	47	98,392
Cape Fear CC	-	10	-	-	10	21,412
Carteret CC	-	-	13	-	13	27,993
Catawba Valley CC	-	24	22	-	46	96,094
Central Carolina CC	-	-	-	-	-	-
Central Piedmont CC	16	-	36	66	66	137,874
Cleveland CC	73	19	-	-	93	193,337
Coastal Carolina CC	-	-	30	-	30	62,461
College of The Albemarle	-	23	5	-	27	57,030
Craven CC	-	42	22	-	64	133,174
Davidson-Davie CC	18	34	23	-	75	157,302
Durham TCC	-	14	34	-	48	100,481
Edgecombe CC	-	-	2	-	2	3,760
Fayetteville TCC	-	-	-	-	-	-
Forsyth TCC	41	-	6	-	46	96,407
Gaston College	137	19	0	-	156	325,780
Guilford TCC	-	-	54	-	54	111,970
Halifax CC	-	24	0	-	24	51,076
Haywood CC	-	-	-	-	-	-
Isothermal CC	-	-	-	-	-	-
James Sprunt CC	-	91	3	-	94	196,470
Johnston CC	7	31	10	-	49	102,257
Lenoir CC	-	-	-	-	-	-
Martin CC	11	9	-	-	20	41,676
Mayland CC	-	47	14	-	61	126,802
McDowell TCC	-	-	30	-	30	63,297
Mitchell CC	-	-	-	-	-	-
Montgomery CC	28	-	3	-	31	63,715
Nash CC	-	50	2	-	52	108,210
Pamlico CC	11	45	16	-	72	149,364
Piedmont CC	12	28	-	-	41	84,918
Pitt CC	-	14	2	-	16	34,260
Randolph CC	19	3	29	-	50	104,972
Richmond CC	-	8	60	-	68	141,739
Roanoke-Chowan CC	-	-	-	-	-	-
Robeson CC	-	-	-	-	-	-
Rockingham CC	-	8	7	-	15	30,395
Rowan-Cabarrus CC	-	18	13	-	31	64,341
Sampson CC	-	10	-	-	10	20,368
Sandhills CC	-	-	9	-	9	19,532
South Piedmont CC	2	34	40	-	76	159,182
Southeastern CC	36	12	33	-	80	167,956
Southwestern CC	-	-	3	-	3	6,894
Stanly CC	2	4	11	-	16	34,364
Surry CC	-	20	-	-	20	41,362
Tri-County CC	-	1	10	-	11	22,979
Vance-Granville CC	-	-	6	-	6	11,594
Wake TCC	-	-	82	95	95	198,455
Wayne CC	-	11	5	-	16	33,842
Western Piedmont CC	-	6	3	-	10	20,368
Wilkes CC	-	20	11	-	31	64,968
Wilson CC	-	-	8	-	8	16,503
Systemwide totals	448	763.2	734.3	161	1,973.25	\$ 4,122,119

FY 2022-23 Excess Receipts Returned Based on Actual % of Total Collection

	Actual	% of Total	Returned
Alamance CC	\$ 5,389,559	1.83%	\$ 140,986
Asheville-Buncombe TCC	7,439,450	2.53%	194,609
Beaufort County CC	2,065,515	0.70%	54,032
Bladen CC	1,264,761	0.43%	33,085
Blue Ridge CC	3,663,901	1.25%	95,844
Brunswick CC	2,409,987	0.82%	63,043
Caldwell CC & TI	4,685,928	1.59%	122,580
Cape Fear CC	14,069,222	4.78%	368,038
Carteret CC	2,350,471	0.80%	61,486
Catawba Valley CC	5,360,547	1.82%	140,227
Central Carolina CC	6,140,609	2.09%	160,633
Central Piedmont CC	29,870,971	10.16%	781,397
Cleveland CC	3,690,025	1.25%	96,528
Coastal Carolina CC	5,659,791	1.92%	148,055
College of The Albemarle	2,445,217	0.83%	63,965
Craven CC	3,580,565	1.22%	93,664
Davidson-Davie CC	4,404,590	1.50%	115,220
Durham TCC	7,962,224	2.71%	208,284
Edgecombe CC	2,072,254	0.70%	54,208
Fayetteville TCC	17,157,777	5.83%	448,832
Forsyth TCC	13,536,924	4.60%	354,113
Gaston College	6,361,839	2.16%	166,420
Guilford TCC	15,314,851	5.21%	400,622
Halifax CC	1,035,836	0.35%	27,097
Haywood CC	1,644,322	0.56%	43,014
Isothermal CC	2,287,547	0.78%	59,840
James Sprunt CC	1,683,120	0.57%	44,029
Johnston CC	5,147,270	1.75%	134,648
Lenoir CC	3,150,364	1.07%	82,411
Martin CC	657,324	0.22%	17,195
Mayland CC	780,308	0.27%	20,412
McDowell TCC	1,145,809	0.39%	29,973
Mitchell CC	3,232,879	1.10%	84,569
Montgomery CC	960,946	0.33%	25,137
Nash CC	3,132,485	1.06%	81,943
Pamlico CC	455,328	0.15%	11,911
Piedmont CC	1,350,665	0.46%	35,332
Pitt CC	10,663,306	3.63%	278,942
Randolph CC	2,822,890	0.96%	73,844
Richmond CC	2,455,568	0.83%	64,235
Roanoke-Chowan CC	538,115	0.18%	14,077
Robeson CC	3,101,124	1.05%	81,123
Rockingham CC	1,890,614	0.64%	49,457
Rowan-Cabarrus CC	7,385,833	2.51%	193,207
Sampson CC	1,893,750	0.64%	49,539
Sandhills CC	4,639,073	1.58%	121,354
South Piedmont CC	2,940,239	1.00%	76,914
Southeastern CC	1,890,802	0.64%	49,462
Southwestern CC	2,684,132	0.91%	70,214
Stanly CC	3,120,155	1.06%	81,620
Surry CC	3,272,604	1.11%	85,608
Tri-County CC	972,319	0.33%	25,435
Vance-Granville CC	3,022,824	1.03%	79,074
Wake TCC	36,445,548	12.39%	953,382
Wayne CC	4,167,325	1.42%	109,013
Western Piedmont CC	2,034,495	0.69%	53,221
Wilkes CC	2,866,560	0.97%	74,987
Wilson CC	1,777,671	0.60%	46,502
Systemwide totals	\$ 294,146,128	100.00%	\$ 7,694,592