

North Carolina Community College System Legislative Priorities 2025-27

Joint Education Appropriations Meeting

March 5, 2025

Presented by Dr. Jeff Cox, System President



North Carolinians
choose
community
college

Record Enrollment & Workforce Growth

- 600,000+ students served across 58 colleges – the backbone of North Carolina’s workforce pipeline.
- 98 percent of North Carolina community college students are residents
- Surging demand for workforce training – major increases in healthcare, skilled trades, IT, and advanced manufacturing programs.
- More high school students earning college credit – dual enrollment at an all-time high.

Businesses choose community college

Driving Economic Mobility & Industry Growth


- 45% increase in apprenticeships & 50% pre-apprenticeships – building career-ready talent across industries.
- 14% growth in customized workforce training projects – partnering with employers to upskill North Carolina's workforce.
- 718 small businesses and 43,400 entrepreneurs utilized Small Business Centers for business development and growth
- Over 200 business & industry partners, chambers of commerce, econ dev boards and others supporting our new workforce-focused business model—Propel NC!

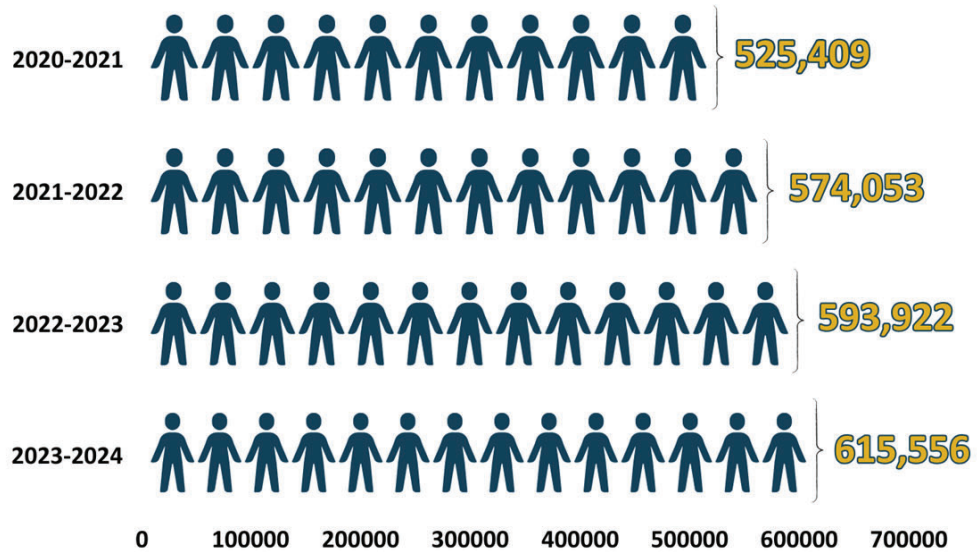
Moving at the speed of innovation

Innovating for the Future

- Launched new labor market analysis tool to align programs with employer demand.
- Expanded access to short-term, high-wage credential programs to meet workforce needs faster.
- Historic collaboration with the NC General Assembly to modernize community college funding for long-term sustainability.

Overall Enrollment at NC Community Colleges

17% 
in last 4 years



Returning to the #1 State for Workforce Development

We must take advantage of a once in a generation period of economic growth in NC

80,000+ Jobs

80,000+ jobs announced since 2020 for economic development projects in NC – a record high

571,000 Openings

By 2031 there are projected to be 571,000 job openings in NC

\$40+ Billion

These projects will bring \$40+ billion in capital investment into the State

75% of Employers

75% of employers are struggling to find skilled workers, compared to 34% ten years ago

Propel NC

A New Business Model for Community Colleges

- Tier to Careers through Workforce Sector
- Build on our ability to move fast and nimble
- Innovative, one of a kind
- Incentivize short-term, workforce programs
- Transparent, data driven decision making
- Labor market led

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Propel NC: New Partnerships Approach

Aligned to the General Assembly

- Data-driven decision making
- More completers, at a faster rate
- Support and retain students
- Innovate how we educate and prepare the workforce
- Leverage high-cost program funding, short-term workforce grants program, targeted faculty recruitment and retention salary efforts

Aligned with business and industry

- Aligns with economic needs
- Prioritization on high-demand, high-wage workforce sectors
- Responds to shifting workforce requirements
- Allows faster responses to employer needs
- Transparent, industry focused model

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Propel NC Support

- Over 200 letters of support from business and industry partners
- Included in partners Legislative Initiatives
 - NC Chamber, NCEA, MyFutureNC
- Included in both Senate and House adjustment budget proposals last short session
 - Only new initiative
- House Bill 1069 last legislative session Sponsored by Representative Winslow
- Presented before the House Community College Committee last legislative session
- News recognition – John Locke Foundation, Triangle Business Journal, EdNC, Inside Higher Ed

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Propel NC – The Package

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.



**\$68.5 Million
Recurring**

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.



**\$24.4 Million
Recurring**

Enrollment Increase Reserve

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



**\$6 Million
Recurring**

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Workforce Sector Funding Formula Modernization

- Labor-market driven funding system
- Course funding linked to workforce sectors informed by job data
- All courses will fall under their relevant sector
- with allocations for high-wage, high-demand areas like Healthcare, Engineering and Public Safety funded at a higher level to enable colleges to expand these programs to meet labor market demands
- Customized Training and Small Business Center training will now earn FTE funding for colleges
- Traditional transfer and general education sectors will maintain current funding levels.

Workforce Sectors*	FTE Value	Proposed Cost	Current Costs	Increase
Healthcare I	\$5,340	\$91,882,173	\$82,712,842	\$9,169,331
Engineering and Adv. Manufacturing	5,340	18,346,471	16,677,166	1,669,305
Trades and Transportation	5,340	106,240,637	95,015,615	11,225,022
Information Technology	4,800	56,195,822	48,773,422	7,422,400
Public Safety and First Responders	4,800	96,165,313	67,149,245	29,016,068
Healthcare II	4,800	45,465,273	37,894,701	7,570,572
Customized Training & Small Business Ctr	2,480	1,821,277	0.00	1,821,277

*Only workforce sectors seeking additional funding are included in this display. Sectors not requiring changes in funding are not represented.

Community College Base Funding Model

A Critical Opportunity for Growth & Student Completion

- **Time for an Update:** The last major revision was in the 1980s, and operational costs have risen significantly. A 5.8% base funding increase would help ensure colleges can continue providing high-quality education and support.
- **Enhancing Student Success:** Strengthening academic advising, mental health counseling, and career services will improve retention and graduation rates, helping more students achieve their goals.
- **Modernizing Campuses:** Upgrading labs, equipment, and online learning tools—especially at rural colleges—will expand access to cutting-edge education and workforce training.

Enrollment Increase Reserve

- **Supports colleges** in current academic year who experience enrollment spikes entering the spring semester
- **Compliments funding** in arrears concept
- **Current enrollment increase process** is not guaranteed and is provided late
- Would allow process for **receipt distribution to change** to a more accurate model
 - Incentivizes receipt support and generated programs

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Proactive Propel-Ready

Not just funding, but a business model change

Reviewing course offerings and how to incentive and support short term workforce programs

Preparation for Implementation if funding is received

- \$68.5M to fully fund Workforce Sector course values shift
- \$18.5M to fund initial parity funding between Con-Ed and Curriculum courses

State Board Approval of NCEdge/Customized Training Courses

- Approved by State Board in July 2024
- Numbered Memo provided to colleges August 12, 2024

State-Wide Labor Market Analysis Tool Develop

- September 2024

Short-Term Workforce Program Initial Inventory

- Operational Guide Developed, Launching March 2025
- Short-Term Workforce Program Initial Inventory September 2024

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Additional System Strategic Priorities

- Fully funding enrollment growth increase
- Inclusion in SCIF Capital Funding Considerations
 - \$3 billion in capital needs identified in 2024 survey
 - \$2 billion in new construction and \$1 billion in renovation
 - \$400 million over 4 years provided in 2021 Appropriations Act ends this year
- Disaster Relief
 - Budget Stabilization dollars and capital/infrastructure repairs as assessments are completed
 - Continuation of tuition and registration fee grants, emergency scholarships for students
 - Funding for Western NC disaster recovery focused programs
 - Trades, construction, infrastructure, energy, line workers, EMS, equipment operators, HVAC
- Alamance Community College multi-campus funding
 - Approved by State Board of Community Colleges

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North Carolina's community colleges are critical in Helene recovery efforts

Impact Overview

- 74,000 students and 6,000 faculty/staff affected across 14 community colleges

System & College Response

- Activated the Hurricane Helene Community College Response and Recovery Fund, distributing funds to support affected colleges
- WNC community colleges served as emergency response locations, providing shelter, resources, and support to their respective communities during the crisis
- Provided emergency financial aid and mental health support to students
- Offered workforce training programs to assist in rebuilding efforts
- NCCCS Small Business Centers have supported hundreds of local businesses understand the available recovery resources

Collaborative Efforts

- Partnered with businesses, nonprofits, North Carolina General Assembly, and government agencies to maximize recovery resources

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Economic Growth & Return on Investment

**For every \$1 invested in North Carolina's
community colleges:**

- ✓ \$2 returns in tax revenue
- ✓ \$7.50 in total economic impact
- ✓ A high-value investment in workforce development and economic prosperity



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NC COMMUNITY COLLEGES
CREATING SUCCESS

Questions?

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