

STATE BOARD OF COMMUNITY COLLEGES

Enrollment Growth: An Overview

Enrollment growth funding is the most significant adjustment each year to the NC Community College System budget. Therefore, it is important for the State Board to understand how it is calculated and revised throughout the biennial budget process.

What is Budget FTE?

Budget FTE is the number of full-time equivalent students for which a college is funded. It is based on the higher of 1) the prior year's enrollment or 2) the average of the prior three years' enrollments. A separate budget FTE figure is calculated for curriculum, continuing education, and basic skills. The sum of these three figures constitutes the college's total budget FTE.

FY 2009-10 Budget FTE	FY 2010-11 Budget FTE
2008-09 Actual FTE	2009-10 Actual FTE
or	or
Average of 2006-07, 07-08, 08-09 Actual FTE	Average of 2007-08, 08-09, 09-10 Actual FTE

Colleges do not earn budget FTE for certain activities. The most notable instances include Customized Training instruction, certain non-STEM general education courses provided to high school student through the Huskins and Dual Enrollment programs, and Summer Term curriculum courses.

The volatility of community college enrollments and the resulting difficulty of projecting enrollments accurately is the primary reason colleges are funded based on prior years' enrollments. This is in contrast with the public schools – which is able to project enrollment relatively accurately – and the UNC System – which can control enrollment through the admissions process. Obviously, this funding mechanism places significant strain on colleges during periods of enrollment spikes. An adequately funded enrollment growth reserve would provide a much needed tool to manage such spikes.

How is Enrollment Growth Calculated?

Business and Finance calculates the change in budget FTE for curriculum, continuing education, and basic skills. The net change in budget FTE is then multiplied by the per capita rate for each program. **Attachment A** shows the enrollment growth funding calculation for the FY 2010-11 budget.

Why Does the Enrollment Growth Figure Change?

As discussed above, a college's funding is calculated based on either the prior year's actual enrollment or the average of the prior three years' actual enrollments. Unfortunately, actual enrollment data for the prior year is not available until after most of the budget development process is already completed. For example, 2009-10 budget FTE is based on 2008-09 actual FTE; yet this data is typically not available until early- to mid-June 2009. Consequently, it is necessary to estimate the prior year's FTE. This estimate is revised each time additional data becomes available. **Attachment B** shows the various adjustments that are made to enrollment growth through the budget process.

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