

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: House Bill 754 (First Edition)

SHORT TITLE: Community College Remediation Pilot Project.

SPONSOR(S): Representatives Brody, Horn, and Arp

FISCAL IMPACT					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
State Impact	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
General Fund Revenues:	\$0.0 to \$0.0	\$0.0 to \$96,421	\$0.0 to \$99,194	\$0.0 to \$101,931	\$0.0 to \$104,417
General Fund Expenditures:	\$0.0 to \$0.0	\$0.0 to \$205,361	\$0.0 to \$211,268	\$0.0 to \$217,098	\$0.0 to \$222,392
Special Fund Revenues:	to	to	to	to	to
Special Fund Expenditures:	to	to	to	to	to
State Positions:	to	to	to	to	to
NET STATE IMPACT	\$0.0 to \$0.0	\$0.0 to (\$108,940)	\$0.0 to (\$112,074)	\$0.0 to (\$115,167)	\$0.0 to (\$117,975)
Local Impact					
Revenues:	to	to	to	to	to
Expenditures:	to	to	to	to	to
NET LOCAL IMPACT	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Community College System					
EFFECTIVE DATE: July 1, 2015					
TECHNICAL CONSIDERATIONS: None					

BILL SUMMARY:

H754. COMMUNITY COLLEGE REMEDIATION PILOT PROJECT. (April 16, 2015)

AN ACT ESTABLISHING A REMEDIATION PILOT PROJECT AT SOUTH PIEDMONT COMMUNITY COLLEGE.

HB 754 would establish a four year remediation pilot project at South Piedmont Community College (SPCC) consisting of two components:

1. Identification and remediation of high school students who do not meet community college entrance requirements. SPCC would administer a college competency exam to a representative population of high school sophomores, juniors, and seniors in Union and/or Anson county public schools. Students determined by the exam to be deficient in math, English, or reading would have the opportunity to enroll in remediation courses at SPCC

instead of other high school graduation electives. SPCC would generate budget FTE for these students.

2. Authorization for high school students who are at high risk of dropping out of school to complete high school at SPCC. SPCC and each participating LEA must sign a memorandum of understanding (MOU) for a recovery program for students at high risk of dropping out to complete high school in an alternate setting and earn a high school diploma at SPCC. Participating students and their parents would sign a contract with the high school and SPCC agreeing to the terms and conditions of the program. SPCC would generate budget FTE for these students.

ASSUMPTIONS AND METHODOLOGY:

The Act allows SPCC to earn budget FTE for students participating in both components of the pilot program. The Act prohibits the use of State funds to develop and administer the competency examination or the impact of the pilot project on college readiness. Because the Act only authorizes these offerings and does not require students to participate, the minimum cost to the State is \$0.

The Act does not specify the number of students that would constitute a representative population of high school sophomores, juniors, and seniors in Anson and Union counties, nor is there a basis to predict the number of students that might take advantage of these offerings. Based on a consultation with Dr. Stan Sidor, President of South Piedmont Community College, this analysis assumes a maximum of 40 annual FTE in developmental (remedial) courses through the programs authorized in this Act. Developmental courses are funded at the Tier 2 rate of \$4,907.16.¹ Per the State Board of Community Colleges Code, one curriculum full-time equivalent (FTE) is equal to 512 student membership hours per year. This analysis assumes that for developmental courses, 16 student membership hours of class work equals one credit hour, and therefore 1 FTE equals 32 credit hours.² In order to calculate tuition receipts, therefore, this analysis assumes that participating students take 1,280 credit hours annually (40 FTE x 32 credit hours) and that all students qualify for the resident tuition rate.³ This analysis also assumes that implementation of the four year pilot begins in Fiscal Year 2016-17 to allow time for the programs to be developed and for students to be recruited. In order to estimate the maximum cost, this analysis assumes that participating students would not have gone on to enroll in developmental courses at community colleges post-graduation.

¹ Curriculum courses are funded at three levels, Tier 1A, Tier 1B, and Tier 2. Tier 1A courses include health care and technical education courses linked to certain priority occupations. Tier 1B courses include other high-cost areas of health care, technical education, lab-based science, and college-level mathematics. Tier 2 includes all other curriculum courses.

² It is important to note that other types of coursework – for example, laboratory work or clinical practice – have a different hours-to-FTE ratio.

³ Per G.S. 115D-5(b)(12) tuition and required fees are generally waived for high school students taking community college courses through the Career and College Promise program. Developmental courses would fall outside of that program and thus require tuition to be charged to participating high school students absent any legislative action to waive that tuition.

Finally, this analysis does not include an estimate of costs for the second component of the pilot project concerning authorization for high school students who are at high risk of dropping out of school to complete high school at SPCC. The Act requires local agreements to be developed to address implementation of this component. Neither the Act nor consultation with Dr. Sidor provided enough information to determine the potential cost to the State of serving these students at SPCC as the program has yet to be developed. Should students enroll at SPCC through this component of the Act, however, there would be a fiscal impact as SPCC would earn budget FTE for participating students.

The following table displays estimated costs of remediation for 40 annual FTE through the remediation project authorized by this Act. Figures have been adjusted for inflation based on inflation guidelines in the 2015 Legislative Fiscal Note Manual.

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
State BFTE Appropriation	\$0	\$205,361	\$211,268	\$217,098	\$222,392
Tuition Receipts	\$0	\$96,421	\$99,194	\$101,931	\$104,417
Total State Cost	\$0	\$108,940	\$112,074	\$115,167	\$117,975

SOURCES OF DATA:

NC Community College System
 Dr. Stan Sidor, President, South Piedmont Community College

TECHNICAL CONSIDERATIONS: None.

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DATE: April 29, 2015



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