SENATE BILL 257: 2026 Appropriations Act, Sec. 6.2: Propel NC

Analysis of:	S.L. 2026-41, Sec. 6.2	**Date:**	August 19, 2026
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Section 6.2 of S.L. 2026-41 (Senate Bill 257) authorizes the State Board of Community Colleges (SBCC) to revise its funding formula for community colleges and allocate funds under the revised formula beginning with the 2026-2027 fiscal year. The revised formula must contain the following:

- A base allocation for each community college.
- An amount in addition to the base allocation based on the number of full-time equivalent students enrolled in (i) curriculum, workforce continuing education, and Basic Skills courses and (ii) courses and programming conducted under the Customized Training Program and the Small Business Center Network. This amount must be weighted based on the workforce sector of each course based on salary data and labor market demand in the sector.

The SBCC must review and revise its workforce sector designations by July 15, 2029, and every three years thereafter.

This section also establishes the Enrollment Increase Reserve to allow the SBCC to fund community colleges in the event that enrollment increases beyond budgeted enrollment levels. The SBCC can allocate funds from the Reserve to a community college when the college's enrollment either (i) increases by more than 5% in curriculum, workforce continuing education, or basic skills courses, or (ii) increases by more than 325 students.

By April 1, 2028, the Community Colleges System Office must report to the Joint Legislative Education Oversight Committee on any revisions to its funding formula for community colleges, including the structure of the revised formula, the process for implementing the revised formula, and any recommended changes to the revised formula.

This section became effective July 1, 2026.