

DID YOU KNOW?

Community College Transfer Offers Potential State Savings

Did you know that strengthening state policies relating to community college transfer could lead to **long-term higher education savings** for North Carolina?

Why Community College Transfer?

Many educators and policymakers believe that by increasing the number of students who earn a community college associate degree **before** transferring to a four-year university, the state can **boost student outcomes and reduce education expenses for both students and taxpayers.**

Key Advantages:

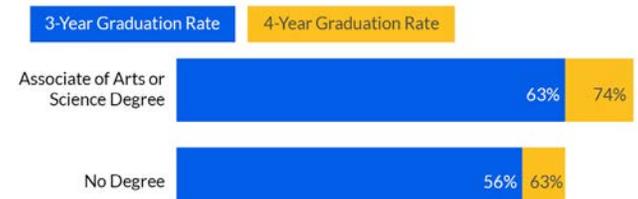
- Proponents suggest that community colleges provide a smaller, more personal learning environment for students—helping to ease the transition from high school to college and ultimately **bolster student success.**
- Community college tuition is traditionally lower than the tuition at four-year colleges and universities—**reducing the overall cost of education for students.**
- Students who attend community college campuses close to home may be able to **reduce their living expenses and potential future student loan debt by residing with family.**
- North Carolina’s expenditures to **community colleges** are roughly half of those to **University of North Carolina (UNC) constituent institutions** (per full-time equivalent student). When students choose to begin their college careers at community colleges rather than at UNC system schools, the **state can save money on its education expenditures.**

Why Create a Transfer Incentive?

Data suggests that community college transfer students have **greater academic success** when they earn an associate of arts or science degree **before** transferring to a four-year college or university. In 2011, **63 percent** of North Carolina Community College System (NCCCS) students who transferred to UNC schools after receiving an associate degree had earned a bachelor’s degree three years later. The rate dropped to **56 percent** when students transferred with credits but no degree.

Graduation Rates of NCCCS Transfer Students at UNC Schools, 2011

Data indicate that transfer students from community colleges to UNC schools who earn an Associate Degree have higher 3- and 4-year graduation rates than transfers with no degree.



Additionally, although the number of students transferring from NCCCS to UNC institutions has **more than doubled** in recent years, the share of students who earned an associate of arts or science degree has **remained unchanged at 24 percent**. In 2015, approximately 17 percent of transfer students from NCCCS to UNC institutions had earned an associate degree intended for entry into the workforce (labeled below as other). Importantly however, **over 50 percent of students** who transferred did so **without a degree**.

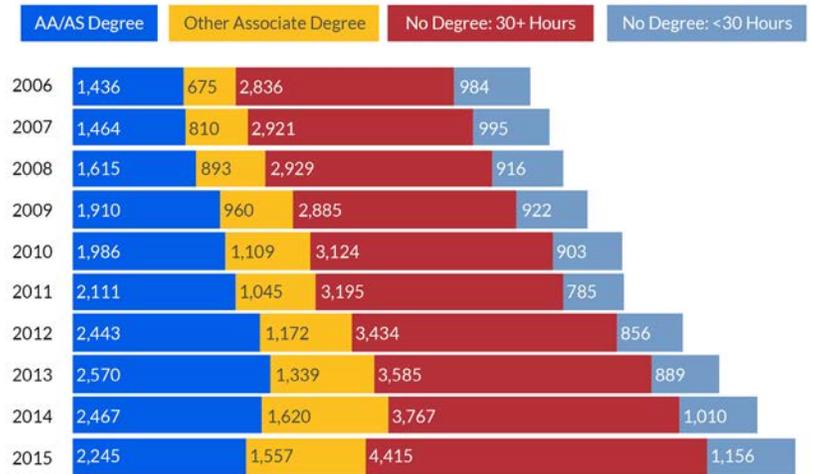
Together, these data suggest that if the state wants to promote community college transfer as a mechanism to increase student success and reduce education expenses, **an incentive program may be necessary to motivate students to complete an associate degree prior to transfer**.

How Would the Proposed NC Community College Transfer Incentive Program Work?

During the two most recent legislative sessions, members of the General Assembly have considered ways the state can encourage students to attend community colleges immediately after high school, even if a bachelor's degree is their ultimate goal.

Academic Credentials of NCCCS Transfer Students to UNC Schools, 2006-2015

The number of transfer students from community colleges to UNC schools increased by 58 percent between 2006 and 2015. However, the share of those students who earn an associate of arts or science degree before transferring has remained unchanged at 24 percent.



The NCCCS's [2017-19 Legislative Priorities](#) include an incentive program that aims to provide an **affordable pathway for students to earn a baccalaureate degree, by incentivizing them to earn a college transfer associate degree at a community college first**.

The proposed NC Community College Transfer Incentive would provide scholarships, in the amount of **\$2,500 for up to two academic years** to eligible students. Scholarships would be used to offset the cost of tuition and fees at four-year universities.

Who would be eligible?

- **NC-resident students** who complete an associate of arts or sciences degree at an NC community college **and** transfer to a **public or private four-year institution in the state**.
- Transfer students who **maintain satisfactory academic progress**, as defined by each UNC institution.

Costs to the State (as calculated by NCCCS):

- **\$13 million per year**, based on approximately 2,600 eligible students annually.
- **Costs would increase if the program successfully incentivizes more students to pursue an associate degree before moving on to a four-year university.**

Potential Savings (as calculated by NCCCS):

- Approximately **\$8,000 for each student** who participates in the program, totaling **\$20.8 million for the current cohort of transfer students**.
- Students could **save upwards of \$20,000 each** on tuition, fees, and housing costs.