



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
H. Martin Lancaster, President

July 12, 2000

IMPORTANT!
BUDGET DOCUMENTS

MEMORANDUM

TO: Presidents
Business Officers

FROM: Kennon D. Briggs, Vice President
Business and Finance

SUBJECT: FY 2000-01 Planning Allotments

As a result of a tremendous amount of effort on the part of the Division of Business and Finance staff, we are pleased to be able to send to you today the materials most needed by you to work on your college budgets. I must certainly begin by thanking you for your patience, and by applauding my staff on a remarkable job of preparing the materials in a short period of time. Both the State Board's Finance and Capital Needs Committee Chairman James Woody and System President Martin Lancaster have encouraged us to distribute the materials as expeditiously as possible.

Included in this Package

The package you are receiving may be considered "planning allotments" until the State Board gives final approval at its July 28 meeting. However, there is reasonable certainty at this point that the Finance Committee thereof and the full Board will give approvals to this information. Included in this package are the following materials:

- Your individual college "Formula Computation"
- A "Schedule of Salary Increase Funds Allotted"
- Tentative "2000-01 Salary Increase Guidelines"
- The "Supplement for Summer-Term Curriculum Instruction"
- An "Accountability Plan for Supplemental Funding for Summer Term Curriculum Instruction"

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There are a couple of points I would like to address as you receive this information. First, as you will recall, after approximately two years of work by the Finance Committee of the Presidents' Association (NCACCP), and as approved by the full NCACCP and State Board, we have simplified the "Formula Computation." This is part of the larger effort to make the formula more easily understood by the General Assembly, and to deal with issues of fund transfers, staff information reporting, and the chart of accounts. We hope the simplified formula meets your expectations and helps us in the future to communicate more effectively to policy makers how we operate.

Knowing that the simplified formula consolidates certain items together, we have also provided a "Schedule of Salary Increase Funds Allotted." With both the salary increase amounts and the formula computation, you should be thereby enabled to work on your college budgets. The tentative "Salary Increase Guidelines," which have been discussed with Chairman Woody and the President, will help in the allocation of salary funds. Please note that the \$500 bonus will not be paid until October; thus, no funds have been distributed at this point and the funds are not in your budgets. Also, please note the following with respect to salaries:

The minimum salary that may be paid from state funds during 2000-01 will be \$15,672, and the maximum will be \$90,480. The approval of these minimum and maximum salaries is in accordance with Section 2D.0101(a) of the North Carolina Administrative Code and applies to all full-time community college personnel paid from state funds, with the exception of the college president.

Also included in this package is more information about the "Supplement for Summer-Term Curriculum Instruction," including a tentative distribution of funds and an "Accountability Plan." This information should be helpful as you examine the funds that will be freed up by having these funds available for next summer, and as you begin to think about contracts, salary increases, and workloads.

Timeline for Approvals and Distribution of Further Information

On Monday, July 17, 2000 at 10:00 a.m., the Finance & Capital Needs Committee of the State Board will meet in a special called session to give tentative approvals, as authorized by the State Board, to the information you are receiving today. In addition, the Committee will discuss and review the following:

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- Special Provisions
- Assumptions Used in the Formula Computation
- 2% Transfer Restrictions
- House Bill 275 Cash Flow, and the impact upon Equipment Funds
- All other budget allocations, including categoricals.

ALL of this information will be presented to you at the presidents' meeting next week. The following week (July 26), the business officers will be in Raleigh to hear the same information discussed in as much detail as needed.

On Thursday and Friday, July 27-28, the State Board will consider final information about, and give final approvals to, FY 2000-01 budgets. There is, of course, a possibility that the State Board could change this information. It is our hope that actions taken by the Finance Committee will prevail.

Summary

We know we have not covered all the salient points nor answered in advance all your questions. That is why we are planning more times of information sharing. However, if there are questions, please feel free to call my staff or me. And again, kudos to the staff!

/kdb

Attachments

pc: Chairman James Woody
President H. Martin Lancaster
Dr. Stephen Scott
System Office Vice Presidents
Business & Finance Staff