



**Creating Success**

**NC Community Colleges**

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**State Board of Community Colleges**

**Caswell Building, 200 West Jones Street**

**Raleigh, North Carolina**

**June 19, 2009**

**9:00 a.m.**

**Telephonic Meeting**

**CALL TO ORDER**

Following proper public notification and a determination that a quorum was present, Chair Pinnix-Ragland called the meeting of the State Board of Community Colleges (SBCC) to order at 9:00 a.m. She welcomed those in attendance. Roll was taken by Mr. Sullins and the following members were present via telephone:

Hilda Pinnix-Ragland, Chair  
Linwood Powell, Vice Chair  
Naomi Daggs  
James W. Daniels  
Jimmie E. Ford  
Stuart B. Fountain  
Raichelle Glover  
Bob H. Greene  
Gordon "Buddy" Greenwood

Thomas Houlihan (at Caswell Building)  
Anne-Marie Knighton  
Edwin H. "Eddie" Madden, Jr.  
Chester P. Middlesworth  
Lt. Governor Walter Dalton  
Norma B. Turnage  
Herbert L. Watkins  
Allen Wellons

Absent: Janet Cowell, Jeana ElSadder, Anita Powers, and B. Joanne Steiner.

**ETHICS AWARENESS AND IDENTIFICATION OF CONFLICTS OF INTEREST**

The Chair reminded members of the ethical requirements for those who serve as public servants and requested they identify any conflicts or potential conflicts of interest that may exist. Having so requested and hearing none, the Chair directed that the record reflect no conflicts of interest were reported or identified.

**APPROVAL OF THE MINUTES**

Dr. Greene moved to approve the minutes of the May 15, 2009 SBCC meeting. Mr. Middlesworth seconded the motion, and the minutes were adopted by the Board.

**CHANGES TO AND APPROVAL OF AGENDA**

The Chair asked for a report from each committee chair as to any changes they might wish to make to the agenda, and the following was reported:

**POLICY COMMITTEE, Dr. Stuart B. Fountain, Chair**

Dr. Fountain indicated that there were no items to report.

**PROGRAM SERVICES COMMITTEE, Ms. Norma B. Turnage, Chair**

Ms. Turnage indicated that there were no items to report.

**FINANCIAL AND CAPITAL NEEDS COMMITTEE, Mr. Herbert L. Watkins, Chair**

Mr. Watkins moved that FC-1 be moved from the “For Future Action” to “For Action.” This motion was properly seconded by Mr. Ford and was adopted by the Board.

Mr. Watkins made the motion to have the following item added to the Agenda as a “For Information” item:

Budget Status and the Priorities of the Conference Committee

The motion to amend the agenda was properly seconded by Mr. Greenwood and the motion was adopted.

**ACCOUNTABILITY AND AUDIT COMMITTEE, Ms. Anne-Marie Knighton, Chair**

Ms. Knighton indicated that there were no items to report.

**PERSONNEL COMMITTEE, Dr. Linwood Powell, Chair**

Dr. Powell indicated that there were no items to report.

Dr. Fountain moved, and Mr. Daniels seconded, that the Agenda be adopted as amended. The motion was adopted.

**STANDING COMMITTEE REPORTS**

**FINANCIAL AND CAPITAL NEEDS COMMITTEE, Mr. Herbert L. Watkins, Chair**

The Board received upon the recommendation of the Finance and Capital Needs Committee:

Mr. Watkins indicated that the Finance and Capital Needs Committee met via conference call on May 20, 2009, and approved the methodology for allocating \$42,213,454 of State Fiscal Stabilization Funds to the 58 community colleges for fiscal year 2008 – 2009. The use of these SFSF funds is an important component in the State’s cash management plan and strategy for balancing the State budget. Due to the State’s need to access these funds in May and the college’s anticipated workload demands in June, colleges will use the total \$42,213,454 to support a portion of their May payroll obligations. On behalf of the Finance and Capital Needs Committee, Mr. Watkins moved, and was properly seconded by Mr. Wellons, that the board

ratify the methodology and approve the allocation of SFSF funds to the colleges. The motion was adopted by the Board.

Mr. Watkins then asked for Ms. Jennifer Haygood to present to the board members a brief update relating to the budget status. Ms. Haygood mentioned to members of the board that as of last Saturday the House passed their version of the budget which was significantly lower than that of the Senate. Late last week, there were discussions that took place in the legislature that proposed additional revenues to increase the availability of dollars for education, which would allow for restoration of certain cuts related to the community college budget. Specifically, they were able to restore all of the waivers that the proposed had been for elimination or reduction. Currently all populations that receive cash tuition waivers will continue to do so under the House proposal. They were also able to reduce our management flexibility reductions by \$10 million in the first year and \$14 million in the second year. President Ralls mentioned that the budget will now go to a conference committee.

President Ralls mentioned that earlier this week discussions were held with the Chair and with the leadership of our Presidents and Trustees Associations to think about moving forward with members of the conference committee regarding where our focus areas are and where we hope system wide for there to be gains. President Ralls indicated that there is a breadth of cuts that are on the table that involve proposals to reduce or eliminate programs at colleges where there will be a great there will be local interest in trying to restore. He discussed what areas system wide would affect all 58 colleges, where if there is any opportunity in conference given the difference between the Senate and the House, we would hope that there would be some priority in terms of gain. The following four areas were discussed:

Huskins and Dual Enrollment – those are the free college courses provided to high school students. In conversations with the General Assembly leadership on the House side, one of the items President Ralls felt was important that the colleges at least be able to continue in the Science and Math areas with high school students. The cuts proposed would not allow colleges to provide college transfer college level courses to high school students.

Customized Training Funding – in the House there was a 9% cut, \$1.1 million that was one of our five creating success priority areas where we had hoped to make expansion and move forward. The cutting of funding for this program would impact our ability to serve approximately 2500 folks for new jobs or new technology investments at companies.

Modification of Tuition and Fees – there has been a proposal to increase the fee for continuing education courses. There is also in the House budget a proposed tuition increase of \$8.00 per credit hour. However, even with the \$8.00 tuition increase, we will still be half of what South Carolina and Tennessee charge for tuition and approximately \$30.00 less than what the other surrounding states are charging.

President Ralls mentioned that an issue which might be resolved in conference deals with courses in the category of 20 to 24 hours. The two courses that fall into the 20 to 24 hour category that are in highest demand are Computer Skills Training as well as Teacher Certification/Recertification. We hope that the \$65.00 fee will continue through the 24 hour courses. It would cost approximately \$2 million to make this modification.

The final area is the Management Flexibility Provision – in which the additional revenue brought this down by \$10 million, it would put the management flexibility at \$16 million plus the additional \$15 million that would be required for the Huskins/Dual Enrollment. Management flexibility reductions are those matters in which the Board has authority, a kind of “recurring reversion.” What it essentially implies we would receive our allocation and have \$16 million in management flexibility, and then a 1.4% deduction would have to be immediately applied by the colleges. So the colleges would then have to determine where to reduce and send back to us 1.4% of their allocated budget.

Mr. Watkins reported that the Finance and Capital Needs Committee had no further business.

The Chair took a moment to thank the Finance Committee and members of the Board in the difficult process in dealing with the budget issues. The Chair also recognized the outstanding leadership and commitment from the staff.

**PERSONNEL COMMITTEE, Dr. Linwood Powell, Chair**

Dr. Powell moved and Mr. Greenwood seconded that the Board enter into closed session pursuant to N.C.G.S. 143-318.11(a)(1) to prevent the disclosure of information that is confidential or privileged, pursuant to N.C.G.S. 115D-27 and N.C.G.S. 143-318.11(a)(6) to consider the qualifications, competence, performance, and fitness of individual prospective public employees. The motion was adopted unanimously by the Board.

The Board entered into closed session.

The Board reconvened in open session.

Upon a motion by Dr. Powell that was seconded by Mr. Greenwood, the Board approved the appointment of Dr. David N. Johnson for Johnston Community College, effective July 1, 2009; Dr. Larry Gracie as Interim President at Pamlico Community College effective July 1, 2009; and Dr. Cleve Cox as President at Pamlico Community College, effective August 3, 2009.

**OTHER BUSINESS**

The Chair asked if any member of the Board had any new business to report. None were reported.

**SUMMARY OF CHAIR 'S CLOSING REMARKS**

At our next meeting in July, the Oath of Office will be administered to our new and returning Board members and the election of officers for the next two years will also take place. The Chair also mentioned that Ethics Training will be conducted at our July meeting. The training will take place here in the System Office and is scheduled to begin at 9:30 a.m., on Thursday, July 16.

The Chair expressed a special thank you to the president his entire senior staff, the chief financial officer, programs staff, and everyone working with the Board. She mentioned that these are definitely challenging times, but expressed her confidence that we can stand tall to the challenge. At the end we will be much stronger as a Board and as a system. No one likes budget cuts when it comes to education, but our voices are being heard in the halls of the legislature and in the Governor's realm.

**BOARD MEMBERS COMMENTS/QUESTIONS**

There were no further questions or comments were received from members of the Board.

**DATE OF NEXT MEETING**

Chair Pinnix-Ragland announced the next SBCC meeting will be held on Thursday, July 16, and Friday, July 17, 2009, and will be held at the Community College System Office in Raleigh, North Carolina and that mandatory Ethics training will take place on Thursday, July 16, 2009 at 9:30 a.m. in the System Office.

**ADJOURNMENT**

There being no further business to come before the Board, a motion was made by Mr. Ford to adjourn the meeting. The motion was properly seconded by Mr. Greenwood and the meeting was adjourned at 9:52 a.m.

RESPECTFULLY SUBMITTED BY:  
*Secretary*

APPROVED BY:

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Dr. R. Scott Ralls, System President

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Hilda Pinnix-Ragland, Chair