

2011 Bills of Interest to Community Colleges

Bill Number	Primary Sponsor(s)	Short Title	Description	Committee Status
HB 7	Ingle, Cleveland	Community Colleges/Opt Out of Federal Loan Program	Allows constituent institutions of the North Carolina Community College System to opt out of participation in the William D. Ford Federal Direct Loan Program if the local Board of Trustees adopts a resolution declining to participate in the program. Colleges are required to participate unless such a resolution is adopted.	Vetoed by the Governor 4/13/11
HB 11	Cleveland	No Postsecondary Education/Illegal Aliens	Prohibits illegal aliens from attending both North Carolina community colleges and universities.	Referred to House Education 1/31/11; if favorable, Appropriations
HB 15	McElraft	Opt Out of Federal Loan Program/Community Colleges	Proposed committee substitute creates a local bill to allow Beaufort County Community College, Brunswick Community College, Cleveland Community College, James Sprunt Community College, Lenoir Community College, Sandhills Community College and Surry Community College to opt out of participating in the William D. Ford Federal Direct Loan program through a resolution of their local boards of trustees.	SL 2011-148

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HB 22	Crawford	2011 Budget Technical Corrections	Makes technical, clarifying and other modifications to the 2011 Current Operations and Capital Improvements Appropriations Act. Section 13 makes technical amendments to the Career and College Promise special provision. Section 18 makes a clarifying amendment to the tuition waiver special provision with respect to REACT teams, and a conforming change to statutes governing high school students at community colleges. Section 19 clarifies the special provision regarding exemption from rulemaking. Section 20 provides for new language with respect to colleges who opt out of participating in the William D. Ford Federal Direct Loan Program, prohibiting them from transferring from faculty salaries an amount that exceeds 2% of the state funds allocated to it for faculty salaries to support other instructional costs or other purposes.	SL 2011-391
HB 35	Glazier, Lucas, Parfitt, and Brisson	NC Military Business Center Funds	Appropriates \$1.25 million for FY 2011-12 to support the NC Military Business Center.	Referred to House Appropriations 2/7/11
HB 36	H. Warren, Cleveland, Folwell	Public Contracts/Illegal Immigrants	Conference report requires employers, after hiring an employee, to verify the work authorization of that employee through E-Verify. Exempts seasonal employees hired for 90 or fewer days during a 12 consecutive month period from the requirement, and applies to any person, business entity, or other organization that transacts business in this State and that employs 25 or more employees in this State.	SL 2011-263
HB 58	Burr, Holloway, Guice, Johnson	Opt Out of Federal Loan Program/Community Colleges	Proposed committee substitute creates a local bill to allow Caldwell Community College and Technical Institute, Martin Community College, Sampson Community College and Rockingham Community College to opt out of participating in the William D. Ford Federal Direct Loan program through a resolution of their local boards of trustees.	SL 2011-155

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HB 72	Crawford	Community College investment Flexibility	The proposed committee substitute grants Vance Granville, Isothermal, Southeastern, Davidson County, and Wilkes Community Colleges, and Caldwell Community College and Technical Institute additional flexibility with regards to investments. Previously, this bill was applicable statewide.	Passed 2 nd and 3 rd readings 5/19/11. The statewide version is included in SL 2011-145.
HB 134	McElraft	Opt Out of Federal Loan Program/Community Colleges	Proposed committee substitute creates a local bill to allow Central Carolina Community College, Pamlico Community College, Rowan-Cabarrus Community College, South Piedmont Community College, and Vance-Granville Community College to opt out of participating in the William D. Ford Federal Direct Loan program through a resolution of their local boards of trustees.	SL 2011-178
HB 198	Torbett	Alien Attendance Lapses/Reporting Required	Requires the UNC Board of Governors, the State Board of Community Colleges, and private institutions of higher education to immediately report attendance lapses (10 or more consecutive school days) of lawfully-present alien students to US Immigration and Customs Enforcement.	Referred to House Education, 3/2/11
HB 259	Hilton	Expand Jurisdiction of Company Police	Expands the territorial jurisdiction of company police agencies to allow the agencies to enforce motor vehicle and criminal laws on public streets and highways that pass through or are adjacent to the private property under contract with the company policy agency.	Discussed in House Judiciary B Subcommittee 4/13/11
HB 260	Hilton	Company Policy Authority at Crash Scenes	Allows company police officers who are off private property contracted by the company police agency and in transit to another property under contract with the agency to operate emergency equipment at crash scenes and public safety emergencies that present a public danger.	Re-referred to House Commerce and Job Development 6/1/11
HB 342	Blackwell, Holloway	High School Accreditation	Prohibits higher education institutions from soliciting or using information regarding the accreditation of a secondary school attended by a student as a factor in admissions, loans, scholarships, etc. unless the accreditation was performed by a state agency.	SL 2011-306

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HB 343	Cleveland, Blust, Hilton	Support Law Enforcement/Safe Neighborhoods	Among other things, prohibits illegal aliens from attending both North Carolina community colleges and universities, which is the crux of HB 11.	Referred to House Judiciary Subcommittee A; if favorable, Commerce and Job Development 3/15/11
HB 401	Rapp	Haywood Community College Leases	Authorizes Haywood Community College to enter into leases for the siting and operation of a renewable energy facility for up to 20 years without treating it as a sale and without giving notice by publication.	Referred to House Government, if favorable, Finance 3/21/11
HB 409	Jeffus, Harrison, Faircloth, Adams	Guilford Tech May Lease Property	Allows Guilford Tech to lease a portion of its land and improvements to the North Carolina Center for Global Logistics.	SL 2011-153
HB 458	Howard	Community College Administration Study	Provides that the Program Evaluation Division of the General Assembly study effective and efficient community college administration. This language is identical to the 2009 special provision language and simply adds a date certain – June 15, 2011 – by which the division shall submit their report.	Referred to House Rules 3/24/11
HB 515	Boles, Floyd	Community College Tuition for Members of Military	Permits community colleges to include the costs of textbooks in the tuition charged for members of the armed services.	SL 2011-184
HB 541	Hurley	Opt Out of Federal Loan Program/Community Colleges	Proposed committee substitute creates a local bill to allow Alamance Community College, Central Piedmont Community College, Gaston College, Mitchell Community College, Montgomery Community College, Randolph Community College, Richmond Community College, Robeson Community College, Stanly Community College and Wilkes Community College to opt out of participating in the William D. Ford Federal Direct Loan program through a resolution of their local boards of trustees.	SL 2011-154

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HB 650	Hilton, LaRoque, Cleveland, Hastings	Amend Various Gun Laws/Castle Doctrine	Senate proposed committee substitute (PCS) amends various state laws related to the ownership and possession of guns. It also removes provisions from previous editions concerning the carrying or possessing of a firearm on educational property.	SL 2011-268
HB 685	Blust, LaRoque	Government Transparency Act of 2011	Among other things, strengthens confidence in government by increasing accessibility to public personnel hiring, firing, performance records, and other governmental records and meetings, and requires the audio or video recording of closed sessions of public body meetings.	Re-referred to House Government 5/31/11
HB 702	Wilkins, Horn, Pierce, Johnson	Establish Minimum Wage Worker Scholarship Fund	Proposed committee substitute creates the Minimum Wage Worker Scholarship Fund to provide scholarships to workers who have worked long term in minimum wage jobs and are pursuing a college degree. This scholarship fund will be supported by dollars that are yet to be made available.	Reported favorable House Education; Re-referred to Appropriations 5/31/11
HB 765	Lewis	Study Length of School Year	Establishes a Blue Ribbon Commission to study the current length of the school year in North Carolina and to determine how long the school year should be. Among the duties of the Commission is to study the cost of remediation in the public schools, the community colleges, and the university system.	SL 2011-257
HB 766	Cotham, Holloway, Keever, Graham	Testing in the Public Schools	Provides for the assessment of career and college readiness with nationally and internationally benchmarked tests, the continuation of the State's participation in the development and implementation of tests related to common core state standards adopted by a majority of states, and provides for diagnostic tools to assist in teaching and student learning.	Referred to Senate Education/Higher Education 4/19/11. Included in SL 2011-145.
HB 784	Blust	Three-Fifths Vote to Levy Taxes	Amends the State Constitution to require a three-fifths vote for the General Assembly to levy state taxes. We are researching this along with the County Commissioners' Association to determine if there is any impact on the ability in current law for locals to levy and additional ¼ cent local option sales tax if approved by the voters.	Referred to House Judiciary; if favorable, Finance 4/7/11

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HB 785	Blust	Salary Funds/Spend Only for Salaries	Provides that funds budgeted for salaries and wages shall only be expended for those items. Requires the reversion of lapsed salaries at the end of each month to the proper unappropriated fund balance.	Referred to House Appropriations 4/7/11
HB 898	Torbett	Gaston East Campus & Textile Tech Center Funds	Appropriates \$912,509 for the 2011-12 fiscal year for the East Campus Textile Technology Center on the campus of Gaston College.	Referred to House Education 5/9/11

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SB 11	Mansfield	NC Military Business Center Funds	Appropriates \$1.25 million for FY 2011-12 to support the NC Military Business Center.	Referred to Senate Appropriations/Base Budget 2/1/11
SB 20	Clodfelter, Tillman	Amend Law Regulating Proprietary Schools	Collapses definitions of proprietary schools in Article 8 of G.S. Chapter 115D; clarifies exemptions from Article 8 for nonprofit schools; removes from exempt status schools taught in homes or other locations to five or fewer students; authorizes the State Board of Community Colleges to set the duration of licenses provided that specific criteria are met; amends refund policies of proprietary schools; makes conforming changes.	SL 2011-21
SB 74	Gunn	Community Colleges/Opt Out of Federal Loan Program	Allows constituent institutions of the North Carolina Community College System to opt out of participation in the William D. Ford Federal Direct Loan Program if the local Board of Trustees adopts a resolution declining to participate in the program. Colleges are required to participate unless such a resolution is adopted. This bill differed from HB 7 in that it allows the Board to rescind its resolution and participate in the program, but shall thereafter no longer have the option of declining further participation in the program.	Removed from Senate calendar and re-referred to Senate Rules 3/9/11
SJR 88	Preston, Soucek, Tillman	Elect State Community College Board Members	Sets April 14, 2011 as the date for the House of Representatives and the Senate to elect members to the State Board of Community Colleges.	Senate Resolution 2011-3
SB 109	Stevens, Brunstetter, Hunt	Spending Cuts for the Current Fiscal Year	Requires the Governor to cut spending for the current fiscal year by \$537, 740,799.	SL 2011-15
SB 113	Allran	GED Classes and Tests Offered in English Only	Requires community colleges to offer GED testing programs and GED tests only in English. Applies to testing programs and tests offered after July 1, 2011.	Referred to Senate Rules 2/24/11

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SB 148	Hartsell	GSC Technical Corrections/Other Changes	Makes technical corrections to the General Statutes as recommended by the General Statutes Commission and to make other technical and other changes to the General Statutes and Session Laws. Section 18 clarifies statutes that were previously in conflict regarding purchasing benchmarks.	SL 2011-326
SB 154	Stevens	Abolish Higher Education Bond Oversight Committee	Abolishes the Higher Education Bond Oversight Committee which has completed its work.	SL 2011-43
SB 159	Hise	Convey Blue Ridge Correctional Facility to Mayland Community College	Transfers the Blue Ridge Correctional Facility to Mayland Community College for the expansion of existing community college programs and the development of new programs.	SL 2011-305
SB 166	Hartsell	No Adult Left Behind	Established the "No Adult Left Behind" initiative to expand economic opportunities for working adults and achieve statewide workforce development goals.	SL 2011-327
SB 227	Hise	Haywood Community College Leases	Authorizes Haywood Community College to enter into leases for the siting and operation of a renewable energy facility for up to 20 years without treating it as a sale and without giving notice by publication.	Re-referred to House Finance 6/14/11
SB 284	Apodaca	Relief from Administrative Procedures Act/Community Colleges	Amends G.S. 150B-1 to give the State Board of Community Colleges the same exemption as the University of North Carolina. This exempts the State Board from most provisions of the Administrative Procedures Act.	Referred to Senate Rules 3/10/11. Included in SL 2011-145.
SB 287	Apodaca	Extend Small Business Center Incubator Period	Amends the Umstead Act to allow an extension of the time period for which community college small business incubators can offer services to new business ventures to 48 months.	SL 2011-331

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SB 296	Atwater, McKissick	Dropout Recovery Programs	Proposed committee substitute (PCS) permits the establishment of dropout recovery programs by community colleges and local school boards, subject to the approval of the State Board of Community Colleges. Provides budget FTE funding for students enrolled in Gateway to College programs at Durham Tech and College of the Albemarle, and requires the development of a process for approval of high school dropout recovery program partnerships.	PCS Reported favorable Senate Education/Higher Education; re-referred to Appropriations 3/31/11
SB 344	Clary, Tucker, Goolsby,	Government Transparency Act of 2011	Strengthens confidence in government by increasing accessibility to public personnel hiring, firing, performance records, and other governmental records and meetings.	Referred to Senate Judiciary I 3/15/11
SB 348	Atwater, Brown	Tuition for Dependents of Deployed Military	Provides in-state tuition at community colleges for one year to dependents of members of the armed services deployed overseas that do not qualify as a resident for tuition purposes under G.S. 116-143.1.	Referred to Senate Education/Higher Education 3/16/11
SB 385	Hartsell	Small Business Assistance Records/Tax Payments	Provides that records maintained by UNC's Small Business and Technology Development Centers or the North Carolina Community College System's Small Business Center Network that contain personally identifiable information from or about an individual seeking business counseling or assistance remain confidential and not subject to public record disclosure.	SL 2011-297
SB 408	Hartsell, Clary, Clodfelter	Community College Administration Study	Provides that the Program Evaluation Division of the General Assembly study effective and efficient community college administration. This language is identical to the 2009 special provision language and simply adds a date certain – June 15, 2011 – by which the division shall submit their report.	Referred to Senate Program Evaluation 3/24/11
SB 411	Newton, Meredith, Brown	Stanly County Local Changes	Among other changes, conference report changes the manner of selection of voting members of the Stanly Community College Board of Trustees. Requires eight trustees to be elected by the board of commissioners and four trustees to be appointed by the Governor.	SL 2011-175

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SB 446	Meredith, Preston, Brown	Community College Tuition for Members of Military	Permits community colleges to include the costs of textbooks in the tuition charged for members of the armed services.	Referred to House Education 6/7/11
SB 464	Hunt, Brunstetter, Stevens	Debt Reduction Act of 2011	Amends various amounts of authorized special indebtedness from the 2008 budget. Also repeals language from the 2010 budget that authorized special indebtedness for state facilities' repairs and renovations and community college and university equipment.	SL 2011-66
SB 470	Tillman, Hartsell	Modify Community College Construction Process	Raises the threshold for construction projects under which the State Board of Community Colleges or approved colleges may be delegated construction authority from \$1 million or less to \$4 million or less. Enacts a new subsection that exempts construction projects from G.S. 143-341(3) for projects funded with non-state funds, if the State Board determines the college has the required expertise to manage the project.	Referred to Senate Finance 3/31/11. Included in SL 2011-145.
SB 479	Tillman, Preston, Soucek	Testing in the Public Schools	Provides for the assessment of career and college readiness with nationally and internationally benchmarked tests, the continuation of the State's participation in the development and implementation of tests related to common core state standards adopted by a majority of states, and provides for diagnostic tools to assist in teaching and student learning.	Referred to House Education 5/2/11. Included in HB 200; SL 2011-280
SB 542	Rucho	Community Colleges/E-Procurement	Exempts community colleges from the North Carolina E-Procurement System.	Reported favorable Senate Finance; Re-referred to Appropriations/Base Budget 6/7/11

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SB 569	Rucho	Community College Efficiency Initiatives	Amends G.S. 11D-31(e) to place over-realized receipts into the Enrollment Growth Reserve, rather than the Equipment Reserve Fund. Also permits each community college to carry forward up to 2 percent of its final fiscal year general fund appropriations into the next fiscal year, and prescribes how those funds may be used.	Favorable report Senate Education/Higher Education; re-referred to Appropriations/Base Budget 4/27/11. The over-realized receipts credit to the Enrollment Growth Reserve is included in SL 2011-145.
SB 575	Stevens, Tillman	Higher Education Efficiency and Flexibility	Provides efficiency and flexibility for the North Carolina Community College System and the University of North Carolina. Among the included community college items are the (1) incorporation of SB 470, modifying the construction process for community colleges, (2) permission to transfer personal property titled to the State Board to another community colleges at no cost and without the approval of the State Board or the Division of Surplus Property in the Department of Administration, (3) incorporation of HB 72 regarding investment flexibility for community college institutional funds, and (4) allowing community colleges to use their employees to complete construction projects on which the total cost of the project does not exceed \$500,000 (was \$200,000 and for university projects only) or the total cost of the labor on the project does not exceed \$300,000 (was \$100,000 and for university projects only).	Referred to Senate Education/Higher Education 4/14/11; if favorable, Finance. Portions of this bill are also included in SL 2011-145.
SB 641	Hartsell	Education Governance Amendment	Subject to voter approval, amends the North Carolina Constitution to change the size and composition of the State Board of Education to include the President of the North Carolina Community College System as an ex-officio member beginning 7/1/13.	Referred to Senate Rules 4/19/11

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SB 685	Apodaca	Modify Regulation of Proprietary Schools	Creates the State Board of Proprietary Schools (SBPS) in the Community College System Office effective 1/1/12. The SBPS would review applicants and renewal applicants for proprietary school licenses, and would forward its recommendations to the State Board of Community Colleges (SBCC). Also directs the SBCC to receive recommended changes to GS Chapter 115D or 23 NCAC 3A from the SBPS, and for that board to submit a written report including specified information to the SBCC each year. Makes other conforming changes.	SL 2011-308
SB 700	Meredith	Modify Terms of Community College Trustees	Deletes the four appointments to local college Boards of Trustees from the local board of education and replaces them with two trustees appointed by the House of Representatives and two trustees appointed by the Senate. Also limits trustee terms to no more than three consecutive terms.	Referred to Senate Education/Higher Education 4/20/11
SB 784	Apodaca	Adjournment Resolution	Adjourns the 2011 Regular Session and sets the reconvening date as Wednesday, July 13, 2011 at noon. Outlines six matters that may be considered when the legislature reconvenes. Vacancies on the State Board of Community Colleges may be filled during this period.	Senate Joint Resolution 2011-9

<p style="text-align:center">2011 Legislative Update North Carolina Community College System</p>
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I. State Board of Community College Policy Proposals

Relief from Administrative Procedures Act/Community Colleges (SB 284 – Apodaca; Special Provision)

Senate Bill 284 amends G.S. 150B-1 to exempt the State Board of Community Colleges from most provisions of the Administrative Procedures Act. Section 8.18 of Session Law 2011-145 (2011 Appropriations Act), as amended by Section 19 of House Bill 22 (2011 Budget Technical Corrections) provides the State Board with the same exemptions as the University of North Carolina. *Result: Enacted; Effective date: July 1, 2011.*

Community College Investment Flexibility (HB 72 – Crawford; Special Provision)

House Bill 77 grants Vance-Granville, Isothermal, Southeastern, Davidson County and Wilkes Community Colleges and Caldwell Community College and Technical Institute additional flexibility with regards to investments. A prior version of this bill had statewide applicability. Section 8.20 of Session Law 2011-145 (2011 Appropriations Act) *includes* the original statewide language for college investment flexibility of institutional funds, requires that local boards of trustees appoint an investment committee to review and evaluate investment options, and allows colleges to invest in the State Treasurer’s Long Term Investment Fund. *Result: Enacted; Effective date: July 1, 2011.*

Extend Small Business Center Incubator Period (SB 287 – Apodaca)

Session Law 2011-331 amends the Umstead Act to allow an extension of the time period for which community college small business incubators can offer services to new business ventures. Previously, that time period could not exceed 24 months. This bill extends that time to a maximum of 48 months. *Result: Enacted; Effective date: June 27, 2011.*

Amend Law Regulating Proprietary Schools (SB 20 – Clodfelter and Tillman)

Session Law 2011-21 makes various changes to the laws governing proprietary schools in Chapter 115D. It collapses the definitions of proprietary schools by discontinuing the use of the terms “business school”, “trade school”, and “technical school” and uses the single term “proprietary school” as redefined. The bill clarifies the exemption for charities that have 501

(c)(3) status, removes the exemption for schools that teach five or fewer students in homes or other locations, amends the refund policies of proprietary schools, and provides the State Board of Community Colleges flexibility with respect to the duration of licensure renewal. *Result: Enacted; Effective date: Section 5 pertaining to refunds is effective March 31, 2011 and applies beginning with the 2011-12 academic year; the rest is effective July 1, 2011.*

Dropout Recovery Programs (SB 296 – Atwater, McKissick)

Senate Bill 296 permits the establishment of dropout recovery programs by community colleges and local school boards, provides budget FTE for students enrolled in Gateway to College programs at Durham Technical Community College and College of the Albemarle, and requires the development of a process for approval of high school dropout recovery program partnerships. *Result: This bill received a favorable report in the Senate Education/Higher Education Committee and was referred to the Senate Appropriations/Base Budget Committee, where it currently resides.*

Vance-Granville Community College Bond Funds (HB 22 – Crawford; Special Provision)

In its original form, House Bill 22 provided for additional flexibility for Vance-Granville Community College bond funds by allowing funds to be reallocated from a site outside the main campus to a site within the main campus county. This bill granted the same exception to Vance-Granville Community College that was granted to Mayland Community College in the 2000 Higher Education Bond Act. Under House Bill 22, capital funds for the college could be reallocated from the Granville County campus for the purchase of property in Vance County. The General Assembly provided this flexibility to the college in Section 30.9 of Session Law 2011-145 (2011 Appropriations Act), and ultimately used this bill as the vehicle for the 2011 Budget Technical Corrections bill. *Result: Enacted; Effective date: July 1, 2011.*

Study Community College Performance Measures (Special Provision)

Section 8.14 of Session Law 2011-145 (2011 Appropriations Act) requires the State Board of Community Colleges to report to the Joint Legislative Education Oversight Committee by March 1, 2012 on a revised set of accountability measures and performance standards by which to evaluate and measure student progress and student success, including measures of graduation rates and course completions. In 2010, President Scott Ralls appointed members of a Performance Measures Committee to review the current performance measures and make recommend changes to the State Board of Community Colleges in October 2011 which reflect national standards of accountability and outcomes. This special provision also directs the State Board to include in its report a plan to incorporate these revised accountability measures and

performance standards into regular funding formula. These measures and standards shall also be the basis for the allocation of performance funding, in accordance with G.S. 115D-31.3(g) and (h). *Result: Enacted; Effective date: July 1, 2011.*

Repeal Obsolete Reporting Requirements (Special Provision)

Section 8.12 of Session Law 2011-145 repeals the annual reporting requirement regarding compliance of community colleges with the State Board-adopted criteria and standards for college transfer programs, as well as the semiannual report on expenditures from the State Board Reserve Fund. *Result: Enacted; Effective date: July 1, 2011.*

II. Presidents Efficiency Initiatives

Eliminate Budget Transfer Restrictions for Colleges (Special Provision)

In previous budget bills, the General Assembly placed restrictions on the percentage of funds that can be transferred from instructional salary accounts through a special provision, commonly known as the “2% transfer” restriction. The Legislature’s intent was to encourage colleges to make faculty salaries a priority and to reward those colleges that have taken steps to achieve the national average community college faculty salary. During the 2011 Session, the Presidents requested to not include this language as a special provision in order to maximize the colleges’ flexibility to effectively and efficiently manage state appropriations. Session Law 2011-145 does not contain this restriction language. **However**, Section 20 of Session Law 2011-391 (2011 Budget Technical Corrections Act), does stipulate that any college whose board of trustees adopts a resolution declining to participate in the William D. Ford Federal Direct Loan Program shall not transfer an amount that exceeds 2% of the State funds allocated to it for faculty salaries to support other instructional costs or other purposes. This effectively applies the 2% transfer restriction only to those colleges that decline to participate in the federal direct loan program. *Result: Partially Enacted; Effective date: July 1, 2011.*

Streamline the Administrative Code Rule-Making Process

See outcome under “*Relief from Administrative Procedures Act/Community Colleges (SB 284 – Apodaca; Special Provision)*” on page 1.

Forward Funding of FTEs (SB 569 and Special Provision)

The community college system is the only segment of education in North Carolina where enrollment is funded in arrears. To partially address this discrepancy, the Presidents requested changes in the General Statutes that govern the deposit of community college over-realized receipts. Section 1 of Senate Bill 569 included language that directed the deposit of over-realized receipts in the Enrollment Growth Reserve, rather than the Equipment Reserve Fund. Section 8.4 of Session Law 2011-145 (2011 Appropriations Act) also included this language. This special provision allows the State Board to allocate funds from this reserve to colleges experiencing an enrollment increase greater than 5% of budgeted enrollment levels. *Result: Enacted; Effective date: July 1, 2011.*

2 Percent Budget Carry Forward (SB 569 – Rucho)

Section 2 of Senate Bill 569 addresses the Presidents’ request to carry forward up to 2% of unspent annual appropriations. This would allow for better planning and for effective financial

management at the college level, and provide resources for non-recurring needs at the colleges. *Result: Senate Bill 569 received a favorable report in Senate Education/Higher Education and was referred to the Senate Appropriations/Base Budget Committee, where it currently resides.*

Review and Modify Required Financial Reports

The Presidents raised issues concerning the number of required annual financial reports, and suggested that consolidating, eliminating, or extending reporting requirements from annual cycles to a longer cycle would reduce redundancy within the system and provide for more efficiency. The Association of Community College Budget Officers (ACCBO) has been tasked with reviewing a comprehensive list of reporting requirements and making recommendations for change. For those reports that require statutory changes, the Community College System Office would submit these suggested report modifications to the General Assembly for their consideration. *Result: No legislative action was necessary for this review during the 2011 session.*

Modify or Eliminate the Requirements of the EAGLE Program and Financial Audits and the Office of the State Auditor (Special Provision)

Section 8.15(a) of Session Law 2011-145 addresses the Presidents' and local trustees' request to streamline financial auditing and reporting processes. This section amends Article 4 of Chapter 115D to direct colleges to conduct financial audits at least once every two years, and permits colleges to use State funds to either contract with the State Auditor for these services, or with an outside certified public accountant. Audit results shall be submitted to the State Board of Community Colleges upon completion. *Result: Enacted; Effective date: July 1, 2011.*

Section 8.15(b) fulfills the Presidents' and local trustees' request to mitigate increased demands on colleges' internal operations. This section of the special provision addresses requirements pertaining to the EAGLE (*Enhancing Accountability in Government through Leadership and Education*) program that is administered by the Office of the State Controller (OSC). In 2008, OSC began a phased-in implementation of the statewide internal control program known as EAGLE. Under the EAGLE program, each agency is required to perform an annual assessment of internal control over financial reporting and compliance. Section 8.15(b) amends Article 4 of Chapter 115D to exempt colleges from the requirements of the EAGLE program unless there is a finding of internal control problems in the most recent financial audit of the college, or if the State Board of Community Colleges determines that a college should be subject to the program. *Result: Enacted; Effective date: July 1, 2011.*

Review the Role and Effectiveness of the Office of State Procurement and Office of State Construction (SB 470 - Tillman, Hartsell, Special Provision; SB 542 – Rucho;)

Senate Bills 470 and 542, and Section 8.19 all pertain to the issues of expanded construction and purchasing authority.

Senate Bill 470, requested by the Presidents and local trustees, raises the threshold for construction projects under which the State Board of Community Colleges or approved colleges may be delegated construction authority from \$1 million or less to \$4 million or less. The bill further exempts construction projects from G.S. 143-341(3) for projects funded with non-state funds if the State Board of Community Colleges determines that the college has the necessary expertise to manage the project, unless the colleges requests the assistance of the Office of State Construction. This bill received a favorable report in Senate Education/Higher Education and was referred to the Senate Finance Committee for further action. The General Assembly provided this expanded construction authority in Section 8.19 of Session Law 2001-145 (2011 Appropriations Act). *Result: Enacted; Effective date: July 1, 2011.*

Senate Bill 542, also requested by the Presidents and local trustees, exempts community colleges from the North Carolina E-Procurement System. *Result: This bill received a favorable report in Senate Finance and was referred to the Senate Appropriations/Base Budget Committee where it currently resides.*

III. Enacted Local Legislation

Opt Out of Federal Loan Program/Community Colleges (HB 15 – McElraft)*

Session Law 2011-148 allows Beaufort County Community College, Brunswick Community College, Cleveland Community College, James Sprunt Community College, Lenoir Community College, Sandhills Community College and Surry Community College to opt out of participating in the William D. Ford Federal Direct Loan program through a resolution of their local boards of trustees. *Effective date: July 1, 2011.*

Opt Out of Federal Loan Program/Community Colleges (HB 58 – Burr, Holloway, Guice, Johnson)*

Session Law 2011-155 allows Caldwell Community College and Technical Institute, Martin Community College, Sampson Community College and Rockingham Community College to opt out of participating in the William D. Ford Federal Direct Loan program through a resolution of their local boards of trustees. *Effective date: July 1, 2011.*

Opt Out of Federal Loan Program/Community Colleges (HB 134 – McElraft)*

Session Law 2011-178 allows Central Carolina Community College, Pamlico Community College, Rowan-Cabarrus Community College, South Piedmont Community College, and Vance-Granville Community College to opt out of participating in the William D. Ford Federal Direct Loan program through a resolution of their local boards of trustees. *Effective date: July 1, 2011.*

Opt Out of Federal Loan Program/Community Colleges (HB 541 – Hurley)*

Session Law 2011-154 allows Alamance Community College, Central Piedmont Community College, Gaston College, Mitchell Community College, Montgomery Community College, Randolph Community College, Richmond Community College, Robeson Community College, Stanly Community College and Wilkes Community College to opt out of participating in the William D. Ford Federal Direct Loan program through a resolution of their local boards of trustees. *Effective date: July 1, 2011.*

****NOTE: See also “Eliminate Budget Transfer Restrictions for Colleges” or “Budget Technical Corrections” for additional information pertaining to these local bills.***

Guilford Tech May Lease Property) HB 409 – Jeffus, Harrison, Faircloth, Adams)

Session Law 2011-153 allows the Board of Trustees of Guilford Technical Community College to lease a portion of its land and improvements on the Donald W. Cameron Campus to the North Carolina Center for Global Logistics, LLC. The board is permitted to use proceeds of the lease for current operating expenses or for capital outlay purposes. The bill also permits the personnel and facilities of Guilford Technical Community College to be used in support of economic development through the operation of the Cameron Campus and its companion facilities as an event venue. *Effective date: June 16, 2011.*

Convey Blue Ridge Correctional Facility to Mayland Community College (SB 159 - Hise)

Session Law 2011-305 transfers the Blue Ridge Correctional Facility to Mayland Community College for the expansion of existing community college programs and the development of new programs. This correctional facility in Avery County has been closed since 2002. The State will convey the facility site, excluding forest service land and buildings, for \$1.00 to the Mayland Community College Board of Trustees “as is” “where is” without warranty. *Effective date: June 27, 2011.*

Stanly County Local Changes (SB 411 – Newton, Meredith, Brown)

Session Law 2011-175 makes changes to various elected and appointed boards in Stanly County. Specifically for Stanly Community College, the bill changes appointments to the local board of trustees. Currently, G.S. 115D-12 sets forth the selection of local trustees as follows: four trustees elected by the local board of education, four trustees elected by the local board of county commissioners, four trustees appointed by the Governor, with the president of the student government association serving as an ex officio nonvoting member. This local legislation removes from the board of education the power to elect trustees and gives that authority to the county commissioners, who will now have authority to elect eight trustees. Gubernatorial appointments remain the same. *Effective date: June 18, 2011.*

IV. Other Enacted Legislation Pertaining to Community Colleges

2011 Budget Technical Corrections (HB 22 – Crawford)

Session Law 2011-391 makes various technical, clarifying and other modifications to Session Law 2011-145 (2011 Appropriations Act). Several sections of this bill affect the community college budget and related special provisions. Section 13 makes purely technical amendments to the Career and College Promise special provision. Section 18 makes a technical amendment to the tuition waiver special provision with respect to REACT (Radio Emergency Associated Communications Teams), and a conforming change to statutes governing high school students at community colleges. Section 19 clarifies the special provision regarding exemption from rulemaking. Section 20 provides for new language with respect to colleges who opt out of participating in the William D. Ford Federal Direct Loan Program, prohibiting them from transferring from faculty salaries an amount that exceeds 2% of the state funds allocated to it for faculty salaries to support other instructional costs or other purposes. *Effective date: July 1, 2011.*

High School Accreditation (HB 342 – Blackwell, Holloway)

Session Law 2011-306 prohibits higher education institutions from soliciting or using information regarding the accreditation of a secondary school attended by a student as a factor in admissions, loans, scholarships, or other educational activity at the public institution, unless the accreditation was performed by a state agency. The legislation directs the State Board of Community Colleges to adopt a policy stating the above prohibition for any community college. *Effective June 27, 2011.*

Community College Tuition for Members of the Military (HB 515 – Boles, Floyd)

Session Law 2011-184 permits community colleges to include the costs of textbooks in the tuition charged for members of the armed services, so that these costs would be included as ‘tuition’ for the purposes of payment by the armed forces. The Armed Forces Tuition Assistance (TA) program provides each branch of the military service the ability to pay up to 100% for the tuition expense of its service members. Each branch of service has its own criteria for eligibility, obligated service, application process and restrictions- including whether textbooks may be included in the program. This bill permits the “bundling” of tuition and books if the student’s branch of the armed services permits the addition of textbooks to tuition costs in its tuition assistance program. *Effective date: June 20, 2011.*

Study Length of School Year (HB 765 – Lewis)

Session Law 2011-257 establishes a “Blue Ribbon Commission to Study the Length of the School Year”. This 19-member Commission is tasked with studying the following matters related to the State’s educational needs: (1) Strategies for making North Carolina's children ready to compete in the 21st century (2) The cost of implementing a longer school year. (3) A plan for implementing a longer school year. (4) The impact of summer learning loss. (5) The cost of remediation in the public schools, the community colleges, and the constituent institutions of The University of North Carolina. (6) The impact of the current calendar on low-income and at-risk students. (7) The impact of the current calendar on math and science scores. (8) The achievement gap. The Commission may make an interim report of its findings and recommendations during the 2012 Short Session, and make a final report to the 2013 General Assembly. *Effective date: July 1, 2011.*

General Statutes Commission Technical Corrections/Other Changes (SB 148 – Hartsell)

Session Law 2011-326 makes technical corrections to the General Statutes as recommended by the General Statutes Commission and other technical and other changes to the General Statutes and Session Laws. Section 18 clarifies General Statutes that were previously in conflict regarding community college purchasing benchmarks. *Effective date: June 27, 2011 unless otherwise noted.*

Abolish Higher Education Bond Oversight Committee (SB 154 – Stevens)

As the title indicates, Session Law 2011-43 abolishes the Higher Education Bond Oversight Committee (“HEBOC”). The General Assembly tasked HEBOC with ensuring that expenditures of the proceeds from the bonds issued under the Michael K. Hooker Higher Education Facilities Financing Act (Session Law 2000-3), are in compliance with the provisions of said legislation. Per G.S. 116D-5(h), HEBOC is terminated upon completion of its work. *Effective date: April 19, 2011.*

No Adult Left Behind (SB 166 – Hartsell)

Session Law 2011-327 establishes the “No Adult Left Behind” initiative to expand economic opportunities for working adults and to achieve statewide workforce development goals. Acting as lead agency, and with cooperation of other participating agencies, the Commission on Workforce Development is legislatively charged with (1) developing model evening-weekend certificate and degree programs designed specifically for working adults and other nontraditional students, (2) working jointly to promote systemic changes designed to

increase access and foster success among adult workers and other nontraditional students, and (3) making it a priority to provide model evening-weekend certificate and degree programs in high-demand disciplines, occupations, and fields closely linked to economic development or that are the focus of public initiatives. The Commission on Workforce Development must file an initial report on May 12, 2012 and annually thereafter on the implementation of this legislation. *Effective date: July 1, 2011.*

Small Business Assistance Records/Tax Payments (SB 385 – Hartsell)

Session Law 2011-297 amends G.S. 115D-78 and G.S. 116-43.16 respectively to provide that records maintained by the North Carolina Community College System’s Small Business Center Network or UNC’s Small Business and Technology Development Centers that contain personally identifiable information from or about an individual seeking business counseling or assistance remain confidential and are not subject to public record disclosure. This legislation was deemed critical in order to continue providing confidential client counseling activities at small business centers and small business and technology development centers. *Effective date: June 24, 2011*

Testing in the Public Schools (SB 479 – Tillman, Preston, Soucek)

Session Law 2011-280 provides for the assessment of career and college readiness with nationally and internationally benchmarked tests. The State Board of Education (“SBOE”) is directed to plan for and require the ACT test for all students in the 11th grade – to the extent that funds are made available – unless a student has already taken a comparable test and scored at or above a level set by the SBOE., The bill also requires the SBOE to continue participation in the development of the Common Core State Standards and to implement assessments to determine student achievement on these standards. Lastly, the bill provides for diagnostic tools to assist in teaching and student learning, again to the extent funds are made available. This would involve administration of diagnostic tests in the 8th and 10th grades that align to the ACT to assess student learning and provide an indication whether they are on track to be “remediation-free” at a community college or university. Also, appropriate Work Keys tests are to be made available to students who complete the second level of vocational or career courses. *Effective date: July 1, 2011 and applies beginning with the 2011-2012 school year.*

Modify Regulation of Proprietary Schools (SB 685 – Apodaca)

Session Law 2011-308 creates the State Board of Proprietary Schools (“SBPS”) in the Community College System Office to oversee the licensing of proprietary schools in the State. The SBPS would have seven members – the President of the Community College System or the President’s designee, two members appointed by the Governor, two members appointed by the

President Pro Tempore of the Senate, and two members appointed by the Speaker of the House. The SBPS would review applicants and renewal applicants for proprietary school licenses, and would forward its recommendations to the State Board of Community Colleges (“SBCC”), effectively removing that function from the Community College System Office. The SBPS is required to annually report to the SBCC on the number of schools receiving initial licenses during the previous year, a list of currently licensed proprietary schools, school closures, complaints received and subsequent actions, total fees received, and balances of the Commercial Education and Student Protection Funds. *Effective date: Most sections become effective January 1, 2012. Section 10 pertaining to staff is effective July 1, 2011. Section 11 pertaining to appointments is effective June 27, 2011.*

Career and College Promise (Special Provision)

Section 7.1A of Session Law 2011-145 (2011 Appropriations Act) establishes the Career and College Promise (CCP) program to offer structured pathways for qualified high school students to dually enroll in community college courses. The legislation tasks the State Board of Education and the North Carolina Community College System with developing pathways that lead to a certificate, diploma, or degree as well as provide entry-level jobs skills. The legislation defines three pathways; (1) Cooperative innovative high school programs approved under Part 9 of Article 16 of Chapter 115C of the General Statutes, (2) A Career Technical Education Pathway, leading to a certificate or diploma aligned with one or more high school Tech Prep career Clusters, and (3) A College Transfer Pathway that requires the completion of 30 credit hours of college transfer courses, including English and math, for qualified high school juniors and seniors.

All existing high school programs, including Huskins, Concurrent Enrollment, Cooperative and Innovative High Schools, Learn and Earn, and Learn and Earn Online are consolidated and replaced by CCP effective January 1, 2012. At that point, community colleges will generate budget FTE for instruction provided through CCP, but until that time, colleges shall continue to operate under existing restrictions on high school programs. The legislation requires the System Office to report to either the Joint Legislative Education Oversight Committee or the House and Senate Education Committees no later than February 1, 2013 on the number and cost of high school FTE served as a result of CCP. *Effective date: Section 7.1A (e) concerning reporting requirements takes effect January 1, 2013 and is repealed effective June 30, 2015. The rest of the legislation is effective January 1, 2012.*

Adjournment Resolution (SJR 784– Apodaca)

Resolution 2011-9 adjourns the 2011 Regular Session of the General Assembly to a date certain and limits the matters that may be considered upon its reconvening. The legislature stands adjourned to reconvene on Wednesday, July 13, 2011 at noon, and may only consider the following matters: (1) bills related to redistricting, (2) bills vetoed by the Governor solely for the

purpose of considering overriding the veto, (3) filling of vacancies on the State Board of Community Colleges, (4) appointments bills, (5) bills relating to election laws, (6) adoption of conference reports for bills that were in conference as of June 18, 2011 and conferees had been appointed by both houses as of that date, and (6) a joint resolution further adjourning the 2011 Regular Session to a date certain. *Effective date: June 18, 2011.*

V. Bills Pending in Committee/Eligible for 2012 Short Session

In addition to bills affecting matters of appropriations and finance, substantive bills that “crossed over” from one chamber to the other by June 9, 2011 are eligible for further consideration in the 2012 Short Session.

Haywood Community College Leases (SB 227 – Hise)

Senate Bill 227 Authorizes Haywood Community College to enter into leases for the siting and operation of a renewable energy facility for up to 20 years without treating it as a sale and without giving notice by publication. *Status: Reported favorable House Government; re-referred to House Finance June 14, 2011.*

Establish Minimum Wage Worker Scholarship Fund (HB 702 – Wilkins, Horn, Pierce, Johnson)

The Proposed Committee Substitute for House Bill 702 creates the Minimum Wage Worker Scholarship Fund to provide scholarships to workers who have worked long term in minimum wage jobs and are pursuing a college degree. This scholarship fund will be supported by dollars that are yet to be made available. *Status: Reported favorable House Education; re-referred to House Appropriations May 31, 2011.*