MEMORANDUM

TO: Members of the State Board of Community Colleges
   Community College Presidents
   Boards of Trustees Chairs
   Community College Chief Academic Officers, Chief Admissions Officers,
   Business Officers, Chief Financial Officers, Financial Aid Officers, Student
   Development Administrators, Public Information Officers, Registrars & Other
   Interested Parties

FROM: Q. Shanté Martin, *NCCCS General Counsel*

RE: Proposed Amendment of 1E SBCCC 700.7 – “Excess Fee Receipts”

The State Board of Community Colleges has initiated the rulemaking process to amend the
following rule:

1E SBCCC 700.7 – “Excess Fee Receipts”

The State Board of Community Colleges proposes to amend 1E SBCCC 700.7 – “Excess Fee
Receipts” so that the change can correspond to changes in 1H SBCCC 300.1(g).

The proposed amendment is published on the NC Community College System's
website, www.nccommunitycolleges.edu, under "State Board Code." For your convenience,
a copy of the proposed rule, with the changes indicated, is attached to this memorandum. Please
post a copy of the proposed rule in prominent places so that all individuals affected by the proposed
changes will be informed.

Any member of the public has the right to submit written comments on the proposed rule.
Written comments on the rule must be received by no later than 5:00 p.m. on September 23,
2015. Any member of the public has the right to request a hearing on the proposed rule. Requests
for a hearing must be received by no later than 5:00 p.m. on September 8, 2015. Written
comments and requests for hearing shall be directed to the following address: Q. Shanté Martin,
200 W. Jones Street, 5001 Mail Service Center, Raleigh, NC 27699-5001 or by email to
publiccomments@nccommunitycolleges.edu. Thank you for your attention to this matter.

Attachments
State Board of Community Colleges Code

Notice of Proposed Rulemaking Form

Date: 24 August 2015

<table>
<thead>
<tr>
<th>Title, Chapter, Subchapter, and Rule Number of Rule</th>
<th>Amend 1E SBCCC 700.7 – “Excess Fee Receipts”</th>
</tr>
</thead>
</table>

Specify whether the SBCC proposes to adopt, amend, or repeal a rule:

<table>
<thead>
<tr>
<th>Adopt (new rule)</th>
<th>Amend (change existing rule)</th>
<th>Repeal (delete entire rule)</th>
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<tbody>
<tr>
<td></td>
<td>X</td>
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Rationale for proposed adoption, amendment or repeal:
The purpose for the proposed amendment to 1E SBCCC 700.7 – “Excess Fee Receipts” is so that the change can correspond to changes in 1H SBCCC 300.1(g).

Proposed Effective Date of Rule

January 1, 2016
1E SBCCC 700.7 is proposed for amendment as follows:

State Board of Community Colleges Code

TITLE 1 – COMMUNITY COLLEGES

CHAPTER E. STUDENT TUITION AND FEES

SUBCHAPTER 700. LOCAL FEES

1E SBCCC 700.7 Excess Fee Receipts

If receipts collected through fees authorized by 1E SBCCC 600.3, 700.5, and 700.6 1E SBCCC 700.5, 1E SBCCC 700.6, and 1H SBCCC 300.1(g) exceed expenditures on authorized purposes, the following provisions apply:

(a) Excess receipts shall only be used for one or more of the following purposes: instruction, student support services, student financial aid (e.g. scholarships, grants, and loans), student refunds, student activities, curriculum development, program improvement, professional development, promotional giveaway items, instructional equipment, and capital improvements and acquisition of real property.

(b) Excess receipts shall not be used for any of the following purposes: supplemental compensation or benefits of any personnel, administrative costs, entertainment expenses, and fundraising expenses.

History Note: Authority G.S. 115D-5; G.S. 115D-39;