FINANCE COMMITTEE  
September 15, 2016 - 1:30 p.m.

Members Present:
Lynn Raye
Lisa Estep
Janet Lowder
Todd Johnson
Scott Shook

System Office Staff and Others:
Jennifer Haygood, NCCCS
James Williamson, NCCCS President
Brandy Andrews, NCCCS
Rondra McMillan, NCCCS
Julie Batchelor, NCCCS
Cindy Mixter, NCCCS
Debbie Batten, NCCCS
Margaret Roberton, NCCCS
Dorine Fokes, NCCCS
Linda Weiner, NCCCS
Nancy Gaj, NCCCS
Brett Altman, NCGA Fiscal Research
Arthur Hohnsbehn, NCCCS
Bryan Conrad, OSBM
Cheryl Kaminski, NCCCS
Lisa Fox, NCGA Fiscal Research
Joy Martin, NCCCS

CALL TO ORDER
Mr. Lynn Raye called the meeting to order at 1:30 p.m.

ROLL CALL
Carmen Cargill took the roll of the Finance Committee members.

ETHICS AWARENESS AND CONFLICT OF INTEREST
Mr. Raye read the required ethics statement. There were no conflicts of interest.

AGENDA
Mr. Raye asked for a motion to approve the agenda for the meeting as presented. Ms. Lowder moved, seconded by Ms. Estep.

MINUTES
Mr. Raye asked for a motion to approve the minutes of the August 18, 2016, meeting as presented. Mr. Johnson moved and Ms. Estep seconded the motion.

FOR INFORMATION
SBCC Code Report – September 2016 (Attachment FC 1)
Ms. Haygood reviewed the SBCC Code Report for September 2016. Ms. Haygood stated that the report details the status of the “Curriculum Tuition Refunds” rule which was initiated in August 2016. Ms. Haygood further stated that this rule seeks to amend the policy related to tuition refunds for students who in the future will have their residency determined by a new centralized state-wide residency determination system. This rule is currently in the written
comments phase and any comments received will be reviewed by the Board at the October meeting.

**FY 2015-16 Year-End State Board Reserve Report (Attachment FC 2)**
Ms. Haygood presented the FY 2015-16 Year-End State Board Reserve Report. Ms. Haygood stated that State Board Reserve Fund is provided annually for feasibility studies, pilot projects, start-up of new programs, and innovative ideas. Ms. Haygood provided a brief overview of the various expenditures.

**ERP System Planning (For Discussion Only)**
Ms. Haygood reminded the Committee that the General Assembly has instructed the NC Community College System to begin the process of modernization or replacement of the current Enterprise Resource Planning System (ERP System). The ERP System handles all core administrative functions at all 58 colleges, including student accounts and grades, financial systems, Human Resources, and Payroll. Ms. Haygood stated that this process is a significant undertaking and will be a multi-year project. Ms. Haygood introduced Ms. Julie Batchelor and Mr. Arthur Hohnsbehn to provide the Committee with an overview of what this endeavor will entail and answer questions. A lengthy discussion followed.

**For Action**
**Allocation of Special Capital Improvement Appropriations (Attachment FC 3)**
Ms. Haygood stated that the Board is asked to approve the allocation of $3.4 million to Gaston College for the Center for Advanced Manufacturing and $200,000 to Mitchell Community College for site development at the former Davis Hospital site. Funding for these specific capital improvement projects was included in the 2016 Conference budget. Ms. Haygood further stated that approval of this allocation allows the NCCCS to transfer the funds into a non-reverting capital improvement account until the colleges have submitted plans for approval of the stated projects.

Ms. Estep moved, seconded by Mr. Todd Johnson, and the Committee approved the Allocation of Special Capital Improvement Appropriations to Gaston College and Mitchell Community College.

**Allocations for Integrated English Literacy and Civics Education Programs (Attachment FC 4)**
Ms. Haygood reviewed the request to approve allocations for ten Integrated English Literacy and Civics Education (IELCE) Programs in the amount of $378,210. Ms. Haygood stated that this is the second round of allocations for this program, with the first round of funding allocated at the July 2016 Board meeting. Ms. Nancy Gaj detailed the application review and approval process which was used to determine the colleges and CBOs recommended for funding.

Mr. Johnson moved and Ms. Lowder seconded the motion. The Committee approved the allocations for Integrated English Literacy and Civics Education Programs in the amount of $378,210.
Forsyth Technical Community College Request for Off-Campus Center Approval (Attachment FC 5)
Ms. Haygood reviewed the request by Forsyth Technical Community College to designate the new Stokes County location as an off-campus center (OCC). Ms. Haygood provided a brief history of the request stating that the Legislature appropriated funds in 2011, and subsequently, Stokes County appropriated $6 million to establish the site, which is scheduled to open in December 2016.

Mr. Todd Johnson moved, seconded by Ms. Lowder and the Committee approved the request by Forsyth Technical Community College for OCC designation at the Stokes County location.

Specialized Course List for Public Safety Waivers Authorized Under G.S. 115D-5(b)(2) (Attachment FC 6)
Ms. Haygood reviewed the request to approve the Specialized Course List for Public Safety Waivers as required by statute. Ms. Haygood stated that in September 2015, the State Board approved the process to revise the list which allows the System President to approve revisions and then provide the Board with an annual update. Ms. Haygood further stated that the General Assembly expanded the waivers list to include firefighters, EMS personnel, and rescue and lifesaving personnel whose duty station is located on a military installation.

Mr. Todd Johnson moved, seconded by Ms. Lowder and the Committee approved the Specialized Course List for Public Safety Waivers Authorized Under G.S. 115D-5(b)(2) as presented.

State Board Reserve Funding for the Implementation of the Future of Community College Nursing Education Recommendations (Attachment FC 7)
Ms. Haygood reviewed the request to approve up to $85,000 in State Board Reserve Funds to continue working on nursing initiatives to provide a seamless RN to BSN articulation between the NC Community College System and the University of North Carolina. Ms. Haygood recalled the three recommendations approved by the State Board at the January 2016 meeting.

(1) Expand the Regionally Increasing Bachelors in Nursing (RIBN) collaboration between North Carolina community colleges and universities.

(2) Expand statewide partnerships between the NC Community College System and the University of North Carolina by increasing the number and capacity of RN to BSN online programs, and the collaborative development of a competency-based BSN completion program at one of the UNC System nursing schools.

(3) Monitor the RN to BSN Uniform Articulation (3+1) Agreement (which was effective Fall 2015) by performing data analysis and assessment of the university admission capacity to enroll students in the program.

Ms. Renee Batts provided and in-depth review of the RIBN program for the Committee and answered questions.
Ms. Lowder moved, seconded by Ms. Estep and the Committee approved up to $85,000 in State Board Reserve Funding for the Implementation of the Future of Community College Nursing Education Recommendations.

Construction and Property (Attachment FC 8) [CA]
Ms. Haygood reviewed the agenda items and called attention to the additional details, specific to Connect NC Bonds, provided in Attachment FC 8A.

After Ms. Haygood completed her review of all projects, Ms. Lowder moved, seconded by Ms. Estep and the following Construction and Property projects were approved.

1. **Project Approval – New**

   A. Central Piedmont Community College – Project No. 2047 – Advanced Technology Center Classroom Building Replacement – Main Campus – Estimated cost is $33,363,000, composed of all local funds. **Reference Item B in Section 4 – Acquisition and Disposal of Real Property.**

2. **Project Approval – New – Connect NC Bonds (Additional detail found on Attachment A).**

   A. Central Piedmont Community College – Project No. 2013 – Commercial Driving License Program Driving Course and Lab Building (Instructional Classrooms) – Merancas Campus – Estimated cost is $3,745,433, composed of all state funds (Connect NC Bonds – 46620/New Construction). Note: Contingent upon Board of Trustees approval which is expected on September 14, 2016.

   B. Cleveland Community College – Project No. 2211 – Advanced Manufacturing Building (Instructional Classrooms) – Main Campus – Estimated cost is $8,000,000, composed of $4,857,581 state funds available for planning (Connect NC Bonds – 46620/New Construction). Note: Contingent upon Board of Trustees approval which is expected on September 13, 2016.

   C. Craven Community College – Project No. 2184 – Barker Hall First Stop Renovation (Student Services) – Main Campus – Estimated cost is $495,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

   D. Davidson County Community College – Project No. 2192 – Finch and Reich Building Cooling Tower Replacement (Instructional Classrooms) – Main Campus – Estimated cost is $120,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

   E. Davidson County Community College – Project No. 2193 – Brinkley Building HVAC Renovation (Instructional Classrooms) – Main Campus – Estimated cost is $550,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).
F. Davidson County Community College – Project No. 2194 – Davie Community Building Chiller Replacement (Instructional Classrooms) – Davie County – Estimated cost is $150,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

G. Davidson County Community College – Project No. 2195 – Training Grounds Pavement Resurface (Training Surface – Fire/Truck Driver) – Davie County – Estimated cost is $150,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

H. Halifax Community College – Project No. 2200 – Student Access Door Retrofit (Instructional Classrooms) – Main Campus – Estimated cost is $200,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

I. Halifax Community College – Project No. 2215 – Buildings 300, 400, and 500 (Instructional Classrooms) Roof Renovations – Main Campus – Estimated cost is $430,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

J. Halifax Community College – Project No. 2216 – Buildings 100, 300, 400, 500, & 600 (Instructional Classrooms) HVAC Renovations – Main Campus – Estimated cost is $170,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

K. Halifax Community College – Project No. 2217 – Buildings 100, 300, 500 and 600 (Instructional Classrooms) Boiler and Chiller Replacements – Main Campus – Estimated cost is $260,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

L. Halifax Community College – Project No. 2218 – Buildings 300, 500 and Library Building (Instructional Classrooms) Restroom Renovations – Main Campus – Estimated cost is $250,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

M. Halifax Community College – Project No. 2219 – Buildings 100 and 500 (Instructional Classrooms) Air Handler Repair and Replacement – Main Campus – Estimated cost is $250,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

N. Halifax Community College – Project No. 2220 – Buildings 100, 300, 400, 500 and 600 (Instructional Classrooms) Flooring and Wall Renovations – Main Campus – Estimated cost is $600,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).
O. Nash Community College – Project No. 2227 – Buildings B and I (Instructional Classrooms) Brewing, Distillation and Fermentation Culinary Classroom Renovation – Main Campus – Estimated cost is $48,730, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

P. Rowan-Cabarrus Community College – Project No. 2225 – Motorsport Management Building (Instructional Classrooms) Renovation – Cabarrus County – Estimated cost is $486,000, composed of all state funds (Connect NC Bonds – 46620 Repairs and Renovations). Reference Item E in Section 4 – Acquisition and Disposal of Real Property.

Q. Sandhills Community College – Project No. 2222 – Owens Auditorium (Instructional Classrooms) Renovation – Main Campus – Estimated cost is $3,816,267, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

R. South Piedmont Community College – Project No. 2212 – Garibaldi Building (Instructional Classrooms) Air Handler Replacement – Main Campus – Estimated cost is $400,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

S. South Piedmont Community College – Project No. 2213 – Watson Building (Anson County Early College) HVAC Replacement – Main Campus – Estimated cost is $250,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

T. South Piedmont Community College – Project No. 2214 – Center for Technology and Health Education 2nd Floor Renovation – Union County – Estimated cost is $1,500,000, composed of all state funds $1,500,000 (Connect NC Bonds – 46620 Repairs and Renovations).

U. Tri-County Community College – Project No. 2224 – McSwain Building (Instructional Classrooms) HVAC Replacement – Main Campus – Estimated cost is $480,000, composed of all state funds (Connect NC Bonds – 46620/Repairs and Renovations).

V. Tri-County Community College – Project No. 2226 – Driving Safety Pad – (Instructional Programs) Main Campus – Estimated cost is $450,000, composed of all state funds (Connect NC Bonds – 46620/New Construction).

3. Project Approval – Amended – Connect NC Bonds

A. Beaufort County Community College – Project No. 2191 – ADA Upgrades – Main Campus – Estimated cost is $749,474, composed of all state funds (46620). Project is amended to increase funds by $90,674 state funds (Connect NC Bonds – 46620/Repairs and Renovations).
4. **Acquisition and Disposal of Real Property**

A. Carteret Community College – The Board of Trustees of Carteret Community College requests permission as per G.S. 115D-15 to lease a building located at 3909 Arendell Street, Morehead City, North Carolina at the fair market value of $700 per month.

B. Central Piedmont Community College – The Board of Trustees of Central Piedmont Community College requests permission as per G.S. 115D-20 to acquire approximately .27 acres of property, with a building approximately 3,284 square feet located at 1218 and 1220 Charlottetowne Avenue, Charlotte, North Carolina. The Board of Trustees requests permission as per G.S. 115D-15 to dispose of the building by demolition. This property will support the growth of the Main Campus. Project No. 2114 has been assigned for the reimbursement and accounting purposes of $1,066,680 state funds (*Connect NC Bonds – 46620/New Construction*) for the purchase and site preparation of the property. **Reference Item A in Section 1 - Project No. 2047 – Advanced Technology Building.**

C. Central Piedmont Community College – The Board of Trustees of Central Piedmont Community College requests permission as per G.S. 115D-20 to acquire by donation from Mecklenburg County 15.6 acres of property with a building approximately 12,823 square feet, located at 11700 Verhoeuff Drive and 12332 Statesville Road, Huntersville, North Carolina. This property will support the growth of the Merancas Campus.

D. Mitchell Community College – The Board of Trustees of Mitchell Community College requests permission as per G.S. 115D-20 to acquire by purchase, with local funds, approximately .73 acres of property, with a building approximately 1,956 square feet located on at 632 Cherry Street, Statesville, North Carolina (Parcel I.D. #4734752030). The Board of Trustees requests permission as per G.S. 115D-15 to demolish the structure.

E. Rowan-Cabarrus Community College – The Board of Trustees of Rowan-Cabarrus Community College (Cabarrus County) requests permission as per G.S. 115D-20 to acquire approximately 2.08 acres of property, with a building approximately 90,605 square feet located at 650 Concord Parkway, Concord, North Carolina (Parcel I.D. #5611902793). This property is located at the Cabarrus Business & Technology Center and will support the Motorsports, Automotive and Continuing Education programs. Project No. 2231 has been assigned for the reimbursement and accounting purposes of $1,050,000 state funds (*Connect NC Bonds – 46620/New Construction*) for the purchase of the property. **Reference Item P in Section 2 – Project No. 2225 – Motorsport Management Building Renovation.**

F. Tri-County Community College – The Board of Trustees of Tri-County Community College requests permission as per G.S. 115D-20 to acquire approximately .5 acres of property, with a building approximately 1,100 square feet. Project No. 2228 has been
assigned for reimbursement and accounting purposes of $125,000 state funds (Connect NC Bonds – 46620/New Construction). This property adjoins the Main Campus.

RN to BSN Competency-Based Education (Attachment FC 9)
Ms. Haygood presented the request for the State Board of Community Colleges to delegate authority to President James C. Williamson to award up to $75,000 in Perkins Career and Technical Education Leadership Funds to the selected School of Nursing with a Registered Nurse (RN) to Bachelors of Science in Nursing (BSN) degree completion program within the University of North Carolina’s System effective October 1, 2016. The selected School of Nursing will develop a competency-based BSN completion program. The allocation would be subject to ratification by the State Board at its October meeting.

Ms. Estep moved and Ms. Lowder seconded the motion. The Committee approved the delegation of authority to award up to $75,000 in Perkins Career and Technical Education Leadership Funds to President James C. Williamson, subject to ratification by the State Board at its October meeting.

Allocation Supplement for Small Business Centers (Attachment FC 10)
Ms. Haygood reviewed the request for the State Board to approve $55,466 to supplement the Small Business Center budgets at 25 colleges. Ms. Haygood stated that this supplemental funding request is needed to rectify an error in the original allocations approved by the State Board on August 19, 2016.

Ms. Haygood advised that the error in the original allocations was due to a spreadsheet problem in which a hidden column mistakenly and incorrectly factored in raw data resulting in 25 colleges receiving less funding while 33 colleges received more funding than they should have been provided by the allocations formula. Ms. Haygood further advised that once the error was discovered, immediate steps were taken to correct it and recalculate the allocations. This request for $55,466 increases the allocations for the 25 colleges that received less funding than they should have, making them “whole.” The request does not reduce allocations to those colleges that received more funding than they should have.

Mr. Shook moved, seconded by Ms. Estep, and the Committee approved the Allocation Supplement for Small Business Centers in the amount of $55,466.

Adjournment
Mr. Johnson motioned, seconded by Mr. Shook and the meeting was adjourned at 3:03 p.m.