



2017-19 SPECIAL PROVISIONS

October 15, 2016

LEGISLATIVE PRIORITY SPECIAL PROVISIONS

INCLUDE EARNINGS GAINS PERFORMANCE MEASURE

SECTION XX. G.S. 115D-31.3.(e) reads as rewritten:

“§ 115D-31.3. Institutional performance accountability

...

(e) **Mandatory Performance Measures.** -- The State Board of Community Colleges shall evaluate each college on the following performance measures:

- (1) Progress of basic skills students.
- (2) Repealed by Session Laws 2016-94, s. 10.1, effective July 1, 2016.
- (3) Performance of students who transfer to a four-year institution.
- (3a) Success rate of students in credit-bearing English courses.
- (3b) Success rate of students in credit-bearing Math courses.
- (4), (5) Repealed by Session Laws 2016-94, s. 10.1, effective July 1, 2016.
- (5a) Progress of first-year curriculum students.
- (6) Repealed by Session Laws 2012-142, s. 8.5, effective July 1, 2012.
- (7) Curriculum student retention and graduation.
- (8) Repealed by Session Laws 2012-142, s. 8.5, effective July 1, 2012.
- (9) Attainment of licensure and certifications by students.
- (10) Earnings gains for students enrolled in career and technical education courses.

The State Board may also evaluate each college on additional performance measures.”

NC COLLEGE CONTRACT FOR SUCCESS

SECTION XX. G.S. 116 is amended by adding a new Article to read:

“Article 36.
College Contract for Success”

§116-300. Policy. The General Assembly finds that it is in the best interest of the citizens of this State to reduce education costs for both students and the State and to reduce the debt of students and their families upon graduation. The General Assembly further finds that the North Carolina Community College System, The University of North Carolina, and North Carolina’s private colleges and universities have partnered to develop comprehensive articulation agreements, whereby a student who earns an associate degree from a North Carolina community college may transfer seamlessly to one of the State’s senior institutions of higher education. The General Assembly also finds that students who complete an associate degree at a North Carolina community college perform better academically than students who transfer to a senior institution prior to completing the associate degree. The General Assembly further finds that attending a North Carolina community college prior to transferring to a senior institution results in a significant savings to both the student and the State. It is therefore the policy of the General Assembly to incentivize students to complete an associate degree at a North Carolina community college by providing a grant to students who complete an associate in arts, an associate in fine arts, an associate in science, or an associate in engineering prior to transferring to a senior institution of higher education.

2017-19 SPECIAL PROVISIONS

October 15, 2016

§116-301. Definitions.

The following definitions apply to this Article:

- (1) Academic year. – As defined in G.S. 116-280(1).
- (2) Authority. – The State Education Assistance Authority created by Article 23 of Chapter 116 of the General Statutes.
- (3) Community College. – A community college as defined in G.S. 115D-2(2).
- (4) Constituent Institution. – A postsecondary constituent institution of The University of North Carolina as defined in G.S. 116-2(4).
- (5) Eligible Private Postsecondary Institution. – As defined in G.S. 116-280(3).
- (6) Grant. – A grant that is awarded under this Article.
- (7) Student. – Means all of the following:
 - a. Is a legal resident of North Carolina and a resident for tuition purposes.
 - b. Is enrolled in a constituent institution or an eligible private postsecondary institution.
 - c. Is pursuing a bachelor’s degree.
 - d. Has not received a bachelor’s degree, or qualified for it and who is otherwise classified as an undergraduate student by the Authority.

§116-302. Eligibility for Grant. The Authority is authorized to make grants from funds appropriated to the NC College Contract for Success Fund to students who meet both of the following criteria:

- (1) The student received an associate in arts, and associate in fine arts, an associate in science, or an associate in engineering degree from a community college.
- (2) The student meets enrollment standards by being admitted, enrolled, and classified as an undergraduate student in a matriculated status at a constituent institution or an eligible private postsecondary institution.

§116-303. Grant Amounts; continued eligibility.

- (a) Subject to the sum appropriated by the General Assembly for an academic year to be awarded as grants under this Article, a grant awarded under this Article to a student at a constituent institution or an eligible private postsecondary institution shall not exceed \$2,500 per academic year for a student enrolled full-time.
- (b) A student shall not receive a grant for more than two academic years.
- (c) In order to continue to be eligible for a grant for the student’s second academic year, the student must maintain satisfactory progress in a course of study in accordance with the standards and practices used for federal Title IV programs by the constituent institution or the eligible private postsecondary institution in which the student is enrolled.

§116-283. Administration; unexpended grant funds do not revert.

- (a) The grants provided for in this Article shall be administered by the Authority under rules adopted by the Authority in accordance with the provisions of this Article.
- (b) The Authority may use up to one and one-half percent (1.5%) of the funds appropriated for grants under this Article for administrative purposes.
- (c) Grant funds unexpended shall remain available for future grants to be awarded under this Article.

SECTION XX(b). This section is effective beginning with the fall semester of 2018, and applies to students who receive an associate degree in arts, an associate in fine arts, an associate degree in science, or an associate degree in engineering from a North Carolina community college on or after May 1, 2018.

2017-19 SPECIAL PROVISIONS

October 15, 2016

BUDGET STABILIZATION

SECTION XX(a). G.S. 115D-31(e) reads as rewritten:

(e) There is established a special fund to be designated the Enrollment Growth Reserve Fund. The reserve shall consist of funds appropriated to the reserve by the General Assembly for this purpose and over-realized tuition and fees as provided for in this sub-section. If receipts for community college tuition and fees exceed the amount certified in General Fund Codes at the end of a fiscal year, the State Board of Community Colleges shall transfer the amount of receipts and fees above those budgeted to the Enrollment Growth Reserve. Funds in the Enrollment Growth Reserve shall not revert to the General Fund and shall remain available to the State Board until expended. The State Board may allocate funds in this reserve to colleges experiencing an enrollment increase greater than five percent (5%) of budgeted enrollment levels.

SECTION XX(b). Beginning with the 2017-19 biennium, community colleges shall receive funding based on the number of full-time equivalent (FTE) students enrolled in curriculum, continuing education, and Basic Skills courses, by tiered funding level. Community colleges shall calculate this budgeted enrollment as the higher of the current year's total enrollment or the average enrollment of the last two academic years, except that no college's budgeted enrollment for each instructional area shall be less than five percent (5%) below the previous year's budgeted level.

INCENTIVIZE INSTITUTIONAL PERFORMANCE ACCOUNTABILITY

SECTION XX. G.S. 115D-31.3.(g1) reads as rewritten:

“§ 115D-31.3. Institutional performance accountability.

...

(g1) Carryforward of Funds Allocated Based on Performance. - A college that receives funds under subsection (g) of this section may retain and carry forward an amount up to or equal to its performance-based funding allocation for that year into the next fiscal year. Funds retained under this subsection may be used for the purposes listed in G.S. 115D-31(a)(1) and (2) as well as one-time faculty and staff bonuses.”

OTHER SPECIAL PROVISIONS

CARRYFORWARD OF COLLEGE INFORMATION SYSTEM FUNDS

SECTION XX. Of the funds appropriated to the Community Colleges System Office for the 2015-2017 fiscal biennium for the College Information System, up to one million two hundred fifty thousand dollars (\$1,250,000) shall not revert at the end of each fiscal year but shall remain available until expended. These funds may be used only to purchase periodic system upgrades and modernize the college's enterprise resource planning (ERP) system.



2017-19 SPECIAL PROVISIONS

October 15, 2016

INSTRUCTION IN JAILS

SECTION XX(a). Section 8.3(b) of S.L. 2010-31 reads as rewritten:

“**SECTION 8.3.(b)** Courses in federal prisons or local jails shall not earn regular budget full-time equivalents, but may be offered on a self-supporting basis.”

SECTION XX(b). G.S. 115D-5(c1) reads as rewritten:

“**§ 115D-5. Administration of institutions by State Board of Community Colleges; personnel exempt from North Carolina Human Resources Act; extension courses; tuition waiver; in-plant training; contracting, etc., for establishment and operation of extension units of the community college system; use of existing public school facilities.**

...

(c1) ~~Community colleges shall report full-time equivalent (FTE) student hours for correction education programs on the basis of contact hours rather than student membership hours.~~ No community college shall operate a multi-entry/multi-exit class or program in a prison facility, except for a literacy class or program.

The State Board shall work with the Division of Adult Correction of the Department of Public Safety on offering classes and programs that match the average length of stay of an inmate in a prison facility.

CONSECUTIVE FINANCIAL AUDIT FINDINGS

SECTION XX. G.S. 115D-58.16(a) reads as rewritten:

§ 115D-58.16. Audits.

(a) Each community college shall be subject to a financial audit a minimum of once every two years. Community colleges may use State funds to contract with the State Auditor or with a certified public accountant to perform the audits. The colleges shall submit the results of the audits to the State Board of Community Colleges. The State Board of Community Colleges may require a community college which has had findings in two consecutive financial audits to be audited annually.

The State Board of Community Colleges shall ensure that all colleges are audited in accordance with this section.