



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Peter Hans, President

MEMORANDUM

FOR YOUR IMMEDIATE ATTENTION

June 15, 2020

TO: Community College Chief Financial Officers

FROM: Elizabeth Grovenstein, Vice President/CFO

RE: Budget Management Restrictions Continue for FY 2020-2021

The Office of State Budget and Management (OSBM) has communicated that there is a revenue shortfall for FY 2020-2021 due to the impact of the COVID-19 pandemic on North Carolina's economy and State tax collections. Consequently, OSBM issued a memo on June 3, 2020 requiring public agencies, including the North Carolina Community College System, to continue to implement budget management measures in FY 2020-2021. This memo is intended to provide colleges guidance on the actions the NC Community College System will need to take in order to comply with this directive.

State Spending Restrictions

OSBM continues to require the implementation of spending restrictions. Please note that these spending restrictions apply to State funds. These spending restrictions **do not apply to federal funds** that flow through State accounts, including federal WIOA Title II Adult Education and Family Literacy Act and Perkins funds, nor do they apply to monies held in college institutional or county funds.

Purchasing

No purchase orders may be issued for goods or services that will require the expenditure of State funds except for 1) supplies, equipment, and materials required for education instruction; 2) mission critical items as determined by the College President or his/her designee; and 3) COVID-19 items only. Purchase orders that have already been signed may continue.

Travel

Once the stay at home order is rescinded, travel and training requirements shall be limited to 1) public safety and health, 2) job requirements, and 3) economic development opportunities. Any

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exceptions to this restriction must be specifically approved by the College President as an exception.

Hiring

Vacant permanent or temporary positions shall not be filled with the following allowable exceptions:

1. Prior commitment has been made to the candidate,
2. Community College faculty/instructors who are providing educational instruction,
3. Deemed mission critical by the College President,
4. Vacancies related to COVID-19 activities,
5. Other vacancies specifically approved by the College President as an exception to this directive.

This limitation does not apply to vacancies existing because individuals are on, or obtain, leave without pay in accordance with personnel policies.

With the planned hiring of several new State-funded career coach positions beginning July 1, 2020, the System Office requested and received OSBM approval that career coach positions are all deemed mission critical and those positions can be filled.

Salary Increases

No salary increases, other than promotions, are allowed. This restriction applies to performance-based bonuses and any other salary increases paid with State funding sources. Special exceptions up to 5% may be approved by the College President.

Please note that OSBM's memo did not impact capital projects (new construction or repair and renovations) so those projects should continue as planned.

I appreciate everyone's cooperation and patience as we work through this very challenging situation.

cc: Presidents