



**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM**

*Peter Hans, President*

21 May 2019

**IMPORTANT INFORMATION**

**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, Basic Skills Directors, Business Officers, Continuing Education Officers, Customized Training Directors, Distance Learning, Chief Financial Officers, Continuing Education Officers, Financial Aid Officers, Personnel Directors, Student Development Administrators, Public Information Officers, Registrars, & Other Interested Parties

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

**RE:** **Proposed Amendment of 1H SBCCC 200.1**

The State Board of Community Colleges (“SBCC”) has initiated the rulemaking process to amend **1H SBCCC 200.1 – “Allocation of Funds.”** The proposed change will delegate authority to the System President to approve certain budget allocations to colleges, as recommended by the SBCC Governance Committee.

**The proposed amendment is published on the NC Community College System's website, [www.nccommunitycolleges.edu](http://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. Please note that any person who submits a public comment on behalf of their community college should comply with their college’s local process for submitting comments on a proposed rule. **Written comments on the rule must be received by no later than 5:00 p.m. on 20 June 2019.** Any member of the public has the right to request a hearing on the proposed rules. **Requests for a hearing must be received by no later than 5:00 p.m. on 5 June 2019.** Written comments and requests for hearing shall be directed to the following address: Jonathan Harris, 200 W. Jones Street, 5001 Mail Service Center, Raleigh, NC 27699-5001 or by **email to [publiccomments@nccommunitycolleges.edu](mailto:publiccomments@nccommunitycolleges.edu)**. Thank you for your attention to this matter.

**CC19-021  
E-mail Copy**

Attachments



# State Board of Community Colleges Code

## Notice of Proposed Rulemaking Form

Date: 21 May 2019

<b>Title, Chapter, Subchapter, and Rule Number of Rule Proposed to be Adopted, Amended, or Repealed</b>	Amend 1H SBCCC 200.1 – “Allocation of Funds.”
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Specify whether the SBCC proposes to adopt amend, or repeal a rule:

Adopt (new rule)	Amend (change existing rule)	Repeal (delete entire rule)
	X	

<b>Rationale for proposed adoption, amendment or repeal:</b>	Delegate authority to the System President to approve certain budget allocations to colleges, as recommended by the State Board of Community Colleges Governance Committee.
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<b>Proposed Effective Date of Rule</b>	August 1, 2019
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1 **State Board of Community Colleges Code**

2 **TITLE 1. COMMUNITY COLLEGES**

3  
4 **CHAPTER H. FISCAL MANAGEMENT**

5  
6 **SUBCHAPTER 200. STATE FUNDS**

7  
8 **1H SBCCC 200.1 Allocation of Funds**

9 (a) The State Board shall allocate State funds to colleges using one or more of the  
10 following methods:

11 (1) Formula allocation: Allocations calculated using a formula of objective, verifiable  
12 factors.

13 (2) Competitive allocation: Allocations determined through a competitive process  
14 through which colleges apply for funds and the colleges' requests are evaluated  
15 and ranked based on identified criteria.

16 (3) Direct allocation: Funds allocated directly to a specific college when one of the  
17 following conditions apply:

18 (A) The General Assembly directs that funds shall be allocated to a specific  
19 college;

20 (B) The terms of a grant award require that grant funds be allocated to a specific  
21 college; or

22 (C) A college has programmatic ability unique among colleges and the desire to  
23 fulfill the objectives for which the funds allocated.

24 (b) Notwithstanding subsection (a) of this rule, the State Board delegates to the President  
25 of the North Carolina Community College System the authority to approve allocations  
26 made pursuant to:

27 (1) 1H SBCCC 200.1(a)(2) if the total amount of funds allocated under the competitive  
28 process does not exceed \$250,000;

29 (2) 1H SBCCC 200.1(a)(3)(A) and (B); or

30 (3) 1H SBCCC 200.1(a)(3)(C) if the total amount of funds allocated to the college does  
31 not exceed \$250,000.

1H SBCCC 200.1 is proposed for amendment as follows:

1 ~~(b)~~(c) At the time of allocation, the System Office shall notify colleges of the allocation  
2 period, which is the time period during which the college is authorized to expend the  
3 allocation. The System Office shall extend the allocation period if additional time is  
4 needed for the college to complete the objectives for which the funds were allocated,  
5 funds remain available, and the extension of the allocation period is in the best interest of  
6 the NC Community College System as determined by the System President.

7 ~~(c)~~(d) The System Office may reduce a college's allocation under the following  
8 circumstances:

9 (1) At the System Office's request, a college voluntarily forgoes an amount of its  
10 approved allocation because it is not able to fully expend the funds and other  
11 colleges have a need for those funds; or

12 (2) A college fails to meet pre-determined programmatic or expenditure benchmarks  
13 that were communicated to the college when the State Board initially allocated  
14 funds and other colleges have a need for those funds; or

15 (3) Revenue collections are not meeting budget projections and there is a projected  
16 cash shortfall of greater magnitude than one that can be covered through projected  
17 unexpended allocations.

18 ~~(d)~~(e) If a college's allocation is reduced as provided in subsection (c), the System Office  
19 shall reallocate those funds to other colleges that demonstrate need and an ability to  
20 utilize the funds if there is no projected cash shortfall.

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

23 *Eff. [November 1, 2015](#).*

24 *Amended Eff.* \_\_\_\_\_

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