



## NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

*Peter Hans, President*

### MEMORANDUM

DATE: January 15, 2019

TO: Jennifer Haygood, Chief of Staff

FROM: Christopher Sparks, Internal Auditor

SUBJECT: Hurricane Matthew Funds

A review of Hurricane Matthew funds distributed to support the colleges due to a decline in FTE was recently conducted. Documentation was examined to review allocation and distribution method along with distribution timing.

The General Assembly approved funding for colleges located in counties affected by Hurricane Matthew. Individual colleges were responsible for documenting student membership hours/FTE lost as due to hurricane impact. Furthermore, colleges were responsible for providing documentation to the System Office in support of calculated losses. Eleven colleges submitted information for the lost hours and FTE.

Prior year FTE numbers were obtained from hurricane-affected colleges, organized by curriculum and continuing education FTE tiers. Charts created to track the totals and proportional percentages are shown in the tables below:

#### ACTUAL FTE BY TIER

College	Curriculum FTE			Con Ed (OE) FTE			
	Tier 1A	Tier 1B	Tier 2	Tier 1A	Tier 1B	Tier 2	Tier 3
Beaufort County CC	369.6	286.3	932.8	20.1	22.4	50.5	101.1
Bladen CC	208.7	229.7	686.6	-	7.2	123.5	53.8
Craven CC	441.7	643.7	1,332.3	13.8	44.5	101.6	233.7
Edgecombe CC	403.9	500.8	1,213.1	-	9.5	134.3	153.3
Fayetteville TCC	1,342.1	1,994.8	5,733.6	9.7	91.1	1,168.4	608.9
Lenoir CC	388.3	573.7	1,467.1	-	32.2	870.1	441.1
Nash CC	579.7	587.6	1,554.3	19.6	35.6	135.8	210.1
Robeson CC	291.7	425.1	996.5	-	97.7	174.0	296.3
Sandhills CC	475.7	880.3	1,933.4	-	18.7	138.2	203.5
Southeastern CC	277.8	254.6	688.5	-	28.6	136.2	431.2
Wayne CC	608.7	663.0	1,668.5	-	10.2	111.1	280.0

The proportional percentages of curriculum and continuing education FTE for each college is calculated and reflected in the table below:

<b>ACTUAL FTE BY TIER</b>							
<b>College</b>	<b>Curriculum FTE</b>			<b>Con Ed (OE) FTE</b>			
	<b>Tier 1A</b>	<b>Tier 1B</b>	<b>Tier 2</b>	<b>Tier 1A</b>	<b>Tier 1B</b>	<b>Tier 2</b>	<b>Tier 3</b>
Beaufort County CC	23%	18%	59%	10%	12%	26%	52%
Bladen CC	19%	20%	61%	0%	4%	67%	29%
Craven CC	18%	27%	55%	4%	11%	26%	59%
Edgecombe CC	19%	24%	57%	0%	3%	45%	52%
Fayetteville TCC	15%	22%	63%	1%	5%	62%	32%
Lenoir CC	16%	24%	60%	0%	2%	65%	33%
Nash CC	21%	22%	57%	5%	9%	34%	52%
Robeson CC	17%	25%	58%	0%	17%	31%	52%
Sandhills CC	14%	27%	59%	0%	5%	38%	56%
Southeastern CC	23%	21%	56%	0%	5%	23%	72%
Wayne CC	21%	23%	57%	0%	3%	28%	70%

Prior year FTE percentages were then compared to actual Hurricane Matthew FTE losses claimed by the colleges. The claimed Curriculum and Continuing Education FTE losses were then multiplied by the prior year FTE percentages to obtain an estimated number of lost FTE. The tables below report this information:

<b>College</b>	<b>Curriculum</b>	<b>Con Ed</b>
Beaufort County CC	0	2
Bladen CC	11	1
Craven CC	0	3
Edgecombe CC	121	1
Fayetteville TCC	10	0
Lenoir CC	20	4
Nash CC	101	0
Robeson CC	116	33
Sandhills CC	0	3
Southeastern CC	9	10
Wayne CC	271	10
<b>Total FTE</b>	<b>659</b>	<b>67</b>

## 2016-17 Estimated FTE Lost due to Hurricane Matthew by Tier

College	Curriculum FTE			Con Ed (OE) FTE			
	Tier 1A	Tier 1B	Tier 2	Tier 1A	Tier 1B	Tier 2	Tier 3
Beaufort County CC	0.0	0.0	0.0	0.2	0.2	0.5	1.0
Bladen CC	2.0	2.2	6.7	0.0	0.0	0.7	0.3
Craven CC	0.0	0.0	0.0	0.1	0.3	0.8	1.8
Edgecombe CC	23.1	28.6	69.3	0.0	0.0	0.5	0.5
Fayetteville TCC	1.5	2.2	6.3	0.0	0.0	0.0	0.0
Lenoir CC	3.2	4.7	12.1	0.0	0.1	2.6	1.3
Nash CC	21.5	21.8	57.7	0.0	0.0	0.0	0.0
Robeson CC	19.7	28.8	67.5	0.0	5.7	10.1	17.2
Sandhills CC	0.0	0.0	0.0	0.0	0.2	1.2	1.7
Southeastern CC	2.0	1.9	5.1	0.0	0.5	2.3	7.2
Wayne CC	56.1	61.1	153.8	0.0	0.3	2.8	7.0
<b>Total FTE</b>	<b>129.2</b>	<b>151.4</b>	<b>378.4</b>	<b>0.3</b>	<b>7.3</b>	<b>21.3</b>	<b>38.1</b>

## Basic Skills

College	Tier 2	TOTAL
Beaufort County CC	3	5
Bladen CC	1	13
Craven CC	0	3
Edgecombe CC	1	123
Fayetteville TCC	0	10
Lenoir CC	26	50
Nash CC	0	101
Robeson CC	17	166
Sandhills CC	3	6
Southeastern CC	20	39
Wayne CC	0	281
<b>Total FTE</b>	<b>71</b>	<b>797</b>

Once the estimated FTE losses buy type and tier were calculated, the estimated budget impact for each type and tier was calculated for the affected colleges. The estimated FTE losses shown above were multiplied by the FY 2016-17 budget allotments per standard budget FTE rates. That table, along with the estimated calculated budget impacts, are shown below:

### Allotments Per Regular Budget FTE

<u>Curriculum</u>	<u>Tier 1A</u>	<u>Tier 1B</u>	<u>Tier 2</u>
Direct Instruction	\$ 4,301.78	\$ 3,805.42	\$ 3,309.06
Enrollment Allotment	<u>\$ 1,748.00</u>	<u>\$ 1,748.00</u>	<u>\$ 1,748.00</u>
Total Requirements	\$ 6,049.78	\$ 5,553.42	\$ 5,057.06

<u>Occupational</u>	<u>Tier 1A</u>	<u>Tier 1B</u>	<u>Tier 2</u>	<u>Tier 3</u>
Direct Instruction	\$ 4,301.78	\$ 3,805.42	\$ 3,309.06	\$ 2,812.70
Enrollment Allotment	<u>\$ 1,748.00</u>	<u>\$ 1,748.00</u>	<u>\$ 1,748.00</u>	<u>\$ 1,748.00</u>
Total Requirements	\$ 6,049.78	\$ 5,553.42	\$ 5,057.06	\$ 4,560.70

<u>Basic Skills</u>	<u>Tier 2</u>
Direct Instruction	\$ 3,309.06
Enrollment Allotment	<u>\$ 1,748.00</u>
Total Requirements	\$ 5,057.06

### Budget Impact of Hurricane Matthew FTE Lost by Tier

College	Curriculum FTE			Con Ed (OE) FTE				Basic Skills	TOTAL
	Tier 1A	Tier 1B	Tier 2	Tier 1A	Tier 1B	Tier 2	Tier 3	Tier 2	
Beaufort County CC	\$ -	\$ -	\$ -	\$ 1,252	\$ 1,281	\$ 2,631	\$ 4,752	\$ 15,171	\$ 25,087
Bladen CC	\$ 12,347	\$ 12,472	\$ 33,949	\$ -	\$ 218	\$ 3,384	\$ 1,330	\$ 5,057	\$ 68,757
Craven CC	\$ -	\$ -	\$ -	\$ 637	\$ 1,884	\$ 3,916	\$ 8,123	\$ -	\$ 14,560
Edgecombe CC Fayetteville TCC	\$ 139,601	\$ 158,905	\$ 350,509	\$ -	\$ 177	\$ 2,286	\$ 2,353	\$ 5,057	\$ 658,888
Lenoir CC	\$ 8,951	\$ 12,213	\$ 31,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,131
Nash CC	\$ 19,342	\$ 26,233	\$ 61,085	\$ -	\$ 532	\$ 13,102	\$ 5,990	\$ 131,484	\$ 257,768
Robeson CC	\$ 130,159	\$ 121,096	\$ 291,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 542,945
Sandhills CC Southeastern CC	\$ 119,466	\$ 159,825	\$ 341,216	\$ -	\$ 31,514	\$ 51,115	\$ 78,525	\$ 85,970	\$ 867,631
Wayne CC	\$ -	\$ -	\$ -	\$ -	\$ 865	\$ 5,818	\$ 7,724	\$ 15,171	\$ 29,578
	\$ 12,388	\$ 10,424	\$ 25,666	\$ -	\$ 2,669	\$ 11,558	\$ 32,992	\$ 101,141	\$ 196,838
	\$ 339,419	\$ 339,363	\$ 777,709	\$ -	\$ 1,416	\$ 14,001	\$ 31,818	\$ -	\$ 1,503,726
<b>TOTAL</b>	<b>\$ 781,673</b>	<b>\$ 840,531</b>	<b>\$ 1,913,791</b>	<b>\$ 1,889</b>	<b>\$ 40,556</b>	<b>\$ 107,811</b>	<b>\$ 173,607</b>	<b>\$ 359,051</b>	<b>\$ 4,218,909</b>

The total budget impact to be distributed to the colleges was then proportionally reduced to the \$2,700,000 allocated by the General Assembly. The total requested amounts for each college were divided by the overall amounts requested from the eleven colleges. The requested percentage was then multiplied by the \$2,700,000 to arrive at the amounts to be allocated to each college. The table showing this proportional allocation is below:

<u>College</u>	<u>Curriculum</u>	<u>Continuing Education</u>	<u>Basic Skills</u>	<u>TOTAL</u>	<u>Appropriation Allocation</u>	<u>% of Total</u>
Beaufort County CC	\$ -	\$ 9,916	\$ 15,171	\$ 25,087	\$ 16,055	63.997%
Bladen CC	\$ 58,768	\$ 4,932	\$ 5,057	\$ 68,757	\$ 44,003	63.998%
Craven CC	\$ -	\$ 14,560	\$ -	\$ 14,560	\$ 9,318	63.997%
Edgecombe CC	\$ 649,015	\$ 4,816	\$ 5,057	\$ 658,888	\$ 421,672	63.998%
Fayetteville TCC	\$ 53,131	\$ -	\$ -	\$ 53,131	\$ 34,003	63.998%
Lenoir CC	\$ 106,660	\$ 19,624	\$ 131,484	\$ 257,768	\$ 164,965	63.997%
Nash CC	\$ 542,945	\$ -	\$ -	\$ 542,945	\$ 347,472	63.998%
Robeson CC	\$ 620,507	\$ 161,154	\$ 85,970	\$ 867,631	\$ 555,263	63.998%
Sandhills CC	\$ -	\$ 14,407	\$ 15,171	\$ 29,578	\$ 18,929	63.997%
Southeastern CC	\$ 48,478	\$ 47,219	\$ 101,141	\$ 196,838	\$ 125,972	63.998%
Wayne CC	\$ 1,456,491	\$ 47,235	\$ -	\$ 1,503,726	\$ 962,348	63.998%
<b>TOTAL</b>	<b>\$ 3,535,995</b>	<b>\$ 323,863</b>	<b>\$ 359,051</b>	<b>\$ 4,218,909</b>	<b>\$ 2,700,000</b>	<b>63.998%</b>

Based on review and re-calculation, the allocation method for funds provided by the General Assembly appears to be appropriate and was applied consistently amongst the affected colleges. In addition, all eleven (11) affected colleges are in counties designated as major disaster areas due to Hurricane Matthew. The funds were distributed to the colleges as part of the 2017-18 State Aid Allocations and Budget Policies, approved by the State Board on August 18, 2017. A System Office vocational code was established to track college expenditures related to the Hurricane Matthew. The colleges received the budgeted amounts reflected in the chart above in its 2017-18 budget. Respective colleges requested funds as needed, marking them with the new vocational code to allow for tracking. The colleges submit monthly reports showing budget and expenditure of State funds to allow for tracking of hurricane-related expenditures.