FINANCE COMMITTEE MEMBERS PRESENT:
Lynn Raye, Chair  Frank Johnson
Lisa Estep  Burr Sullivan

Members absent: Lt. Gov. Dan Forest, Treasurer Dale Folwell and Todd Johnson

OTHERS IN ATTENDANCE:
Elizabeth Grovenstein  Monty Hickman  David Johnson
Brandy Andrews  Sondra Jarvis  (Johnston CC)
Chris Cline  Brian Long  Maria Pharr
Mark Cooney  Margaret Roberton  (South Piedmont CC)
Katherine Davis  Debra Smith  Bryan Conrad (OSBM)

WELCOME
Mr. Lynn Raye called the meeting to order at 1:33 p.m. in the State Board Room.

ROLL CALL
Ms. Jarvis took the roll of the Finance Committee members.

ETHICS STATEMENT
Mr. Raye read the required ethics statement. There were no conflicts of interest.

APPROVAL OF THE AGENDA
Mr. Raye asked for a motion to approve the agenda of the April 20, 2018 meeting as presented. Mr. Sullivan moved, seconded by Mr. F. Johnson, and the Committee approved.

APPROVAL OF THE MINUTES
Mr. Raye asked for a motion to approve the minutes of the March 15, 2018 meeting. Mr. F. Johnson moved, Mr. Sullivan seconded the motion, and the Committee approved.

FOR ACTION
Allocation for Employability Skills Alignment Project – Phase II (Attachment FC 01)
Ms. Grovenstein provided an overview of the project. Dr. Hilmi Lahoud was present to answer questions. Ms. Estep asked if students have access the courses and modules. Dr. Lahoud said this project develops modules for colleges to offer to students through a variety of areas. The colleges decide how to disseminate the courses at the local level. Phase II includes training for faculty on how to incorporate the modules for the students into courses. The goal is to incorporate the training in different pathways. The resources would also be available through the VLC (virtual learning community) and online. Dr. Lahoud stated that 55 of the 58 colleges are participating in the current program and are supportive of the second phase.
Mr. F. Johnson motioned for approval, Ms. Estep seconded the motion. The Committee approved the Allocation for Employability Skills Alignment Project – Phase II (Attachment FC 01) as presented.

Allocation for Food and Nutrition Services: Employment and Training Program Grant (Attachment FC 02)
Ms. Grovenstein reviewed the board item and noted the Board saw similar items in November and January. Funds provide scholarships for Food and Nutritional Services: Employment and Training (FNS E&T) participants to access training opportunities. Funding is recommended for all colleges where the FNS E&T Navigators are located. Funding available through September 30, 2018. Ms. Margaret Roberton is in attendance for questions.

Mr. F. Johnson motioned for approval, Mr. Sullivan seconded the motion. The Committee approved the Allocation for Food and Nutrition Services: Employment and Training Program Grant (Attachment FC 02) as presented.

Allocation for Virtual Learning Community Research Project (Attachment FC 03)
Ms. Grovenstein reviewed the request and shared that it should be completed by June 30, 2018. Ms. Katherine Davis stated the machine learning project will lead to greater efficiency for online learning as well as face to face within the system. There are 200,000 items in the Learning Object Repository (LOR) that the machine will be able to tie the content to courses in the system. Searching through the LOR currently is very time consuming due to the number of collections. The machine will sort the topics, subject areas, and content types. As the instructor uses the objects in the cue, it will learn the resources most commonly used by that instructor and recommend new content as it is introduced. This project will improve the quality and efficiency of courses by classifying the items in the LOR. This will help with training for staff at the colleges. Eventually the courses in the combined course library will link to the items in the LOR. This is accessible to instructors across all 58 colleges.

Ms. Estep asked if the resources will eventually be available to students for additional learning or materials. Ms. Davis said the machine will eventually be expanded to include student advisement and hopefully other resources. Currently the System is dipping our toes into the artificial intelligence area. The machine and program will be built customized to our system. Tanjo Inc. will be helping put together the metadata and advise as we build the computer / brain. The $20,000 is just for the first phase of implementing the machine learning technology. Mr. Sullivan asked what the predicted cost for the future. Ms. Davis said that the next phase will be $50,000 for the VLC. Once complete, the brain will be built and we can continue to add information. Tanjo Inc. is a North Carolina company with customers around the world.
MINUTES
State Board of Community Colleges
FINANCE COMMITTEE
Thursday, April 19, 2018 - 1:30 p.m.

Mr. F. Johnson motioned for approval, Ms. Estep seconded the motion. The Committee approved the Allocation for Virtual Learning Community Research Project (Attachment FC 03) as presented.

Contract for Entrinsik Informer Business Intelligence and Data Analytics Software (Attachment FC 04)
Ms. Grovenstein reviewed the information for this contract and stated that this is an existing sole source product to support Unidata database with the current System ERP. The approval is contingent upon approval by State Department Information Technology (DIT). Mr. Chris Cline said with the contract the System will upgrade to Informer 5 which is the latest version. The contract will support both versions of Informer and this is a recurring expense.

Mr. F. Johnson motioned for approval, Ms. Estep seconded the motion. The Committee approved the Contract for Entrinsik Informer Business Intelligence and Data Analytics Software (Attachment FC 04) as presented.

Allocation for Tobacco Trust Fund Commission (Attachment FC 05)
Ms. Grovenstein said this allocation provides student scholarships for short term program certifications. The Tobacco Trust Fund was established in late 1990s to support areas in North Carolina that were impacted by the loss of tobacco agriculture. In February the Board approved the majority of the allocation and this is the remaining money available. The funding to the six colleges listed is available through June 30, 2019.

Ms. Estep asked if the funding is allocated on a sliding scale. Ms. Roberton said the funding is focused on short term training and the colleges have a process outlined how they utilize. Ms. Roberton shared that the colleges identify the impact by the loss of tobacco production or manufacturing in their application for funding.

Ms. Estep motioned for approval, Mr. Sullivan seconded the motion. The Committee approved the Allocation for Tobacco Trust Fund Commission (Attachment FC 05) as presented.

Contract for Learning Management System, Online Helpdesk, Video Conferencing and Software as a Service Hosting (Attachment FC 06)
Ms. Grovenstein said that this item is not new to the Board and this is the third-year of the contract with Blackboard, Inc. subject to DIT approval. The contract supports System Office and 19 colleges. Currently the System Office supports two Learning Management Systems (LMS).
and colleges choose which to use for their students. The online helpdesk can be used by all 58 because it is platform agnostic. Ms. Davis confirmed that this is the last year of the three year contract.

The Committee discussed why the System uses multiple platforms. Ms. Davis reviewed the platforms and programs available throughout the industry and why some of the colleges have chosen to go with platforms other than Blackboard. If a college chooses something that is not approved/paid for by the System Office, the resource is funded by the college. Ms. Estep asked isn’t it a downside to being on a platform that is not supported. Ms. Davis said that there is information shared on the LOR to enable Canvas, Blackboard, and Moodle.

Mr. F. Johnson motioned for approval, Mr. Sullivan seconded the motion. The Committee approved the Contract for Learning Management System, Online Helpdesk, Video Conferencing and Software as a Service Hosting (Attachment FC 06) as presented.

Construction and Property (Attachment FC 08)[CA]
Ms. Grovenstein reviewed the following items:

Category A: New (Non-State and Other State funds):
Ms. Grovenstein noted that there were no new items under this category.

Category B: Amended (Non-State and Other State Funds):
Ms. Grovenstein noted that there were no new items under this category.

Category C: New (Connect NC Bond Funds):
Ms. Grovenstein reviewed projects for Blue Ridge, College of the Albemarle, Lenoir, Nash, and Rowan-Cabarrus community colleges.

Category D: Amended (Connect NC Bonds Funds):
Ms. Grovenstein reviewed amendments to projects for Bladen, Central Carolina, Lenoir, Mayland, McDowell, Vance-Granville, and Wayne community colleges.

Category E: Project Approval – Final – Closeout (Connect NC Bond Funds):
Ms. Grovenstein reviewed closeouts at Mayland, Tri-County, and Wayne community colleges.

Noted a change from item presented, Stanly Community College closeout will be removed because the college Board of Trustees had not approved yet. The Stanly item will be presented another month.
Wayne Community College will reimburse Connect NC Bond funds because a long term lease being rescinded where work had been approved.

Category F: Acquisition and Disposal of Real Property:
Ms. Grovenstein reviewed the acquisition of property at Mitchell, Richmond, and Rowan-Cabarrus community colleges.

Mr. Sullivan motioned for approval, Mr. F. Johnson seconded the motion. The Committee approved Construction and Property (FC 07) as amended to remove Stanly from section E.

FOR INFORMATION
Estimated Receipts – March 2018 (Attachment FC 08)
Ms. Grovenstein stated that the System has under collected receipts based on budget through March. There is a hope to collect $40 million for the remaining months which would allow the System to finish at 6.5% below budget, which was the estimation in January when the budget call back with the colleges.

The attachment is the bi-annual update with the receipt and enrollment information by college. Receipts include tuition for curriculum programs and registration fees for continuing education courses. The FTE information does not include basic skills enrollment information, but does include CCP students who take curriculum and continuing education because they are included in the FTE numbers.

Ms. Grovenstein walked through the spreadsheet. The information represents data through February 2018. Mr. Raye asked if there is a point where they can no longer get a refund. Ms. Andrews said that after 10% they cannot receive a refund. Before that (after class starts) they get 75% refund. The system budget is an estimate because the system is funded on prior years average. It is no fault of the college of how the budget is estimated.

Ms. Estep asked if any have stood out as concerning? The larger colleges are closer to collecting what was predicted. Durham TCC seems to have high refund amount. Ms. Grovenstein said that staff can follow up and determine if outside of the normal pattern. Ms. Estep asked if there is any follow up. There are wide variations. Ms. Grovenstein said that this is the first year we have pulled the information together in this format. There are some colleges that are low percentages. Ms. Estep said that she would like this shared with the colleges and have colleges to reach out to each other to determine how to make them all successful.

The CCP is causing some of the trend of receipt shortfall. If the CCP grows and other areas are declining, it can cause a shortfall. Many times, it depends on the local college service area.
Connect NC Bond Status Report (Attachment FC 09)
Ms. Grovenstein reviewed the Executive Summary of the quarterly report. There is no need for this to be voted on by the Board because the report is from the System Office to the Legislature, not from the State Board. The report was revised to include matching information although not all projects having matching requirements.

Mr. Raye asked President Maria Pharr about trends or reasons behind the decline in student enrollment. President Pharr said the employment rate has a lot to do with enrollment, but it is a regional issue. Student enrollments have to do with many factors including the economy and will show fluctuations across the state. Discussed the impact of the economy of the local area.

NEW BUSINESS
North Carolina Community College Grant Program Revised Payment Schedule
(Attachment FC 10)
Ms. Grovenstein said the item provided to the Committee is an action item. The Pell Grant amount was increased by $175 by the Federal Government. Because the Community College Grant Program is tied in with the Pell Grant, our schedule needed to be changed. Dr. Hickman was present for any questions. This item supercedes (Attachment FC 05) which was approved at the March 2018 SBCC meeting.

Mr. F. Johnson motioned for approval, Ms. Estep seconded the motion. The Committee approved the North Carolina Community College Grant Program Revised Payment Schedule (Attachment FC 10) as presented.

ADJOURNMENT
Mr. F. Johnson motioned, seconded by Ms. Estep and the meeting was adjourned at 2:48 p.m.

Respectfully Submitted,
Sondra Jarvis
Recording Secretary