

MINUTES
State Board of Community Colleges
FINANCE COMMITTEE
Thursday, August 19, 2021 – 2:00 p.m.
Ms. Ann Whitford, Chair

Finance Committee Members Present

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|---------------------|---------------|---------------------------|
| Ann Whitford, Chair | Burr Sullivan | The Honorable Sam Searcy* |
| Andy Penry | Sarah West | |

Attended via phone or Zoom technology*

Members absent: Treasurer Dale Folwell, Mary Ann Rice

Other SBCC Members:

Dr. Breeden Blackwell
Dr. Shirley Carraway
William Holder
Bill McBrayer
Jesse Watts
Hari Nath
Jerry Vaughan
Ray Trapp

OTHERS IN ATTENDANCE:

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|-----------------------------|--------------------|----------------|
| President Thomas Stith, III | Alex Fagg | Anna Pogarcic |
| Elizabeth Grovenstein | Dr. Kimberly Gold | (Education NC) |
| Bryan Jenkins | Tiffany Howell | Lyn Austin |
| Jonathan Harris | Petrina Herring | (Johnston CC) |
| Tawanda Artis | Brandy Andrews | Hank Daniels |
| Sharon Gladwell | Kathleen Stefanick | (Johnston CC) |
| Judy Jefferson | Dorrine Fokes | |
| Dr. Patrick Crane | | |

CALL TO ORDER

Ms. Whitford called the meeting to order at 2:05 p.m.

ROLL CALL

Ms. Herring took the roll of the Finance Committee members.

ETHICS STATEMENT

Ms. Whitford read the required ethics statement. There were no conflicts of interest.

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APPROVAL OF THE AGENDA

Ms. Whitford asked for a motion to approve the agenda of the meeting as presented. Mr. Sullivan moved, seconded by Mr. Penry, and the motion was unanimously approved.

APPROVAL OF THE MINUTES

Ms. Whitford asked for a motion to approve the minutes of the August 19, 2021 Finance Committee meeting. Mr. Sullivan moved, Mr. Penry seconded the motion, and the motion was unanimously approved.

FOR ACTION

FY 2021-22 Baseline Budget (Attachment FC 01)

Ms. Grovenstein stated that we are bringing the FY 2021-22 Baseline Budget in August instead of the larger budget document that we typically bring this time of year.

Ms. Grovenstein explained this year we have a different situation since a comprehensive State budget has not been enacted into law at this time.

Ms. Grovenstein explained we are operating under a state statute from a few years ago that allows State government to still operate without having this comprehensive budget. Prior to this time, we used to have a continuing resolution. Ms. Grovenstein explained that you have heard about a continuing resolution or CR at the federal level and the federal government would have to shut down due to no budget.

Ms. Grovenstein stated back in 2019 we had a similar situation without a comprehensive biennial budget. Ms. Grovenstein explained if the comprehensive biennial budget is put into law, we would have to come back and prepare a larger budget for the Board's approval.

Ms. Grovenstein reviewed the table Summary of Budget Allocations FY 2021-22 Baseline. Ms. Grovenstein responded to a Board member question regarding the major differences between the FY 2021-22 Baseline Budget and the FY 2020-21 Budget.

Ms. West motioned for approval; Mr. Penry seconded the motion. The Committee approved FY 2021-22 Baseline Budget (Attachment FC 01)

Remaining Allocation for Title II Adult Education and Family Literacy Act (AEFLA) Section 231 (Attachment FC 02)

Ms. Grovenstein explained we brought to the Board the Adult Education and Family Literacy Act (AEFLA) Section 231 in July of this year as FC 06, but five percent of the funding was withheld.

Ms. Grovenstein stated these are all federal funds that are awarded to the System Office. Ms. Grovenstein explained part of the federal law about 4 years ago required an infrastructure

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contribution to the local workforce board toward the cost of their facilities.

Ms. Grovenstein stated it was decided that the System Office would negotiate with the Department of Commerce and the Workforce Board Group to determine what the formula will be for the infrastructure contribution rather than every individual college and local workforce board negotiating their own agreement.

Ms. Grovenstein stated this calculation is based on the data of which college students receive service at each Workforce Board. Ms. Grovenstein explained we match up data from the colleges and the Department of Commerce to make this calculation. Ms. Grovenstein stated we could not provide the infrastructure contribution in July due to not having the data matching completed. Ms. Grovenstein stated the infrastructure contribution must be funded from the administrative portion of the federal funds which is the five percent that was withheld from the July FC 06 item. The total infrastructure contribution is 1.5% of the 5% administrative funding but the specific dollar amount for each college is determined by the matched data.

Ms. Grovenstein reviewed the table, the Allocation Amount, and Time Period.

Ms. Grovenstein and the Committee discussed the item.

Mr. Sullivan motioned for approval; Ms. West seconded the motion. The Committee approved Remaining Allocation for Title II Adult Education and Family Literacy Act (AEFLA) Section 231 (Attachment FC 02).

NC Career Coach Program Gap Year Allocation (Attachment FC 03)

Ms. Grovenstein stated that this program has been with us for several years and it was implemented in legislation, and it has grown over time.

Ms. Grovenstein stated it is a competitive process that our colleges must pair up with their local school district to apply and do an application to receive one or more career coaches to work in the local high school.

Ms. Grovenstein stated we have allocated funds on a three-year cycle. The allocation must be competitive as we do not have enough funds to allocate to every single college, it is not statewide, and it was set up in law to be an application process. Ms. Grovenstein explained in this three-year cycle, we have two groups or two cohorts on two different three-year cycles, and one three-year cycle is scheduled to expire on June 30, 2022, the other three-year cycle is scheduled to end on June 30, 2023.

Ms. Grovenstein stated Program staff are requesting to give a one-year extension to the group of fifty-four coaches at twenty-six colleges who currently have a career coach and are scheduled to

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expire on June 30, 2022, which we are referring to as the 2019-2022 cohort.

Ms. Grovenstein stated we are asking the Board for an additional one-year extension so the two cohorts will both end on June 30, 2023. And when this occurs this will put all the coaches on the same funding source cycle. Then the Program Division will implement a new application process that will be open to any college to apply at that time. And it will make it much easier to manage with all career coaches on the same cycle.

Ms. Grovenstein, Dr. Gold, and the Committee discussed the item.

Ms. West motioned for approval; Mr. Sullivan seconded the motion. The Committee approved NC Career Coach Program Gap Year Allocation (Attachment FC 03).

Revised Special Construction Delegation Guidelines (Attachment FC 04)

Ms. Whitford stated we discussed this item last month with Dr. Ralls and Ms. Haygood's names on the Special Construction Delegation Guidelines and we approved Fayetteville Tech CC to have this delegation last month.

Ms. Whitford stated we have approved this delegation for four Community Colleges: Wake Tech CC, Central Piedmont CC, Guilford Tech CC, and Fayetteville Tech CC.

Ms. Whitford stated that we thought this document needed to be reviewed again and some more protocols needed to be added to these guidelines.

Ms. Grovenstein stated at the July meeting we were asked to review this item and consultant with the Office of State Construction. Ms. Grovenstein stated as a reminder this authority gives a college the ability to manage their construction projects up to four million dollars of state funds and an unlimited amount of nonstate funds. Ms. Grovenstein stated that a college with this delegation must perform the duties that would have been performed by the Office of State Construction.

Ms. Grovenstein stated this is a delegation that the Board can grant.

Ms. Fokes reviewed the proposed Revised Special Construction Delegation Guidelines.

Ms. Grovenstein, Ms. Fokes, and the Committee discussed the item.

Mr. Penry motioned for approval; Mr. Sullivan seconded the motion. The Committee approved Revised Special Construction Delegation Guidelines (Attachment FC 04).

Construction and Property – August 2021 (Attachment FC 05)

Ms. Whitford explained that this item is a chart for Construction and Property for all the projects that

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are requested. Ms. Whitford explained we are asked to approve this item; it is not just construction, but it is property - the acquisition and disposal of property on the second page of the document regarding acquisition and disposal of property.

Ms. Whitford stated these are state funds and non-state funds involved in this item.

Ms. Whitford explained it is broken down by colleges and you can see the explanations in the table.

Ms. Whitford asked if there any comments or observations about these projects.

Mr. Sullivan motioned for approval; Ms. West seconded the motion. The Committee approved Construction and Property – August 2021 (Attachment FC 05).

For Information

State Board Reserve Year End Report (FC 06)

Ms. Grovenstein explained in our base budget there is a recurring line item called State Board Reserve Funds and it is \$250,000. In General Statue 115D it states these funds can be used for pilot projects, studies, and innovative initiatives. Ms. Grovenstein stated it cannot fund a recurring item; it must be a standalone study, initiative, or pilot project.

Ms. Grovenstein reviewed the State Board End of Year Report FY 2020-21.

Ms. Grovenstein and the Committee discussed the item.

ADJOURNMENT

Mr. Penry motioned for approval; Ms. West seconded the motion.

Ms. Whitford adjourned the meeting at 3:04 p.m.

Respectfully Submitted,

Petrina L. Herring,
Recording Secretary