

MINUTES
State Board of Community Colleges
FINANCE COMMITTEE
Thursday, February 15, 2018 - 1:30 p.m.

FINANCE COMMITTEE MEMBERS PRESENT:

Lynn Raye, Chair	Lisa Estep	Frank Johnson
Todd Johnson	Jim Rose	Burr Sullivan (via phone)

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

OTHERS IN ATTENDANCE:

Elizabeth Grovenstein	Chanell Johnson	Gilda Rubio-Festa
Brandy Andrews	Laura Jordan	Bill Schneider
Jessica Balazsi	Cheryl Kaminski	Mary Shuping
Joono Noel Coste	James "JW" Kelley	Debra Smith
Todd Dunn	Brian Long	Bryan Conrad (OSBM)
Dorrine Fokes	Q. Shante Martin	David Shockley (Surry CC)
Darlene Harris	Margaret Robertson	Yasmin Tomkinson (Cape Fear Literacy Council)

WELCOME

Mr. Lynn Raye called the meeting to order at 1:30 p.m. in the Dr. W. Dallas Herring State Board Room.

ROLL CALL

Laura Jordan 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 February 15, 2018 meeting as presented. Ms. Estep moved, seconded by Mr. T. Johnson, and the Committee approved.

APPROVAL OF THE MINUTES

Mr. Raye asked for a motion to approve the minutes of the November 16, 2017 meeting. Mr. T. Johnson moved, Ms. Estep seconded the motion, and the Committee approved.

FOR INFORMATION

Estimated Receipts through December 2017 (Attachment FC 01)

Ms. Grovenstein reviewed the estimated receipts collected through December 2017 (in conjunction with Attachment FC 02 – Estimated Receipts through January 2018). Referencing the estimated receipts through December, she noted that receipts to date are continuing to lag behind budgeted levels and are aligning more closely with FY 2015-16. Receipts were down

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about 5.2% which is equal to about \$10 million dollars. Ms. Grovenstein, with Mr. Raye's permission, then moved on to agenda item FC 02 to discuss the topic of estimated receipts in more depth.

Estimated Receipts through January 2018 (Attachment FC 02)

Ms. Grovenstein continued reviewing estimated receipts and noted that based on January numbers, receipts continue to lag behind by about \$12.2 million dollars. The North Carolina State Community College System Office is required to maintain a balanced budget and receipts are 24% of the budget. Ms. Grovenstein advised colleges to hold some funds back earlier in the year in anticipation of a possible budget callback. The System Office determined a callback in the amount of eight million dollars was necessary to balance the budget and a communication referencing the required callback was disseminated to all the colleges on January 23rd of this year.

Mr. Raye requested that Ms. Grovenstein address waivers and their impact on the budget. Ms. Grovenstein advised that waivers, especially in the curriculum-tuition area, were a big driver behind the receipt shortfall. An increasing percentage of the population of students were receiving waivers. Mr. F. Johnson wanted information on the exact percentage of the waivers' contribution to the budget shortfall. Ms. Grovenstein indicated that she did not have this year's data, but according to last year's data, waivers covered a substantial amount of the receipt shortfall. Ms. Estep noted that waiver amounts vary from college to college and Ms. Grovenstein acknowledged this affirmatively. Mr. Raye brought up the Early College program and Ms. Grovenstein stated that the primary waiver being seen in tuition receipts is the Career and College Promise Program.

Mr. T. Johnson asked about the actual percentage called back. Ms. Grovenstein replied that, while originally the percentage had been estimated at 1%, she looked carefully at the budget numbers and determined that only .6% of the budget needed to be called back. Mr. T. Johnson wanted to know when the last call back had occurred. Ms. Grovenstein advised that the last callback had taken place in FY 2015-16. Mr. T. Johnson questioned whether the possibility existed that an additional callback would be required. Ms. Grovenstein felt that the eight million dollars requested in the current callback would be sufficient to cover the shortfall barring unforeseen circumstances. She added that the State Aid team reported to her that the receipt situation had a more positive outlook. Ms. Estep wanted more information on who the State Aid Team was and the data they provided. Ms. Grovenstein advised that the State Aid Team worked in her division, daily monitored data referencing receipts and submitted a weekly summary report to her (and other NCCCS management personnel) on receipts. Ms. Estep questioned what receipts were included in the data used by State Aid. Ms. Grovenstein responded that the receipts included were tuition and registration fees for continuing education courses.

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Annual Survey of Fees FY 2016-17 (Attachment FC 03)

Ms. Grovenstein stated that this informational report is provided to the State Board on a yearly basis in accordance with the code adopted in 2014 by the State Board noting that “colleges shall report local fees on an annual basis”. Ms. Grovenstein introduced each fee which included Instructional Technology Fees; Student Activity Fees; College Access, Parking and Security Fees; and Institution Specific Fees. She emphasized that these fees were not part of the state budget. She noted that an annual survey is conducted to collect the required data. Four spreadsheets referencing each fee were provided outlining the fee amounts charged by each college and the total amounts for the College System as a whole. Ms. Grovenstein briefly elaborated on the information covered in each spreadsheet for the board members.

Ms. Estep noticed while looking at the spreadsheets that some colleges were holding on to significant balances and others had negative balances. She wanted to know why this was the case, especially referencing the negative balances. Ms. Grovenstein stated that she did not possess accurate information in terms of the overly large positive balances but that it was possible that these colleges were trying to accumulate funds to procure a large purchase. In reference to the negative balances, Ms. Grovenstein advised that staff had followed up on all of the negative balances. Colleges contacted stated that they were either not expending any more funds or significantly reducing spending until they acquired a positive balance, hopefully by year’s end. Blue Ridge Community College specifically noted that they no longer had a negative balance and the issue had been resolved. Ms. Estep questioned whether the schools in the negative were borrowing from other fund balances. Ms. Grovenstein replied that if a college had a negative balance, it had spent other institutional funds. Ms. Estep requested additional information on what the colleges with accrued balances were planning on utilizing their funding for. Ms. Grovenstein communicated that staff would collect this information.

Mr. F. Johnson noted that these funds weren’t actually directed or collected by the System Office and inquired as to what the State Board’s responsibility was regarding these fees. Ms. Grovenstein elaborated on the State Board code mentioned earlier and stated that the Board had adopted a policy authorizing colleges to set these fees. She noted that the colleges in turn made the local decision regarding whether to charge these fees and how much to charge within the designated allowable maximum set by the State Board.

ConnectNC Bond Status Report (Attachment FC 04)

Ms. Grovenstein noted that this report was compiled quarterly at the request of the Legislature. She explained that the State Board was not required to submit this item but rather the System Office, thus it was being shared for informational purposes only. She introduced the Executive Summary portion of the report and elaborated on the fact that the Board had approved 71% of the \$350 million Connect NC Bond funds. She noted that the total number of projects was 209.

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Ms. Grovenstein, upon making an earlier presentation to the Legislative Capital Oversight Committee, was asked to add information to the report regarding matching requirements. She noted that new columns containing this information had been added to the report spreadsheet and pointed out these new columns to the Finance Committee Members, elaborating on what the information in each column represented in reference to matching funds.

Mr. T. Johnson remarked that this law is basically an incentive for local boards to continually invest in properties instead of waiting until the match occurs. He stated he would like to see the spreadsheets that were shared with the Legislature detailing the match information. Ms. Grovenstein explained that the spreadsheets were updated regularly and maintained on the System Office website. She would share the link with the Committee Members.

System Office Contract Report as of December 31, 2017 (Attachment FC 05)

Ms. Grovenstein explained to the committee that this report was provided to the Board twice a year. She noted that there was a specific, designated level at which the president can sign contracts. Previously, the amount was \$50,000. Back in 2012, the level was raised to \$100,000 with the caveat that the specific contracts being signed would be reported to the Board. During this period, seven contracts were signed off on by the System Office President. Some of these contracts were funded with grants and one with state funds.

System Office Grants Awarded Report as of December 31, 2017 (Attachment FC 06)

Ms. Grovenstein pointed out that this report was generated twice a year detailing all grants the Community College System had received. She noted that the first two grants listed on the report were the largest, (Adult Education and Family Literacy Act, Career and Technical Education). She briefly outlined the other grants listed on the report for the Committee Members.

State Board Reserve Mid-Year Report (Attachment FC 07)

Ms. Grovenstein noted that the State Board was given an appropriation by the General Assembly of \$250,000 to be used for certain projects. She stated that these expenditures are brought before and approved by the State Board. Currently, \$31,000 of funding remained available for use. Ms. Grovenstein expected to come before the Board next month with a request to utilize the remaining balance for the RISE initiative.

FOR ACTION

Catawba Valley Community College Multi-Campus Center Request (Attachment FC 08)

Ms. Grovenstein stated that this item consisted of a request for Multi-Campus Center approval by Catawba Valley Community College. By way of background information, Ms. Grovenstein noted that in 2000, the System Office worked closely with the College Presidents to establish

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the criteria for approval of Multi-Campus designation. In 2014, the criteria was reaffirmed when it was reported to the General Assembly upon official request.

Ms. Grovenstein elaborated on the process for receiving a Multi-Campus designation. She noted that the State Board issued preliminary approval using the established criteria. Upon approval, the Multi-Campus Request would be included in the System Office budget request and submitted to the General Assembly. She continued by stating that upon appropriation of funds by the General Assembly, the Multi-Campus Request would come back before the State Board who would then issue final approval.

Ms. Grovenstein introduced the Multi-Campus Request submitted by Catawba Valley Community College. She briefly discussed the background information provided by the College and briefly touched on the information provided for each of the nine required criteria. Upon coming to item nine, she noted that in the opinion of the System Office, the criteria for this particular item, the minimum FTE of 300, had not been met due to the fact that the submitted FTE included information from the local correctional institution. Therefore, the staff recommendation to the State Board was that the request be tabled until the required FTE was achieved.

Mr. Raye and Ms. Grovenstein emphasized that tabling the item would allow the college to provide an addendum for item nine once the criteria is met rather than starting the process all over again or reapplying.

Mr. F. Johnson stated his support for the Multi-Campus designation once the criteria is met. He believed that there were some basic industries in the Alexander County area that could use the help in workforce development that the new center could provide.

Mr. Sullivan stated that, while he understood there were criteria that had to be met, he did not agree with the one-size-fits-all concept of applying that criteria. He believed that the criteria in question (criteria nine) was unfair to smaller, rural counties and that the criteria needed to, at the very least, be revisited and at some point in the near future, needed to be changed and resubmitted to the General Assembly for approval. He stated that he would like to bring this issue before the Board in a timely manner.

In response to Mr. Sullivan's concerns, Ms. Grovenstein noted that the 300 FTE requirement was not an arbitrary decision but rather that a fiscal analysis had been completed back in 2000 when the 300 FTE was determined. Referencing bringing this item before the Board, she stated that the Board could definitely study and consider the criteria, especially for criteria nine. She also noted that the criteria could be incorporated into the State Board Code. She advised that part of this process could be studying the criteria and then vetting it through the President's Association. Finally, she noted that there were some smaller counties with approved multi-

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campus designations who were able to provide adequate documentation of 300 FTE (Macon County being one).

Ms. Estep noted that it was not uncommon for education systems to have specific criteria and standards. She specifically mentioned the Public School Systems. She noted that fixed costs may be at play in the equation when determining minimum FTE. She noted that, according to the request, a number of county residents were traveling to outside counties for their education. She questioned why residents were traveling to other counties rather than staying in the county and that there might be more to investigate referencing criteria nine other than inability to meet FTE.

Mr. F. Johnson added that, as a resident of one of the outside counties, the travel distance is definitely an issue to consider when deliberating on the multi-campus request. He stated that 20 miles is a long distance to drive to get an education. A campus within five miles would be more attractive to potential students.

Mr. T. Johnson cautioned that, while a certain set of criteria seemed to be unfair, making exceptions for one school meant that you have to exempt others from that criteria and it was a dangerous slope to head down. He stated that if there were issues with criteria, the Board needed to go through the process of rectifying the issue. He voiced one other concern. He noted that the System wished to grow and simply moving students from one "basket" to another did not accomplish that goal. The System needed to ensure that it was attracting additional students.

Mr. Raye requested that a motion be made to table this item. Mr. F. Johnson made the motion and Mr. T. Johnson seconded it. The Committee approved tabling the Catawba Valley Community College Multi-Campus Request (Attachment FC 08).

Surry Community College Multi-Campus Center Request (Attachment FC 09)

President David Shockley of Surry Community College was invited to speak to the committee. Dr. Shockley began by stating that he was not asking for an exception but believed that Surry Community College had already met the 300 FTE requirement. He delivered background information on how the school had grown since 2003.

In 2015, the campus upsized from one building (used for ten years) to two buildings, the new Yadkin Center being provided with funding by the county. Students registered for classes at the center, were advised there, paid their fees there, and received financial aid there. It was, and is, a comprehensive center. He noted that a third building, the Industrial Training Center, was due to come on line in July 2018. It would house the welding, machining, and electrical wiring programs. He continued explaining that while waiting for the Industrial Training Center to be

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completed, a small mechatronics lab was established and a Mechatronics instructor was installed at the Yadkin Center. 64 students were currently enrolled in the mechatronics program. Dr. Shockley maintained that if the Industrial Training Center was currently on line and had not been delayed, there would be no argument about FTE. Numerous students would be attending classes at the facility and the FTE would be higher.

Dr. Shockley commented that times have changed since the implementation of the original Multi-Campus Center criteria in 2000. He noted that more and more Yadkin County students, and students in general, prefer to receive their education on-line.

Dr. Shockley further stated that monies and funding generated by on-line courses counted as a budgetary resource for the state and felt that this funding should also count as a resource for multi-campus requests.

Dr. Shockley believed the campus was a multi-campus center and met the needs of students, business and industry. He pled with the committee to take his arguments into account when considering criteria nine for this agenda item.

Mr. T. Johnson voiced a concern about using on-line learning to justify brick and mortar. He stated he would like to look back at the original criteria and understand why these criteria were developed the way they were, especially regarding the criteria as it pertains to on-line learning.

Ms. Grovenstein provided information in regards to data for current multi-campus schools and their approval related to FTE and on-line learning. She stated that there had been no cases on record where a Multi-Campus Request had been approved using on-line FTE. Mr. T. Johnson inquired as to whether any colleges had been denied due to a lack of FTE. Ms. Grovenstein stated that two multi-campus requests were approved directly by the General Assembly that did not meet the required FTE.

Mr. T. Johnson questioned whether the common interpretation of 300 FTE actually meant classroom seats. Ms. Grovenstein stated that Dr. Shockley was correct in stating that on-line instruction did count towards budget FTE. She noted that the interpretation of the System Office for multi-campus requests was that there must be a physical presence rather than on-line instruction. Dr. Shockley argued that this distinction was not stated specifically in the criteria and Surry Community College should not be held accountable for seats when it was not specially stated as necessary in the criteria. Mr. T. Johnson asked for clarification in regards to the basis for the instructors, students and services. He wanted confirmation that these people and services were specifically in Yadkin County. Dr. Shockley answered in the affirmative and offered statistical information supporting his answer.

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Mr. Raye acknowledged that Dr. Shockley presented a valid argument referencing on-line learning and that education was going in that direction. He agreed that research was needed and that the criteria needed to be looked at further.

Mr. F. Johnson stated that the criteria didn't necessarily need to be changed, it needed to be interpreted differently.

Ms. Estep noted that procedures have traditionally been understood one way. She felt that if a change was going to be made regarding incorporating on-line FTE, the entire State Board needed to be part of the discussion. Ms. Estep believed this was a very good question that required a great deal of consideration.

Mr. T. Johnson acknowledged that on-line education was growing in popularity every year, and when the criteria was originally set, on-line education was in its infancy. He believed that criteria should be constantly reviewed and updated to meet current values and needs.

Ms. Estep further noted that while students might opt for on-line education courses, campuses were still needed to support the students and provide direct contact between students and teachers.

Mr. Raye noted that, while he sympathized with Dr. Shockley, he suggested tabling the item until discussion could occur with the full Board referencing criteria nine. Mr. Raye thought it would be a good idea if Dr. Shockley returned and presented his arguments to the full State Board. Dr. Shockley stated that he would do whatever was necessary to move the process forward.

Mr. Sullivan interjected that he would like this item brought before the Board as soon as possible.

Mr. Raye requested that a motion be made to table this item. Mr. T. Johnson made the motion and Ms. L. Estep seconded it. The Committee approved tabling the Surry Community College Multi-Campus Request (Attachment FC 09).

Proposed Title II Adult Education and Family Literacy Act (AEFLA) Allocation Formula
(Attachment FC 10)

Ms. Grovenstein noted that this item was discussed in January. She stated that the allocation was awarded through a competitive RFP process (which had already begun). The new formula for the allocation was developed by a funding committee established in March 2017 which consisted of a cross-representation of providers who wished to incentivize program improvement, incentivize program access and ensure equity in access of funding. General

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Statute 115D denoted that the State Board was the authorizing body to provide for distribution of funding for this allocation which would go into effect July 2018 (subject to receipt of grant award). Ms. Grovenstein further explained that the formula was composed of three components. The first component consisted of a 15% base which would be available to any approved provider. She noted providers would only receive one base. The second component was comprised of 50% access based on weighted tiers and available to providers who received the 2017-18 allocation and provided date of contact hours. The third component was 35% performance and was also available to providers who received the 2017-18 allocation and provided date of contact hours. Ms. Grovenstein briefly explained how the funds would be mitigated for 2018-19 allocations.

Mr. Raye turned the floor over to Mr. F. Johnson, who had some concerns referencing this agenda item. He believed there were inequities in how the funding was distributed and that the formula was complicated. He suggested that further mitigation was required. He noted that people and programs were impacted by this allocation formula and introduced Ms. Yasmin Tomkinson from the Cape Fear Literacy Council to speak.

Ms. Tomkinson believed there may be some unintended consequences to the new formula. She noted that Community Colleges and Community Based Organizations worked in tandem with each other but had very different approaches. She stated that Literacy Councils tailor instruction to the student by providing small classes and one-on-one instruction taught by volunteers. They were a feeder program to community colleges but the students served by literacy councils would not be served by the Community Colleges if these organizations did not exist. She stated that the Literacy Councils served those most in need. Ms. Tomkinson stated that \$500,000 would be diverted away from these organizations should this formula go into affect. She briefly described the statistics and information outlined in the handouts provided to the committee. She noted that Literacy Councils worked with other organizations to assist students and follow through on students needs. Community colleges had rigid schedules and required attendance whereas community based organizations had much more flexibility. She added that Literacy Councils provided transportation and met the needs of the student. She finished by stating that the economy would lose money if these students weren't provided with the services they required.

Mr. Rose brought up the fact that a 15% base was available to all organizations that were awarded the funding. He noted that no one would be completely cut off from this piece of the allocation. He further stated that 50% was based on access, which he seemed to think the Literacy Council met adequately. He noted the final 35% was based on performance. He asked Ms. Tomkinson what exactly she was seeing that was leading to her great concern.

Ms. Tomkinson answered by noting that the access piece was based on contact hours which was basically time spent in class. While this requirement was easy for community colleges to

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achieve, the literacy councils served people one-on-one or in extremely small classes and they would never achieve the contact hours required to meet this allocation piece. The performance piece was also a challenge because it was based on test scores. Very often, the literacy councils worked with those at lower educational levels and their test scores were not going to be adequate to qualify for this piece either.

Ms. Grovenstein interjected information regarding the performance piece of the allocation. She noted that the state must meet a specific percentage on the performance allocation as a federal requirement to qualify for this program.

Mr. Rose asked if fundraising was an option for the literacy councils. Ms. Tomkinson answered in the affirmative. Mr. Rose noted that if funds were cut regarding this allocation, the councils could potentially make up the difference by using fundraising. Ms. Tomkinson again answered affirmatively but noted it might be more difficult to raise funds in smaller counties and areas.

Mr. Raye invited Ms. Rubio-Festa to speak.

Ms. Rubio-Festa asked for specific questions regarding the formula and how it operated.

Mr. Rose asked how the Community College System became the designee for delegating the funding for this allocation. Ms. Rubio-Festa stated that she was the State Director for Title II and the Community College System was the Pass-Through Agency for this federal award. She did not represent Community Based Organizations or Community Colleges. She was responsible for advocating for all Title II students. She stated that the purpose of the new formula was to distribute funding equitably on behalf of these students. She noted that due diligence and analysis was completed and in the end, the committee made decisions based on what was best for the students.

Mr. F. Johnson surveyed several people in the community college system referencing the formula. Some complained that the new formula was not given to them in a timely manner to review. Some stated that they were threatened with 100% performance funding if they did not vote for the proposed formula. Ms. Grovenstein stated that the funding formula committee looking at the formula was made up of representatives from community colleges and community based organizations. She strongly denied that the the committee members were threatened with 100% performance funding.

Mr. F. Johnson questioned whether the statement was accurate that a college or organization could not reapply for three years. Ms. Rubio-Festa stated that it was accurate that the funding was for three years. She noted that the RFP application process was currently in place and open to all eligible providers. When awarded, the allocation would be for three years. The application process, however, was different from the formula.

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Mr. F. Johnson still had some concerns referencing this item and shared some additional comments. He noted that the community based organizations provided more services than just conducting classes. They helped get transportation, child care, and provided the whole package. He felt that these organizations needed some transition time to adjust to the new formula.

Ms. Rubio-Festa responded by stating that all providers must have comprehensive packages including child care and transportation. She added that for accuracy all eligible providers must provide the same services. This formula was meant to reward those serving students most in need with more funding.

Ms. Estep asked Ms. Rubio-Festa to speak to whether community based organizations would be more negatively impacted by the formula. Ms. Rubio-Festa noted that when the initial analysis was done, the committee realized that community colleges would be impacted as well. She pointed out that those organizations not competitive and not awarded would definitely be impacted. Those organizations that were awarded would be positively impacted in some way. She reminded the committee that every awarded agency received a 15% base. As for the remainder of the award, everyone had to perform the same activities based on the law to merit those parts of the allocation.

Mr. Raye requested a motion to approve the item.

Mr. F. Johnson continued stating that he believed the item needed some adjustment and further discussion. He elaborated further on his concerns. He was aware that there was a time constraint in relation to this item. He was reluctant to make a recommendation without some sort of caveat attached to the item and asked if a motion could be made to incorporate this possibility. Ms. Grovenstein noted that two options that were available to him – a motion for approval or to make another motion to act upon.

Ms. Estep motioned for approval.

Mr. F. Johnson wanted to know if he could add the caveat to the motion that the cuts wouldn't occur immediately but would be portioned out over the three year period. This would give the organizations an opportunity to maintain their work while investigating their options.

Ms. Estep noted that this item was not on the consent agenda and Mr. F. Johnson's request could be discussed in front of the full board the following day.

Mr. T. Johnson seconded.

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The vote was three in favor, one opposed. The Committee approved the Proposed Title II Adult Education and Family Literacy (AEFLA) Allocation Formula (Attachment FC 10) as presented.

Allocation for Tobacco Trust Fund Commission (Attachment FC 11)

Ms. Grovenstein noted that this item referenced a grant being received by the system office. The request was to disperse \$210,000 of the grant funds to 14 colleges who in turn would use the funds to provide scholarships for short-term workforce training programs. These scholarships would assist students in communities adversely affected by changes in the tobacco sector of the economy.

Ms. Estep motioned for approval, Mr. T. Johnson seconded. The Committee approved the Allocation for Tobacco Trust Fund Commission (Attachment FC 11) as presented.

FY 2017-18 Compensation Reserve Report (Attachment FC 12)

Ms. Grovenstein reviewed this item, noting that it was a report required by the General Assembly that had to be submitted by the State Board outlining how the colleges used the compensation fund from the budget. \$22 million was provided for salary increases and \$10 million was set aside for additional salary adjustments. She noted that there were specific categories that these adjustments fell into. Ms. Grovenstein went into detail referencing the information provided to the committee.

Mr. T. Johnson motioned for approval, Ms. Estep seconded the motion. The Committee approved the FY 2017-18 Compensation Reserve Report (Attachment FC 12) as presented.

Allocation for Small College Prison Program (Attachment FC 13)[CA]

Ms. Grovenstein stated that this was the annual allocation for small college prison program start-up funding. The original allocation was appropriated by the General Assembly in 1999 and was reoccurring each year. The intention behind the funding was that small colleges would use it to start up prison programs. The funding and programs were directed by the Department of Public Safety - Adult Correction and Juvenile Justice. Ms. Grovenstein noted that four colleges had been approved for this allocation.

Mr. F. Johnson motioned for approval, Mr. T. Johnson seconded the motion. The Committee approved the Allocation for Small College Prison Program (Attachment FC 13) as presented.

Construction and Property (Attachment FC 14)[CA]

Ms. Grovenstein reviewed the following items:

Category A: New (Non-State and Other State funds):

Ms. Grovenstein noted that there were three projects in this category. She drew the Committee's attention to the Edgcombe project and stated that it was in

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line with the recent Economic Development announcement. Edgecombe Community College received \$10 million from the Golden Leaf funds. This item was tied to an item in Category F. Mr. F. Johnson questioned whether the Golden Leaf funds were state funds. Ms. Grovenstein responded that the funds were directed by the General Assembly to the Golden Leaf fund, so they could be considered state funds, but for this particular instance.

- Category B: Amended (Non-State and Other State Funds):
Ms. Grovenstein noted there were two amended projects at Fayetteville Technical Community College and one at Isothermal Community College. These were not Connect NC Projects.
- Category C: New (Connect NC Bond Funds):
Ms. Grovenstein stated that there was only one Connect NC project this month. Isothermal was building an Agri-Business facility.
- Category D: Amended (Connect NC Bonds Funds):
Ms. Grovenstein noted that these items were typically what the committee has seen before due to escalation in bids and cost increases.
- Category E: Project Approval – Final – Close Out (Connect NC Bond Funds):
Ms. Grovenstein happily reported that there were two more projects that had closed out.
- Category F: Acquisition and Disposal of Real Property:
Ms. Grovenstein stated that there were three property acquisitions – one in connection with the Edgecombe County project as discussed earlier.

Mr. T. Johnson motioned for approval, Ms. Estep seconded the motion. The Committee approved Construction and Property (FC 14) as presented.

Contract Award to Vendor for Construction/Contractor Careers Branding (Attachment FC 15)

Mr. Raye made a motion to go into “Closed Session for Discussing Bids”, and was seconded by Ms. Estep. At that time, system office staff left the room for the Committee members to discuss the contract.

In the closed session, Mr. T. Johnson motioned for approval of the agenda item, seconded by Mr. F. Johnson.

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Following the closed session, Mr. T. Johnson motioned for approval to return to open session, seconded by Mr. F. Johnson.

ADJOURNMENT

Mr. T. Johnson motioned, seconded by Mr. F. Johnson and the meeting was adjourned at 3:15 p.m.

Respectfully Submitted,
Laura Jordan
Recording Secretary