

**MINUTES**  
**State Board of Community Colleges**  
**FINANCE COMMITTEE**  
**Thursday, July 20, 2017 - 1:30 p.m.**

**FINANCE COMMITTEE MEMBERS PRESENT:**

Lynn Raye, Chair	Burr Sullivan	Robert Stephens
Todd Johnson	Jim Rose	Treasurer Dale Folwell (Telephonic)

Members absent: Lisa Estep, Vice Chair

**OTHERS IN ATTENDANCE:**

Elizabeth Grovenstein	Todd Dunn	Bryan Conrad (OSBM)
Katie Buchanan	Dorrine Fokes	Cheryl Kaminski
Jessica Balazzi	Tangi Crotts	Nancye Gaj
Amanda Foster	Robert Witchger	Nate Humphrey
Debra Smith	John Evans	Eric Naisbitt (NC Senate)
Jim Parker	Daniel Alvarado	Chairman Scott Shook

**WELCOME AND ETHICS STATEMENT**

Mr. Lynn Raye called the meeting to order at 1:33 p.m. in Conference Room 201A. Mr. Raye read the required ethics statement. There were no conflicts of interest.

**ROLL CALL**

Amanda Foster took the roll of the Finance Committee members.

**APPROVAL OF THE AGENDA**

Mr. Raye reviewed the agenda for the meeting as presented. Mr. Todd Johnson moved, seconded by Mr. Jim Rose.

**APPROVAL OF THE MINUTES**

Mr. Raye asked for a motion to approve the minutes of the May 18, 2017 and the June 26, 2017 (telephonic) meeting as presented. Mr. Todd Johnson moved and Mr. Robert Stephens seconded the motion.

**FOR INFORMATION**

**Year-End Receipts - June 2017 (Attachment FC 01)**

Ms. Grovenstein reviewed the Year End Receipts through June 30, 2017 and explained that this report could have some adjustments depending on the timing of the preparation of the report. One change that is not reflected in FC 01 is tuition refunds, which would make the receipts budget approximately \$9.8 million under collected. Ms. Grovenstein further stated that most of the receipts under collected were in curriculum tuition verses continuing education fees and it is likely, waivers in Career and College Promise, contributed the receipts decrease.

**MINUTES**  
**State Board of Community Colleges**  
**FINANCE COMMITTEE**  
**Thursday, July 20, 2017 - 1:30 p.m.**

SBCC Code Report-July 2017 (Attachment FC 02)

Ms. Grovenstein presented the report and explained that the items would be addressed further detail later in the agenda. Ms. Grovenstein referred to Cheryl Kaminski for clarification of “Reserved for Future Codification” and “FTE Reporting Accountability”.

Connect NC Bond Status Report (Attachment FC 03)

Ms. Grovenstein highlighted that this was the third time the Board is seeing this report as required by the General Assembly. The State Board has approved 65% of the allocation to colleges out of the \$350 million. Mr. Raye pointed out the impact of the 46% for “Repair and Renovation” was well used source of funds.

System Office Contracts Report as of June 30, 2017 (Attachment FC 04)

This report is done on a semi-annual basis and reports on the ten contracts that were approved by the System President, in lieu of Board approval. Ms. Grovenstein referenced the spreadsheet and noted that many of the contracts are for professional development or training.

**For Action**

North Carolina Competency-Based Education Incubator (Attachment FC 5)

Ms. Grovenstein explained this is the third year this project is being brought to the Board, and Central Piedmont Community College is taking the lead in this effort. They are developing technology to implement a competency based education approach. A student can get credit for prior knowledge and expertise as well as advance in their skills through more of a self-paced approach. Ms. Grovenstein addressed there has been a slight delay in the project and some of the funds will be carry forward.

Mr. Rose motioned for approval, seconded by Mr. Burr Sullivan, and the request was approved.

Allocations for Integrated English Literacy and Civics Education Programs (Attachment FC 6)

Ms. Grovenstein stated this is another consent agenda item, as it has come before the Board previously for approval. This particular request is to approve allocations for 27 Integrated English Literacy and Civics Education Programs. It prepares adults that need to be educated in English. As required in WIOA legislation, the System Office, in the future, will implement a competitive process for FY 2018-19 for community colleges and other providers to acquire funding. Currently this item is in a continuation year, so the programs that were funded last year will be funded again this year in the same dollar amounts, same colleges and community based organizations. Per questions from the Board, Ms. Grovenstein deferred to Ms. Nancye Gaj to answer questions pertaining to the new competitive process.

After further discussion, Mr. Johnson motioned for approval, seconded by Mr. Rose.

**MINUTES**  
**State Board of Community Colleges**  
**FINANCE COMMITTEE**  
**Thursday, July 20, 2017 - 1:30 p.m.**

Allocation for Minority Male Success Initiative Grants (Attachment FC 7)

Ms. Grovenstein introduced the agenda item and stated this initiative was started back in 2003. Since then, the System Office has redesigned the program and now there is a three-year allocation process. This request is for approval for the second year of the program. Ms. Grovenstein then introduced Mr. John Evans to answer more detailed questions from the Board about Performance Measures and how the System Office is receiving feedback and calculating the program's success. Chairman Shook also contributed to the discussion and stressed the positive impact of the program.

Mr. Rose motioned for approval, seconded by Mr. Johnson, and the request was approved.

Service Agreement for Community College Grant Program (Attachment FC 8)

Ms. Grovenstein brought to the Committees attention, that in February, the Board had already approved the North Carolina Community Colleges Grant Program in the amount of \$17.5 million. With that funding the System Office works with the Education Assistance Authority (NCSEAA) and they manage the financial aid programs throughout the state. In order to administer the financial aid program an annual contact of \$175,000 would need to be approved.

Mr. Stephens moved, seconded by Mr. Sullivan and the request was approved.

Service Agreement for Adult Basic Skills Professional Development (Attachment FC 9)

Ms. Grovenstein explained this is a service agreement with Appalachian State University for \$407,295 to improve the professional development of Basic Skills trainers, administrators, instructors and volunteers. Ms. Nancye Gaj provided information on how many instructors are impacted by the approval of the funding.

Upon further discussion, Mr. Todd Johnson moved, seconded by Mr. Jim Rose and the request was approved.

Allocations for NCWorks Career Coach Program (Attachment FC 10)

Ms. Grovenstein introduced the item by providing background information on how the General Assembly expanded the appropriation for the program. During discussion Mr. Raye asked Ms. Grovenstein to explain to Mr. Burr Sullivan (new Board member) the Career Coach initiative. Mr. Daniel Alvarado, went into further detail about the role of Career Coaches and how they are different from a high school guidance counselor in assisting students with decisions about higher education. Mr. Alvarado also explained how the approval of funding was determined among the community colleges to allow for additional coaches. There was also clarification to who the Coaches report to and the collaboration between the community colleges and the local high schools. Ms. Grovenstein then proceeded to discuss the reallocation of funds for salary increases.

**MINUTES**  
**State Board of Community Colleges**  
**FINANCE COMMITTEE**  
**Thursday, July 20, 2017 - 1:30 p.m.**

Upon further discussion and questions, Mr. Stephens moved, seconded by Mr. Johnson and the request was approved.

Career and Technical Education Improvements Through Enhanced Career Pathways  
(Attachment FC 11)

Ms. Grovenstein stated this item is a new request to approve \$468,000 in Perkins Career and Technical Education Funds. Ms. Grovenstein then proceeded to introduce Dr. Robert Witchger to provide further detail and address questions about the item. He proceeds to explain the Pathway is a framework to help the student transfer from high school to community college. Funds awarded through this process will be leveraged with existing resources to enhance the current system. Dr. Witchger addressed a question on the existence of the Perkins Grant and explained how the funds are distributed on a nationwide basis.

After discussion, Mr. Burr moved, seconded by Mr. Johnson and the request was approved.

Amend 1E SBCC 800.2 – “General Provisions” (Attachment FC 12)

Ms. Grovenstein explained that the next several items on the agenda are related to changes in the State Board Code. This item relates to an existing code where edits have been made to clarify BLET policy, as it pertains to sponsorship of a student. Mr. Nate Humphrey addressed a question asked by Mr. Raye, to who pays for the training of service members (firefighters, law enforcement, EMS). Upon discussion, and clarification concerning the use of waivers, counting FTE and tuition all questions were addressed and answered to the satisfaction of the Committee.

After further discussion, Mr. Johnson moved, seconded by Mr. Burr and the request was approved.

Temporary Amendment of 1E SBCCC 100.1 – “Definitions” (Attachment FC 13)

Since the next three agenda items are related, Ms. Grovenstein asked the Committee if she could discuss them as one item, but vote on the individually. In the last session of the General Assembly a new law was implemented to allow senior citizens to audit courses at community colleges. Based on the law, the System Office needs to implement a policy, therefore the Board is asked to approve a temporary authority for the community colleges to proceed with enrollment. This specific item is amending the State Board code to add language about auditing courses.

Mr. Stephens moved, seconded by Mr. Burr and the request was approved.

**MINUTES**  
**State Board of Community Colleges**  
**FINANCE COMMITTEE**  
**Thursday, July 20, 2017 - 1:30 p.m.**

Temporary Amendment of 1E SBCCC 1000 – “Audited Courses” (Attachment FC 14)

Ms. Grovenstein explained that this portion of the item is defining the law concerning senior citizens auditing a course at a community college.

Mr. Jim Rose moved, seconded by Mr. Todd Johnson and the request was approved.

Temporary Adoption of 1D SBCCC 700.1 – “Audited Courses” (Attachment FC 15)

Ms. Grovenstein then proceed to review this portion of the item which has the specific definition for the term “Audit”. Ms. Cheryl Kaminski provided more legal background on the rules required by the General Assembly and how long the temporary rule will remain in effect.

Upon further discussion, Mr. Stephens moved, seconded by Mr. Rose and the request was approved.

Construction and Property (Attachment FC 16)

Ms. Grovenstein introduced the agenda item and proceeded to review the items in order.

Project details of Category A: New (Non-State and Other State funds) were discussed with no issues.

Project details of Category B: Amended (Non-State and Other State Funds) were discussed with no issues.

Project details of Category C: New (Connect NC Bond Funds) were discussed and Ms. Grovenstein brought to the Committees attention the installation of a security system included in Stanly Community College project number 2346. Any equipment must have a ten-year useful life span and the proposed software and cameras would not meet the criteria. Upon Board approval, the System Office would provide, in writing, a letter to Stanly CC explaining those items are not permitted.

Project details of Category D: Amended (Connect NC Bonds Funds) were discussed with no issues.

Category E: Project Approval – Final – Close Out (Connect NC Bond Funds) did not need discussion.

Project details of Category F: Acquisition and Disposal of Real Property were discussed and Ms. Grovenstein addressed two items from Mitchell Community College for disposal of property from demolition. Mitchell CC did not obtain State Board approval prior to the demolition of the property located at 329 Drake Street, Statesville, NC. Mr. Raye suggested communication in the

**MINUTES**  
**State Board of Community Colleges**  
**FINANCE COMMITTEE**  
**Thursday, July 20, 2017 - 1:30 p.m.**

form of a letter be sent to advise that demolition should not have occurred without prior State Board approval.

Mr. Todd Johnson moved to approve all projects, with one amendment to Stanly Community College to remove \$42,000 for the security system portion of the project. Mr. Jim Rose seconded and the requests were approved.

Near the conclusion of the Committee meeting, Mr. Jim Parker gave an IT update on ERP and announced Campus Works has been awarded the contract. He proceeded to discuss the program going forward and the five community college presidents have volunteered to help head an ERP steering committee.

**Adjournment**

Mr. Johnson motioned, seconded by Mr. Rose and the meeting was adjourned at 3:00 p.m.

Respectfully Submitted,  
Amanda Foster

DRAFT