

**MINUTES**  
**State Board of Community Colleges**  
**FINANCE COMMITTEE**  
**Thursday, July 19, 2018 - 1:30 p.m.**

**FINANCE COMMITTEE MEMBERS PRESENT:**

Lynn Raye, Chair	Frank Johnson *	Scott Shook
Lisa Estep	Bill McBrayer	

Attended via phone \*

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

**OTHERS IN ATTENDANCE:**

Elizabeth Grovenstein	Sondra Jarvis	Alex Granados
Peter Hans	Dale McInnis	(Education NC)
Lisa Chapman	(Richmond CC)	Ginger Livingston
Bryan Jenkins	Linda Suggs	(Daily Reflector)
Brian Long	(Gates Foundation)	
Jim Parker		

**CALL TO ORDER**

Mr. Lynn Raye called the meeting to order at 1:43 p.m. at Martin Community College, Building 1, Room 37.

**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 July 19, 2018 meeting as presented. Mr. McBrayer moved, seconded by Ms. Estep, and the Committee approved.

**APPROVAL OF THE MINUTES**

Mr. Raye asked for a motion to approve the minutes of the May 18, 2018 meeting. Mr. McBrayer moved, Ms. Estep seconded the motion, and the Committee approved.

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**FOR FUTURE ACTION**

**Initiation of Rulemaking Process to Amend 1G SBCCC 100.1 – “Definitions” (Attachment FC 01)**

Ms. Grovenstein shared that this item would align curriculum and continuing education instructional periods and full-time equivalent (FTE) student hours. The rule has been vetted through the presidents at their June meeting.

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Ms. Grovenstein requested the Committee move this item from Future Action to Action so that it is implemented in time for the long session budget process. It will be incorporated into our budget request.

Mr. McBrayer motioned to move Initiation of Rulemaking Process to Amend 1G SBCCC 100.1 – “Definitions” (Attachment FC 01) from Future Action to Action, Ms. Estep seconded the motion.

Ms. Estep motioned for approval, Mr. McBrayer seconded the motion. The Committee approved Initiation of Rulemaking Process to Amend 1G SBCCC 100.1 – “Definitions” (Attachment FC 01) as presented.

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**FOR ACTION**

**Allocation for Previously Funded Title II AEFLA Providers (Attachment FC 02)**

Ms. Grovenstein shared that this item comes to the State Board as part of legislative action. This state funding must be allocated to providers who did not get recommended to receive the federal Title II funding in FY 2018-19. Twelve providers did not receive federal funding because they were not competitive via the RFP process. No new funding was received by the System; therefore, this is funded with existing state funding from state basic skills funding. Fayetteville Urban Ministry is the only provider being funded that did not apply this fiscal year. Ms. Estep asked why providers are receiving funding and why were they weren’t competitive. The legislation states that all providers who received Title II funding last year and did not receive Title II funding in FY 2018-19 will get this funding.

Dr. Chapman reviewed the process that the staff established for an RFP process focusing on required federal considerations, including moving students from one education level to another educational level, giving work experience, post education and success measures. An external committee reviewed the applicants and of those that applied, the performance measures, to determine a score. If the score was below the minimum required score, the applicant was not recommended for funding.

Dr. Chapman also discussed the appeal process.

Chairman Shook motioned for approval, Ms. Estep seconded the motion. The Committee approved Allocation for Previously Funded Title II AEFLA Providers (Attachment FC 02) as presented.

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**Allocation of Title II Adult Education and Family Literacy ACT (AEFLA) (Attachment FC 03)**

Ms. Grovenstein shared this allocation is requesting funding for 63 eligible providers who did meet the minimum score in the RFP process. Ms. Grovenstein reviewed the sections of Title II funding that providers could apply under. Last year was the first year under WIOA that providers were required to contribute infrastructure funding for the one stop centers.

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Ms. Estep asked whether the allocation is equally distributed throughout the state. Dr. Chapman stated that the neediest parts of the state is being covered. The eligibility is addressed first. If there is not an eligible provider in a troubled area, the group addressed those needs. Ms. Estep asked for a copy of the distribution map to be provided to the committee.

Chairman Shook motioned for approval, Mr. McBrayer seconded the motion. The Committee approved Allocation of Title II Adult Education and Family Literacy ACT (AEFLA) (Attachment FC 03) as presented.

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**Allocation for Integrated English Literacy and Civics Education (Attachment FC 04)**

Ms. Grovenstein shared this allocation request is also related to WIOA, but separate grant award through competitive grant process. The Committee is asked to approve the allocation amount as well as a change to the formula. The past allocations for this project were based on a budget request basis which is how staff has calculated this fiscal year's distribution. The staff will address updating the formula to bring a new recommended formula for future fiscal years.

Ms. Grovenstein shared under WIOA, but separate grant award. Awarded through competitive grant process. Recommending the allocation amount as well as a change to the formula. The previous formula item was done with the existing formula. For this grant, the existing formula does not do well. In the past there had not been a formula, it was on a budget request basis which is how this item is requested. The staff will address updating the formula to bring a new recommended formula for future.

Chairman Shook motioned for approval, Mr. McBrayer seconded the motion. The Committee approved Allocation for Integrated English Literacy and Civics Education (Attachment FC 04) as presented.

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**State Board Reserve Funding for CCR Professional Development and Technical Assistance**  
**(Attachment FC 05)**

Ms. Grovenstein stated this is related to the previous agenda items with literacy instruction occurring. This would be up to \$125,000 of the \$250,000 recurring State Board funds. Ms. Grovenstein reviewed that this fund is an annual allocation starting July of each year. This funding will support Professional Development and Technical Assistance to College and Career Readiness Adult Education programs to improve access, persistence, and completion. The goal is to ensure all colleges can access this targeted assistance. The North Carolina Virtual Learning Center will be a repository for many of the professional development materials.

Ms. Estep motioned for approval, Chairman Shook seconded the motion. The Committee approved State Board Reserve Funding for CCR Professional Development and Technical Assistance (Attachment FC 01) as presented.

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**Allocation for Career and College Ready Graduate Alignment Partnerships (Attachment FC 06)**

Ms. Grovenstein shared Allocation for Career and College Ready Graduate Alignment Partnerships. This item comes to the State Board as a result of the budget that the legislative approved. It was a request that was fully funded in the budget. This program is with the Department of Public Instruction and local high schools. Wake TCC is lead college. The first two phases have been completed. Initially the law was for this to be implemented statewide this school year, but it has been delayed a few years. Ms. Grovenstein reviewed the current funding to allow the colleges to work with the local high schools.

Mr. McBrayer motioned for approval, Ms. Estep seconded the motion. The Committee approved Allocation for Career and College Ready Graduate Alignment Partnerships (Attachment FC 06) as presented.

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**Allocation for Lead College for Career and College-Ready Alignment Partnership (Attachment FC 07)**

Ms. Grovenstein shared this is directly related to FC06. This is the recurring funding for Wake Technical Community College to continue to serve as lead college and to provide professional development. The funding in the past came from the State Board Reserve funds. Dr. Chapman said the remediation will be provided by high school instructors and the professional development will be conducted by System Office staff.

Chairman Shook motioned for approval, Ms. Estep seconded the motion. The Committee approved Allocation for Lead College for Career and College-Ready Alignment Partnership (Attachment FC 07) as presented.

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**Allocation for Improving Career and Technical Education (Attachment FC 08)**

Ms. Grovenstein shared this item is related to the Carl D. Perkins Act which is federal funding. This will help individual colleges Tier 1 or Tier 2 counties to improve their programs. It is weighted to serve the most in economically distressed counties. Ms. Estep asked if the colleges report back to how they report the funding. Dr. Chapman said there is a monitoring and reporting process. Dr. McInnis said it was a very thorough process.

Mr. McBrayer motioned for approval, Ms. Estep seconded the motion. The Committee approved Allocation for Improving Career and Technical Education (Attachment FC 08) as presented.

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**Temporary Amendment of 1G SBCCC 100.1 – “Definitions (Attachment FC 09)**

Ms. Grovenstein shared that this item is very similar to FC 01. Attachment FC 01 was to initiate the permanent rule making process that is in FC 09. Attachment FC 09 will put the temporary rule to implement the FTE definition effective July 1, 2018 until the permanent rule goes into effect. Staff will use this in the budget to be approved in August 2018.

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Chairman Shook motioned for approval, Ms. Estep seconded the motion. The Committee approved Temporary Amendment of 1G SBCCC 100.1 – “Definitions” (Attachment FC 09) as presented.

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**Allocation of Title II AEFLA, Section 225, Expanding Services (Attachment FC 10)**

Ms. Grovenstein shared this is specific for the providers serving institutionalized populations to help them improve the programs offered in these settings. The funding is one year of federal funding. Dr. Chapman reviewed how this improves the programs provided to captive students.

Ms. Estep motioned for approval, Mr. McBrayer seconded the motion. The Committee approved Allocation of Title II AEFLA, Section 225, Expanding Services (Attachment FC 10) as presented.

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**Allocation of Special Capital Improvement Appropriations (Attachment FC 11)**

Ms. Grovenstein shared this item is a result of the state budget. Funding is provided to four colleges for various capital needs. This item will enable the System to take the amounts and put funds in the capital improvement code.

Chairman Shook motioned for approval, Ms. Estep seconded the motion. The Committee approved Allocation of Special Capital Improvement Appropriations (Attachment FC 11) as presented.

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**Allocation for Virtual Learning Community Research Project – Phase II Artificial Intelligence (Attachment FC 12) [CA]**

Ms. Grovenstein shared this is phase II of the virtual learning, machine learning project to better utilize the learning objects that we have in our virtual learning community. Mr. Parker is in attendance to answer questions. Mr. Parker mentioned how this program will expand throughout the years and that we are leading the way in education.

Chairman Shook motioned for approval, Ms. Estep seconded the motion. The Committee approved Allocation for Virtual Learning Community Research Project – Phase II Artificial Intelligence (Attachment FC 12) as presented.

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**Service Agreement for Community College Grant Program (Attachment FC 13) [CA]**

Ms. Grovenstein shared the contract that comes to the Board every year with the State Education Assistance Authority to administer the Grants Program, since 1999.

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Ms. Estep motioned for approval, Mr. McBrayer seconded the motion. The Committee approved Service Agreement for Community College Grant Program (Attachment FC 13) as presented.

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**Service Agreement for Adult Basic Skills Professional Development (Attachment FC 14) [CA]**

Ms. Grovenstein shared this item is consent agenda and has been done for several years through Appalachian State University for professional development.

Chairman Shook motioned for approval, Ms. Estep seconded the motion. The Committee approved Service Agreement for Adult Basic Skills Professional Development (Attachment FC 14) as presented.

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**Allocation for Minority Male Success Initiative (Attachment FC 15) [CA]**

Ms. Grovenstein shared this is year three of a three-year cycle for this allocation. Going forward there will be a new round of applications. This is the same amount as in prior years. Chairman Shook asked if the amount has been consistent throughout the program. Ms. Grovenstein stated that there has been a risk of a cut to the budget. Chairman Shook stated that the presentation by Halifax a few years ago showed how impressive the results of this program can be.

Ms. Estep motioned for approval, Chairman Shook seconded the motion. The Committee approved Allocation for Minority Male Success Initiative (Attachment FC 15) as presented.

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**Allocation for Golden Leaf Scholars Program – Two Year Colleges (Attachment FC 16) [CA]**

Ms. Grovenstein shared that the system has received the grant from Golden Leaf foundation since 2001. The only change is that the System Office requested \$25,000 for the administration of the grant. This will allow management of the day to day process.

President Hans stated that they are planning to meet with Golden Leaf to assure that objectives are being met to satisfy both the System, the colleges, and Golden Leaf. Ms. Estep said she would like to know what the objective is for the scholarship. Dr. Chapman stated that the scholarship can go to both the curriculum or continuing education student. Dr. McInnis said it is a good opportunity to determine how it is leveraged. It is watered down because of the spread of the money. Each college can only help a handful of students. There is potential to do more work with the program. This may be the only financial aid available for continuing education students. Dr. Chapman stated that Golden Leaf will be at the NCACCP meeting.

Mr. McBrayer motioned for approval, Ms. Estep seconded the motion. The Committee approved Allocation for Golden Leaf Scholars Program (Attachment FC 16) as presented.

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Construction and Property July 2018 (Attachment FC 17) [CA]

Ms. Grovenstein reviewed the changes to the agenda item format:

Category A: New Projects non-Connect NC (Non-State and Other State funds)

Ms. Grovenstein reviewed the projects.

Category B: Amended projects non-Connect NC (Non-State and Other State Funds):

Ms. Grovenstein reviewed the amendments and noted the Stanly project amendment is due to legislative funding.

Category C: Project Approval (Connect NC Bond Funds):

Ms. Grovenstein reviewed the projects.

Category D: Amended (Connect NC Bonds Funds):

Ms. Grovenstein reviewed the amended projects and that most of these are due to increases in costs.

Category E: Project Approval – Final – Closeout (Connect NC Bond Funds):

Ms. Grovenstein reviewed the final closeout list.

Category F: Acquisition and Disposal of Real Property:

Ms. Grovenstein reviewed the real property requests.

Mr. McBrayer motioned for approval, Ms. Estep seconded the motion. The Committee approved Construction and Property July 2018 as presented.

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**FOR INFORMATION**

Year-End Estimated Receipts – June 2018 (Attachment FC 18)

Ms. Grovenstein stated the receipts collected in June is more favorable than last year. The Year-End Estimated receipts came in a little more positive than anticipated. We ended the year down \$16.3 million below budget. Chairman Raye asked Dr. McInnis how the summer program is going? Dr. McInnis stated that they had a 20% increase and reviewed some of the items Richmond Community College did to attract students.

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Connect NC Bond Status Report (Attachment FC 19)

Ms. Grovenstein stated the program has been going well. Our colleges have done a great job in managing and determining what is needed on their campuses. As of June 30, 2018, the State Board had approved 78 % of the \$350 Million for 233 projects.

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System Office Contracts Report as of June 30, 2018 (Attachment FC 20)

Ms. Grovenstein stated on November 15, 2012, The State Board of Community Colleges approved an increase the ability of the System President to sign and execute contracts without prior State Board approval, from a \$50,000 to a \$100,000 delegation. During the period of January 1, 2018 through June 30, 2018, twenty-four (24) contracts were approved below the \$100,000 delegation.

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System Office Grants Report as of June 30, 2018 (Attachment FC 21)

Ms. Grovenstein stated Food and Nutrition Services Grant was approved for colleges to receive positions working with their local DHHS programs to receive training assistance that will lead them to employment through the Educational Navigators grant.

Tobacco Trust Fund Commission is money is for Project for Skill Up for Financial Aid.

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SBCC Code Report - July 2018(Attachment FC 22)

Ms. Grovenstein gave a brief summary of the rules in relation to Finance Committee.

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**NEW BUSINESS**

None

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**ADJOURNMENT**

Mr. McBrayer motioned, seconded by Mr. F. Johnson and the meeting was adjourned at 2:42 p.m.

Respectfully Submitted,  
Sondra Jarvis  
Petrina Lyons  
Recording Secretary