

MINUTES
State Board of Community Colleges
FINANCE COMMITTEE
Thursday, March 14, 2019 – 1:30 p.m.

FINANCE COMMITTEE MEMBERS PRESENT:

Lynn Raye, Chair
Lisa Estep, Vice Chair

Frank Johnson

Bill McBrayer *
Steven Walker *

Attended via phone *

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

OTHERS IN ATTENDANCE:

Elizabeth Grovenstein
Sondra Jarvis
Scott Corl

Dale McInnis
(Richmond CC)
David Shockley (Surry CC)

Linda Suggs
(Gates Fnd)

CALL TO ORDER

Mr. Lynn Raye called the telephonic meeting to order at 1:32 p.m. at Richmond Community College, Lee Building, Room 14.

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 March 14, 2019 meeting as presented. Ms. Estep moved, seconded by Mr. Johnson, and the Committee approved.

APPROVAL OF THE MINUTES

Mr. Raye asked for a motion to approve the minutes of the February 14, 2019 meeting. Mr. Johnson moved, Ms. Estep seconded the motion, and the Committee approved.

FOR FUTURE ACTION

Hurricane Florence Scholarship Grant Program Report (Attachment FC 01)

Mr. Johnson motioned for FC 01 to be moved from Future Action to Action, Ms. Estep seconded the motion. The Committee approved the motion.

Ms. Grovenstein reviewed the process of the allocation and the requirements for the Hurricane Florence Scholarship Grant Program Report. The requirements are the funds are to be used by recipients for any expenses that would support the student's continued enrollment, including costs related to transportation, textbooks, tuition, fees, and living expenses.

These allocations were originally approved in October 2018 a week after the General Assembly

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approved the 2018 Hurricane Florence Disaster Recovery Act. The State Board Code enables the System Office to reallocate funds if a college determines the full allocation is not needed.

Ms. Grovenstein reviewed the table on Attachment A, page 4. The totals are as of February 15, 2019 due to reporting needs.

Also, President Hans asked Presidents at the President's meeting in January that received an allocation of this grant to send in student success stories. Many of these student stories are in Attachment B.

Ms. Grovenstein stated that any additional funding can be still awarded to students and there is no deadline in the legislation.

Ms. Estep asked, "How to manage with no deadline"? Ms. Grovenstein stated that staff sent a communication to colleges about the allocation and explained the ability to reallocate funds and asked them to let the staff know if they were running low on funds. A few colleges did contact the System Office in December and staff put out a call to the colleges for funding available to be reallocated. There was also a second time this occurred, and it worked the same. Ms. Grovenstein said that in usual appropriations from the General Assembly there is a requirement that unspent funds revert at the end of the fiscal year. This Hurricane Florence bill was done outside of the budget and that language was not included. Our goal is to reallocate funds if there are needs within the system. If the funds go back to the State, it will go to the Hurricane Florence Disaster Account.

Ms. Grovenstein reviewed the student success stories on Attachment B, pages 5-8.

Ms. Grovenstein stated the colleges have done a wonderful job sharing this information with us. Ms. Grovenstein shared the student from Richmond CC who will be graduating this semester with an Associate Degree in Nursing.

Mr. Johnson said the hurricane relief has been amazing for the Community Colleges.

Ms. Suggs asked if this can be used along with Finish Line Grants. President McInnis stated they can both be applied for, but the requirements are very different. They are administered differently from each other.

Mr. Johnson motioned for approval, Ms. Estep seconded the motion. The Committee approved State Board Reserve Hurricane Florence Scholarship Grant Program Report as presented.

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Allocation for Food and Nutrition Services – Employment and Training Grant (Attachment FC 02)

Mr. Johnson motioned for FC 02 to be moved from Future Action to Action, Ms. Estep seconded the motion. The Committee approved the motion.

Ms. Grovenstein said this is a more routine item and has been seen before. In September of 2017 and October of 2018, the State Board approved allocations of this federal grant awarded through the Department of Health and Human Services (DHHS) for employment training. DHHS determined the Community College System is the best and most effective use of this funding. Colleges hire education navigators to connect individuals receiving food and nutrition services to the best college programs to meet their needs. Currently there are 11 colleges who have been approved. The local Department of Social Services county office must agree to participate in the program. The county office in Forsyth County has asked to participate. The amount allocated is just through September 2019 to align with the allocations of the other colleges.

Ms. Grovenstein stated the navigator positions are 100% paid by the grant and there is also 50/50 optional grant funds to be used for other expenses. Mr. Johnson asked the process for approval of the 50/50 funds. Ms. Grovenstein stated the college must spend the money first and then the state reimburses 50% through the System Office. The System Office must request funds through the DHHS.

Mr. Johnson motioned for approval, Ms. Estep seconded the motion The Committee approved Allocation for Food and Nutrition Services – Employment and Training Program as presented.

FY 2019-20 NC Community College Grant Program Payment Schedule (Attachment FC 03)

Mr. Johnson motioned for FC 03 to be moved from Future Action to Action, Mr. McBrayer seconded the motion. The Committee approved the motion.

Ms. Grovenstein said this is a routine item presented to the board every March. This Community College Grant Program was established in 1999 by the General Assembly to serve financial needy students. This program is administered through the NC State Education Assistance Authority (SEAA). The program is designed to complement the Pell Grant and the Lottery Scholarship based on a student's Expected Family Contribution. The students must fill out a Federal Student Aid (FAFSA) form and be in degree seeking programs to receive these grants.

The General Assembly added a requirement in 2016-17 to incentivize students to go full time (15hrs). This grant schedule is developed by SEAA in collaboration with System Office program staff and is based upon funds available. The funds come from the Escheat Fund. The funds do not revert based on the legislation for this program. Ms. Grovenstein reviewed 2017-18 statistics for this program.

Mr. Raye asked if the Pell Grant must be repaid by the student(s). President McInnis said that it is only repaid upon dropping courses. If the student remains enrolled after tuition and books are paid, the student receives a check with the remainder. The maximum of a Pell Grant is the same whether

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you go through a community college or university.

Mr. Johnson motioned for approval, Ms. Estep seconded the motion. The Committee approved the FY 2019-20 NC Community College Grant Program Payment Schedule as presented.

Targeted Assistance and Less than Half Time Grant Program (Attachment FC 04)

Ms. Estep motioned for FC 04 to be moved from Future Action to Action Consent Item, Mr. Johnson seconded the motion. The Committee approved the motion.

Ms. Grovenstein said this is also a routine item that comes before the Board every year since 2002. Ms. Grovenstein stated there was a desire for students that are enrolled less than halftime to get some need-based aid and grants for the targeted populations. Ms. Grovenstein said these programs were combined in July 2011. The system receives \$16.4 million annually from the Escheats Fund and the \$ 550,000 for this grant comes directly off this top of this fund. Ms. Grovenstein reviewed the attachment. It shows that a base amount of \$1,000 per college, and the rest is calculated based on the disbursement of the Pell Grant. This is the formula since inception of the program.

Mr. Johnson motioned for approval, Ms. Estep seconded the motion The Committee approved Targeted Assistance and Less Than Half Time Grant Program as presented.

Contract for Informer Business Intelligence and Data Analytics Software (Attachment FC 05)

Mr. Johnson motioned for FC 05 to be moved from Future Action to Action Consent Item, Ms. Estep seconded the motion. The Committee approved the motion.

This is a contract for \$279,008.12 with Entrinsik, Inc. to purchase the informer business intelligence and data analytics solution for the Community Colleges. The colleges use this product with the Computer Information System (CIS). Currently, the Informer product is the only product to directly connected to the Unidata database, which is the database associated with the Computer Information Systems (CIS) product.

Ms. Grovenstein and the Committee discussed the item.

Ms. Estep motioned for approval, Mr. Johnson seconded the motion. The Committee approved Contract for Informer Business Intelligence and Data Analytics Software as presented.

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Review of Public Comments to Adopt 1B SBCCC 200.03 – “Establishing Multi-Campus Centers”
(Attachment FC 06)

Ms. Estep motioned for FC 06 to be moved from Future Action to Action, Mr. Johnson seconded the motion. The Committee approved the motion.

Ms. Grovenstein reviewed the history of Multi-Campus Centers. Ms. Grovenstein reviewed the comments for this item starting with Wake Tech CC. The committee had no questions about the Wake Tech CC comments.

Ms. Grovenstein reviewed comment #2 that suggested to clarify the language and recommended these changes take place in the Code. The committee had no questions.

Ms. Grovenstein reviewed comments #3 - 6 on pages 4-16. Ms. Grovenstein stated these are policy decisions of the State Board. My staff is not weighing in on these comments other than to provide information to you.

Mr. Raye asked, “If there were comments or concerns”. Ms. Estep said on # 3, she understands the concerns. Ultimately the college could have an off-campus center. Ms. Grovenstein said that two criteria incorporated into the proposed code are: (1) the minimum 300 budget FTE must be face to face or hybrid delivered at the MCC and not online, and (2) if an MCC drops below the minimum the funding is reduced and eventually eliminated. MCCs have dropped below the 300 FTE (as early as 2013) and the policy never addressed that. The proposed code addresses that issue with a phased approach.

Mr. Raye asked if three years is enough time to phase out. President McInnis said that a college can continue to operate without the funding, but we can offer more services with the funding.

President Shockley said that he doesn’t have any problems with how this is written because like President McInnis said, he has been able to have his offsite facility without the multi-campus funding. President McInnis said that this is not a variable allocation, it is a fixed amount and there needs to be hard fixed cut off point. There isn’t a way to build back up from 130 to 300, but 299 to 300 can be adjusted within the warning time.

Ms. Grovenstein said if the comments from #2, are approved then the item would need to go back out for a five-day public comment period.

On behalf of the Finance Committee, Ms. Estep recommended and moved the following item be approved by the board with items 1 and 2 staff recommendations adopted and maintaining the current draft language on items 3-6. Mr. McBrayer second the motion. The Committee approved the motion.

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Construction and Property (Attachment FC 07)

Mr. Johnson motioned for FC 07 to be moved from Future Action to Action Consent Item, Ms. Estep seconded the motion. The Committee approved the motion.

Ms. Grovenstein reviewed the report.

Ms. Estep motioned for approval, Mr. Johnson seconded the motion The Committee approved Review of Construction and Property as presented.

Initiate Rulemaking to Amend 1C SBCC 400.3 – “College Employee Rates of Pay” (Attachment FC 08)

Mr. Johnson motioned for FC 08 to be moved from Future Action to Action, Ms. Estep seconded the motion. The Committee approved the motion.

Ms. Grovenstein stated there is a minimum and maximum salary for State funds. This item is clarifying the minimum and maximum apply to the base salary of the employee.

Mr. Johnson motioned for approval, Ms. Estep seconded the motion The Committee approved as Initiate Rulemaking to Amend 1C SBCC 400.3 – “College Employee Rates of Pay” as presented.

FOR INFORMATION

Estimated Receipts – February 2019 (Attachment FC 09)

Ms. Grovenstein reviewed the report.

Budget Update FY 2019-20 (Attachment FC 10)

Ms. Grovenstein reviewed the budget priorities and Governor’s budget sent out last week. Mr. Johnson asked how his budget compares with legislators. Ms. Grovenstein said we haven’t seen the legislative budget yet. The House will be the first to release a legislative budget.

Ms. Grovenstein and the Finance Committee discussed the item.

NEW BUSINESS

None

ADJOURNMENT

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

Respectfully Submitted,

Sondra Jarvis and
Petrina Lyons
Recording Secretaries