

**MINUTES**  
**State Board of Community Colleges**  
**FINANCE COMMITTEE**  
**Thursday, November 16, 2017 - 1:30 p.m.**

**FINANCE COMMITTEE MEMBERS PRESENT:**

Lynn Raye, Chair	Lisa Estep
Frank Johnson	Burr Sullivan

Members absent: Lt. Gov. Dan Forest, Treasurer Dale Folwell, and Mr. Todd Johnson

**OTHERS IN ATTENDANCE:**

Elizabeth Grovenstein	Laura Jordan	Debra Smith
Daniel Alvarado	Cheryl Kaminski	Bryan Conrad (OSBM)
Brandy Andrews	James "J. W." Kelley	Michael Elam (Halifax CC)
Kathy Davis	Brian Long	Dale McInnis
Todd Dunn	Joy Martin	(Richmond CC)
Dorrine Fokes	Matt Meyer	
Sondra Jarvis	Margaret Robertson	

**WELCOME AND ETHICS STATEMENT**

Mr. Lynn Raye called the meeting to order at 1:30 p.m. in Conference Room 201A. Mr. Raye read the required ethics statement. There were no conflicts of interest.

**ROLL CALL**

Laura Jordan took the roll of the Finance Committee members.

**APPROVAL OF THE AGENDA**

Mr. Raye asked for a motion to approve the agenda of the November 16, 2017 meeting as presented. Mr. Sullivan 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 October 19, 2017 meeting. Ms. Estep moved, Mr. Sullivan seconded the motion, and the Committee approved.

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**FOR INFORMATION**

**Estimated Receipts – October 2017 (Attachment FC 01)**

Ms. Grovenstein reviewed the Estimated Receipts collected through October 31, 2017. The System Office collected more receipts in October than September; however, in terms of having a shortfall in tuition receipts as compared to budget, receipts are still about the same (lower than projected). The System Office will continue to monitor the situation.

Ms. Grovenstein passed out a handout detailing college collection amounts. At the October Committee meeting, Mr. Todd Johnson had requested a breakdown by college. The columns on the sheet broke down information on estimated receipts based on FTE, receipts collected

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through October 31, 2017, and percentage collected. Ms. Grovenstein also stated that historical data showed, on a yearly basis, in reference to tuition fees collected, about eight to nine colleges collected amounts that exceeded their budget and the remainder of the schools collected less than their estimated budget. There were several reasons given as to why colleges may not collect their estimated budgeted receipts. These causes included increases in waivers, lower enrollment numbers than expected, and school collection rates, among other reasons.

After discussion by the committee, Ms. Grovenstein confirmed that the committee wanted the updated informational sheet twice a year and wants it to include enrollment data for context.

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**SBCC Code Report – November 2017 (Attachment FC 02)**

Ms. Grovenstein reviewed the State Board Code Report. There was one new item before the Policy Committee that would allow the State Board to waive certain, code items. All other items on the attachment were considered completed.

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**Capital Improvement Funds Expended or Obligated (Attachment FC 03)**

Ms. Grovenstein stated that this informational document referenced capital improvement funds expended from 1963 to June 30, 2017. The numbers include ConnectNC funds. Local funds make up the largest percentage of the capital improvement funds.

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**Summary of 2016-17 State Funded Financial Aid Programs for Community College Students (Attachment FC 04)**

Ms. Grovenstein explained to the committee that this informational item came before the State Board on a yearly basis and gave a look back at Financial Aid Programs. Two big programs were discussed in this document. The Community College Grant Program was funded with \$16.3 million and covered 26,001 students at \$629 per student. The Targeted Assistance/Less than Half Program provided 56 colleges with financial aid from the Targeted Assistance portion of the program and 28 colleges with assistance from the Less than Half portion.

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**FOR FUTURE ACTION**

**Richmond Community College Multi-Campus Center Request (Attachment FC 05)**

Ms. Grovenstein stated that Richmond Community College submitted a request to be receive a multi-campus center designation for their Scotland County location. The State Board has a very specific process in place governing how schools request this status. This particular request was being made for the Scotland County campus and involves three properties which include the Honeycutt Center, the Morgan Center (to be purchased by the college), and the Covington Street Elementary School (to be deeded to the college). All three locations will be consolidated into one campus. Richmond Community College met all nine criteria required for the process as shown in the attachment. The conditions of approval include providing a copy of the deed for Covington Street Elementary School and completion of the purchase of the Morgan Center. The college exceeded the 300 FTE budget requirement. President McInnis supported

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Ms. Grovenstein in her description of the request and stated that there is a lot of excitement and enthusiasm in Scotland County surrounding the project and that the college is receiving a great deal of support from the local school board, the City of Laurinburg and the County. He noted that the request was a team effort.

Ms. Grovenstein elaborated on the process for requesting the designation of a Multi-Campus Center. The General Assembly enacted a statutory requirement stating that final approval could be granted with a recurring appropriation for the multi-campus. Therefore, the committee could move the item from Future Action to Action and grant preliminary approval of the item. The request would then be submitted to the General Assembly (along with the requests of Wake Technical Community College, Forsyth Technical Community College and two additional schools currently in review status) to go through the appropriate budget process.

Mr. Raye asked for a motion to suspend the rules and move Attachment FC 05 from future action to action. Mr. F. Johnson moved, Mr. Sullivan seconded the motion, and the Committee approved.

Mr. Sullivan motioned for approval, Mr. Raye seconded. The Committee approved the Richmond Community College Multi-Campus Center Request (Attachment FC 05) as presented.

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**FOR ACTION**

**Allocation for Sub-Orbital Student Competition (Attachment FC 06) [CA]**

Ms. Grovenstein stated that the board has seen this item several times in previous years. An allocation of \$19,000 is being requested from the North Carolina Space Grant Affiliate. North Carolina State University is the coordinating agency for this grant and so the funding would be distributed through them.

Mr. F. Johnson provided personal background information relating to the program and greatly supported it.

Ms. Grovenstein thought it would be a good idea for Public Affairs to highlight this event. Dr. Meyer stated that the launch is open to the public and is held during the North Carolina Science Festival.

Ms. Estep motioned for approval, Mr. Sullivan seconded. The Committee approved the Allocation for Sub-Orbital Student Competition (Attachment FC 06) as presented.

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**Service Agreement for ISIR Verification Services (Attachment FC 07) [CA]**

Ms. Grovenstein noted that this is a routine item that has been before the Board for many years. Colleges made the choice to participate in this agreement with the North Carolina State Education Assistance Authority (NC SEAA) who administers state financial aid programs. The

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amounts being requested for this service are the same as last year. This service allows colleges to verify financial aid records in accordance with federal requirements.

Mr. Sullivan motioned for approval, Mr. F. Johnson seconded. The Committee approved the Service Agreement for ISIR Verification Services (Attachment FC 07) as presented.

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Service Agreement for Virtual Computing Environment (Attachment FC 08)

Ms. Grovenstein stated that the Board has seen this item previously. This request consists of a \$100,000 service agreement with North Carolina State University for a virtual computing environment (VCE) to be used by participating colleges. The VCE houses various software that both students and faculty can use. It saves colleges from having to purchase expensive, licensed software on an individual basis. Funds are also saved by the VCE's 24/7 availability and the operability of it on any computer. Mr. Raye questioned why more colleges were not participating in this agreement. Ms. Davis responded by noting that in the past colleges were using the agreement on an eighteen month basis. The agreement is now joined on a rolling application type basis and more colleges (at least ten) are expected to start entering the VCE. Based on storage currently available, up to 35 colleges can join but service can be expanded with the procurement of additional storage blades for the racks.

Mr. Sullivan motioned for approval, Mr. F. Johnson seconded. The Committee approved the Service Agreement for Virtual Computing Environment (Attachment FC 08) as presented.

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Contract for Integrated Library System (Attachment FC 09)

Ms. Grovenstein reviewed the request to extend the contract for one year. The extension will allow time to complete the RFP process for an updated system. The North Carolina Community College System issued an RFP in July, bids have taken place and the process is still on-going. Due to the timing, the contract needs to be extended so services can continue to be provided. Fifty-one colleges currently use the system.

The committee discussed the request and the RFP process.

Mr. F. Johnson motioned for approval, Ms. Estep seconded the motion. The Committee approved the Contract for Integrated Library System (Attachment FC 09) as presented.

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Contract Amendment for Learning System Management Cloud Hosting (Attachment FC 10)

Ms. Grovenstein stated that this is an amendment to a contract that had already been approved by the Board back in March of this year. A \$5,000 amendment to the contract is being requested. \$2,500 would cover a move to the cloud environment and \$2,500 would cover maintenance costs. This amendment would improve performance and security and would free up IT staff time. Mr. Raye requested clarification on the time frame of the contract

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and clarification was offered as six months beginning January 1<sup>s</sup>, 2018. Staff will include this cloud service in future contract requests.

Ms. Estep motioned for approval, Mr. F. Johnson seconded the motion. The Committee approved the Contract Amendment for Learning System Management Cloud Hosting (Attachment FC 10) as presented.

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**State Board Reserve Funding for Financial Aid Leadership Academy (Attachment FC 11)**

Ms. Grovenstein explained that this is a request for State Board Reserve Funding. Reserve funding can be used for innovative projects, start-up initiatives, and other special projects. The State Board is being asked to approve \$9,000 of startup funding to begin The North Carolina Community College System Financial Aid Leadership Academy. This funding would be used to procure materials and develop the curriculum of the academy. The initiative was formed through Presidents' Association. A task force was established, met and came forward with the recommendation of the academy. The academy was discussed at Presidents' Association meeting and the attendees agreed that this would be a good project to fund through the State Board Reserve. The actual implementation of coursework would be funded through a registration a fee. Board approved a similar type of request several years back for the CCFI Program. This program is a similar concept.

The Committee discussed the State Board Reserve fund availability. The Committee discussed the proposal and heard from President Elam. He was the liaison with the Presidents' Association and participated in a diverse committee that vetted the issue of the declining numbers of Financial Aid Directors. President Elam explained that if a Financial Aid Director leaves, a school is left without the experience and talent needed to manage the financial aid program. This project focuses on training individuals in financial aid management and giving them the tools to step in at their institutions and other institutions. The classes would be taught by experienced Financial Aid Directors. President Elam clarified that the training would be geared for managerial and leadership positions overseeing the Financial Aid Department of a college.

Mr. Sullivan motioned for approval, Ms. Estep seconded the motion. The Committee approved the State Board Reserve Funding for Financial Aid Leadership Academy (Attachment FC 11) as presented.

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**Allocation for Investment in Short-Term Workforce Training (Attachment FC 12)**

Ms. Grovenstein stated that this request is for an allocation of two million dollars to provided to 36 colleges. Last year, \$15.3 million was requested for short-term workforce training, but was not funded by the General Assembly. The General Assembly, did however, provide \$2 million of non-recurring funding with the requirement that the funds be appropriated for this specific purpose and had to be allocated at the same value as curriculum courses. Colleges were given

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an opportunity to apply for this funding but they had to ensure they had support from local industry. The General Assembly gave an April 1, 2018, reporting deadline for expenditure of these funds, so the programs are slated to begin in early Spring 2018.

The allocation will provide funding for the priority one requests at the 36 colleges. Some colleges did not request as much allocation as they could have based upon their estimated FTE enrollment and the funding amount per FTE. There were \$7,000 of funds unallocated after funding all priority one requests. As a result, the \$7,000 was allocated to the colleges that had not requested full funding.

Mr. Raye questioned how the money would have been divided between the colleges had the system received the \$15.3 million dollars they had originally requested. Ms. Grovenstein relayed that the original breakdown would have been by budgeted FTE. Ms. Robertson added that the point of the original request was to show legislators what colleges could do if they had funding at the \$15.3 million dollar level. Examples included ramping up access to short-term workforce programs, changing ratios of students to demands, and running high demand classes with lower enrollments to meet industry needs. Mr. Raye noted that 785 jobs could be created based on the enrollment numbers.

Mr. F. Johnson questioned why the industrial manufacturing sector was requesting less in funds than the the public safety sector. Ms. Robertson pointed out that the amounts are based on FTEs and the hours needed to fulfill the training for each job.

Ms. Estes motioned for approval, Mr. Sullivan seconded the motion. The Committee approved the Allocation for Investment in Short-Term Workforce Training (Attachment FC 12) as presented.

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**State Board Reserve Funding for Employability Skills Alignment Project (Attachment FC 13)**

Ms. Grovenstein mentioned that this is also a request for State Board Reserve Funding comprised of two funding sources. The State Board Reserve Fund would supply \$50,000 and the federal Perkins Leadership Fund would supply \$25,000 for a total of \$75,000. The project would occur between February 1, 2018 and June 30, 2019. The entire \$75,000 would be used this year and federal funding sources would be requested to continue the project in FY 2018-19. An RFP will be sent out to determine which college will take the lead role in this initiative. Ms. Grovenstein invited Ms. Robertson to present additional information on the project.

Ms. Robertson noted that colleges offer employability skills but employers are also looking for candidates with soft skills, where there seems to be a disconnect. One employer stated, "technical skills get candidates hired and two weeks later their lack of soft skills gets them fired." Everyone in the college system is concerned about educating students on soft skills

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which is provided through various instructional areas such as College and Career Readiness, Curriculum, and Workforce Continuing Education.

Mr. Raye asked for clarification on exactly what soft skills were. Ms. Robertson explained that soft skills are those skills that included workplace ethics, manners, communication, team building, timeliness, and working when you're at work. These skills can also be dependent on the specific job an employee is performing. Basically, the skills cover how to operate and function successfully in the workplace.

Mr. F. Johnson motioned for approval, Ms. Estes seconded the motion. The Committee approved the State Board Reserve Funding for Employability Skills Alignment Project (Attachment FC 13) as presented.

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**Allocation for Food and Nutrition Services Employment and Training Program Grant**  
**(Attachment FC 14)**

Ms. Grovenstein noted that this grant is related to the federal Food Stamp Program. The North Carolina Department of Health and Human Services, Division of Social Services (DSS), oversees the Food and Nutritional Services Employment and Training Program. This grant would allow funding for the employment of ten Education Navigators at seven Community Colleges who would work directly with Food Stamp candidates sent to them by the local DSS. These Navigators would assist these candidates in getting the training and education they need through the local college system to gain employment. Candidates would ultimately become self-sufficient and contributing members of the community.

This program has been piloted through the county level DSS Offices in Orange County (at Durham Technical Community College) and Buncombe County (Asheville-Buncombe Technical Community College) Due to the success of the pilot, the State DHHS office would like to expand the program.

Ms. Robertson stated that the pilot was incredibly successful with amazing stories of accomplishment. She reiterated that the goal of this grant is for the System Office to work with the State DHHS to expand the program.

Ms. Grovenstein brought everyone's attention to the fact that funding was through September 2018 according to the federal fiscal year. This item is expected to be brought before the committee again at that point and funding will be requested to continue the project. Mr. Raye wanted to ensure that the money used for funding was all federal money and was assured this was the case.

President Elam asked what process was used to select the additional five colleges for this program. Ms. Robertson stated the selection was based on the county DSS offices that wished

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to participate in the program. The System Office is actively working with the next batch of interested DSS offices to get them included in the program for the next funding cycle.

Mr. Sullivan motioned for approval, Mr. F. Johnson seconded the motion. The Committee approved the Allocation for Food and Nutrition Services Employment and Training Program Grant (Attachment FC 14 as presented.

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Allocation for NCWorks Career Coach Program (Attachment FC 15)

Ms. Grovenstein stated that the Committee has been involved with this program for a number of years. Allocation for the next two years of the program was approved by the State Board in July 2017. Funds were based on the recipient colleges procuring non-state matching funds. Four colleges were not able to obtain the matching funds for FY2017-18 (listed in Table 1) and reallocation is being requested for the funds from these colleges. Beginning July 1, 2018 the General Assembly awarded additional funding for 20 additional career coach positions (listed in Table 2). Matching funds are required for these positions as well. A second requirement for these positions consists of adjustment of salaries and benefits if the General Assembly awards any salary increases at the beginning of the fiscal year.

Ms. Estep motioned for approval, Mr. Sullivan seconded the motion, and the Committee approved the Allocation for NCWorks Career Coach Program (Attachment FC 15) as presented.

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Construction and Property (Attachment FC 16) [CA]

Ms. Grovenstein reviewed the following items:

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

There were no new projects in this category.

Category B: Amended (Non-State and Other State Funds):

There were two colleges with non-ConnectNC projects. Both schools are requesting increases due to cost. The South Piedmont Community College request was contingent on receipt of the final complete package. The package has been received.

Category C: New (Connect NC Bond Funds):

There are five new projects being requested for repair and renovation purposes.

Category D: Amended (Connect NC Bonds Funds):

Two items were approved by Acting President Jennifer Haygood.

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Category E: Project Approval – Final – Close Out (Connect NC Bond Funds):  
Two projects have closed out. The remaining funding will return to the colleges for continued use on other projects. Mr. Raye questioned whether a time limit was in place for use of the remaining funds. Ms. Grovenstein stated that there was not a time limit, however, the General Assembly does watch the money and how it is used. Ms. Grovenstein mentioned that she will have to make a presentation to the General Assembly next month.

Category F: Acquisition and Disposal of Real Property:  
Rowan-Cabarrus Community College wishes to lease space for solar panels on the school's rooftop. This project has been approved and carried out previously with success. The revenue generated goes back to support the college.

Ms. Estep motioned for approval, Mr. Sullivan seconded the motion. The Committee approved Construction and Property (FC 16) as presented.

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**Adjournment**

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

Respectfully Submitted,  
Laura Jordan  
Recording Secretary