

MINUTES
State Board of Community Colleges
FINANCE COMMITTEE
Thursday, October 19, 2017 - 1:30 p.m.

FINANCE COMMITTEE MEMBERS PRESENT:

Lynn Raye, Chair	Frank Johnson	Jim Rose
Lisa Estep *	Todd Johnson	Burr Sullivan

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

* Via Telephone

OTHERS IN ATTENDANCE:

Elizabeth Grovenstein	Mary Shuping	Lawrence Rouse
Sondra Jarvis	Dale McInnis	(James Sprunt CC)
J.W. Kelley	(Richmond CC)	
Matt Meyer		

WELCOME AND ETHICS STATEMENT

Mr. Lynn Raye called the meeting to order at 1:30 p.m. at Catawba Valley Community College in Cuyler A. Dunbar Building, Room 306. Mr. Raye read the required ethics statement. There were no conflicts of interest.

ROLL CALL

Sondra Jarvis took the roll of the Finance Committee members.

APPROVAL OF THE AGENDA

Mr. Raye asked for a motion to approve the agenda of the October 19, 2017 meeting as presented. Mr. F. Johnson moved, seconded by Mr. T. Johnson, and the Committee approved.

APPROVAL OF THE MINUTES

Mr. F. Johnson asked for the minutes be corrected to show that he was in attendance. Mr. Raye asked for a motion to approve the amended minutes of the September 14, 2017 meeting. Mr. Sullivan moved and Mr. T. Johnson seconded the motion, and the Committee approved.

FOR INFORMATION

Estimated Receipts – September 2017 (Attachment FC 01)

Ms. Grovenstein reviewed the Estimated Receipts. This is the first receipts report for this fiscal year. The receipts consist of tuition for curriculum and fees for continuing education students. Does not include other student fees. Currently the receipts are behind FY 2016-17, however they are tracking with FY 2015-16. The shortage is within the normal 1% budget hold back that the colleges are advised to keep every year.

The Committee discussed that the number of waived students has increased over the past few years and that is impacting the receipts collected. President McInnis and President Rouse

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shared that the system is flat and specifically at James Sprunt, the closing of the prison impacted the receipts. There is concern that if Early College were to go away, that could also negatively impact the colleges.

The Committee requested staff to analyze the receipt information by college to determine whether there are schools with a significant drop versus other schools.

Chairman Raye stated once the System can equalize Curriculum and Continuing Education, it will help many of the problems. President McInnis stated that this will be comparable to when colleges were able to claim summer FTE. There will be time to get everything structured. Cost will reduce because you will be able to graduate more completers in less time, but it will take time to get there. It will be a huge shift in how we do business. Discussed how programs like they have at Johnston CC to be throughout the System, it would be very beneficial.

SBCC Code Report – October 2017 (Attachment FC 02)

Ms. Grovenstein reviewed the State Board Code Report. Mr. Raye said that this code rewrite has been going on for several years. Ms. Martin and staff have been doing a wonderful job.

Connect NC Bond Status Report (Attachment FC 03)

Ms. Grovenstein said this quarterly report will be presented to the Committee with the General Assembly. There was a meeting held by the Committee which Ms. Grovenstein attended. The Committee has asked for more detail.

Mr. Rose asked if there was any feedback on the percentage split. Ms. Grovenstein stated there were no questions or concerns about the split of funding. The State Board has approved over 200 projects compared to 21 with the UNC System. Mr. Raye said many of the schools were in terrible shape. This money helped save these schools. Ms. Grovenstein said that the Committee heard from the UNC system. There was concern about the cost per square foot that UNC is paying and utilizing the NC Bond. System staff is working to gather this number prior to the Committee asking for the information. The General Assembly's concern is why we are not being more efficient implementing the projects. President McInnis said that the State Construction Office has been a barrier to projects at campuses. Paperwork that had to be approved has been taking longer. Delays can drive costs up on the project.

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FOR ACTION

Budget Allocations for 2-1 Summary FY 2017-18 (Attachment FC 04) [CA]

Ms. Grovenstein reviewed the Budget Allocations for 2-1 Summary for FY 2017-18. This is the summary required by G.S. 115D-54. The document shows the state funds, the county funds, institutional funds, operating, functional areas. The large increase in Capital Projects is due to the NC Connect Bond. This resource is handy to be able to answer questions from General Assembly. The committee discussed the funding sources.

Mr. T. Johnson moved, and Mr. Sullivan seconded. The Committee approved the Budget Allocations for 2-1 Summary FY 2017-18 as presented.

Allocation for North Carolina Space Grant (Attachment FC 05) [CA]

Ms. Grovenstein said that the Committee and Board have seen this item before, but there are a few changes this year. Last year there were six colleges that participated. This year there are two colleges and the colleges will be supporting undergraduate STEM research. Dr. Matt Meyer was in attendance to answer questions. The funding for Edgecombe Community College is primarily travel whereas Piedmont Community College funding is for research cost, travel, and presenting at annual meeting. Dr. Meyer said that a survey was sent last spring. They were trying to determine why there are not more students involved in research. The two who are receiving the funding want to do more active research. It meets the goals of NC Space Grant awarded by NASA. There will be another item later this year for a rocket project. Mr. Rose asked for video to be shared later.

Mr. F. Johnson moved, and Mr. T. Johnson seconded. The Committee approved the Allocation for North Carolina Space Grant as presented.

Amend Prison Education Funds Allocation: Pamlico Community College Recidivism Pilot Project (Attachment FC 06) [CA]

Ms. Grovenstein reminded the Committee that this item was presented in August 2017. The funding was appropriated to Department of Public Safety. This will amend the budget in the amount of \$130,320. Originally our office was instructed to allocate the way we had done in August. After approved, the agency asked for the allocation to be done differently.

This adds textbook and supplies into the budget. There is not additional money, just dispersed different,

Mr. F. Johnson asked about the amount for textbooks. Ms. Grovenstein said that this is the amount that the General Assembly had in their budget. The amount was for 100 students for 17 courses – about \$69 per book which is average price for a textbook.

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Mr. Sullivan made a motion, and Mr. F. Johnson seconded. The Committee approved the Amended Prison Education Funds Allocation: Pamlico Community College Recidivism Pilot Project as presented.

Service Agreement for Development of Residency Determination Services (Attachment FC 07)

Ms. Grovenstein reviewed the background. The General Assembly required collaboration to create a unified process to determine residency.

NCEAA have put a process in place. Many of the Community Colleges are starting to implement.

The contract would provide funds to reimburse for the development cost. Ms. Grovenstein reviewed the cost per year for five years. The UNC System, the Community College System, and the Independent College System are paying equal costs. Next year the operational costs will impact the system next year.

The Committee discussed that it should not be an equal division. If it was by student, we would be paying more, but if it was based on funding, the University System would pay more.

Ms. Estep said that the CC don't have the resources nor the funding to do this.

Mr. T. Johnson said that this requirement is a barrier for students that want to enter the colleges.

Dr. Kelley addressed how this will be a value to the system. Currently 80% are in state students. The CC have historically interpreted more leniently than the University.

Ms. Estep said that since it was not an issue for the CCs. It is not a good system.

Could feedback be provided? Mr. Johnson said that the committee could vote no.

Dr. Kelley suggested having the Committee push for simplification of the system. This requirement was enacted in 2013. It took a while to get implemented. Ms. Shuping said that it does require some discussion with Legislative leadership. It is mandate that we are required to pay for. Ms. Grovenstein has already told NCSEAA that the system does not have funding for the operational part of the program. There will be a request asking for this funding to be included in the budget.

Ms. Grovenstein said tht we have been successful in making some changes, but there are more changes that we are working to change. We are mandated to use the program. Every student needs to go through this process.

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Mr. Sullivan asked about the impact on the Hispanic parents and students based on whether the parents are in the country legally. Dr. Kelley said that situation is not just because of alien status. Dr. Kelley reviewed what the student has to do through the application and the ability to appeal the out of state status.

President Haygood said that two things planned. There will be an issues lunch in January or February to discuss RDS. She has also spoken to Executive Director of NCSEAA and they need to work together to educate legislators to make sure they are aware of the impact to the system of this ED OVERSIGHT Commission. She asked if this item could get approved because we are legislatively required to pay this money.

Policy was made with the traditional student in mind. This has been interpreted with the traditional student. Nationwide the traditional student isn't the ones that apply.

Mr. Johnson asked about the impact if the agenda item is not approved. President Haygood stated that it would look as our System renegeing on a verbal agreement.

Mr. T. Johnson moved, and Mr. Sullivan seconded. Mr. F. Johnson voted against approval of the item. The Committee approved the Service Agreement for Development of Residency Determination Services as presented.

Amend 1E SBCCC 800.2 – “General Provisions” (Attachment FC 08)

Ms. Grovenstein said that this is a requirement by the General Assembly. There were no comments, it would go into effect November 1, 2017.

Mr. F. Johnson moved, and Mr. Sullivan seconded. The Committee approved Amend 1E SBCCC 800.2 – “General Provisions” as presented.

Construction and Property (Attachment FC 09) [CA]

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

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

Discussed and there were no issues.

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

Discussed and there were no issues.

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Category C: New (Connect NC Bond Funds):
Discussed and there were no issues.

Category D: Amended (Connect NC Bonds Funds):
Discussed and there were no issues.

Category E: Project Approval – Final – Close Out (Connect NC Bond Funds):
There was a typo in the original document. The Committee was given corrected attachments. Discussed and there were no issues.

Category F: Acquisition and Disposal of Real Property:
Discussed and there were no issues.

Mr. T. Johnson moved, and Mr. Sullivan seconded. The Committee approved Construction and Property as presented.

Adjournment

Mr. F. Johnson motioned, seconded by Mr. T. Johnson and the meeting was adjourned at 3:04 p.m.

Respectfully Submitted,
Sondra Jarvis
Recording Secretary