

**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM  
BUDGET TRACKING SHEET: FY 2016-17**

1	Budget Priorities	Governor	House
	2016-17	2016-17	2016-17
2	<b>2016-17 Base Budget</b>	1,065,895,520	1,065,895,520
3	<b>Enrollment Adjustment</b>	(26,208,276)	(26,208,276)
4	<b>Expansion</b>		
5	Student Completion Rates/Student Supports	26,208,276	16,672,454
	Restore Management Flexibility Reduction		14,915,435
6	Close the Interest Gap: Marketing & Labor Market Data Tools	2,000,000	500,000
7	Competency-Based Education (CBE)	500,000 NR	500,000 NR
8	Equipment	15,000,000 NR	7,500,000 NR
9	New Multi-Campus Locations (MCC, DTCC)		1,035,822
10	Improve IT transparency rates - System Office		81,300
	Local Government Finance Officer Training		25,000 NR
11			
12	<b>Expansion Subtotal</b>	<b>43,708,276 4.1%</b>	<b>26,289,576 2.5%</b>
			<b>15,440,435 1.4%</b>
13	<b>Net Adjustments to 2016-17 Base Budget (without salary adj)</b>	<b>\$ 17,500,000 1.6%</b>	<b>\$ 81,300 0.0%</b>
	<b>Recommended FY 2016-17 General Fund Approp. (without salary adj)</b>	<b>\$ 1,083,395,520 1.6%</b>	<b>\$ 1,065,976,820 0.0%</b>
			<b>\$ 1,055,127,679 -1.0%</b>
14	<b>Salaries &amp; Benefits</b>		<b>IN STATEWIDE RESERVE</b>
15	Faculty & Staff Salary Increases	24,000,000	22,501,870
16	System Office Salary Increases		237,787
17	Bonus - System Office		367,629 NR
18	Bonus - Colleges		29,076,613 NR
19	Increase in TSERS rate - System Office		42,435
20	Increase in TSERS rate - Colleges		3,232,769
21	Increase SHP Employer Contribution - System Office		31,114
22	Increase SHP Employer Contribution - Colleges		3,340,572
23	<b>Recommended FY 2016-17 General Fund Appropriation</b>	<b>\$ 1,107,395,520 3.9%</b>	<b>\$ 1,098,696,266 3.1%</b>
			<b>\$ 1,102,458,675 3.4%</b>
24	Adjustments - Recurring	\$ 26,000,000 2.4%	\$ (4,643,496) -0.4%
25	Adjustments - Non-Recurring	\$ 15,500,000 1.5%	\$ 37,444,242 3.5%
			\$ 26,391,248 2.5%
			\$ 10,171,907 1.0%

**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM  
SUMMARY OF BUDGET PROPOSAL: FY 2015-16**

	GOVERNOR				HOUSE				
	FY 2016-17 Adjustments	FY 2016-17 Recommended	% Change vs. 15-16 Cert.	% Change vs. 16-17 Base	FY 2016-17 Adjustments	FY 2016-17 Recommended	% Change vs. 15-16 Cert.	% Change vs. 16-17 Base	
<b>1</b>									
<b>2</b>	<b>NCCCS State Funding</b>								
<b>3</b>	Requirements*	16,324,009	1,496,664,868	1.4%	1.1%	20,086,418	1,500,427,277	1.7%	1.4%
<b>4</b>	Receipts	(16,476,737)	397,968,602	-2.1%	-4.0%	(16,476,737)	397,968,602	-2.1%	-4.0%
<b>5</b>	<b>GF Appropriation</b>	<b>\$32,800,746</b>	<b>\$1,098,696,266</b>	<b>2.8%</b>	<b>3.1%</b>	<b>36,563,155</b>	<b>1,102,458,675</b>	<b>3.1%</b>	<b>3.4%</b>
<b>6</b>	<b>NCCCS State Funding per FTE</b>								
<b>7</b>	BFTE	(8,578)	224,494			(8,578)	224,494		
<b>8</b>	Requirements*	\$315.41	\$6,666.84	3.8%	5.0%	\$332.16	\$6,683.60	4.0%	5.2%
<b>9</b>	Receipts	(\$5.45)	\$1,772.74	0.2%	-0.3%	(\$5.45)	\$1,772.74	0.2%	-0.3%
<b>10</b>	<b>GF Appropriation</b>	<b>\$320.86</b>	<b>\$4,894.10</b>	<b>5.1%</b>	<b>7.0%</b>	<b>\$337.61</b>	<b>\$4,910.86</b>	<b>5.5%</b>	<b>7.4%</b>

11 \*Requirements = Spending Authority

**Other Key Items in House Committee Report:**

12 No tuition increase proposed.

13 The Public Schools section of the budget includes funding to LEAs for eight Cooperative and Innovative High Schools in the following counties: Alamance, Alexander, Camden, Chatham, Gaston, Northampton, Person, and Wayne. Each CIHS would receive \$316,646.

14 The Reserves section includes funding to provide most State-funded employees, including community college employees, a 2% salary increase and a \$500 bonus.

15 The Reserves section includes funding to support increases to employer contribution rates for retirement and health insurance.

16 The Reserves section includes \$985,682 R and \$156,585 NR to support implementation of Connect NC Bond. The description indicates that a portion of these funds would be allocated to our System, but it does not itemize the amount or specific purposes of those funds.

## House Budget Special Provisions Summary

### Community College Section

#### **Section 10.1: Update Performance Measures**

Makes the requested statutory changes to G.S. 115D-31.1 to delete the “Attainment of adult high school equivalency diplomas” measure and to incorporate the measures related to the success rate of students in credit-bearing English and math courses.

#### **Section 10.2: Clarify Use of Career Coach Funds**

Clarifies that Career Coach funds may be used for the direct operating costs of the positions (i.e. travel, etc.) in addition to salaries and benefits.

### Salaries and Benefits Section

#### **Section 36.10: Community College Personnel**

- Provides a 2% salary increase to all faculty and non-faculty employees effective July 1.
- Increases the minimum salaries for nine-month, full-time curriculum faculty by 2% for FY 2016-17.
- In addition to the 2% salary increase, colleges retain the additional \$10 million for compensation increases already appropriated for FY 2016-17. However, colleges must use at least \$8 million on faculty salary increases and may use up to \$2 million for compensation increases for other community college personnel. Further, this additional \$10 million may not be used for across-the-board increases.

#### **Section 36.16: Compensation Bonus Awarded for FY 2016-17**

Provides a \$500 bonus to individuals employed full-time in State-funded positions on September 1, 2016. The bonus is not compensation for retirement purposes and must be paid out separately in October. For part-time employees, the bonus shall be pro rata based on the number of hours worked. (Essentially this bonus would be implemented like the \$750 bonus in FY 2015-16.)

#### **Section 36.18: Study Special Bonus Leave/Incentives**

Directs OSBM to study the development of a voluntary bonus leave incentive program to encourage employees to use or to cash in accrued special bonus leave benefits.

#### **Section 36.19: Extend Voluntary Shared Leave to Community College Employees**

Allows community college employees to voluntarily donate sick leave with a nonfamily member who is an employee of a community college, subject to certain limitations.

#### **Section 36.20: Salary-Related Contributions**

The TSERS employer contribution rate would increase to 16.55% (currently 15.32%). The maximum annual employer contribution rate for State Health Plan coverage would increase to \$5,659 for non-Medicare-eligible employees (currently \$4,251) and \$4,397 for Medicare-eligible employees (currently \$4,251).

**Other Sections**

**Section 7.10 Enterprise Resource Planning Design and Implementation**

- Directs the System Office to begin planning and design of a replacement ERP for the State's 58 community colleges, addressing student information, core financial management, grants, HR, and payroll.
- A RFP for a replacement system implementation shall be prepared for release no later than October 1, 2017.

**Section 8.11 Certain CIHS Operating Without Additional Funds**

Authorizes colleges to earn BFTE for instruction provided at the following CIHSs, but no additional funding (055 funds) will be provided to the LEA:

- Cabarrus Early College of Technology
- Johnston County Career and Technical Academy
- Stanly County School of Engineering and Design
- City of Medicine Cooperative Innovative High School
- Hillside New Tech Cooperative Innovative High School

**Section 8.20 Joint Legislative Study on CIHS**

Establishes the Joint Legislative Study Committee on Cooperative Innovative High Schools and directs the Committee to review and make recommendations on CIHS policies and funding models.

**Section 8.21 Pilot Program to Raise HS Dropout Age**

- Establishes a 5-year pilot program in Hickory Public Schools, Newton-Conover City Schools, and Rutherford County Schools to increase the HS dropout age from 16 to 18.
- Directs these LEAs to partner with CVCC and Isothermal CC in administering the pilot program.

**Section 11.2 Modify NC Guaranteed Admission Program (NCGAP)**

- Directs the Board of Governors and SBCC to evaluate other measures currently in place designed to improve completion rates and consider any potential overlap with NCGAP. Report by January 1, 2017.
- Delays implementation of NCGAP until FY 2017-18 and shall apply to the admission process for the 2018-19 academic year.