

**STATE BOARD OF COMMUNITY COLLEGES**  
**Reorganization of NCCCS Budget**  
**FY 2018-19**

**Request:** The State Board of Community Colleges is asked to approve the reorganization of the NCCCS budget.

**Background:** Funding for each System Office division is budgeted in a separate fund code. In addition, budgets that support college expenditures are budgeted separately from the fund codes for the System Office division. The fund codes that support college expenditures each begin with 16XX. The State Budget Act prohibits State agencies from transferring funds on a recurring basis between fund codes. Therefore, the System Office cannot transfer funds from one division to another on a permanent basis. As the State Board requested, Section 9.1 of Session Law 2018-5 allows the System President to reorganize subject to the State Board's approval.

**Rationale:** The NCCCS budget contains funds for information technology (IT) contracts that support the needs of colleges. As IT contracts have been established in the NCCCS budget over time, some IT contracts have been budgeted in the Technology Division or the Economic Development Division and other IT contracts have been budgeted in Institutional and Academic Support Fund 1625. In order to better oversee and manage these IT contracts for colleges, it is recommended that budgets for these college IT contracts be transferred into Institutional and Academic Support Fund 1625. In addition to these IT contracts, there are other systemwide college needs that have historically been supported by budget in Curriculum Instruction Fund 1620. These funds have been transferred annually to support these systemwide expenditures in Fund 1625. It is recommended that this transfer be made a recurring part of the budget. Finally, it is recommended that funds be transferred to support ongoing operational needs of the Executive Division. The table below summarizes the recommended reorganization.

	Fund	Budget Change
Executive Division	1100	\$ 99,000
Technology Division	1200	(4,951,836)
Economic Development Division	1500	(92,941)
Curriculum Instruction	1620	(1,500,000)
Institutional and Academic Support	1625	6,445,777
Net Change		\$ 0