

STATE BOARD OF COMMUNITY COLLEGES
Finance Committee Agenda Items: An Overview

The State Board of Community Colleges has a number of duties associated with fiscal matters. The following is a summary of those duties that are reviewed through the Finance Committee.

Budget Allocations: G.S. 115D-5 (a): “The State Board of Community Colleges may adopt and execute such policies, regulations and standards...to provide for the equitable distribution of State and federal funds to the several institutions.” Also, per G.S. 115D-31, the State Board of Community Colleges is responsible for providing funds to support current operating expenses for general administration, instructional services, and support services, as well as providing funds for equipment for administrative and instructional purposes and library books.

- **Approve the System’s expansion budget request and support** its adoption by the General Assembly.
- **Approve all budget allocations** to colleges. Most funds are allocated on a formula basis; however, some are allocated on a competitive RFP basis or other rationale. Our practice is to put on consent agenda those allocations that are significantly similar to those that have been discussed by the Committee during the prior year.

Last year the Finance Committee approved the System’s FY 2013-14 budget priorities, recommended a performance-based funding model to the General Assembly, heard three budget updates for information, and approved the Community College Grant payment schedule. It also approved 33 items allocating funds to colleges, 21 of which were on the consent agenda. In addition to items similar to last year, the Finance Committee will need to pay particular attention to activities of the Education Cabinet associated with joint budget priorities. As part of our FY 2014-15 budget priorities, the Finance Committee can also expect recommendations to be forthcoming about the development of a fourth funding tier, as required by the 2013 Appropriations Act.

Tuition and Fees: G.S. 115D-5(a): “...The State Board shall have authority...to establish and regulate student tuition and fees within policies for tuition and fees established by the General Assembly...”

- **Establish curriculum tuition and continuing education registration fee rates.** Current tuition rate: \$71.50/credit hour (resident) and \$263.50/credit hour (non-resident) up to a maximum of 16 credit hours per semester.
- **Establish policies regarding optional student fees.** The State Board has given colleges the option to charge student activity fees, parking fees, technology fees, and course specific fees within certain parameters.
- **Establish GED testing fee.** Current fee is \$35 (one-time charge) for paper-based testing; students taking the computer-based test pay the rate charged by GED Testing Service.
- **Monitor receipt collections.** The Committee monitors tuition and con ed registration fee receipt collections on a monthly basis.

Last year the Finance Committee heard 11 items related to tuition and fees, eight of which were for information items updating the Board of the System’s receipt collections. In the upcoming

year, the Finance Committee, in conjunction with the Policy Committee, will be asked to approve a comprehensive rewrite of the “Student Tuition and Fees” chapter of the State Board Code.

Fiscal Policy and Management: G.S. 115D-5(a): “...The State Board shall have authority...to establish and regulate financial accounting procedures.”

- **Adopt budget policies** consistent with legislation.
- **Approve System Office contracts in excess of \$100,000.** The State Board has delegated to the System President the authority to sign and execute contracts equal to or less than \$100,000, without prior State Board approval.
- Per G.S. 115D-58.14, the State Board may **increase or decrease a college’s purchasing delegation**, in consultation with the Department of Administration. The maximum delegation amount is \$100,000.

Last year the Finance and Capital Needs Committee approved two colleges for increased purchasing delegation and increased the System President’s authority to execute contracts from \$50,000 to \$100,000. It also approved 20 contracts, of which 10 were on the consent agenda. Eleven of these contracts were for amounts less than \$500,000, five contracts between \$500,000-\$1,000,000, and four greater than \$1,000,000. In the upcoming year, the Finance Committee, in conjunction with the Policy Committee, will be asked to consider revisions to the “Fiscal Management” chapter of the State Board Code. Many code provisions are obsolete or need clarification.

Capital Improvements: The State Board has a number of duties and responsibilities as it relates to capital improvement projects.

- **Approve sites and capital improvement projects** under G.S. 115D-5.
- **Approve the sale, exchange, or lease of property** under G.S. 115D-15.
- **Approve the acquisition of property** under G.S. 115D-20.
- **Approve special construction delegation to colleges** under G.S.115D-9. Colleges with full special construction delegation authority can manage- independent of the State Construction Office - projects that are all locally funded and projects that cost \$4 million or less that involve State funds.

Last year the Finance Committee approved rescinded special construction delegation authority from one college and approved 10 (one per meeting) agenda items requesting approval for a multitude of capital improvement projects. The Finance Committee also approved the multi-campus center designation for the Kimbrell Campus of Gaston College. In FY 2013-14, the Finance Committee will be asked to recommend changes to the approval process for multi-campus centers, as required by the 2013 Appropriations Act.

Reports: In addition to the above, the Finance and Capital Needs Committee also heard nineteen reports last year on the following topics: HUB participation rate (3), bond status (2), other capital improvement (2), contracts executed under delegated authority (2), grants awarded (2), State Board Reserve obligations/expenditures (2), financial aid programs (2), college fees, Career and College Promise expenditures, technology activities, and NC Back-to-Work.