

MINUTES
State Board of Community Colleges
LEGISLATIVE AFFAIRS COMMITTEE
Thursday, May 18, 2017 – 4:00 p.m.

LEGISLATIVE COMMITTEE MEMBERS PRESENT:

Jim Rose, Chair	Lynn Raye	Scott Shook
Lisa Estep	Darrell Saunders	Clark Twiddy

Members Absent: Breeden Blackwell, Todd Johnson, and Jerry Vaughan

OTHER BOARD MEMBERS PRESENT:

Bobby Irwin	Bill McBrayer	Ann Whitford
Janet Lowder	Samuel Powell	

OTHERS IN ATTENDANCE:

Jimmie Williamson	Bryan Jenkins	Sondra Jarvis
Elizabeth Grovenstein	Shanté Martin	Lynn Austin (NCACCT)
Jennifer Haygood	Mary Shuping	Linda Suggs (Gates Fnd)
Maureen Little	Chreatha Alston	

CALL TO ORDER

Mr. Rose called the meeting to order at 4:00 p.m. in the Dr. W. Dallas Herring State Board Room of the Caswell Building.

ROLL CALL

Mr. Jenkins took the roll of the Legislative Affairs Committee members.

ETHICS STATEMENT

Mr. Rose read the Ethics Awareness and Conflict of Interest Statement and asked if there were any known conflicts. None were noted.

APPROVAL OF THE AGENDA

Mr. Rose asked for a motion to approve the agenda for the meeting on May 18, 2017. A motion was made and the committee approved via voice vote.

APPROVAL OF THE MINUTES

Mr. Rose asked for a motion to approve the minutes for the meeting on April 20, 2017 as presented. Ms. Lowder made a motion to approve the minutes, seconded by Mr. Ray, and the committee approved via voice vote.

MINUTES

State Board of Community Colleges LEGISLATIVE AFFAIRS COMMITTEE Thursday, May 18, 2017 – 4:00 p.m.

FOR INFORMATION

North Carolina Legislative Update – 2017-19 Biennium

Ms. Shuping reviewed the 2017 Senate Budget Community College Highlights

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
BUDGET TRACKING SHEET: FY 2017-18 and FY 2018-19

1	Budget Priorities				Governor		Senate	
	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
2	1,068,233,344	1,068,233,344	1,068,233,344	1,068,233,344	1,068,233,344	1,068,233,344	1,068,233,344	1,068,233,344
3	8,396,208 R	8,396,208 R	8,396,208 R	8,396,208 R	8,396,208 R	4,922,445 R	4,922,445 R	4,922,445 R
4	10,000,000 NR	10,000,000 NR	10,000,000 NR	10,000,000 NR	10,000,000 NR	10,000,000 NR	10,000,000 NR	10,000,000 NR
5	Expansion							
6	15,301,375 R	15,301,375 R	15,301,375 R	15,301,375 R	15,301,375 R	-	-	-
7	98,500 NR	Based on Study	98,500 NR	-	98,000 NR	-	-	-
8	3,000,000 R	4,500,000 R	3,000,000 R	3,000,000 R	3,000,000 R	3,000,000 R	3,000,000 R	3,000,000 R
9	1,100,000 R	1,840,000 R	1,100,000 R	1,840,000 R	1,100,000 R	1,100,000 R	1,800,000 R	1,800,000 R
10	22,634,940 R	22,634,940 R	7,500,000 R	7,500,000 R	7,500,000 R	7,500,000 R	-	-
11	3,000,000 R	3,000,000 R	3,000,000 R	3,000,000 R	3,000,000 R	-	-	-
12	5,160,677 R	5,160,677 R	-	-	-	-	-	-
13	5,000,000 R	5,000,000 R	-	-	-	-	-	-
16	-	-	-	-	850,315 R	850,315 R	850,315 R	850,315 R
17	-	-	-	-	500,000 NR	500,000 NR	500,000 NR	500,000 NR
18	-	-	-	\$19.4M from Lottery R	-	-	-	-
19	-	-	\$2.5M from Lottery R	\$5M from Lottery R	-	-	-	-
20	55,295,492 5.2%	57,436,992 5.4%	29,999,875 2.8%	30,641,375 2.9%	2,548,315 0.2%	2,548,315 0.2%	5,650,315 0.5%	5,650,315 0.5%
21	Reductions							
22	Reductions to Spending Authority							
23	-	-	-	-	(100,000) R	(100,000) R	(100,000) R	(100,000) R
24	-	-	-	-	(160,000) R	(160,000) R	(160,000) R	(160,000) R
25	- 0.0%	- 0.0%	- 0.0%	- 0.0%	(260,000) -0.02%	(260,000) -0.02%	(260,000) -0.02%	(260,000) -0.02%
26	\$ 83,691,700 7.8%	\$ 75,833,200 7.1%	\$ 48,396,083 4.5%	\$ 49,037,583 4.6%	\$ 17,210,760 1.6%	\$ 20,312,760 1.9%	\$ 20,312,760 1.9%	\$ 20,312,760 1.9%
27	\$ 1,151,925,044 7.8%	\$ 1,144,066,544 7.1%	\$ 1,116,629,427 4.5%	\$ 1,117,270,927 4.6%	\$ 1,085,444,104 1.6%	\$ 1,088,546,104 1.9%	\$ 1,088,546,104 1.9%	\$ 1,088,546,104 1.9%
28	Salaries & Benefits							
29	-	-	22,994,204 R	22,994,204 R	17,892,614 R	17,892,614 R	17,892,614 R	17,892,614 R
30	-	-	9,654,055 NR	-	-	-	-	-
31	-	-	294,462 R	294,462 R	246,346 R	246,346 R	246,346 R	246,346 R
32	-	-	89,080 NR	-	-	-	-	-
33	-	-	13,337 R	86,082 R	45,921 R	213,023 R	213,023 R	213,023 R
34	-	-	80,020 NR	-	-	-	-	-
35	-	-	1,016,013 R	6,557,902 R	3,355,035 R	15,563,633 R	15,563,633 R	15,563,633 R
36	-	-	6,096,078 NR	-	-	-	-	-
37	-	-	64,048 R	128,095 R	35,438 R	75,094 R	75,094 R	75,094 R
38	-	-	6,056,752 R	12,113,503 R	3,742,641 R	7,930,835 R	7,930,835 R	7,930,835 R
	-	-	17,33% 5,880	17.5% 6,100	16.69% 5,869	18% 6,104	18% 6,104	18% 6,104
37	\$ 73,593,200 6.9%	\$ 75,833,200 7.1%	\$ 78,736,399 7.4%	\$ 91,211,831 8.5%	\$ 41,930,755 3.9%	\$ 62,234,305 5.8%	\$ 62,234,305 5.8%	\$ 62,234,305 5.8%
38	\$ 10,098,500 0.9%	\$ - 0.0%	\$ 16,017,733 1.5%	\$ - 0.0%	\$ 598,000 0.1%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%
	\$ 1,151,925,044	\$ 1,144,066,544	\$ 1,162,987,476	\$ 1,159,445,175	\$ 1,110,762,099	\$ 1,130,467,649	\$ 1,130,467,649	\$ 1,130,467,649

Ms. Shuping mentioned that an exemption from transfer to the Department of Information Technology (DIT) was requested for Community College System IT staff. Unfortunately, instead of exempting the transfer, the timeline for transfer of IT staff was accelerated.

The Senate budget made spending reductions to the following programs:

- Bionetwork
- Child Care
- Minority Male Mentoring

The cuts the community college system received were relatively small compared to other agencies, especially other education agencies.

MINUTES
State Board of Community Colleges
LEGISLATIVE AFFAIRS COMMITTEE
Thursday, May 18, 2017 – 4:00 p.m.

Ms. Shuping reviewed the other Key Items in the Senate Budget:

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
SUMMARY OF BUDGET PROPOSAL: FY 2017-18

	FY 2016-17 Certified Budget	FY 2017-18 Base Budget	GOVERNOR				SENATE				
			FY 2017-18 Adjustments	FY 2017-18 Recommended	% Change vs. 16-17 Cert.	% Change vs. 17-18 Base	FY 2017-18 Adjustments	FY 2017-18 Recommended	% Change vs. 16-17 Cert.	% Change vs. 17-18 Base	
1											
2	NCCCS State Funding										
3	Requirements*	1,480,340,859	1,465,717,504	95,451,311	1,561,168,815	5.5%	6.5%	43,225,934	1,508,943,438	1.9%	2.9%
4	Receipts	414,445,339	397,484,160	697,179	398,181,339	-3.9%	0.2%	697,179	398,181,339	-3.9%	0.2%
5	GF Appropriation	\$1,065,895,520	\$1,068,233,344	\$94,754,132	\$1,162,987,476	9.1%	8.9%	42,528,755	1,110,762,099	4.2%	4.0%
6	NCCCS State Funding per FTE										
7	BFTE	224,092	225,933	-	225,933			-	225,933		
8	Requirements*	\$6,605.95	\$6,487.40	\$422.48	\$6,909.88	4.6%	6.5%	\$191.32	\$6,678.72	1.1%	2.9%
9	Receipts	\$1,849.44	\$1,759.30	\$3.09	\$1,762.39	-4.7%	0.2%	\$3.09	\$1,762.39	-4.7%	0.2%
10	GF Appropriation	\$4,756.51	\$4,728.10	\$419.39	\$5,147.49	8.2%	8.9%	\$188.24	\$4,916.33	3.4%	4.0%

11 *Requirements = Spending Authority

Other Key Items in the Senate Budget:

- 12 Salary increase is 1.5% or \$750, whichever is higher.
- 13 No tuition increase proposed.
- 14 The Public Schools section of the budget did NOT include any additional funding to LEAs for new Cooperative and Innovative High Schools. Section 7.22. reduces the cooperative innovative high school allotment in Tier III areas and directs those funds to Tier I areas. Also requires a new reporting requirement on the success of students participating in CCP (HS retention, completion, dropout, college completion, employment, employer satisfaction).
- 15 Section 9.6 directs the System Office to develop and provide training to community college trustees.
- 16 Section 9.7 directs that college presidential searches that use search consultants be competitively bid.
- 17 Section 10.12 permits senior citizens to audit courses at UNC or community college institutions without paying a fee and shall not be counted for enrollment funding.
- 18 Section 15.13 transfers the Apprenticeship program to the NCCCS from the Department of Commerce.
- 19 Section 35.8 provides for implementation of the 1.5% or \$750 salary increase for college employees. It also permits the \$10 million be used for merit, across-the-board, recruitment, retention, or other increases (consistent with past policy).
- 20 Section 35.16 permits NCCCS (and all state agencies) to allow employees to cash out bonus leave during 2017-19 (as was done in 2016-17).
- 21 Section 35.21 eliminates medical insurance for retirees effective for employees who do not have state retirement service as of July 1, 2018.
- 22 Section 9.9 codifies the Catawba Valley CC Manufacturing Solutions Center.

The House subcommittee spending targets are the same as the same as the Senate; therefore, if the House wants to spend additional money, there must be corresponding cuts. There have been conversations with Ed-Appropriation Chairs to discuss how workforce training could be included in the House budget.

The pace in the House is fast. Spending decisions are expected by the end of the week and special provisions decided next week. The House budget may be made public by the 29th of May and the final budget presented to the Governor by June 15th. The speed that the Legislature is moving makes it a challenge to talk with House members. Staff is hopeful that there will be some movement on the \$15 million for workforce funding parity in the House budget.

Mr. McBrayer asked if the Representatives and Senators pay attention to the phone calls and emails. Ms. Shuping said that it cannot hurt. Ms. Shuping recommended members touch base with the legislators from their districts on the weekends when they are home. Mr. Raye recommended getting corporate business leaders to call on the Community Colleges System's behalf.

MINUTES
State Board of Community Colleges
LEGISLATIVE AFFAIRS COMMITTEE
Thursday, May 18, 2017 – 4:00 p.m.

Ms. Shuping shared that SB 420 – “Governance Bill” made crossover and is in House Rules. It was Ms. Shuping’s understanding that Chairman Shook, all efforts should be focused on the budget. Ms. Whitford said that many of the legislators have not read the bill and are going by what they are hearing from the trustees. Mr. Raye stated that he spoke to the trustees at South Piedmont to assure they understood the intent of SB 420, and they agreed it is reasonable. Ms. Whitford suggested that members could speak to local Board of Trustees and ask them to write a letter of support. Ms. Estep said it is important for legislators and local trustees need to understand the bill and the reasons behind it. Ms. Shuping assured the committee that since the bill made crossover, it remains eligible for consideration through the end of short session.

President Williamson said that one of the college presidents and their board sent a letter back to NCACCT to ask them to stop sending propaganda. At least three colleges have withdrawn from NCACCT – Durham Technical Community College, Richmond Community College, and Martin Community College.

In the Senate, SB 420 was a leadership sponsored bill. There is not a sponsor in the House. Ms. Shuping said that staff has not started working the bill in the House. Mr. McBayer asked who would be a good champion. Ms. Shuping said that there needs to be several, and it would help to have some of the leadership in the House supporting it.

Mr. Raye asked if we need to answer the allegations coming out to give our side? Mr. Jenkins said that Chairman Shook has been communicating with the Presidents and asking them to forward the information to their Board of Trustees.

The Committee also discussed the provision in the Senate budget that would direct the System Office to develop trustee training and how it would be delivered.

Ms. Shuping also told the Committee that there is opposition to SB420 and the trustee training provision in the Senate budget.

NEW BUSINESS

ADJOURN

There being no other business, Mr. Rose asked for a motion to adjourn. Mr. Raye motioned, seconded by Dr. Saunders and the committee adjourned at 4:52 p.m. following a voice vote.

Respectfully submitted,
Sondra Jarvis