



State Board of Community Colleges

Caswell Building, 200 West Jones Street
Raleigh, North Carolina
August 19, 2016
9:00 a.m.

CALL TO ORDER

Following proper public notification, Chairman Scott Shook called the State Board of Community Colleges (SBCC) Meeting to order at 9:00 a.m. in the Dr. W. Dallas Herring State Board Room of the Caswell Building. Mr. Bryan Jenkins called the roll and the following members were present:

Ms. Lisa Estep	Mr. Lee Roberts
Representative Jimmie Ford	Mr. James Rose
Mr. Bobby Irwin	Dr. Darrell Saunders
Treasurer Janet Cowell	Mr. Scott Shook
Lt. Governor Dan Forest	Ms. Yolanda Stith
Mr. Todd Johnson	Ms. Kirsten Stovall
Ms. Janet Lowder	Mr. Clark Twiddy
Mr. Bill McBrayer	Mr. Jerry Vaughan*
Dr. Samuel Powell	Dr. Candler Willis

*Attended by telephone

Absent: Dr. Breeden Blackwell; Mr. Ernie Pearson; and Mr. Lynn Raye

ETHICS AWARENESS AND IDENTIFICATION OF CONFLICTS OF INTEREST

Representative Ford reminded members of the Board of the ethical requirements for those who are public servants and requested that members identify any conflicts or potential conflicts of interest that they may have with respect to any item on the agenda. Having so requested, the Chair asked that the record reflect no conflicts.

APPROVAL OF THE MINUTES

Rep. Ford made a motion to approve the minutes of the July 15, 2016 meeting of the State Board of Community Colleges. Mr. McBrayer seconded the motion and the minutes were unanimously approved.

CHANGES TO AGENDA

The Chair polled the committee chairs as to any changes to the agenda and the results were as follows:

PERSONNEL COMMITTEE, Ms. Lowder, Chair

Ms. Lowder stated Personnel Committee has two items for consideration.

FINANCE COMMITTEE, Ms. Lowder, Vice Chair

Ms. Lowder stated Finance Committee would like to move FC 2 from Future Action to Action.

PROGRAM SERVICES COMMITTEE, Dr. Samuel Powell, Chair

Dr. Powell stated Program Services Committee has no changes.

STRATEGIC PLANNING COMMITTEE, Dr. Darrell Saunders, Chair

Dr. Saunders stated Strategic Planning Committee has no changes.

ACCOUNTABILITY AND AUDIT COMMITTEE, Representative Jimmie Ford, Chair

Rep. Ford stated Accountability and Audit Committee has no changes.

POLICY COMMITTEE, Mr. Todd Johnson, Vice-Chair

Mr. Johnson stated Policy Committee would like to move POL 3 from Future Action to Action.

LEGISLATIVE AFFAIRS COMMITTEE, Mr. Jim Rose, Chair

Mr. Rose stated Legislative Affairs Committee has no changes.

APPROVAL OF THE AGENDA

Treasurer Cowell made a motion to approve the agenda, Mr. McBrayer seconded the motion, and the motion was unanimously approved by voice vote.

APPROVAL OF THE CONSENT AGENDA

Rep. Ford made a motion to approve the consent agenda as recommended, Treasurer Cowell seconded the motion, and the motion was unanimously approved by voice vote.

Items approved on the Consent Agenda were as follows:

FINANCE COMMITTEE, Mr. Lynn Raye, Chair

Allocation for Bionetwork Host Colleges (Attachment FC 8)

Allocation for Minority Male Success Initiative Grants FY 2016-2017 (Attachment FC 9)

Allocation for NCWorks Customized Training - Regional Trainers (Attachment FC 10)

Construction and Property (Attachment FC 11)

PROGRAMS COMMITTEE, Dr. Sam Powell, Chair

Curriculum Program Applications (New to System) (Attachment PROG 7)

Curriculum Program Application (Fast Track for Action) (Attachment PROG 8)

Curriculum Standard Revision (Attachment PROG 9)

Combined Course Library – Continuing Education (Attachment PROG 10)

Courses of Instruction to Captive/Co-opted Groups (Attachment PROG 11)

INTRODUCTION OF NEW COLLEGE PRESIDENTS

The following presidents were introduced by representatives from their colleges:

- Dr. Mark Poarch, Caldwell Community College and Technical Institute by Dr. Ken Boham
- Dr. John Gossett, McDowell Technical Community College by Mr. Darren Waugh
- Dr. James Ross, Pamlico Community College by Mrs. Deborah Harrison
- Dr. Jimmy Tate, Roanoke-Chowan Community College by Mr. James Eure

REPORTS:

Dr. Deborah Lamm, President of North Carolina Association of Community College Presidents

President Lamm gave a brief overview of her background for the board members.

The Presidents' Association met in Asheville for their summer quarterly meeting. The highlights of NCACCP quarterly meeting were:

- Elected the 2016-17 officers
- There was a session focused on Single Stop, which is being offered at Nash CC, James Sprunt CC, Wake Technical CC, and Central Piedmont CC. The program provides students with easier access to a wide range of resources and benefits. Single Stop partners with college to provide a wider array of student services such as:
 - Free income tax preparation
 - Benefits counseling
 - Financial counseling
 - Legal advice and representation
 - Referrals for other campus and community resources
- Ms. Haygood and Ms. Rosado provided an information session about Connect NC Bond and the capital improvement process.
- Legislative and Finance committees discussed legislative priorities and plan to continue the conversation at the September meeting.
- Program committee discussed National Council of State Authorization Reciprocity Agreements (NC-SARA) which is a state authorization organization. A workshop will be held in September for colleges who are interested in joining the organization.

Next NCACCP meeting will be in conjunction with the NCACCT Leadership Seminar in Charlotte on September 8, 2016.

N4CSGA, Ms. Kirsten Stovall, President

Ms. Stovall said that the N4CSGA executive board held a meeting at Johnston Community College on July 16, 2016.

Highlights of the meeting:

- After interviews, the secretary and treasurer positions were filled which means 10 of the 12 board members are in place.
- The board discussing plans for fall division meeting and fall conference.
- Discussed travel expenses and agreed on a centralized location to cut costs.
- Developed a Local Interactions Survey and sent to the community colleges.

Next N4CSGA meeting will be held on August 27, 2016 at 10am at Randolph Community College.

COMMITTEE REPORTS

PERSONNEL COMMITTEE, Ms. Janet Lowder, Chair

The Board went into closed session pursuant to North Carolina General Statute sections 143-318.11(a)(1) and 143-318.11 (a)(6) following a motion by Ms. Lowder, seconded and approved via voice vote.

Mr. Jenkins presented the candidate for President of Lenoir Community College for consideration.

Mr. Jenkins presented the candidate for Chief of Staff for consideration.

Ms. Lowder moved to go back into open session with second from Representative Ford, approved via voice vote.

On behalf of the Personnel Committee, Ms. Lowder recommended and moved the following item be approved by the board:

Approval of Dr. Russell Hunt as President of Lenoir Community College

The motion was unanimously approved by voice vote.

On behalf of the Personnel Committee, Ms. Lowder recommended and moved the following item be approved by the board:

Approval of Ms. Jennifer Haygood as Chief of Staff effective July 1, 2016 at a salary of \$190,000

The motion was unanimously approved by voice vote.

Ms. Haygood shared that there are three EPA positions that the System Office is working to fill. Due to these ongoing searches, the committee may need to be convened prior to the September 16, 2016 if needed.

On behalf of the Personnel Committee, Ms. Lowder recommended and moved the following item be approved by the board. Dr. Powell seconded:

Authorization for the Personnel Committee to meet telephonically prior to the September 16th meeting if necessary to approve System Office EPA position recommendations subject to the ratification of the State Board.

The motion was unanimously approved by voice vote.

FINANCE COMMITTEE, Ms. Janet Lowder, Vice-Chair

Ms. Haygood stated determination of in-state or out of state student tuition are done at the local level. The legislature requested that there be a centralized system and policy. The community colleges are unique in that students can register up to the first day of class. This rule will define how to handle a student who enrolls under an incorrect determination, but have the option for a refund or to pay.

On behalf of the Finance Committee, Ms. Lowder recommended and moved the following item be approved by the board:

Initiation of the Rulemaking Process to Amend 1E SBCCC 900.1 – “Curriculum Tuition Refunds”
(Attachment FC 2)

The above item was approved by voice vote.

Ms. Haygood stated this is the final step needed to identify a campus as a multi-campus center. Ms. Haygood reviewed the required steps

On behalf of the Finance Committee, Ms. Lowder recommended and moved the following item be approved by the board:

Final Approval for Multi-Campus Center Designations: Asheville-Buncombe Technical, Durham
Technical, and Mitchell Community Colleges (Attachment FC 3)

The above item was approved by voice vote.

Ms. Haygood stated the budget package is a guidebook for the colleges and provided a brief overview of information to the board.

- Page 16 is a summary of FY 2016-17 allocations provided to the colleges and compares to the FY 2015-16 allocations. The total number of FTE is down approximately 5,500 from last year, but budget FTE is determined based on the higher year’s enrollment or the average of the two years. Even with the decline in FTE, the amount of allocation has increased. This is due to salary increase and funds for TEASERS (retirement benefits) which are embedded in the formula.
- Page 15 shows how funds are allocated. Ms. Haygood reviewed how the Tiers are applied to courses at the college to assure that they are funded properly. The Institutional and Academic Support is broken down into Curriculum, Occupational Extension (or Continuing Education), Basic Skills Block Grant, Federal Performance-Based Allotment, and State Performance-Based Allotment. The rest of the formula includes Institutional and Academic Support, Performance-Based Funding, NR Compensation Bonus Allotment, and NR Retirement Rate Increase Allotment.
- Ms. Haygood stated \$17.1 million has been allotted for bonuses. The colleges will have flexibility on how they give the bonus and the salary increases to staff. They are allowed to do something different if they would prefer. She believes most colleges will provide an increase across the board.

- The General Assembly has provided a onetime cost of living supplement to the state retirees which had not been done in a number of years. This is being supported by non-recurring funds allocated to the colleges for the payment into the retirement system.
- There are a number of categorical allocations. Ms. Haygood reviewed that categoricals are made for specific purposes to benefit our colleges. There is not much flexibility in Program Categorical.
- The Management Flexibility Reduction is less of a reduction then last year on a non-recurring basis. The colleges have to choose what program or line item that they are reducing in their budget. Dr. Willis asked if the reduction will be mitigated if the receipts are better. Ms. Haygood said that it will stay the same.

On behalf of the Finance Committee, Ms. Lowder recommended and moved the following item be approved by the board:

FY 2016-17 State Aid Allocations and Budget Policies (Attachment FC 4)

The above item was approved by voice vote.

Ms. Haygood said the General Assembly included funding to develop training for local government finance officers at the request of the State Treasurer's office. The host college will be Surry Community College who have the resources and experience to develop a hybrid training program.

On behalf of the Finance Committee, Ms. Lowder recommended and moved the following item be approved by the board:

Local Government Finance Officer Training (Attachment FC 5)

The above item was approved by voice vote.

Ms. Haygood said that this allocation will support a project to develop a statewide model for growing apprenticeships. The goal is to eventually have this project across all of the institutions.

On behalf of the Finance Committee, Ms. Lowder recommended and moved the following item be approved by the board:

Allocation for Advancing Post-Secondary Apprenticeship Project (Attachment FC 6)

The above item was approved by voice vote.

Ms. Haygood stated the General Assembly has asked the system to develop and pilot a program that helps determine student readiness and preparation for college coursework. The Career-and-College-Ready Alignment Partnership will be led by Wake Technical Community College. The program will be in conjunction with DPI and UNCGA.

On behalf of the Finance Committee, Ms. Lowder recommended and moved the following item be approved by the board:

State Board Reserve Allocation for the Career-and-College-Ready Alignment Partnership Lead College (Attachment FC 7)

The above item was approved by voice vote.

PROGRAMS COMMITTEE, Dr. Sam Powell, Chair

Dr. Powell said that all of the action items on the Programs agenda are consent agenda items.

STRATEGIC PLANNING COMMITTEE, Dr. Darrell Saunders, Chair

On behalf of the Strategic Planning Committee, Dr. Saunders recommended and moved the following item be approved by the board:

2016 Performance Measures for Student Success (Attachment PLAN 2)

The above item was unanimously approved by voice vote.

Maureen Little reviewed the highlights of the NCWorks Customized Training report.

- Served 942 companies through Customized Training.
- Trained more than 35,000 individuals
- Expenditures totaling \$13 million

For every \$1 expended in training, the economic impact is \$148.

On behalf of the Strategic Planning Committee, Dr. Saunders recommended and moved the following item be approved by the board:

NCWorks Customized Training Annual Report (Attachment PLAN 3)

The above item was unanimously approved by voice vote.

Dr. Saunders shared the proposed agenda for the upcoming October Planning Meeting in Greenville. Chairman Shook spoke about some of the activities that will take place during the meeting.

Dr. Saunders encouraged members to participate in the Regional Meetings being held with President Williamson.

ACCOUNTABILITY AND AUDIT COMMITTEE, Representative Jimmie Ford, Chair

Mr. Jenkins said statute requires that the Internal Audit Charter be provided to the committee and the board annually for review and input.

On behalf of the Policy Committee, Representative Ford recommended and moved the following item be approved by the board:

Internal Audit Charter (Attachment AUD 9)

The above item was unanimously approved by voice vote.

Mr. Jenkins gave a brief overview of Attachment AUD 10. It is a fluid plan that is adjusted as needed throughout the year.

On behalf of the Policy Committee, Representative Ford recommended and moved the following item be approved by the board:

System Office Internal Audit Plan FY 2017 (Attachment AUD 10)

The above item was unanimously approved by voice vote.

Mr. Jenkins reviewed the Information items; College Financial Audit Findings 5 Year Summary (Attachment AUD 4) and College Financial Audit Findings Detail Report FY 2014-15 (Attachment AUD 5) for the board. There were thirty-three colleges audited this year of which seven colleges had findings. Mr. Jenkins reviewed the various findings outlined in AUD 5. Martin CC had more detailed and significant findings which raised concern with the committee. Chairman Shook stated the situation at Martin CC has attracted attention and he has concerns about the direction and responses. There has been significant turnover in key positions at the college as well as other issues that could put them in a difficult situation. Chairman Shook stated he would like to get more information so that the State Board can help straighten these issues out.

Chairman Shook made the following motion:

To assess Martin Community College's ability to maintain prescribed standards of administration and instruction, I move that the State Board of Community Colleges directs System Office staff or other representatives to obtain and Martin Community College to provide, any information related to: 1) the most recent financial audit; 2) employee turnover; 3) spending issues; 4) insurance procurement; 5) organizational structure; 6) strategy to rectify any deficiencies in items 1 through 5 above.

Upon further conversation and concerns raised by Ms. Estep the motion was amended:

The motion was amended to include South Piedmont Community College in the same type of review as Martin Community College and to direct the Audit and Accountability Committee to discuss options for the State Board to review community colleges who have findings in consecutive years.

The above item was unanimously approved by voice vote as amended.

POLICY COMMITTEE, Mr. Todd Johnson, Vice-Chair

Mr. Johnson asked Mr. Corl to give an update on the Proprietary School Annual Report. Mr. Corl stated the Legislature requires that Proprietary Schools provide the report to the State Board for approval. Mr. Corl reviewed the highlights of the report.

On behalf of the Policy Committee, Mr. Johnson recommended and moved the following item be approved by the board:

Annual Report of Proprietary Schools (Attachment POL 2)

The above item was unanimously approved by voice vote.

On behalf of the Policy Committee, Mr. Johnson recommended and moved the following item be approved by the board:

Recommendations for Initial Proprietary School Licensure (Attachment POL 3)

The above item was unanimously approved by voice vote.

Mr. Corl provided information to the board about an ongoing investigation into Priority Nursing College.

LEGISLATIVE AFFAIRS COMMITTEE, Mr. Jim Rose, Vice-Chair

Ms. Shuping gave an update on the Legislative Agenda. Discussions are continuing with the Presidents Association on the three goals for the upcoming legislative session:

- Budget Stability
- Enrollment and Completion
- Recruit, reward, and retain quality faculty and staff.

The goal is to bring a legislative agenda to the State Board at the October Planning Meeting.

Mr. Rose said the committee was fortunate to have Representative Craig Horn come speak to the group. Representative Horn is chairman of both the House Committee on Appropriations for Education and is co-chair of the Joint Legislative Program Evaluation Oversight Committee.

NEW BUSINESS

None noted

PRESIDENT'S REPORT TO THE STATE BOARD OF COMMUNITY COLLEGES

President Williamson presented the MVP awards:

- Philomena Harrell for July 2016
- Cindy Mixter for August 2016

President Williamson said he is continuing to prioritize themes of build relationships, finding resources, and assuring that the System Office is adding value to the community colleges.

- He has met with key education partners, legislators within their districts, and other key external stakeholders.
- Events attended have enabled him to meet people that he may not have had an opportunity to interact with otherwise.
- Over the next few months, President Williamson plans to call and schedule time to visit each board member in their service area.
- Three of the ten regional meetings have been conducted and have been very successful. Presidents have requested that we continue holding these meetings every two years. The emerging themes will be shared as the strategic plans is being developed.
- A strong message is being developed to share with the legislature. There needs to be a focus on the future and moving to the next level.
- There is a need to concentrate on branding as an educational process to assure that people know what the community colleges can do to bridge the skills gap.
- President Williamson said we are looking to streamline System Office efficiencies and be more responsive to the colleges.
- Working with Ms. Haygood to identify a new leader for the Information Technology area and how to utilize the resources here at the System Office efficiently.
- Since January 2015, we have had 21 new presidents and a system president have joined the NC Community College System which presents opportunities as well as challenges. The System Office will work with the Presidents' Association to close that knowledge gap.

President Williamson shared that he is having the time of his life and thanked the Board for the opportunity to serve the system.

BOARD MEMBERS QUESTIONS/COMMENTS

DATE OF NEXT MEETING

The next State Board Meeting will be held on Thursday, September 15, 2016 through Friday, September 16, 2016 in the Dr. W. Dallas Herring State Board Room located in the Caswell Building in Raleigh, North Carolina. More information regarding this meeting will be communicated.

EXPIRING TERMS AND VACANCIES

There are currently no terms expiring and no vacancies for the membership of the State Board.

ADJOURNMENT

There being no further business to come before the Board, Representative Ford made the motion to adjourn, seconded by Mr. McBrayer unanimously approved by voice vote at 10:59 a.m.

RESPECTFULLY SUBMITTED BY:

Secretary

APPROVED BY:

James C. Williamson, PhD, System President

Mr. Scott Shook, Chair