



State Board of Community Colleges

Mary E. Rittling Conference Center, 297 DCC Road

Thomasville, North Carolina

October 19, 2018

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 Mary E. Rittling Conference Center of Davidson County Community College.

ROLL CALL

Mr. Bryan Jenkins called the roll and the following members were present:

Dr. Breeden Blackwell	Mr. Bill McBrayer	Mr. Burr Sullivan
Ms. Lisa Estep *	Mr. Ernie Pearson	Mr. Jerry Vaughan
Treasurer Dale Folwell	Dr. Samuel Powell	Mr. Hal Weatherman (rep for
Lt. Governor Dan Forest	Mr. Lynn Raye	Lt. Governor Dan Forest) *
Mr. William Holder	Mr. James Rose *	Ms. Ann Whitford
Mr. Bobby Irwin	Mr. Scott Shook	Dr. Candler Willis
Mr. Frank Johnson		

*Attended by telephone

Absent: Ms. Toni Formato, Mr. Todd Johnson, Mr. Robert Stephens, and Mr. Clark Twiddy

ETHICS AWARENESS AND IDENTIFICATION OF CONFLICTS OF INTEREST

Dr. Willis reminded members of the Board of the ethics requirements and requested members identify any conflicts or potential conflicts of interest. Having so requested, the Chairman Shook asked the record to reflect no conflicts.

APPROVAL OF THE MINUTES

Mr. Raye made a motion to approve the September 21, 2018 minutes for the State Board of Community Colleges as presented. Mr. McBrayer seconded the motion and the minutes were unanimously approved.

CHANGES TO THE AGENDA

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

PERSONNEL COMMITTEE, Mr. Bill McBrayer, Chair

Mr. McBrayer stated the Personnel Committee has no changes and one item for closed session.

FINANCE COMMITTEE, Mr. Lynn Raye, Chair

Mr. Raye stated Finance Committee has two changes. The Committee would like to remove Contract for Integrated Library System (Attachment FC 02) from the agenda and add Allocation of Hurricane Florence Emergency Grants for Community College Students (Attachment FC 14) to the agenda.

PROGRAM SERVICES COMMITTEE, Dr. Samuel Powell, Chair

Dr. Powell stated Programs Committee has no changes

STRATEGIC PLANNING COMMITTEE, Mr. Jerry Vaughan, Chair

Mr Vaughan stated Strategic Planning Committee has no changes.

ACCOUNTABILITY AND AUDIT COMMITTEE, Ms. Lisa Estep, Chair

Mr. Jenkins stated Accountability and Audit Committee has no changes.

POLICY COMMITTEE, Mr. Burr Sullivan

Mr. Sullivan stated Policy Committee has no changes

LEGISLATIVE AFFAIRS, Dr. Breeden Blackwell, Chair

Dr. Blackwell stated Legislative Affairs Committee has no changes.

APPROVAL OF THE AGENDA

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

APPROVAL OF THE CONSENT AGENDA

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

Items approved on the Consent Agenda were as follows:

PERSONNEL COMMITTEE, Mr. Bill McBrayer, Chair

Voluntary Shared Leave Report (Attachment PER 01)

FINANCE COMMITTEE, Mr. Lynn Raye, Chair

Allocation for Customized Training Regional Trainers FY 2018-19 (Attachment FC 04)

Allocation for Food and Nutrition Services: Employment and Training Program Grant
(Attachment FC 05)

Allocation for Sub-Orbital FY 2018-19 (Attachment FC 06)

Service Agreement for Development of Residency Determination Services (Attachment FC 07)

Budget Allocation for 2-1 Summary (Attachment FC 08)

Construction and Property (Attachment FC 09)

PROGRAMS COMMITTEE, Dr. Samuel Powell, Chair

Curriculum Program Application – Fast Track For Action (FTFA) (Attachment PROG 02)

Combined Course Library – Continuing Education (Attachment PROG 03)

ACCOUNTABILITY AND AUDIT, Ms. Lisa Estep, Chair

Internal Audit Plan FY 2018-19 (Attachment AUD 01)

Chairman Shook thanked Mr. Sullivan and his wife Rebecca for their hospitality. Thank you to the staff of Davidson County Community College for being our host.

INTRODUCTION OF NEW PRESIDENT

Chairman White welcomed the Board and shared the importance of Davidson County Community College and President Mary Rittling to the college. Finding the replacement was an enormous task. Ms. Haygood, Mr. Jenkins, and President Fouts were a huge help in the process. The Board looked for a candidate to assure the college could maintain momentum. The candidate that rose to the top was Dr. Darrin Hartness.

Dr. Hartness spoke about his passion for higher education and how community college has impacted and inspired his life. Community colleges are making an impact on the people of North Carolina and he is proud to become part of that impact.

Chairman Shook thanked Dr. Hartness and stated his appreciation for President Mary Rittling's service to the North Carolina Community College System.

REPORTS:**Dr. David Shockley, President of North Carolina Association of Community College Presidents**

Dr. Shockley stated a lot has occurred since the last NCACCP report. The community colleges showed strength and cohesiveness, providing assistance across organizations and institutions across the state. Often, people think about the physical impact of a natural disaster, but for some people everything was turned upside down. Past few weeks have been a reminder of the System strength when we all act together as 58 strong. There has been struggle, but we are postured to move the system forward. With so many new presidents, there is a void of experience, but people like Dr. Hartness will help bring in new ideas and talent.

Presidents McInnis, Kinlaw, and Dalton will be working with the stakeholders to present unified legislative priorities.

NCACCP is working to finalize hiring an executive assistant to assist with meetings and navigating the General Assembly. During the Legislative Day in April, the General Assembly will learn the stories of the NC Community College System and how important it is to the state.

Ms. Lyn Austin, Member of North Carolina Association of Community College Trustees

Ms. Austin provided an update from NCACCT:

- Thank you to Ms. Shuping, Ms. Haygood, and President Hans for the hard work to get funding from the General Assembly to assist those impacted by Hurricane Florence.
 - The NCACCT is looking to work as a team to move forward. Looking forward to the Legislative Day on April 3, 2019.
 - Next week, the American Association of Community Colleges will meet in New York and there are two award winners from North Carolina.
 - Thanked Dr. Blackwell for assuring the Trustees are being included in discussions about legislative agenda. President Hans, Ms. Haygood, and Ms. Shuping have assured Ms. Woodson is included in the discussions.
 - Regional training was held in the Western Region for trustees.
 - Ms. Austin spoke about President Rittling's impact on the Community College System and her accomplishments. The members and Ms. Austin thanked President Rittling for her work.
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COMMITTEE REPORTS

PERSONNEL COMMITTEE, Mr. Bill McBrayer, Chair

Mr. McBrayer moved to enter closed session pursuant to North Carolina General Statute section 143-318.11(a)(1) to prevent the disclosure of information that is confidential or privileged pursuant to North Carolina General Statute sections 115D-27 and pursuant to North Carolina General Statute section 143-318.11(a)(6) to consider the qualifications, competence, performance, and fitness of individual prospective public employees. Dr. Powell seconded, and the Board entered closed session via voice vote.

The Board discussed the matters referenced above.

Mr. McBrayer made a motion to go into open session, seconded by Dr. Powell, approved via voice vote.

Mr. McBrayer recommended and moved the following item be approved by the board:

Dr. Janet Spriggs as President of Forsyth Technical Community College

The motion was unanimously approved by voice vote.

Mr. McBrayer commended Mr. Sullivan and Davidson County Community College for a wonderful job as host for the 2018 SBCC Planning Meeting.

FINANCE COMMITTEE, Mr. Lynn Raye, Chair

Allocation for Community College ApprenticeshipNC Coordinators (Attachment FC 01)

Ms. Grovenstein stated this item is directly related to the presentation that Ms. Little did during the Strategic Planning sessions. The four regions align with the state economic regions.

On behalf of the Finance Committee, Mr. Raye recommended and moved the following item be approved by the board.

Allocation for Community College ApprenticeshipNC Coordinators (Attachment FC 01)

The above item was approved by voice vote.

Contract for Online Computer Library Center (Attachment FC 03)

Ms. Grovenstein shared the system is a library data repository for all 58 colleges to share documents. Is an annual contract.

On behalf of the Finance Committee, Mr. Raye recommended and moved the following item be approved by the board.

Contract for Online Computer Library Center (Attachment FC 03)

The above item was approved by voice vote.

Allocation for Hurricane Florence Emergency Grants for Community College Students
(Attachment FC 14)

Ms. Grovenstein presented FC 14, a new agenda item. The General Assembly approved funding to assist with relief. The funding is for grants to students at twenty-one colleges in FEMA-rated disaster areas. There is also funding available if the student lives in a different county than where they attend college and was impacted in one of the two counties. The goal is to assure any students' education is not disrupted further by the aftermath of Hurricane Florence.

Ms. Grovenstein reviewed the method used to determine the colleges eligible. If a college is allocated funds which are not fully dispersed, the funds can be reallocated.

Chairman Shook thanked staff for all of the hard work to obtain this funding and the General Assembly for its willingness to address the need.

On behalf of the Finance Committee, Mr. Raye recommended and moved the following item be approved by the board.

Allocation for Hurricane Florence Emergency Grants for Community College Students
(Attachment FC 14)

The above item was approved by voice vote.

Service Agreement for Development of Residency Determination Services (Attachment FC 07)

Mr. Raye stated Mr. F. Johnson asked to discuss this item, which is on the Consent Agenda and was approved by the Committee on November 15th.

Mr. F. Johnson stated the service agreement approves money to support a process that is detrimental to student access. This process is not just for student aid, but for determination of in-state tuition. The

blame for this barrier has been put on several different sources. The Legislature needs to address the barrier to the community college students in consultation with System personnel. There does not seem to be any progress on fixing the problem in the past year since the issue and concern was brought up. This item funds a system which prevents people from attending the community colleges. It prohibits citizens of North Carolina from being able to get registered at the community college. This issue is an impediment to System FTE growth. Mr. F. Johnson encouraged the members to vote against FC 07.

President Shockley shared his thoughts on the subject. The student population is different from the university system and the residency model for community colleges is much different than universities. The Residency Determination System is important to the universities and students apply much earlier in the process than with community colleges. As a member of the State Residency Appeal Board, he is very familiar with the process. When students were denied residency in the past, the Appeal Board would review and determine if the appeal would be approved or denied. Due to the issues which became legal, the General Assembly felt they needed to address the problem of inconsistencies across the Community College and University systems.

The NCACCP has been working to correct the issues and have gathered data to addressed concerns. Work is being done on an alternative program to assure that the residency is addressed properly and gain exemption from the current RDS which is cumbersome. President Shockley stated a committee is working to develop the alternative solution to include non-budget legislative priority item.

Dr. Blackwell stated the RDS issue has come up in several sessions during the Planning Meeting. The item is on the Legislative Agenda and the Board welcomes input from presidents and trustees. There is a plan to keep it in the forefront and to cut the funding would be a mistake. To not keep the system in place while we work toward a solution would be detrimental to the colleges. Dr. Blackwell urged members to support FC 07.

Mr. F. Johnson stated RDS was discussed last Spring, and a Legislative Session has occurred since then and nothing happened. There seems to be a plan, but nothing has been presented about the plan. The Board needs to make sure that it doesn't get pushed aside again.

Chairman Shook stated he shares the frustration and it is a point of contention. If the question was whether to approve the system, there would be no support to approve RDS. Technically, this item is part of the consent agenda which was approved early in the meeting. The conversation will be part of the record. The Board needs to support the work of the Presidents' Association and address through the Legislative Agenda. There needs to be a system that is developed for the Community Colleges.

Mr. F. Johnson asked if there is a way to accept a student while the residency verification still going on. Mr. Irwin state the Legislature needs to understand the problems created by the system when it was implemented in 2013. There are too many roadblocks in the RDS system and cuts out students from applying to the System. Instead of becoming someone who will produce for the state, they will become someone who takes from the State. He would like to see a report on the results of RDS including how many students have been served.

Dr. Willis asked for a point of order, the Board voted to approve the Consent Agenda. Asked if there is a motion on the floor to reconsider the item. Mr. F. Johnson stated no. Chairman Shook confirmed no motion on the floor.

President Hans asked the Board to approve the item and be assured that there is an urgency and it is being addressed. The legislative agenda will be approved with this issue included. Chairman Shook stated the Legislative Agenda will be endorsed by the Board. Everyone agrees there is an issue, just want to make sure it is handled properly.

PROGRAMS COMMITTEE, Dr. Samuel Powell, Chair**Review of the Comprehensive Articulation Agreement that Exists Between Constituent Institutions of the North Carolina Community College System and Constituent Institutions of the University of North Carolina (Attachment PROG 01)**

Dr. Powell stated this is one of the most important actions the Board has taken in the last several years. Agreement has been beneficial to both the community colleges as well as the universities.

Dr. Chapman reviewed the key components of the report.

Dr. Chapman recognized Dr. Gould for his service in developing and maintaining this agreement. Dr. Gould and Mr. Beddard shared program information and success of the Comprehensive Articulation Agreement. Following a question from the Board, Dr. Chapman discussed reverse transfer

On behalf of the Programs Committee, Dr. Powell recommended and moved the following item be approved by the board.

Review of the Comprehensive Articulation Agreement that Exists Between Constituent Institutions of the North Carolina Community College System and Constituent Institutions of the University of North Carolina (Attachment PROG 01)

The above item was approved by voice vote.

Amend 1D SBCCC 400.9 – “Curriculum Standards” (Attachment PROG 04)

Ms. Martin reviewed and there was no discussion.

On behalf of the Programs Committee, Dr. Powell recommended and moved the following item be approved by the board.

Amend 1D SBCCC 400.9 – “Curriculum Standards” (Attachment PROG 04)

The above item was approved by voice vote.

STRATEGIC PLANNING, Mr. Jerry Vaughan, Chair

Mr. Vaughan thanked Ms. Haygood and her staff for putting together the Planning Meeting. There were many great viewpoints and experiences shared throughout. It was order formed out of chaos.

POLICY COMMITTEE, Mr. Burr SullivanReview of Hearing Officer's Recommendation for Denial of Proprietary School License Renewal and Revocation of Proprietary School License – Umanah Healthcare Institute – Charlotte, Gastonia, and Monroe (Attachment POL 01)

Mr. Sullivan reminded the Board they had previously initiated action to revoke license of Umanah Healthcare Institute. The school appealed, and Ms. Martin conducted a hearing as Hearing Officer. Ms. Martin reminded the Board of its responsibilities related to Proprietary Schools. There were several issues addressed including the fact that DHHS had removed authorization for specific classes to be taught. Due to the removal of approval, the initial recommendation was to remove the license. The school understands it cannot receive a license renewal until DHHS provides approval. The school was producing students and is well respected in the community. Based on considering all the information received, Ms. Martin agreed with the recommendation to non-renew, however does not recommend revoking the license. Revocation would prevent the school from requesting licensing in the future. The school will need to correct the issues before requesting relicensing.

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

Approval of Hearing Officer's Recommendation for Denial of Proprietary School License
Renewal, without recommendation of Revocation of Proprietary School License –
Umanah Healthcare Institute – Charlotte, Gastonia, and Monroe (Attachment POL 01)

The above item was approved by voice vote.

Waiver of State Board of Community Colleges Code Provisions Due to Hurricane Florence
(Attachment POL 02)

Ms. Haygood reviewed the purpose of the waiver related to Hurricane Florence. As staff has been working with colleges, there have been conversations about and a review of SBCC Code to give colleges flexibility during recovery. Ms. Haygood reviewed the four recommended waivers listed in the agenda item.

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

Waiver of State Board of Community Colleges Code Provisions Due to Hurricane Florence
(Attachment POL 02)

The above item was approved by voice vote.

Temporary Amendment of 1G SBCCC 200.1 – “General Provisions” (Attachment POL 02A)

Ms. Martin reviewed the proposed temporary rule to codify ways relief can be given to colleges due to adverse weather. This rule will expire in 180 days or once a permanent rule is completed.

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

Temporary Amendment of 1G SBCCC 200.1 – “General Provisions” (Attachment POL 02A)

The above item was approved by voice vote.

LEGISLATIVE AFFAIRS COMMITTEE, Dr. Breedon Blackwell, Chair

Dr. Blackwell asked Ms. Shuping to discuss the advocacy plan. Ms. Shuping shared the process going forward and advocacy efforts leading to Legislative Day, April 3rd. There will be information presented in November. In terms of advocating for the agenda, Presidents are building relationships with legislators. The information on regional contacts will be shared once the election is complete.

The April Board meeting will be April 3rd – 5th to include Legislative Day and to allow members to attend the Trustees Law/Legislative Seminar in Raleigh.

Chairman Shook asked Ms. Austin to work to assure trustees know the Board members in their areas to allow for local collaboration.

NEW BUSINESS

Ms. Whitford requested someone at the System Office inform her know when special events are going to occur.

PRESIDENTS REPORT

President Hans stated there has been significant progress on Hurricane Relief. The General Assembly made unprecedented impact to assure people recover. Please make sure you thank the Governor and the Legislators for the hard work they have done. President Hans thanked the Presidents' Association and Trustees' Association for the work on the legislative agenda.

Mr. Sullivan recommended and moved the following item be approved by the board.

That State Board of Community Colleges endorses President Hans' plan to work in cooperation with the Community College Foundation, to carry out a statewide marketing campaign.

Mr. Raye seconded the motion. The above item was approved by voice vote.

BOARD MEMBER QUESTIONS / COMMENTS

Treasurer Folwell apologized for not being at more meetings. His office has been focused on finding and fixing issues.

Treasurer Folwell reviewed many of the issues occurring throughout the state.

- Pension plan one of the five strongest plans in the nation. 7,300 people are above the age of 90 getting a pension check. The contributions by community colleges and employees is \$1.3 billion.
- Working to cut fees. Indicting people who cash checks on behalf of those known to be deceased.
- Once convicted of a crime, pension is recalculated. Ms. Martin's work on rules have been very important and will give the structure to help prevent problems
- 401K – fee holiday – collecting more fees than need, so in 2019, there will be no fees collected.
- HealthPlan – the plan is broken and at risk for overpaying medical claims. The auditors do not have access to vendor contracts and can't get information about price lists from large providers.
- The State Treasurer asked the State Hospital for a price list for the State Health Plan. Going to a referenced based system to determine the cost and value of procedure.
- People call the Treasurer's office when there is a life changing event. There were 181,000 life changing events last year.
- Offboarding, need HBRs to be evangelical to assure people are taken off the State Health Plan when appropriate.
- Disability is not meant to deal with HR issues.
- Amendment to the NC Constitution – Income Tax Cap being lowered to 7%. The rating agencies do not feel that the lowering the tax cap will have a negative impact on the bond rating.
- 242 communities are on the at-risk watch list

DATE OF NEXT MEETING

The next State Board meeting is scheduled for Thursday, November 15, 2018 through Friday, November 16, 2018 at Wilson Community College in Wilson, NC and System Office in Raleigh, NC. 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

Mr. F. Johnson motioned to adjourn, seconded by Mr. Pearson, unanimously approved by voice vote at 11:43 a.m.

RESPECTFULLY SUBMITTED BY:

Secretary

APPROVED BY:

Peter Hans, System President

Mr. Scott Shook, Chair