

MINUTES
State Board of Community Colleges
FINANCE COMMITTEE
Thursday, November 15, 2018 - 1:30 p.m.

FINANCE COMMITTEE MEMBERS PRESENT:

| | |
|------------------|---------------|
| Lynn Raye, Chair | Bill McBrayer |
| James Rose | Frank Johnson |
| Scott Shook | Lisa Estep |

Members absent: Lt. Gov. Dan Forest, Treasurer, Dale Folwell

OTHERS IN ATTENDANCE:

| | | |
|-----------------------|----------------|----------------|
| Elizabeth Grovenstein | Alex Granados | Jim Parker |
| Sondra Jarvis | David Sockley | Maureen Little |
| Gilda Rubio-Festa | Shante' Martin | |
| Christian Rossettu | Linda Suggs | |
| JW Kelley | Mary Shuping | |
| Maureen Little | Bryan Jenkins | |
| Brian Long | Brian Long | |

WELCOME

Chairman Raye called the meeting to order at 1:30 p.m.

ROLL CALL

Ms. Jarvis took the roll of the Finance Committee members.

ETHICS STATEMENT

Mr. Raye read the required ethics statement. There were no conflicts of interest.

APPROVAL OF THE AGENDA

Chairman Raye asked for a motion to approve the agenda of the meeting as presented. Ms. Estep motioned for approval. Mr. F. Johnson seconded the motion, and the Committee approved.

APPROVAL OF THE MINUTES

Chairman Raye asked for a motion to approve the minutes of the October 18, 2018 meeting. Ms. Estep motioned for approval. Mr. F. Johnson seconded the motion, and the Committee approved.

FOR ACTION

Initiation of Rulemaking Process to Adopt 1G SBCCC 200.3 – “Establishing Multi-Campus Centers” (Attachment FC 01)

Ms. Grovenstein stated we are asking to table FC 01 will review it in January.

MINUTES
State Board of Community Colleges
FINANCE COMMITTEE
Thursday, November 15, 2018 - 1:30 p.m.

Ms. Estep motioned to table FC 01, Mr. Rose seconded the motion. The Committee voted to table the Initiation of Rulemaking Process to Adopt 1G SBCCC 200.3 – “Establishing Multi-Campus Centers” (Attachment FC 01) until January 2019.

Community College Study on Earning FTE for Instructional in Local Jails S.L. 2018-5 Section 9.10 (Attachment FC 02)

Ms. Grovenstein stated the legislative report is required to be submitted by the State Board by December 1, 2018. Ms. Grovenstein reviewed the requirements for the report. Ms. Robertson completed the study about earning FTE for local jail courses. Colleges cannot earn FTE so the total cost has to be paid by local authorities if courses are offered.

Ms. Robertson worked with the NC Sheriffs Association to compile the information. The Sheriffs Association endorsed these proposed changes. Ms. Grovenstein reviewed the recommendation at the bottom of page four. Mr. Raye asked if this is also for the state operated jails, or just federal? Ms. Grovenstein said it is for local jails. The Department of Corrections has funding for courses in state prisons.

Mr. F. Johnson motioned for approval, Mr. McBrayer seconded the motion. The Committee approved the Community College Study on Earning FTE for Instructional in Local Jails S.L. 2018-5 Section 9.10 (Attachment FC 02) as presented.

Guilford Technical Community College Multi-Campus Request (Attachment FC 03)

Ms. Grovenstein stated the center has been established for many years. The center houses three buildings and is adjacent to the Piedmont Triad Internal Airport. This request is for preliminary approval as the General Assembly would have to fund it before final approval is granted. The programs offered are specific to aviation and the college has addressed all the criteria identified. Ms. Grovenstein reviewed the Aviation Campus offers both curriculum and continuing education programs as noted in the table. Mr. McBrayer asked if Wilkes Community College has a similar program. Ms. Little said that Wilkes had a temporary facility to provide classes.

Mr. F. Johnson asked who are the companies that benefit from these trained students? What companies are giving back to this program? Ms. Little said the companies that are benefiting from the students provide equipment, supplies, part-time instructors, and sometimes they pay for employees to continue their education pathway through GTCC.

Mr. Shook motioned for approval, Ms. Estep seconded the motion. The Committee approved the Guilford Technical Community College Multi-Campus Request (Attachment FC 03) contingent upon a copy of the SACSCOC approval being provided to the System Office.

MINUTES
State Board of Community Colleges
FINANCE COMMITTEE
Thursday, November 15, 2018 - 1:30 p.m.

Community College Residency Determination Funding Formula Legislative Report (Attachment FC 04)

Ms. Grovenstein provided a handout in reference to the item. Based on conversations the last few days, there have been questions about this report. She provided a document that clarifies the budget bill special provision. The language is in the law that directs the NCCCS to develop an RDS formula. The State Board has to submit the report by December 1, 2018. If the funding formula is included in future requests, it must be distinguished separately. Ms. Grovenstein has worked with Ms. Shuping and Ms. Haygood to communicate to the Legislature that there is no funding in the NCCCS budget to address this RDS cost. SEAA asked the General Assembly last year to cover this cost. Instead, the funding formula was requested. When the report was developed, Ms. Grovenstein and Ms. Shuping worked together to write report and added part two to share the concerns of the State Board.

Mr. Shook asked who is State Education State Assistance Authority? Ms. Grovenstein stated SEAA is under the organization in the UNC System Office. They are the organization in the state that administers all of the financial aid programs for the state. Mr. Rose asked is there a committee of representatives for RDS? Ms. Grovenstein responded yes and the committee guides RDS policy and processes. Dr. Kelley is the NCCCS representative. There have also been focus groups to get feedback from staff and students. All of the feedback has been acted on so far. SEAA is the legal authority who is responsible for RDS.

Mr. F. Johnson said there has been a lot of concern about voter fraud. He stated this is a very expensive process for RDS. Also, it is a lot of money; will it save the System any money? How many people have been getting a discounted education? He stated If there is an easier way to do it and to remove the barrier, why can't it be done? There have been lots of people who have been stopped part way through the process. The root cause is that people who want to get onto campuses are not being allowed on campuses. The legislation changes that are being discussed will be important, but from the financial point of view, what are we spending and what is it costing the system? The amount that is being spent can be recouped.

Mr. Rose stated one solution could be if a high school transcript could be proof, that would make it easier for the students. Mr. F. Johnson said the heart of the matter is we aren't serving the citizens of NC. Chairman Shook said it is all frustrating and the General Assembly doesn't know what it costs, so that is why they asked for a study / report to find out. In the report, SEAA Elizabeth McDuffie, Director of SEAA, provided cost data that is the total operating costs annually. The portion between the three sectors (NCCCS, UNC, and Private colleges) is based on three-year averages of enrollments per system. The Community College sector is 51% of the total. Ms. Grovenstein explained that RDS only needs to be done for a curriculum course, but is not required for continuing education.

MINUTES
State Board of Community Colleges
FINANCE COMMITTEE
Thursday, November 15, 2018 - 1:30 p.m.

Ms. Estep said nowhere in the report takes into consideration who is on our campus versus who is on a university campus. The Community Colleges are going to have 90% residents which is much higher than the universities. The process is that every student going through the system has to be appropriately identified in a uniform methodology which are residents, and which are non-residents.

Mr. Raye motioned to amend FC 04 by deleting part two and replacing with a handout presented by Ms. Shuping. Ms. Shuping said that in the report we have included the concerns that have been raised by the Board. The amendment is based on results of suggestions from the NCACCP. Ms. Shuping reviewed the information in the handout. President Shockley said that there were four presidents on the NCACCP committee. The committee's recommendation was to remove the barrier of the requirement for parents' of documentation. The Presidents felt that was the best solution.

Chairman Shook said that we need to assure that we are given the opportunity to speak to the Legislative committees to speak to this issue. Mr. Rose asked if President Hans or Chairman Shook would write a letter asking to address the information from the report. Chairman Shook said we need to provide real world situations to the General Assembly. What we are doing is untenable, so we need to address.

Motion to amend part two was seconded by Estep.

Mr. F. Johnson motioned for approval as amended, Mr. Rose seconded the motion. The Committee approved the Community College Residency Determination Funding Formula Legislative Report (Attachment FC 04) as amended.

2019 Budget Priorities (Attachment FC 05)

Ms. Grovenstein presented the 2019 Budget Priorities. The priorities have been discussed through NCACCP, the System Advisory Council, Trustees, and State Board Representation. This has received support from all of the entities.

Mr. Raye asked about the Hurricane Florence item that has no dollar amount. Ms. Grovenstein said colleges are still in the throes of the impact. Because the budget is based on prior year enrollments, this would impact next year's budget allocation. The goal is to not punitively impact the colleges due to the enrollment decrease caused by Hurricane Florence. The colleges are tracking data into the spring and will submit the data for staff to determine a cost. Mr. Rose asked about the faculty and staff compensation, wouldn't we want numbers to give a number to the legislators?

MINUTES
State Board of Community Colleges
FINANCE COMMITTEE
Thursday, November 15, 2018 - 1:30 p.m.

Ms. Grovenstein stated in the past, we have asked for faculty and staff to be treated the same as the state employees. This time we are wanting to work in collaboration with the Legislature to determine a number that would be more than what state employees are receiving.

Ms. Estep motioned for approval, Mr. McBrayer seconded the motion. The Committee approved the 2019 Budget Priorities (Attachment FC05) as presented.

Reorganization of Budget (Attachment FC 06)

Ms. Grovenstein stated due to the Executive Budget Act, the President can't make changes across divisions and fund codes. Because of that restriction, there has been a precedent in the two-year budget to have authority to reorganize. The law requires that it has to be approved by the State Board and submitted to General Assembly by April 1, 2019. This requested budget change will streamline the budget and remove structural holes. There is no net change to the overall budget.

Ms. Estep motioned for approval, Mr. Rose seconded the motion. The Committee approved the Reorganization of Budget (Attachment FC 06) as presented.

Allocation for Integrated English Literacy and Civics Education Occupation (Attachment FC 07)
[CA]

Ms. Rubio Festa stated this is an allocation for the federal grant under section 243 for English literacy and civics. Ms. Grovenstein reviewed the history of the program. Ms. Grovenstein stated there are still funds remaining in the grant. The same ten providers who received funds in July will provide curriculum for in demand occupations.

Mr. McBrayer motioned for approval, Mr. F Johnson seconded the motion. The Committee approved the Allocation for Integrated English Literacy and Civics Education Occupation (Attachment FC 07) as presented.

Allocation for NC Career Coach Program (Attachment FC 08) [CA]

Ms. Grovenstein stated this item is for allocations in fiscal years 2019-20, 2020-21, and 2021-22. This recommends that the career coach allocation is for three years rather than the two years. The amounts could be adjusted based on General Assembly funding.

The \$2.1 million would cover the salary, benefits, and travel expenses of the coaches. By getting this approved ahead of time, the college will be able to get the coach in place starting in July.

Dr. Kelley said that the feedback is that the three years helps with retention. Dr. Shockley said you also need the continuity of three years.

MINUTES
State Board of Community Colleges
FINANCE COMMITTEE
Thursday, November 15, 2018 - 1:30 p.m.

Ms. Estep asked how many colleges will now have coaches? Dr. Kelley said there will be 71 coaches at 34 colleges for next fiscal year.

Mr. Rose motioned for approval, Ms. Estep seconded the motion. The Committee approved the Allocation for NC Career Coach Program (Attachment FC 08) as presented.

Service Agreement for ISIR Verification Services FY 2019-20 (Attachment FC 09) [CA]

Ms. Grovenstein stated ISIR Verification is a federal financial aid requirement for students who submit a FAFSA. Rather than college staff doing the work, the colleges have the choice to use this SEAA service. The System Office is only charged for the colleges that use the service. College are invoiced for their costs. Mr. Raye asked why many colleges don't use the service. Dr. Kelley said that some colleges don't believe in outsourcing and some just prefer a more personalized approach.

Ms. Estep motioned for approval, Mr. Rose seconded the motion. The Committee approved the Service Agreement for ISIR Verification Services FY 2019-20 (Attachment FC 09) as presented.

Contract for Integrated Library System (Attachment FC 10) [CA]

Ms. Grovenstein stated that the ILS enables access to college library holdings. This contract will go through December 2019. There is an RFP out for a new contract. This will prevent a gap in ILS service for the colleges and System Office.

Mr. McBrayer motioned for approval, Mr. Rose seconded the motion. The Committee approved the Contract for Integrated Library System (Attachment FC 10) as presented.

Service Agreement for Virtual Computing Environment (Attachment FC 11) [CA]

Ms. Grovenstein stated the virtual computing environment has been provided to faculty, students, and staff for 10 years. This contract includes sixteen new colleges. Mr. Raye asked if there is a cost to the colleges? Ms. Grovenstein stated the colleges paid for their software licenses, but the colleges save on software and IT upgrade costs.

Mr. Shook motioned for approval, Mr. Rose seconded the motion. The Committee approved the Service Agreement for Virtual Computing Environment (Attachment FC 11) as presented.

Construction and Property (Attachment FC 12) [CA]

Ms. Grovenstein reviewed the projects listed.

Mr. F. Johnson motioned for approval, Ms. Estep seconded the motion. The Committee approved the Construction and Property (Attachment FC 12) as presented.

For Information

MINUTES
State Board of Community Colleges
FINANCE COMMITTEE
Thursday, November 15, 2018 - 1:30 p.m.

Estimated Receipts – October 2018 (Attachment FC 13)

Ms. Grovenstein reviewed the estimated receipts. There was a larger receipts collection in October. There is still an anticipated receipt shortfall and the full impact from Hurricane Florence will be seen in the Spring.

NEW BUSINESS

ADJOURNMENT

Mr. Rose motioned, seconded by Ms. Estep and the meeting was adjourned at 2:58 p.m.

Respectfully Submitted,

Sondra Jarvis
and
Petrina Lyons
Recording Secretaries