



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Peter Hans, President

July 23, 2019

IMPORTANT INFORMATION

MEMORANDUM

- TO:** Members of the State Board of Community Colleges
Community College Presidents
Boards of Trustees Chairs
Community College Chief Academic Officers, Chief Admissions Officers, Basic Skills Directors, Business Officers, Continuing Education Officers, Customized Training Directors, Distance Learning, Chief Financial Officers, Financial Aid Officers, Personnel Directors, Student Development Administrators, Public Information Officers, Registrars, & Other Interested Parties
- FROM:** Jonathan R. Harris, *NCCCS General Counsel*
- RE:** **Substantive Change - Proposed Amendment of 1H SBCCC 200.1 – “Allocation of Funds”**

On 21 May 2019, the State Board of Community Colleges (“SBCC”) provided public notice that it initiated the rulemaking process to amend the following rule:

1H SBCCC 200.1 – “Allocation of Funds.”

The SBCC received public comments on the above rule through 20 June 2019. After consideration of the public comments, the SBCC is recommending a change to the proposed amendment to 1H SBCCC 200.1 – “Allocation of Funds.” The change constitutes a substantive change under 3A SBCCC 100.2(l).

The proposed amendment including the substantive change is published on the NC Community College System's website, www.nccommunitycolleges.edu/sbcccode. For your convenience, a copy of the proposed rule, with the substantive change indicated, is attached to this memorandum. The item highlighted on page 4, lines 1-2, is the proposed change that the SBCC approved. “Strikeouts” indicate deletion of prior suggested language and “underlines” indicate the proposed addition of language. Please post a copy of the proposed rule with the substantive change in prominent places so that all individuals affected by the proposed change will be informed.

Any member of the public has the right to submit written comments on the proposed substantive change. Please note that any person who submits a public comment on behalf of their community college should comply with their college’s local process for submitting comments on a proposed rule. **Written comments on the substantive change must be received within five (5) business days and by no later than 5:00 p.m. on Tuesday, 30 July 2019.** Written

comments shall be directed to the following email address: publiccomments@nccommunitycolleges.edu or via postal mail at Jonathan Harris, 200 W. Jones Street, 5001 Mail Service Center, Raleigh, NC 27699-5001. Thank you for your attention to this matter.

CC19-031
E-mail Copy

Attachment



1 **State Board of Community Colleges Code**

2 **TITLE 1. COMMUNITY COLLEGES**

3
4 **CHAPTER H. FISCAL MANAGEMENT**

5
6 **SUBCHAPTER 200. STATE FUNDS**

7
8 **1H SBCCC 200.1 Allocation of Funds**

9 (a) The State Board shall allocate State funds to colleges using one or more of the
10 following methods:

11 (1) Formula allocation: Allocations calculated using a formula of objective, verifiable
12 factors.

13 (2) Competitive allocation: Allocations determined through a competitive process
14 through which colleges apply for funds and the colleges' requests are evaluated
15 and ranked based on identified criteria.

16 (3) Direct allocation: Funds allocated directly to a specific college when one of the
17 following conditions apply:

18 (A) The General Assembly directs that funds shall be allocated to a specific
19 college;

20 (B) The terms of a grant award require that grant funds be allocated to a specific
21 college; or

22 (C) A college has programmatic ability unique among colleges and the desire to
23 fulfill the objectives for which the funds allocated.

24 (b) Notwithstanding subsection (a) of this rule, the State Board delegates to the President
25 of the North Carolina Community College System the authority to approve allocations
26 made pursuant to:

27 (1) 1H SBCCC 200.1(a)(2) if the total amount of funds allocated under the competitive
28 process does not exceed \$250,000;

29 (2) 1H SBCCC 200.1(a)(3)(A) and (B); or

30 (3) 1H SBCCC 200.1(a)(3)(C) if the total amount of funds allocated to the college does
31 not exceed \$250,000.

1H SBCCC 200.1 is proposed for amendment as follows:

1 The System Office shall provide at least biannually a report to the State Board listing
2 any allocations approved by the President pursuant to this delegated authority.

3 ~~(b)~~(c) At the time of allocation, the System Office shall notify colleges of the allocation
4 period, which is the time period during which the college is authorized to expend the
5 allocation. The System Office shall extend the allocation period if additional time is
6 needed for the college to complete the objectives for which the funds were allocated,
7 funds remain available, and the extension of the allocation period is in the best interest of
8 the NC Community College System as determined by the System President.

9 ~~(e)~~(d) The System Office may reduce a college's allocation under the following
10 circumstances:

11 (1) At the System Office's request, a college voluntarily forgoes an amount of its
12 approved allocation because it is not able to fully expend the funds and other
13 colleges have a need for those funds; or

14 (2) A college fails to meet pre-determined programmatic or expenditure benchmarks
15 that were communicated to the college when the State Board initially allocated
16 funds and other colleges have a need for those funds; or

17 (3) Revenue collections are not meeting budget projections and there is a projected
18 cash shortfall of greater magnitude than one that can be covered through projected
19 unexpended allocations.

20 ~~(d)~~(e) If a college's allocation is reduced as provided in subsection (c), the System Office
21 shall reallocate those funds to other colleges that demonstrate need and an ability to
22 utilize the funds if there is no projected cash shortfall.

23

24 *History Note: Authority G.S. 115D-5;*

25 *Eff. [November 1, 2015](#).*

26 *Amended Eff. _____*

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