



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

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REPLY TO:

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IMPORTANT ADMINISTRATIVE CODE INFORMATION

MEMORANDUM

TO: Members of the State Board of Community Colleges
Community College Presidents and Boards of Trustees Chairs
NC Community College System Office Staff
Other Interested Parties

FROM: Q. Shanté Martin, General Counsel/Rulemaking Coordinator

SUBJECT: **AMENDMENTS TO THE N.C. ADMINISTRATIVE CODE,
EFFECTIVE MAY 1, 2009 – CUSTOMIZED TRAINING RULES**

The State Board of Community Colleges has completed the process of amending the following rules:

- 23 N.C.A.C. 02E .0205 “Program Review”
- 23 N.C.A.C. 02D .0301 “Operating Budget Requests: Distribution of Funds”
- 23 N.C.A.C. 02D .0326 “Budget FTE Funding”
- 23 N.C.A.C. 02D .0327 “Reporting Student Membership Hours to the Department”

The State Board of Community Colleges amended this section of the code to make all of the relevant language in the Administrative Code consistent with the General Assembly’s approval of the Customized Training Program.

For your convenience, a copy of this rule is attached to this memorandum. Please be sure to share this change in the Administrative Code with all those affected. If there are questions, please do not hesitate to ask.

**CC09 – 012
E-mail Copy**

QSM/bdf
Attachment

23 NCAC 02E .0205 PROGRAM REVIEW

(a) Each college shall monitor the quality and viability of all its programs and services. Each curriculum program, each program area within continuing education, including Basic Skills, occupational extension, and community service, and each service area shall be reviewed at least every five years to determine program strengths and weaknesses and to identify areas for program improvement. The program review process shall be consistent with the requirements of the regional accrediting agency.

(b) The System Office shall collect data on the outcomes of the following performance measures:

- (1) Progress of basic skills students;
- (2) Passing rate for licensure and certification examinations;
- (3) Goal completion of program completers and noncompleters;
- (4) Employment status of graduates;
- (5) Performance of students who transfer to the university system;
- (6) Passing rates in developmental courses;
- (7) Success rates of developmental students in subsequent college-level courses;
- (8) The level of satisfaction of students who complete programs and those who do not complete programs;
- (9) Curriculum student retention and graduation;
- (10) Employer satisfaction with graduates;
- (11) Client satisfaction with Customized Training Programs; and
- (12) Program enrollment.

Each college shall publish its data on all performance measures annually in its electronic catalog or on the internet and in its printed catalog each time the catalog is reprinted.

(c) The System Office shall report annually to the State Board of Community Colleges on each college's outcomes on these performance measures.

(d) The System Office shall monitor the colleges' performance on all measures to ensure that all measures are being used for the purpose of program improvement.

Note: Substance of former 23 NCAC 02C .0604 was incorporated into this Rule.

*History Note: Authority G.S. 115D-5; 115D-31.3; 1999 S.L., c. 237, s. 9.2; 1993 S.L., c. 321, s. 109; S.L. 1995, c. 625;
Eff. February 1, 1990;
Amended Eff. August 1, 1995; September 1, 1993;
Temporary Amendment Eff. June 1, 1997;
Amended Eff. July 1, 1998;
Temporary Amendment Eff. December 6, 1999;
Temporary Amendment Expired September 30, 2000;
Amended Eff. May 1, 2009; August 1, 2001.*

SECTION .0300 - BUDGETING; ACCOUNTING; FISCAL MANAGEMENT

23 NCAC 02D .0301 OPERATING BUDGET REQUESTS; DISTRIBUTION OF FUNDS

- (a) Projections of full-time equivalent (FTE) students shall be based on the following:
- (1) Curriculum FTE projections shall be based on the academic year (fall and spring semesters).
 - (2) Continuing education FTE projections shall be based on the latest spring, summer, and fall FTE figures. Annual continuing education FTE is determined by totaling the student hours in membership for the three reporting periods and dividing by 688. Note definition of annual continuing education FTE in 23 NCAC 01A .0101(8).
 - (3) Projections shall be made, program by program, as stated in Subparagraphs (a)(1) and (2) of this Rule. If the actual FTE for the semesters needed are not available, the latest actual semester FTE shall be multiplied by the latest five-year retention ratio to determine the appropriate estimates. Retention ratios are FTE comparisons between Fall Semester and the Spring Semester which are used to predict FTE totals when actual figures are not available.
 - (4) The State Board may adjust the projections based on additional factors brought to its attention.
 - (5) The State Board shall adopt an official projection of FTE.
- (b) Appropriation Requests:
- (1) Continuation Budget Requests. The continuation budget request shall be based on the number of FTE and amount per FTE currently appropriated and increases in the continuation budget as directed by the Office of State Budget and Management. Also included in the continuation budget requests shall be continuing categorical programs. Categorical programs are educational programs funded for specific purposes such as the Customized Training Program for job growth, productivity enhancement, or technology investment as opposed to general formula programs such as occupational extension.
 - (2) Expansion Budget Requests. The expansion budget request shall consist of at least the following items:
 - (A) an adjustment in the number of FTEs in existing programs based on the difference between the official FTE projections of the State Board and the existing level of FTEs requested in the continuation budget;
 - (B) an adjustment in expenditure per FTE;
 - (C) additional funding for new and special programs of instruction.
- (c) State Board Reserve. A reserve shall be requested from the General Assembly and shall be retained by the State Board for the purpose of making later allocations for feasibility studies, pilot projects, innovative ideas, and start-up of new programs or as otherwise directed by the General Assembly.
- (d) Formula distribution of funds for the current operation budget. Funds appropriated to the State Board for current operation shall be allocated to the system colleges as directed by the General Assembly.
- (e) JTPA Administrative Allotment. Student class hours for class size projects funded by the Job Training Partnership Act (JTPA) shall not be included in the full-time equivalent (FTE) formula for earning budget/FTE. Administrative funds for operating these class size projects shall be allocated on the same basis as all other administrative formula funds.

*History Note: Authority G.S. 115D-3; 115D-5; 115D-54; S.L. 1995, c. 625;
Eff. February 1, 1976;
Amended Eff. September 30, 1977;
Emergency Amendment Eff. July 1, 1978 for a period of 120 days to expire on October 29, 1978;
Emergency Amendment Made Permanent Eff. July 24, 1978;
Amended Eff. June 1, 1987; July 1, 1983;
Temporary Amendment Eff. August 25, 1988 for a period of 180 days to expire on February 20, 1989;
Amended Eff. September 1, 1993; April 1, 1989;
Temporary Amendment Eff. June 1, 1997;
Amended Eff. May 1, 2009; July 1, 1998.*

23 NCAC 02D .0326 BUDGET FTE FUNDING

(a) All student membership hours generated by the college for a given class shall be counted for budget FTE purposes provided 100 percent of the instructional cost is paid from college funds (funds budgeted through the college's budget including State Current, County Current, or College Funds). These provisions apply to all instructional contracts which generate budget FTE including Basic Skills classes. For purpose of this Rule, instructional cost includes the salary of the instructor(s) as well as fringe benefits, supplies, materials, and travel paid from college funds. College-sponsored instruction shall not supplant existing training which may take place without the college's involvement. Following are Rule applications:

- (1) A company or entity may reimburse the college for a given class up to 50 percent of the instructional cost. The student hours in membership generated in the class may be reported for budget FTE. If the college is reimbursed for more than 50 percent of the instructional cost for a given class, student hours in membership reported for the class shall be prorated in the same proportion as the college funding. If the college is reimbursed for 100 percent of the instructional cost, the class would be gratis [see Paragraph (b) of this Rule] and no budget FTE would be generated.
- (2) In cases where a company or entity donates funds to a college with no expectation for instruction in return, these funds shall be treated as college funds and may be used to generate budget FTE.
- (3) The community college shall not contract with a company or entity to provide training to its current employees except as provided by provisions set forth in 23 NCAC 02E .0402.

Note: Contracted training does not have to be defined as work station occupational skills training in order for 23 NCAC 02E .0402(c) to apply for reimbursement purposes.

(b) Any class for which the instructor's services are provided at no cost or for which the instructional cost is paid totally and directly by an external agency is a "gratis" class. In this situation, the class is reported as self-supporting, and does not generate budget/FTE. If a portion of the class is gratis, student hours shall be prorated accordingly.

(c) Categorical state allotments to colleges, except literacy and Human Resources Development, such as Small Business, Customized Training Programs, Community Service, and Block Grants do not earn budget/FTE and are not subject to the provisions of this Rule.

*History Note: Authority G.S. 115D-5; 115D-31; 115D-58.5; S.L. 2001, c. 424, s. 30.3(b),(e);
Eff. September 1, 1988;
Temporary Amendment Eff. October 15, 1992 for a period of 180 days to expire on April 15, 1993;
Temporary Amendment Eff. November 1, 1993 for a period of 180 days or until the permanent rule becomes effective, whichever is sooner;
Amended Eff. June 1, 1994; September 1, 1993;
Temporary Amendment Eff. October 4, 2001;
Amended Eff. May 1, 2009; April 1, 2003.*

23 NCAC 02D .0327 REPORTING STUDENT MEMBERSHIP HOURS TO THE DEPARTMENT

(a) Curriculum and extension college class reports summarizing student membership hours shall be submitted to the Department during each student membership hour reporting period defined in this Paragraph.

- (1) The three student membership hour reporting periods are as follows:
 - (A) Period 1 - (Spring Period): January 1 - May 15;
 - (B) Period 2 - (Summer Period): May 16 - August 14;
 - (C) Period 3 - (Fall Period): August 15 - December 31.
- (2) College class reports for all regular budget curriculum and extension classes shall be submitted 21 calendar days after the conclusion of each student reporting period defined in Subparagraph (a)(1) of this Rule. Note the following schedule concerning application of the designated periods:
 - (A) all reports received by June 5 shall be designated Period 1;
 - (B) all reports received by September 4 shall be designated Period 2; and
 - (C) all reports received by January 21 shall be designated Period 3.

(b) For learning laboratories, skills laboratories, multi-entry, multi-exit and other non-regularly scheduled classes where actual student time in class is determined, student contact hours shall be calculated on the last day of each respective student membership hour reporting period for a given class and submitted to the Department according to Subparagraphs (a)(1) and (a)(2) of this Rule. Also, note Paragraphs (b) and (c) of Rule .0323 and Paragraphs (a) and (b) of Rule .0324 regarding calculation of student membership hours.

(c) College class reports for non-regular budget extension classes such as customized training for job growth, productivity enhancement, or technology investment, HRD, JTPA, self-supporting, and recreational shall also be submitted to the System Office in accordance with Subparagraphs (a)(1) and (a)(2) of this Rule.

*History Note: Authority G.S. 115D-5; 115D-31; 115D-58.5; S.L. 1995, c. 625;
Eff. September 1, 1988;
Temporary Amendment Eff. June 1, 1997;
Amended Eff. May 1, 2009; July 1, 1998.*