



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Peter Hans, President

22 January 2020

MEMORANDUM

- TO:** Members of the State Board of Community Colleges
Community College Presidents
Chairs of the Boards of Trustees
Community College Chief Academic Officers, Chief Admissions Officers, Basic Skills Directors, Business Officers, Continuing Education Officers, Customized Training Directors, Distance Learning, Chief Financial Officers, Continuing Education Officers, Financial Aid Officers, Personnel Directors, Student Development Administrators, Public Information Officers, Registrars, & Other Interested Parties
- FROM:** Jonathan R. Harris, *NCCCS General Counsel*
- RE:** **Proposed Amendment of 1G SBCCC 100.1 – Definitions**
Proposed Amendment of 1G SBCCC 100.99 – Budget FTE Funding

The State Board of Community Colleges (“SBCC”) has initiated the rulemaking process to amend both 1G SBCCC 100.99 – Budget FTE Funding and 1G SBCCC 100.1 – Definitions. The proposed amendments move the definition of “instructional costs” from 1G SBCCC 100.99 to 1G SBCCC 100.1. An additional amendment to 1G SBCCC 100.99 clarifies that college-sponsored instruction shall not supplant existing training that may take place without the college’s involvement.

The proposed amendments are published on the NC Community College System's website, www.nccommunitycolleges.edu/sbcccode. For your convenience, copies of the proposed rules, with the changes indicated, are attached to this memorandum. Strikethroughs indicate deletions of existing language and underlines indicate additions of language. Please post copies of the proposed rules in prominent places so that all individuals affected by the proposed changes will be informed.

Any member of the public has the right to submit written comments on the proposed rules. Please note that any person who submits public comments 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 rules must be received by no later than 5:00 p.m. on 20 February 2020.** Any member of the public has the right to request a hearing on the proposed rules. **Requests**

for a hearing must be received by no later than 5:00 p.m. on 5 February 2020. Written comments and requests for hearing shall be directed to the following address: Jonathan Harris, 200 W. Jones Street, 5001 Mail Service Center, Raleigh, NC 27699-5001 or by **email to publiccomments@nccommunitycolleges.edu.** Thank you for your attention to this matter.

**CC20-003
E-mail Copy**

Attachments



State Board of Community Colleges Co

Notice of Proposed Rulemaking Form

Date: 22 January 2020

Title, Chapter, Subchapter, and Rule Number of Rule Proposed to be Adopted, Amended, or Repealed	Amend 1G SBCCC 100.1 - "Definitions"
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Specify whether the SBCC proposes to adopt amend, or repeal a rule:

Adopt (new rule)	Amend (change existing rule)	Repeal (delete entire rule)
	X	

Rationale for proposed adoption, amendment or repeal:	Adds definition of "Instructional Costs" to the FTE chapter to provide for better college specification of allowed cost.
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Proposed Effective Date of Rule	April 1, 2020
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State Board of Community Colleges Co

Notice of Proposed Rulemaking Form

1
2 Date: 22 January 2020
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Title, Chapter, Subchapter, and Rule Number of Rule Proposed to be Adopted, Amended, or Repealed	Amend 1G SBCCC 100.99 - "Budget FTE Funding"
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Specify whether the SBCC proposes to adopt amend, or repeal a rule:

Adopt (new rule)	Amend (change existing rule)	Repeal (delete entire rule)
	X	

Rationale for proposed adoption, amendment or repeal:	Clarifies alignment of applicable rules for Budget FTE reporting specific supplanting and contracting for instruction.
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Proposed Effective Date of Rule	April 1, 2020
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1G SBCCC 100.99 is amended as follows:



1 **State Board of Community Colleges Code**
2 **TITLE 1. COMMUNITY COLLEGES**

3
4 **CHAPTER G. FULL-TIME EQUIVALENT (FTE)**

5
6 **SUBCHAPTER 100. DEFINITIONS AND GENERAL PROVISIONS**

7
8 **1G SBCCC 100.1 Definitions**

9 The following definitions apply to this Chapter:

10 (1) “Credit Hours”: Shall have the same meaning as in 1D SBCCC 400.1(c).

11 (2) “Academic Term Reporting Period”: The calendar year is divided into three academic
12 term reporting periods and are defined as follows:

13 (a) Spring Term (Period 1): January 1 - May 15;

14 (b) Summer Term (Period 2): May 16 - August 14;

15 (c) Fall Term (Period 3): August 15 - December 31.

16 (3) “Annual Reporting Period”. The annual reporting period for instructional programs
17 is defined as the Summer Term (Period 2), Fall Term (Period 3), and Spring Term
18 (Period 1) reporting periods completed immediately preceding the end (June 30th)
19 of a specified fiscal year.

20 (4) “Budget Full-Time Equivalent (BFTE)” – The number of full-time equivalent (FTE)
21 students for which colleges are funded through State funding formulas.

22 (5) “Full-Time Equivalent (FTE) Student” – An amount of instruction that equates to 512
23 student hours in membership as defined in 1G SBCCC 200.93 and 1G SBCCC
24 200.94.

25 (6) “Instructional Cost” – The direct cost of delivering course content to include the salary
26 of the instructor(s), fringe benefits, supplies, materials and travel paid from college
27 funds.

28 History Note: Authority G.S. 115D-5; 115D-54; S.L. 1995, c. 625;

29 Eff. September 1, 1993;

30 Temporary Amendment Eff. [July 20, 2018](#); June 1, 1997;

31 Amended Eff. [October 1, 2018](#); [November 1, 2017](#); [May 1, 2017](#);

1G SBCCC 100.99 is amended as follows:

1 *December 1, 2012; July 1, 1998.*

2 *Amended Eff.*

1G SBCCC 100.99 is amended as follows:



1 **State Board of Community Colleges Code**
2 **TITLE 1. COMMUNITY COLLEGES**

3
4 **CHAPTER G. FULL-TIME EQUIVALENT (FTE)**

5
6 **SUBCHAPTER 100. DEFINITIONS AND GENERAL PROVISIONS**

7
8 **1G SBCCC 100.99 Budget FTE Funding**

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

18 (1) College-sponsored instruction shall not supplant existing training which may take
19 place without the college's involvement.

20 ~~(1)~~(2) A company or entity may reimburse the college for a given class up to 50 percent
21 of the instructional cost. The student hours in membership generated in the class may
22 be reported for budget FTE. If the college is reimbursed for more than 50 percent of
23 the instructional cost for a given class, student hours in membership reported for the
24 class shall be prorated in the same proportion as the college funding. If the college is
25 reimbursed for 100 percent of the instructional cost, the class would be gratis [see
26 Paragraph (b) of this Rule] and no budget FTE would be generated.

27 ~~(2)~~(3) In cases where a company or entity donates funds to a college with no
28 expectation for instruction in return, these funds shall be treated as college funds
29 and may be used to generate budget FTE.

30 ~~(3)~~(4) The community college shall not contract with a company or entity for that
31 company or entity to provide training to its current employees.

1G SBCCC 100.99 is amended as follows:

- 1 (b) Any class for which the instructor's services are provided at no cost or for which the
2 instructional cost is paid totally and directly by an external agency is a "gratis" class.
3 In this situation, the class is reported as self-supporting, and does not generate
4 budget/FTE. If a portion of the class is gratis, student hours shall be prorated
5 accordingly.
- 6 (c) Categorical state allotments to colleges, except literacy, such as Small Business,
7 Customized Training Programs, Community Service, and Block Grants do not earn
8 budget/FTE and are not subject to the provisions of this Rule.

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10 *History Note: Authority G.S. 115D-5; 115D-31; 115D-58.5; S.L. 2001, c. 424, s.*
11 *30.3(b),(e);*
12 *Eff. September 1, 1988;*
13 *Temporary Amendment Eff. October 15, 1992 for a period of 180 days to*
14 *expire on April 15, 1993;*
15 *Temporary Amendment Eff. November 1, 1993 for a period of 180 days*
16 *or until the permanent rule becomes effective, whichever is sooner;*
17 *Amended Eff. June 1, 1994; September 1, 1993;*
18 *Temporary Amendment Eff. October 4, 2001;*
19 *Amended Eff. December 1, 2012; May 1, 2009; April 1, 2003.*
20 *Amended Eff.*