

**NUMBERED MEMO CC24-030**

**TO:** Members of the State Board of Community Colleges, Chairs of the Community College Boards of Trustees, Community College Presidents, Chief Academic Officers, Chief Admissions Officers, Basic Skills Directors, Business Officers, Continuing Education Officers, Customized Training Directors, Chief Financial Officers, Financial Aid Officers, Personnel Directors, Student Development Administrators, Public Information Officers, Registrars, & Other Interested Parties

**FROM:** Jonnell Carpenter, *NCCCS General Counsel*

**SUBJECT:** Amendment to 1G SBCCC 400.2 – Definitions

**DATE:** July 23, 2024

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On July 19, 2024, the State Board of Community Colleges voted to amend State Board Code, **1G SBCCC 400.2 – Definitions**. This amendment will provide definitions for the types of findings and reports that result from the compliance reviews.

**The amendment will be effective August 1, 2024.** The new rule will be published in the North Carolina Community College System's website, [State Board Code - NCCCS \(ncccommunitycolleges.edu\)](https://ncccommunitycolleges.edu). For your convenience, a copy of the code in its final form is attached to this memorandum.

CC24-030

E-mail Copy  
Attachments

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



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

**SUBCHAPTER 400. FTE REPORTING ACCOUNTABILITY**

**1G SBCCC 400.2 Definitions**

- (a) “Compliance review” - A periodic, objective assessment of college compliance with State laws and State Board rules governing the reporting of data used as the basis of college budget allocations as well as the charging and waiving of tuition and registration fees, as defined in 1E SBCCC 100.1.
- (b) “High Risk” –
- (1) Course sections in which the majority of students receive a tuition or registration fee waiver as provided under Subchapter 800 of Title 1, Chapter E;
  - (2) Course sections provided completely asynchronously online; or
  - (3) Course sections held in facilities that are not owned or under long-term lease by the college.
- (c) Findings and Reports
- (1) No findings – A college shall receive a final report of no findings when the conditions listed in 1G SBCCC 400.3(c)(1) are satisfied and the number of incorrectly reported hours for FTE do not exceed one percent of the sample in a particular programmatic area (Curriculum, Continuing Education, and College and Career Readiness – Basic Skills).
  - (2) Coaching Letter – A college may receive a coaching letter which identifies risk areas found during the compliance review and includes recommendations for improvement.
  - (3) Minimal Finding – A finding is minimal when the conditions listed in 1G SBCCC 400.3(c)(1) are not satisfied and the number of incorrectly reported hours for FTE exceed one percent but does not exceed five percent of the sample of records reviewed for a particular programmatic area (Curriculum, Continuing Education, and College and Career Readiness – Basic Skills).

- (4) Material Finding – A finding is material when the conditions listed in 1G SBCCC 400.3(c)(1) are not satisfied and the number of incorrectly reported hours for FTE exceed five percent of the sample reviewed for a particular programmatic area (Curriculum, Continuing Education, and College and Career Readiness – Basic Skills). A material finding will result in a reversion of funds.
- (5) Subsequent Reviews – A college with minimal finding may be required to undergo a compliance review the following fiscal year for the program area/areas in which the findings occurred. A college with a material finding shall be required to undergo a compliance review the following fiscal year for the program area/areas in which the findings occurred.
- (d) “Statistically valid sample” – A sample of course section records that provides a ninety-five percent (95%) confidence level that the sample is representative of the relevant population of course section records.

*History Note: Authority G.S. 115D-5(m);*

*Eff. [November 1, 2017](#)*

*Amend Eff. [August 1, 2024](#)*