GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1520

| Short Title: Add'l Flexibility/Comm. Coll. Funds. | (Public) |
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| Sponsors: Senators Hagan; Clodfelter and Garrou. | _ |
| Referred to: Education/Higher Education. | |

May 30, 2000

1 A BILL TO BE ENTITLED

AN ACT TO PROVIDE COMMUNITY COLLEGES WITH THE ADDITIONAL FUNDING FLEXIBILITY THEY NEED TO CARRY OUT THEIR SPECIFIC MISSIONS AND TO THEREBY MEET THE NEEDS OF THEIR LOCAL COMMUNITIES.

The General Assembly of North Carolina enacts:

Section 1. Section 9.5 of S.L. 1999-237 reads as rewritten:

"Section 9.5. A local community college may use all State funds allocated to it, except for Literacy Funds and Funds for New and Expanding Industries, for any authorized purpose that is consistent with the college's Institutional Effectiveness Plan. Each local community college shall include in its Institutional Effectiveness Plan a section on how funding flexibility allows the college to meet the demands of the local community and to maintain a presence in all previously funded categorical programs.

Funds appropriated for salary increases shall be used only for salary increases and necessary employer contributions.

The General Assembly recognizes—that the Community College has been required to transfer funds from the faculty salary line item in the funding formula during prior fiscal years to make up shortfalls in instructional and administrative support and in other cost items. To enable the Community College System to pay respectable faculty salaries and at the same time maintain the quality of the instructional programs, the General Assembly

is providing an additional eight million dollars (\$8,000,000) in expansion funds for instructional and administrative support and an additional ten million dollars (\$10,000,000) in expansion funds for other cost items. It is the intent of the General Assembly that no transfers be made from the formula salary line item and that faculty salary funds be used to enhance full-time and part-time faculty salaries and, where appropriate, to move part-time faculty members to full-time faculty status. Therefore, transfers made in college budgets from faculty salaries to other purposes shall be made only after public notice and notice to the faculty. No more than two percent (2%) systemwide may be transferred from faculty salaries without the approval of the State Board of Community Colleges. The State Board shall report on any such transfers above two percent (2%) systemwide to the Joint Legislative Commission on Governmental Operations at its next meeting."

Section 2. This act becomes effective July 1, 2000.