

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

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**HOUSE BILL 443**

Short Title: Comm. Coll. Instructional Trust Fund-AB. (Public)

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Sponsors: Representatives Gibson, Walker (Primary Sponsors); Dockham, McLawhorn, and Preston.

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Referred to: Education, if favorable, Appropriations.

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March 1, 2001

A BILL TO BE ENTITLED  
AN ACT TO APPROPRIATE FUNDS TO ESTABLISH A NORTH CAROLINA  
COMMUNITY COLLEGES INSTRUCTIONAL TRUST FUND.

Whereas, the General Statutes provide for the establishment of private, nonprofit corporations to support the community colleges system; and

Whereas, the General Statutes also permit the trustees of each community college "to receive and accept donations, gifts, bequests, and the like from private donors and to apply them or invest any of them and apply the proceeds for purposes and upon the terms which the donor may prescribe and which are consistent with the provisions of this Chapter and the regulations of the State Board of Community Colleges"; and

Whereas, through these enabling statutes, the community colleges have raised millions of dollars to provide scholarships and other forms of student financial aid, capital improvement funds, and multiple other enhancements to the missions of the community colleges; and

Whereas, these funds supplement State appropriations for grants-in-aid to the local colleges; Now, therefore,  
The General Assembly of North Carolina enacts:

**SECTION 1.** Article 3 of Chapter 115D of the General Statutes is amended by adding a new section to read:

**"§ 115D-42. North Carolina Community Colleges Instructional Trust Fund.**

(a) There is established the North Carolina Community Colleges Instructional Trust Fund. The purpose of this Trust Fund is to supplement the funds raised by community college foundations to enhance the academic missions of community colleges.

(b) State funds from the Trust Fund and matching funds raised by foundations shall be used by the board of trustees of a community college only to enhance the

1 academic mission of the college. Expenditures of these funds shall directly relate to  
2 education and shall be only for:

- 3 (1) Resource center materials;
- 4 (2) Professional development of instructional faculty and staff in cases in  
5 which (i) professional development will improve the quality of  
6 performance provided by the employee and (ii) the employee makes a  
7 commitment to remain at the college for a proscribed period of time;
- 8 (3) Professional development of instructional faculty and staff in cases in  
9 which professional development is necessary to enhance the  
10 employee's ability to meet newly mandated instructional or  
11 performance requirements;
- 12 (4) Endowed scholarships; and
- 13 (5) Other purposes authorized by the State Board of Community Colleges  
14 that are consistent with the college's mission.

15 (c) Funds from the Trust Fund shall be matched by a community college  
16 foundation on the basis of one dollar (\$1.00) in funds from the Trust Fund for each two  
17 dollars (\$2.00) raised by the foundation. A foundation may apply for matching funds  
18 after it raises seventeen thousand dollars (\$17,000) in private contributions in a fiscal  
19 year.

20 An allocation of eight thousand five hundred dollars (\$8,500) shall be reserved for  
21 each college for the period of July 1 to March 1 of a fiscal year. This amount shall be  
22 distributed to a college if the chairman of the local community college foundation  
23 certifies to the North Carolina Community Colleges System Office, Division of  
24 Business and Finance, by March 1 of a fiscal year that matching funds in excess of  
25 seventeen thousand dollars (\$17,000) were raised. Funds remaining in the Trust Fund  
26 after these certifications are honored shall be equally divided among those colleges that  
27 certify by May 1 of the fiscal year that matching funds in excess of seventeen thousand  
28 dollars (\$17,000) were raised.

29 The certification shall be in writing and shall state that (i) pledged contributions of at  
30 least seventeen thousand dollars (\$17,000) were received from private donors and  
31 deposited in the Academic Improvement Trust account of the Foundation during the  
32 fiscal year, (ii) the amount pledged has not been used previously for matching purposes;  
33 and (iii) the amount pledged and matching State Funds shall be used only as provided in  
34 subsection (b) of this section.

35 (d) The college foundation shall be responsible for the accounting of the  
36 Academic Improvement Trust Funds entrusted to it. The annual audit of the Foundation  
37 shall include an audit of how the Trust Funds were actually used. This audit shall be  
38 available to the State Board of Community Colleges for inspection, upon request."

39 **SECTION 2.** There is appropriated from the General Fund to the State  
40 Board of Community Colleges the sum of five hundred one thousand five hundred  
41 dollars (\$501,500) for the 2001-2002 fiscal year and the sum of five hundred one  
42 thousand five hundred dollars (\$501,500) for the 2001-2002 fiscal year for the North  
43 Carolina Community Colleges Instructional Trust Fund established in Section 1 of this  
44 act.

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**SECTION 3.** This act becomes effective July 1, 2001.