

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE BILL 384  
Committee Substitute Favorable 4/16/07

Short Title: Comm. Coll. Law/Technical Changes.

(Public)

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Sponsors:

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Referred to:

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February 27, 2007

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL CHANGES TO THE LAWS PERTAINING TO  
THE FISCAL OPERATIONS OF THE COMMUNITY COLLEGE SYSTEM.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 115D-5(a) reads as rewritten:

"(a) The State Board of Community Colleges may adopt and execute such policies, regulations and standards concerning the establishment, administration, and operation of institutions as the State Board may deem necessary to insure the quality of educational programs, to promote the systematic meeting of educational needs of the State, and to provide for the equitable distribution of State and federal funds to the several institutions.

The State Board of Community Colleges shall establish standards and scales for salaries and allotments paid from funds administered by the State Board, and all employees of the institutions shall be exempt from the provisions of the State Personnel Act. The State Board shall have authority with respect to individual institutions: to approve sites, ~~buildings, building plans, capital improvement projects,~~ budgets; to approve the selection of the chief administrative officer; to establish and administer standards for professional personnel, curricula, admissions, and graduation; to regulate the awarding of degrees, diplomas, and certificates; to establish and regulate student tuition and fees within policies for tuition and fees established by the General Assembly; and to establish and regulate financial accounting procedures.

The State Board of Community Colleges shall require all community colleges to meet the faculty credential requirements of the Southern Association of Colleges and Schools for all community college programs."

**SECTION 2.** G.S. 115D-15.1 reads as rewritten:

"§ 115D-15.1. **Disposition, acquisition, and construction of property by community college.**

(a) Disposition. – Notwithstanding the provisions of G.S. 115D-14, 115D-15, and 160A-274, the board of trustees of a community college may, in connection with

1 additions, improvements, renovations, or repairs to all or part of its property, lease, sell,  
2 or otherwise dispose of any of its property to the county in which the property is located  
3 for any price and on any terms negotiated between the board of trustees of the  
4 community college and the board of county commissioners.

5 (b) Transfer. – An agreement under subsection (a) of this section shall require the  
6 county to transfer the property back to the board of trustees of the community college  
7 when any financing agreement entered into by the county to finance the additions,  
8 improvements, renovations, and repairs has been satisfied. ~~If the county did not enter  
9 into a financing agreement, the agreement under subsection (a) of this section shall  
10 require the county to transfer the property back to the board of trustees of the  
11 community college upon the completion of the additions, improvements, renovations,  
12 and repairs.~~

13 Notwithstanding the transfer of property to the county, the provisions of subsection  
14 (d) of this section, G.S. 143-129, and G.S. 143-341 apply to the capital improvement  
15 project.

16 (c) Acquisition and Construction. – Notwithstanding the provisions of  
17 G.S. 115D-14 and G.S. 115D-20(3), the board of trustees of a community college may  
18 acquire, by any lawful method, any interest in real or personal property ~~from~~ in the  
19 county in which the community college is located or in its service delivery area for use  
20 by the board of ~~trustees and trustees.~~ The board of trustees may contract for the  
21 construction, equipping, expansion, improvement, renovation, repair, or otherwise  
22 making available for use by the board of trustees of the community college of all or part  
23 of the property upon any terms negotiated between the board of trustees of the  
24 community college and the board of county commissioners.

25 (d) Approval. – The actions of a board of trustees of a community college taken  
26 pursuant to this section are subject to the approval of the State Board of Community  
27 Colleges.

28 (e) Contract Responsibility. – A county's obligations under a financing contract  
29 entered into by the county to finance improvements to real or personal property  
30 pursuant to this section shall be the responsibility of the county and not the  
31 responsibility of the board of trustees of the community college."

32 **SECTION 3.** G.S. 115D-58.15(a) reads as rewritten:

33 "(a) Authority. – The board of trustees of a community college may use lease  
34 purchase or installment purchase contracts to purchase or finance the purchase of  
35 equipment as provided in this section. A college shall not have more than five State-  
36 funded contracts in effect at any one time."

37 **SECTION 4.** G.S. 115D-54(a) reads as rewritten:

38 "(a) ~~On or before the first day of May of each year,~~ By a date determined by the  
39 State Board, trustees of each institution shall prepare for submission a budget request as  
40 provided in G.S. 115D-54(b) on forms provided by the State Board of Community  
41 Colleges. The budget shall be based on estimates of available funds if provided by the  
42 funding authorities or as estimated by the institution. The State Current Fund shall be  
43 based on available funds. All other funds shall be based on needs as determined by the  
44 board of trustees and shall include the following:

- 1           (1)    State Current Fund.  
2           (2)    County Current Fund.  
3           (3)    Institutional Fund.  
4           (4)    Plant Fund."

5           **SECTION 5.** G.S. 115D-55(a) reads as rewritten:

6           "(a)    Approval of Budget by Local Tax-Levying Authority. – ~~Not later than May~~  
7 ~~15, or such later date as may be~~By a date fixed by the local tax-levying authority, the  
8 budget shall be submitted to the local tax-levying authority for approval of that portion  
9 within its authority as stated in G.S. 115D-54(b). On or before July 1, or such later date  
10 as may be agreeable to the board of trustees, but in no instance later than September 1,  
11 the local tax-levying authority shall determine the amount of county revenue to be  
12 appropriated to an institution for the budget year. The local tax-levying authority may  
13 allocate part or all of an appropriation by purpose, function, or project as defined in the  
14 budget manual as adopted by the State Board of Community Colleges.

15           The local tax-levying authority shall have full authority to call for all books, records,  
16 audit reports, and other information bearing on the financial operation of the institution  
17 except records dealing with specific persons for which the persons' rights of privacy are  
18 protected by either federal or State law.

19           Nothing in this Article shall be construed to place a duty on the local tax-levying  
20 authority to fund a deficit incurred by an institution through failure of the institution to  
21 comply with the provisions of this Article or rules and regulations issued pursuant  
22 hereto."

23           **SECTION 6.** G.S. 115D-56 is repealed.

24           **SECTION 7.** This act becomes effective July 1, 2007.