

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 642
Committee Substitute Favorable 5/17/07

Short Title: Amend Comm. Coll. Performance Standards.

(Public)

Sponsors:

Referred to:

March 15, 2007

1 A BILL TO BE ENTITLED
2 AN ACT AMENDING THE LAW RELATING TO COMMUNITY COLLEGE
3 PERFORMANCE STANDARDS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 115D-31.3 reads as rewritten:

6 "**§ 115D-31.3. Performance budgeting. Institutional performance accountability.**

7 (a) Creation of Accountability Measures and Performance Standards. – The State
8 Board of Community Colleges shall create new accountability measures and
9 performance standards ~~to be used for performance budgeting~~ for the Community
10 College System. Survey results shall be used as a performance standard only if the
11 survey is statistically valid. The State Board of Community Colleges shall review
12 annually the accountability measures and performance standards to ensure that they are
13 appropriate for use in ~~performance budgeting~~ recognition of successful institutional
14 performance.

15 (b) through (d) Repealed by Session Laws 2000-67, s. 9.7, effective July 1, 2000.

16 (e) Mandatory Performance ~~Measures. Standards.~~ – The State Board of
17 Community Colleges shall evaluate each college on the following ~~12~~ eight performance
18 standards:

19 (1) Progress of basic skills students,

20 (2) Passing rate for licensure and certification examinations,

21 ~~(3) The proportion of those who complete their goal,~~

22 ~~(4) Employment status of graduates,~~

23 ~~(5)(3) Performance of students who transfer to the university system, a~~
24 four-year institution,

25 ~~(6)(4) Passing rates in developmental courses,~~

26 ~~(7)(5) Success rates of developmental students in subsequent college-level~~
27 courses,

28 ~~(8)(6) The level of satisfaction of students who complete programs and those~~
29 who do not complete programs,

- 1 ~~(9)(7)~~ Curriculum student retention and graduation, and
2 ~~(10)~~ Employer satisfaction with graduates,
3 ~~(11)(8)~~ Client satisfaction with customized ~~training, and~~ training.
4 ~~(12)~~ Program enrollment.

5 The State Board may also evaluate each college on additional performance standards.

6 (f) Publication of Performance Ratings. – Each college shall publish its
7 performance on the ~~12 eight measures standards~~ set out in subsection (e) of this section
8 (i) annually in its electronic catalog or on the Internet and (ii) in its printed catalog each
9 time the catalog is reprinted.

10 The Community Colleges System Office shall publish the performance of all
11 colleges on all ~~12 measures in its annual Critical Success Factors Report.~~ eight
12 standards.

13 ~~(g) Performance Budgeting;~~ Recognition for Successful Institutional
14 Performance. – For the purpose of ~~For the purpose of performance~~
15 ~~budgeting, recognition for successful institutional performance,~~ the State Board of
16 Community Colleges shall evaluate each college on ~~six performance measures.~~ These
17 ~~six shall be the five set out in subdivisions (1) through (5) of subsection (e) of this~~
18 ~~section and one selected by the college from the remainder set out in subdivisions (6)~~
19 ~~through (11).~~ the eight performance standards. For each of these ~~six eight~~ performance
20 ~~measures standards~~ on which a college performs successfully, ~~successfully or attains the~~
21 ~~standard of significant improvement,~~ the college may retain and carry forward into the
22 next fiscal year ~~one third of one percent (1/3 of 1%)~~ one-fourth of one percent (1/4 of
23 1%) of its final fiscal year General Fund appropriations. If a college demonstrates
24 significant improvement on a standard that has been in use for three years or less, the
25 college may also carry forward one-fourth of one percent (1/4 of 1%) of its final fiscal
26 year General Fund appropriations for that standard.

27 ~~(h) Performance Budgeting;~~ Recognition for ~~Superior~~ Exceptional Institutional
28 Performance. – Funds not allocated to colleges in accordance with subsection (g) of this
29 section shall be used to reward ~~superior~~ exceptional institutional performance. After all
30 State aid budget obligations have been met, the State Board of Community Colleges
31 shall distribute the remainder of these funds equally to colleges that perform
32 successfully on at least five of the six eight performance measures standards and meet
33 the following criteria:

- 34 (1) The passing rate on all reported licensure and certification
35 examinations for which the community colleges have authority over
36 who sits for the examination must meet or exceed seventy percent
37 (70%) for first-time test takers; and
38 (2) The percentage of college transfer students with a grade point average
39 of at least 2.0 after two semesters at a four-year institution must equal
40 or exceed the performance of students who began college at that
41 four-year institution.

42 The State Board may withhold the portion of funds for which a college may qualify as
43 an exceptional institution while the college is under investigation by a State or federal
44 agency or if its performance does not meet the standards established by the Southern

1 Association of Colleges and Schools, the State Auditor's Office, or the State Board of
2 Community Colleges. The State Board may release the funds at such time as the
3 investigations are complete and the issues are resolved.

4 (i) Permissible Uses of Funds. – Funds retained by colleges or distributed to
5 colleges pursuant to this section shall be used for the purchase of equipment, initial
6 program start-up costs including faculty salaries for the first year of a program, and
7 one-time faculty and staff bonuses. These funds shall not be used for continuing salary
8 increases or for other obligations beyond the fiscal year into which they were carried
9 forward. These funds shall be encumbered within 12 months of the fiscal year into
10 which they were carried forward.

11 (j) Use of funds in low-wealth counties. – Funds retained by colleges or
12 distributed to colleges pursuant to this section may be used to supplement local funding
13 for maintenance of plant if the college does not receive maintenance of plant funds
14 pursuant to G.S. 115D-31.2, and if the county in which the main campus of the
15 community college is located:

16 (1) Is designated as a Tier 1 or Tier 2 county in accordance with
17 G.S. 105-129.3;

18 (2) Had an unemployment rate of at least two percent (2%) above the
19 State average or greater than seven percent (7%), whichever is higher,
20 in the prior calendar year; and

21 (3) Is a county whose wealth, as calculated under the formula for
22 distributing supplemental funding for schools in low-wealth counties,
23 is eighty percent (80%) or less of the State average.

24 Funds may be used for this purpose only after all local funds appropriated for
25 maintenance of plant have been expended."

26 **SECTION 2.** This act is effective when it becomes law.