

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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HOUSE BILL 443  
Committee Substitute Favorable 4/18/01

Short Title: Comm. Coll. Instructional Trust Fund-AB.

(Public)

Sponsors:

Referred to:

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

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

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

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

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

33          (d) The college foundation shall be responsible for the accounting of funds in the  
34 Academic Improvement Trust Account entrusted to it. The annual audit of the  
35 foundation shall include an audit of how funds from the North Carolina Community  
36 Colleges Instructional Trust Fund were actually used. This audit shall be available to the  
37 State Board of Community Colleges for inspection, upon request."

38          **SECTION 2.** There is appropriated from the General Fund to the State  
39 Board of Community Colleges the sum of five hundred one thousand five hundred  
40 dollars (\$501,500) for the 2001-2002 fiscal year and the sum of five hundred one  
41 thousand five hundred dollars (\$501,500) for the 2002-2003 fiscal year for the North  
42 Carolina Community Colleges Instructional Trust Fund established in Section 1 of this  
43 act.

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