4.01.00.10 Community College Resource Allocation Plan

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Policy/Guideline Area

Business and Finance Policies

Applicable Divisions

Community Colleges, System Office

Purpose

The purpose of this policy is to establish a plan for allocation of resources among community colleges as required by T.C.A. § 49-7-202 (c) (4) (D)):

For fiscal years ending on and after June 30, 2013, the commission shall have no authority for recommending individual community colleges operating budgets or in approving or disapproving the transfer of any funds between community colleges as may be determined necessary by the board of regents.

The intent of this policy is to:

Reinforce the performance incentives present in the higher education funding formula adopted by the Tennessee Higher Education Commission; and

Support development of a unified system of community colleges as dictated by the Complete College Tennessee Act of 2010, including providing financial incentives for cooperative action among institutions.

This policy provides for the pooling of community college resources to be used for system level investments, provision of funding for certain new program start-up expenses, expenses shared among all community colleges, to reward collaboration, and to allocate remaining resources among all community colleges.

Policy/Guideline

I. Community College System Investment Account ("Account")

A. Account Established.

1. There is established at the Board Office a Community College System Investment Account for the benefit of the Tennessee Community College System.

2. For each fiscal year, the target funding level of the Account will be an amount equal to point five percent (0.5%) of the Community College System recurring state appropriation.

3. To achieve the target funding level, the difference between the estimated funding level at fiscal year-end and the target funding level will be calculated. Should a deficit exist, an amount equal to 1/12th of the deficit amount will be withheld from the monthly Community College System state appropriation and deposited to the Account.

4. The Chancellor is authorized to allocate funds within the Account among the categories of uses provided below.

B. Uses of Account

1. System Level Investments. It is the Board's intent that funds be available to initiate or maintain activities that promote the interest and wellbeing of the community college system and its students. Examples of system level investments may include, but are not limited to, activities designed to communicate the benefit to students of considering attending community colleges, funding to support block scheduling and fast track activities. The Vice Chancellor for Community Colleges, in consultation with the Presidents, shall recommend the allocation of funds for specific system level investments, subject to approval by the Chancellor.

2. Program Start-Up Funding. It is the Board's intent that funds be available to offset the cost to an individual college of development of a new program

offering that is portable to other colleges and meets the needs of students at multiple colleges or the system as a whole. Guidelines shall be established that specify the process and criteria used in determining which program start-up proposals should be funded through this mechanism.

3. Community College System Shared Expenses. Eligible expenses include, but not be limited to, salaries, benefits and operational expenses that directly support the operations of the Office of Community Colleges, common licensing of software, and other expenses borne individually by colleges. The Vice Chancellor for Community Colleges, in consultation with the Presidents, shall recommend the allocation of funds for system level shared expenses, subject to approval by the Chancellor.

4. Reporting. On an annual basis the Chancellor shall file a written report with the Board Committee on Academic Policies and Programs and Student Life summarizing the activities funded through the Investment Account.

C. Allocation of Funds to Community Colleges

1. After funding of the Account, remaining state appropriations are to be distributed to individual community colleges in the following order:

   a. Allocation of Remaining Recurring State Appropriation.

      (1) Board staff, in consultation with THEC staff, shall annually determine the percentage of the total Community College System recurring state appropriation that is attributable to each individual college as calculated within the THEC higher education funding formula.

      (2) The allocation of recurring state appropriation remaining after distributions to the Investment Account and for Collaboration shall be calculated by multiplying the remaining recurring state

appropriation by the percentage determined for each college in I.B.1.

D. Delegation

1. The Board acknowledges and grants authority for the development of guidelines necessary to implement the provisions of this policy, such guidelines to be consistent with and in furtherance of the provisions of this policy.

E. Exceptions

1. Exceptions to this policy may be recommended by the Vice Chancellor for the Community Colleges for interim approval by the Chancellor.

Sources

Authority

T.C.A. § 49-8-203; 47-7-202; Complete College Tennessee Act of 2010

History

TBR Board Meeting June 28, 2012; Board Meeting March 28, 2014.