

# **STATE OF NORTH CAROLINA**

**SPECIAL REVIEW**

**THE NORTH CAROLINA CENTER FOR APPLIED  
TEXTILE TECHNOLOGY**

**BELMONT, NORTH CAROLINA**

**APRIL 2004**

**OFFICE OF THE STATE AUDITOR**

**RALPH CAMPBELL, JR.**

**STATE AUDITOR**

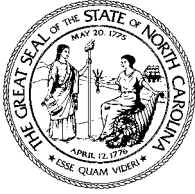
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Ralph Campbell, Jr.  
State Auditor

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LETTER OF TRANSMITTAL

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April 6, 2004

The Honorable Michael F. Easley, Governor  
Mr. Max M. Huntley, Chairman of the Board of Trustees  
North Carolina Center for Applied Textile Technology Board of Trustees  
Members of the North Carolina General Assembly

Ladies and Gentlemen:

Pursuant to General Statute §147-64.6(c)(16), we have completed our special review into allegations concerning the North Carolina Center for Applied Textile Technology. The results of our review, along with recommendations for corrective actions, are contained in this report.

General Statute §147-64.6(c)(12) requires the State Auditor to provide the Governor, the Attorney General, and other appropriate officials with written notice of apparent instances of violations of penal statutes or apparent instances of malfeasance, misfeasance, or nonfeasance by an officer or employee. In accordance with that mandate, and our standard operating practice, we are providing copies of this report to the Governor, the Attorney General and other appropriate officials.

Respectfully submitted,

A handwritten signature in cursive script that reads "Ralph Campbell, Jr.".

Ralph Campbell, Jr., CFE  
State Auditor



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## **INTRODUCTION**

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We received a request from the President of the North Carolina Community College System to review the secondary employment of the President of the North Carolina Center for Applied Textile Technology (NCCATT). During our review we received additional allegations via the State Auditor's Hotline regarding the misuse of NCCATT's Foundation funds, possible harassment of NCCATT employees and misrepresentation of NCCATT student attendance. We used the following procedures to conduct a special review of the allegations:

- Interviews with current and former NCCATT employees.
- Interviews with NCCATT Board of Trustees members.
- Examination of the NCCATT and the Office of State Personnel policies and procedures.
- Examination of the NCCATT Foundation's expenditure and receipts for the time period of July 1, 2002 to June 30, 2003.
- Examination of the NCCATT Foundation's Articles of Incorporation and By-laws.
- Examination of the NCCATT Board Minutes.
- Examination of employment contracts between the President of NCCATT and the University of North Carolina at Charlotte (UNC-Charlotte) and Belmont Abbey College (BAC).
- Review of the Audit Findings for the NCCATT conducted by the North Carolina Community College System (NCCCS) for fiscal years 2000 to 2001 and 2002 to 2003 (Refer to Exhibit 1).
- Documents external and internal to NCCATT.



## **INTRODUCTION (CONTINUED)**

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This report presents the results of our special review. This review was conducted pursuant to G.S. §147-64.6(c)(16) rather than a financial audit. The Office of the State Auditor performs a financial audit or review of the North Carolina Center for Applied Textile Technology on an annual basis.

The North Carolina Center for Applied Textile Technology (NCCATT) located in Belmont, North Carolina, was originally named the North Carolina Vocational Textile School and was created by Chapter 360 of the Public Laws of North Carolina in 1941. Textile classes such as weaving, spinning, knitting and mill maintenance started in September 1943. Additional classes in English, health, safety and human relations were also offered. High school students could attend classes to earn credit towards graduation. In 1945, NCCATT awarded its first diploma.

In 1971, NCCATT offered its first Associate Degree Program in Textile Manufacturing Technology. NCCATT was administratively attached to the North Carolina Department of Community Colleges in July 1972 (G.S. §115-68). It is governed by a Board of Trustees that includes the President of the North Carolina Community College System and nine members appointed by the Governor. The terms of the Trustees appointed by the Governor are as follows: Three appointees shall serve for two years, three for three years and three for four years. In 1973, NCCATT awarded its first Associate Degree.

## **INTRODUCTION (CONTINUED)**

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In 1991, an amendment to G.S. §115-68 gave the North Carolina Community College System broader administrative responsibility over NCCATT and NCCATT became the 59<sup>th</sup> institution in the North Carolina Community College System on July 1, 1991. Additionally, in 1991 the school officially changed its name to the North Carolina Center for Applied Textile Technology (NCCATT).

In 1996, NCCATT began the accreditation process to achieve the “Center of Excellence” status consistent with the 1980’s “Commission on the Future Report”. Due to limited funding, NCCATT requested \$25,000 from the North Carolina Community College System to begin the accreditation process by the Southern Association of Colleges and Schools. After the North Carolina Board of Community Colleges raised questions about NCCATT’s request for \$25,000, NCCATT withdrew its request. At that time, the North Carolina Board of Community Colleges determined NCCATT could not be accredited and must partner with other colleges to offer Associate Degrees and curriculum programs. NCCATT then only offered textile courses while the partnering college offered general education and awarded the degree.

In 1997, the North Carolina Board of Community Colleges directed the North Carolina Community College System (NCCCS) to develop a Task Force consisting of NCCCS’s President and staff to define the function and role of NCCATT as a part of the North Carolina Community College System; and, formulate policies and regulations governing

## INTRODUCTION (CONTINUED)

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NCCATT pursuant to Senate Bill 280. In 1998, the Task Force recommended the following: (1) Against the “Center of Excellence” status, 2) Against seeking accreditation from the Southern Association of Colleges and Schools, and 3) NCCATT seek other accredited bodies and partner with colleges to offer curriculum programs<sup>1</sup>. NCCATT then offered joint programs with both Sandhills and Vance-Granville Community Colleges. Due to accreditation issues, the joint programs were eventually dissolved.

Since NCCATT is not an accredited community college and cannot offer degree or curriculum programs, its status is referred to as an “institution”. However, in 1999, Senate Bill 912 titled “*An Act (1) to Authorize the Issuance of Three Billion One Hundred Million Dollars General Obligation Bonds of the State, Subject to A Vote of the Qualified Voters of the State, to Provide Funds for Capital Improvements for the University of North Carolina and Grants to Community Colleges for Capital Improvements and (2) to Authorize the Board of Governors of the University of North Carolina to Issue Special Obligation Bonds for Improvements to the Facilities of the University of North Carolina Hospitals at Chapel Hill and Other Facilities of the Health Care System*” deemed NCCATT a community college for the purposes of that act; thereby, permitting NCCATT to receive matching funds and participate in the bond program.

Currently, NCCATT is the only school in the state dedicated to teaching textiles. NCCATT serves students at its campus located in Belmont, NC, as well as through

<sup>1</sup>Audit Findings Reported by NCCCS (see Exhibit 1)

## **INTRODUCTION (CONCLUDED)**

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cooperative arrangements with other institutions and state agencies. NCCATT offers classes in textiles such as Fundamentals in Textiles and Fiber Science. Additionally, NCCATT offers the North Carolina Manufacturing Certification Program which courses are based on industry standards. High School students can also earn credits towards graduation for successfully completing certain courses. Furthermore, NCCATT offers seminars and courses to the public and businesses in management training, and a variety of computer training. NCCATT also participates in community relations programs such as the H.E.L.P. Center which offers middle school students a structured atmosphere for homework, individual mentoring, access to computers and the internet, and reinforcement of skills needed for success in school. According to the President, the total number of students enrolled with NCCATT for the time period of July 1, 2002 to June 30, 2003 was 3,520. NCCATT employs approximately 27 full-time employees and operates on an annual budget of approximately \$1.5 million.

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## **FINDINGS AND RECOMMENDATIONS**

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### **1. THE NCCATT PRESIDENT HAD SECONDARY EMPLOYMENT THAT CREATED THE PERCEPTION OF A CONFLICT WITH HIS DUTIES AS PRESIDENT.**

At the time of our review, the President of NCCATT (President) stated he was currently teaching four courses at the University of North Carolina at Charlotte (UNC-Charlotte). According to the employment contracts provided by UNC-Charlotte, the President taught three classes Tuesdays and Thursdays from 12:30 pm to 4:50 pm and a class on Saturdays from 9:00 am to 12:00 pm. The President stated his commute from NCCATT to UNC-Charlotte took approximately 40 minutes. Therefore, he was absent from NCCATT approximately 10 hours and 20 minutes each week. A review of the Presidents' prior employment contracts with UNC-Charlotte revealed he taught evening, day and weekend classes, ranging from one course to as many as four courses a semester since the fall of 1998. Additionally, the President taught at Belmont Abbey College (BAC) from the fall of 2000 to the spring of 2002. According to the employment contracts provided by BAC, the President taught one to two courses per semester. These courses were taught both during the day and evening hours. The attached schedule details the dates and times of all courses taught by the President at both UNC-Charlotte and Belmont Abbey College from July 1, 1998 to December 31, 2003 (see Schedule 1).

NCCATT's internal policy defines a workweek as follows,

*...The N.C. Center for Applied Textile Technology operates a schedule of services from 7:30am to 9:00 pm Monday through Thursday. In addition, the Center may offer classes at times other than these depending on*

## **FINDINGS AND RECOMMENDATIONS (CONTINUED)**

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*community needs. Employee assignments may be made anytime during these hours. Therefore, the established workweek is defined as 168 consecutive hours beginning at 12:00am Sunday and ending 12:00am the next Sunday. The number of work hours in a normal workweek is considered to be 40 hours for all non-instructional employees....*

According to the President, NCCATT operating hours are Monday through Thursday 7:30 am to 9:30 pm and Fridays from 7:30 am to 1:00 pm. The President said the staff operates on a flexible schedule, with many of the employees working four 10-hour days with the option of Monday or Fridays off. According to the President, employees must complete their 40 hours within the 168 hour week. The President said his normal work schedule is Monday through Thursday from 7:30 am to 6:00 pm. However, the President said he often works evenings, Fridays and weekends. The President said regardless of the classes he taught, he always worked 40 hours a week. The President stated he deducted leave if he worked less than 40 hours a week. The President maintains a calendar documenting the hours he works daily. A review of his calendar revealed the Presidents' daily working hours ranged from 4 to 12 hours a day. In most cases, the President's weekly hours were 40 hours or more. It should be noted effective January 5, 2004, NCCATT changed its operating hours to Monday through Thursday 7:30 am to 9:30 pm and Fridays 7:30 am to 6:00 pm.

NCCATT's Outside Employment policy states,

*Full-time employees of the N.C. Center for Applied Textile Technology are expected to devote their full time, energy, and efforts to their employment with the Center. An employee considering outside employment must immediately notify their supervisor. Employees must complete a secondary employment form, which must be approved by their immediate supervisor.*

## **FINDINGS AND RECOMMENDATIONS (CONTINUED)**

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The President stated he complied with the policy since the required secondary employment forms were signed by the Chairman of the NCCATT Board of Trustees. The Chairman of the Board confirmed he authorized the secondary employment of the President and was aware he was teaching courses during working hours. It appears from the secondary employment forms provided by the President, that he complied with NCCATT policy.

However, in our opinion, the President's secondary employment created a conflict with his primary employment, thereby violating the North Carolina State Personnel Secondary Employment Policy.

The North Carolina State Personnel Manual's Secondary Employment Policy states,

*...(1) Secondary employment shall not be permitted when it would:*

*\*create either directly or indirectly a conflict of interest with the primary employment.*

*\*impair in any way the employee's ability to perform all expected duties, to make decisions and carry out in an objective fashion the responsibilities of the employee's position...*

As stated before, the NCCATT Chairman of the Board of Trustees stated he was aware of the Presidents' teaching schedule. We found no mention of the approval of the President's secondary employment in the Board minutes reviewed and were told by NCCATT Board members as well as the President, that the Board did not vote on his secondary employment. Seven of the eight board members interviewed, stated they were aware of



## **FINDINGS AND RECOMMENDATIONS (CONTINUED)**

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the President's secondary employment. However, some members were not aware he was teaching during normal working hours. Seven of the board members interviewed, supported the President and believed he worked at least 40 hours a week, but two members voiced concerns that there may be the "perception" of a conflict with his President's duties at NCCATT and his secondary employment. We agree. It should be noted that the NCCATT employees interviewed stated the President was easily accessible when he was teaching and his secondary employment did not create an adverse effect on his responsibilities as President. In our opinion, the mere absence of the President for lengthy periods of time during normal working hours impairs his ability to perform all expected duties. As President of NCCATT, the public, as well as the staff rightfully expect the President to be available during normal operating hours. Further, secondary employment during working hours creates the perception of a conflict. It should be noted, the President's employment contract with UNC-Charlotte expired December 11, 2003, and the President has informed UNC-Charlotte that he will no longer be teaching.

### **RECOMMENDATION**

We recommend the President cease from conducting secondary employment during normal working hours. We further recommend the President obtain Board approval for any future secondary employment and the approval should be reflected in the Board minutes.

## **FINDINGS AND RECOMMENDATIONS (CONTINUED)**

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### **2. ADDITIONAL ISSUES**

During our review we received the allegations detailed below. Due to the nature of the complaints we felt it necessary to report the results of our review, even though we found no evidence to support the allegations.

#### Harassment of NCCATT Employees

We received an allegation fellow employees were harassing NCCATT employees. We investigated the allegation by interviewing seven current and former employees. We found no evidence to substantiate the allegation.

#### Use of NCCATT Foundation Funds for Retirement Benefits

We received an allegation NCCATT Foundation funds were being misused by providing supplemental retirement benefits to the President instead of being used to provide scholarships to students. We found all NCCATT employees are eligible to participate in the supplemental retirement plan offered by the Foundation. In addition, according to the NCCATT Foundation's articles of incorporation and by-laws, the Foundation was created to support NCCATT. There is no mention that Foundation funds are to be used exclusively for scholarships. We reviewed all receipts and disbursements as well as all supporting documentation for the NCCATT Foundation for the time period of July 1, 2002 to June 30, 2003. It appears from the documentation reviewed, the

## **FINDINGS AND RECOMMENDATIONS (CONCLUDED)**

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Foundation has complied with its purpose. Therefore, the allegation the NCCATT Foundation was diverting scholarship's funds to the President was not substantiated.

According to the President, NCCATT only offers continuing education classes, presentation and seminars. NCCATT does not offer curriculum classes nor does it award certificates. As a result, scholarships are not awarded by the Foundation.

### Student Attendance

We received an allegation that the President was misrepresenting the number of students attending NCCATT. According to the President, the total number of students enrolled at NCCATT for the time period of July 1, 2002, to June 30, 2003, was 3,520. The President said this number is based on the number of students enrolled in all continuing education classes, seminars and presentations. Unlike community colleges in North Carolina, NCCATT is not an accredited community college; therefore it does not receive funding based on the number of students attending class. Consequently, the number of students presented is based on enrollment rather than attendance. We could not substantiate the allegation that the number of students attending NCCATT was misrepresented since it was based on the number of students enrolled.

## **CONCLUSION**

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As stated previously, NCCATT is deemed an institution rather than a community college. As a result of its status, there has been some question as to whether NCCATT should be administratively attached to the North Carolina Community College System (NCCCS). Some of the differences that have created confusion are as follows:

- Unlike community colleges, NCCATT is not an accredited school. Consequently, degree and curriculum programs are not offered.
- NCCATT basically operates on its budgeted amount. Since the NCCATT is not accredited, NCCATT does not receive funding based on student attendance.
- NCCATT does not submit relevant information regarding classes and students to NCCCS, as do community colleges. Furthermore, NCCCS conducts annual program audits on all community colleges; however, at the time of our review, no such audit has been performed at NCCATT.

Although this report mainly addresses the allegations received by this office, we felt it necessary to emphasize the differences between NCCATT and community colleges to alleviate some of the confusion. We recommend the General Assembly evaluate and determine the role of NCCATT in the community college system.

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## **STATEMENT OF QUESTIONED COSTS**

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The following schedule represents a quantification of the items examined during our special review. We cannot completely quantify the tangible benefits or detriment, if any, to the taxpayers resulting from the findings of our review. We simply are noting areas where managerial oversight should be enhanced, or where, in our judgment, questionable activities or practices occurred.

1. Total compensation received by the President for his secondary employment \$ 173,300  
(Refer to Schedule 1)

Total	<u>\$ 173,300</u>
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# NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

*H. Martin Lancaster, President*

October 1, 2003

Dr. James L. Lemons, President  
N. C. Center for Applied Textile Technology  
Post Office Box 1044  
Belmont, North Carolina 28012

Dear Dr. Lemons:

Enclosed is the final audit report from the program audit conducted at N. C. Center for Applied Textile Technology. Five recommendations were noted. The college response dated September 18, 2003, provided additional information regarding the findings. All responses have been incorporated in the final audit report.

As provided for in 23NCAC 1A.0103, the State Board of Community Colleges, through annual program audits, is assured of program accountability. Pursuant to this authority, Ms. Glynda Lawrence, Director of Program Audit Services, will be on the North Carolina Center of Applied Textile Technology (NCCATT) campus on October 8, 2003 to discuss the elements of a program audit with you to ensure NCCATT preparation for annual program audits beginning July 1, 2004.

Thank you for cooperating with the System Office Program Audit Services staff during the performance of the audit. Please feel free to contact Ms. Lawrence or myself at any time for assistance.

Sincerely,

Fred G. Williams  
Executive Vice President

Enclosure

c: Mr. Max Huntley, Chairman, Board of Trustees  
Mr. James J. Woody, Chairman, State Board of Community Colleges  
Members, State Board of Community Colleges  
Mr. H. Martin Lancaster, System President  
The Honorable Ralph Campbell, State Auditor  
Ms. Kristine Leggett, Fiscal Analyst  
Mr. David McKoy, State Budget Officer  
Dr. Deborah Hudson, Center for Applied Textile Technology  
College Presidents  
System Office Vice Presidents

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# North Carolina Community College System

## Audit Findings for N. C. Center for Applied Textile Technology 2000-2001 - 2002-2003

An audit was conducted at N. C. Center for Applied Textile Technology by the System Office Program Audit Services staff on the maintenance of records and the reporting of student membership hours for 2000-2001 through 2002-2003. The audit was conducted to review selected class reports for this period. If disagreement exists, the college may appeal the audit findings to the State Board of Community Colleges. This appeal must be submitted in writing within thirty days of receipt of the final audit report. The Board's Policy Committee will hear the appeal and make its recommendation to the Board.

The audit included a pre-audit review of selected information provided by the System Office. Since no previous program audits have been conducted at the Center, this initial review was primarily fact finding in nature. The site review included the following: (1) interviews with Center staff, 2) interviews with Board members, 3) class visitations and interviews with instructors and students for both on and off-campus classes, 4) interviews with other interested parties, 5) visitation of the Hosiery Technology Center in Hickory, 6) and review of Center records and related documents.

### A summary of findings is offered below:

- A capsule of historical events to provide prospective is provided in Attachment Number One.
- Center mission statement essentially states that the Center is to provide training programs for occupational preparation for the textile industry and others on a statewide basis. The mission statement continues that the mission will be accomplished through providing training programs, technical assistance, and other business support services.
- Student feedback from the five class visitations was positive. The feedback from industry regarding Center training provided was positive as well. The summary of class visits is provided in Attachment Number Two.
- Center staffing has remained relatively constant from 1998-99 to 2002-03 as noted below:

### Center Staffing

<u>Fiscal Year</u>	<u>No. of Full-Time Staff</u>	<u>No. of Part-Time Staff</u>
1998-1999	24	2
1999-2000	27	3
2000-2001	27	3
2001-2002	27	3
2002-2003	23	2

- The budget for the Center has been around \$1.5 million for the same period. Receipts are factored into the Center budget. The Center, for example, must collect approximately \$116,000 in 2003-04 in order to utilize the full budget. Otherwise, the budget would be reduced accordingly. In addition, over-realized receipts are reverted to the State. The Center basically has to operate on the budgeted figure, including operation of plant, except for self-supporting activities where an industry pays for the cost of training (excess receipts are reverted as noted above).

**\*NCCATT Class and Enrollment Summary**

<u>Fiscal Year</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>
Total Students Served	3,642	3,570	3,873
Total Number of Classes	463	398	445
Annual Occupational Extension FTE	102	94	84
Occupational Extension FTE, Rowan-Chowan	44	57	68
Occupational Extension FTE, Pamlico	61	90	97
Occupational Extension FTE, Montgomery	63	62	102
Occupational Extension FTE, McDowell	117	144	130
Occupational Extension FTE, James Sprunt	89	107	132

\* For comparative purposes, included occupational FTE figures for the five smallest community colleges for the past three years. There are some inherent differences in the community college figures and Center figures. The relative data is not extracted from the exact time periods and the Center figures did include some FTE generated by high school students through a contractual arrangement; however, the figures do provide a rough relative determination of classes offered through occupational extension.

- A site visit to the Hosiery Technology Center was beneficial. President Dunbar, Dan St. Louis (the Director), and the Catawba Valley Community College staff were quite helpful. Note related recommendations below.

Based on the site review, five recommendations were noted and are discussed below.

**Recommendations:**

- Based on the review and discussion with Hosiery Technology Center staff, the following suggestions are offered:

The focus of the Hosiery Technology Center has changed the past year or two. Prior to this point, the services offered to the hosiery industry consisted of approximately 80% training and 20% support services. Now, the services offered are essentially reversed. That is, the Center is offering 80% support services and 20% training. The Hosiery Center Director continued, "if we 'sit back' and do just training rather than marketing for the industry, R&D, etc. there wouldn't be anybody left to train." Based on this rather telling statement, I suggest NCCATT consider adjusting their program services mix accordingly. Such a change in focus would still be consistent with the NCCATT mission statement.

Adopting an emphasis change as described above would, in my view, assist the textile industry where they need it the most- adapting to the rapidly changing global market economy. In my view, an indirect benefit by reducing the extent of classroom training to the general public would be to reduce the perception that the Center is offering duplicate classes provided by the local community college. In addition, the Center should review those classes which would most likely be perceived as duplications, and eliminate offering them to the general public. For example, eliminate general computer classes offered on-campus to the general public which is also offered extensively at Gaston College. Also, I suggest that the Center seek areas which the Center and Gaston College can cooperate to meet Gaston County educational needs most effectively. A regular meeting between the respective deans of continuing education would be a good beginning point to start coordination efforts.

The Hosiery Technology Center staff noted that special legislation was passed which allowed the Center to retain receipts obtained through product testing. This allowed the Center more year-to-year budget continuity and afforded them the opportunity to purchase additional equipment and hire additional staff due to increased demand for their services. It is suggested that special legislation also be considered for NCCATT for the same reasons.

Perhaps an updated application of the "Center of Excellence" concept without degree overtones should be explored. Both the Hosiery Center and the Textile Center appear to be meeting a need their respective industries desperately need, and both working outside the usual community college model. Ways should be explored to give them the necessary tools to fulfill their unique missions within reasonable policy parameters.

The Center response concurred that adjusting the program services mix as defined by the current mission statement and driven by goals established by the Critical Success Factors, based on market demand would be appropriate. Further, the Center response emphasized the continuing commitment to provide services to organizations requesting assistance.

- Legislation adopted in 1991 gave the Community College System Office administrative oversight responsibilities. The System Office conducts annual program audits for each community college. No similar program audit has been conducted at the Center from 1991 to current. The System Office should consider such an audit in the future. The current program audit application would need to be adjusted to fit the Center's mission.

- Legislation dealing with the Center is rather broad. To my knowledge, there is only one Center reference in the Policy Manual for Community Colleges. A legislative and policy analysis that takes into consideration the uniqueness of the Center should be undertaken.

The Center offered, "Special legislation is not required since additional funding could be provided by adjusting anticipated receipts."

The Center further responded, "...we do not receive any county or local funding." In addition, it was suggested that any increase in projected receipts should be based on a formal methodology to obtain a projection. The complete mission statement of the Center is provided as Attachment Number Three.

- The Center does not systematically submit student, class, and other relevant data electronically to the System Office. The System Office and the Center should study this aspect so that the System Office has ready access to Center data similar to the data that is submitted to the System Office by the member community colleges. The Center responded that relevant data is currently tracked via Critical Success Factors as provided in Attachment Number Four.
- The Center utilizes a Monday through Thursday, 40-hour schedule year-round. Although this schedule may promote some efficiency, the facility could be used more extensively on Fridays. The Center staff and Board should revisit this aspect to determine the most appropriate schedule to maximize both usage and efficiency. The Center response detailed "usual hours of operation are from 7:30 am to 9:00 pm Monday through Thursday, and 7:30 am to 1:00 pm on Friday. We may adjust these hours for operating efficiencies during the summer quarter, as well as extend these hours to meet training and facility utilization requests."

The cooperation of the president and staff during the course of the audit was appreciated.

FINAL SUBMITTED BY:

Glynda Lawrence

Audit Dates:

August 12 - 22, 2003 (conducted by Dr. Bill Cole)

## **ATTACHMENT NUMBER ONE**

### **N. C. Center for Applied Textile Technology Historic Capsule of NC Center for Applied Textile Technology**

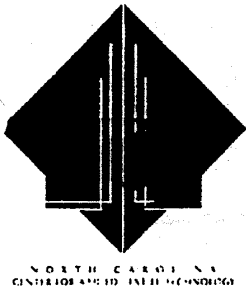
- 1941 Legislation Passed authorizing School
- 1943 School began
- 1945 School began awarding certificates and diplomas to graduates
- 1972 Administratively attached to Dept. of CC (appears DCC used for fiscal purposes only). Local Board of Trustees provided governance.
- 1973 School awarded its first Associate Degree
- 1991 Legislation adopted giving the CC System Office broader administrative responsibility over the Center
- 1991 Legislation changes name of school to NC Center for Applied Textile Technology
- 1991 System Office and School begin initiative to make the School one of the "Centers of Excellence" consistent with late 1980's "Commission on the Future" report
- 1996 Consistent with "Centers of Excellence" initiative noted above, Center begins accreditation process
- 1996 State Board raises questions about Center's request for \$25,000 to begin initial accreditation process. Center withdraws request.
- 1997 - State Board determines that since the Center can not be accredited (note prior item), Center must partner with other colleges in order to offer Associate Degree, e.g.,
- 1997 - Center offer textile courses and partner college offer general education, and partner college actually award the degree.
- 1997 - State Board directs System Office to develop a Task Force of System Office staff and CC presidents to review Center's mission and status.
- 1998 - Task Force recommends 1) Against "Center of Excellence" status, 2) Against seeking SACS accreditation, and 3) Center could seek other accreditation bodies and partner with colleges to offer curriculum programs
- 1998 - Center initiates relationship with Sandhills CC and Vance-Granville CC to offer joint program and approximately 15-20 students received degrees; however, accreditation issues persisted and the joint program effort was phased out.
- 1999 to current Due to above factors, Center made decision to offer only non-credit continuing education courses as well as technical support and consultation services.

**ATTACHMENT NUMBER TWO**  
**N.C. Center for Applied Textile Technology**  
**SUMMARY OF CLASS VISITS FOR FY 2003 - 2004**

**CONTINUING EDUCATION**

<u>Class</u>	<u>Instructor</u>	<u>Location</u>	<u>Date of Visit</u>	<u>Students Enrolled</u>	<u>Attendance at Time of Visit</u>
Beg.Spreadshs	Quinones	Campus	8/18/03	8	6
Guid.Cuft Res	Hopper	Pharr Yarns	8/19/03	10	9
Fund.of Electrs	W.Rankin	Pharr Yarns	8/19/03	2	2
Superv.Fund.	Thomas	Campus	8/20/03	2	2
HTML	Estridge	Campus	8/20/03	6	6

**Total CE Class Visits/Program Reviews to Date: 5**



## **Mission**

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The mission of The North Carolina Center for Applied Textile Technology is to provide educational and training programs for occupational preparation and skills upgrading for the textile industry and others.

The Center will provide these programs statewide or in cooperative arrangements with other institutions and agencies in North Carolina. Programs will be offered in other states and/or internationally as resources permit on a full cost recovery basis.



Center for  
International Trade Technology

# Mission (continued)

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The Center accomplishes this mission through:

- Training and Continuing Education Programs
- Technical Assistance Services (Consultation, Product Evaluation and Testing, etc.)
- Business Support Services (Needs Analysis, Program Development, Employee Assessment, etc)



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## SCHEDULE 1

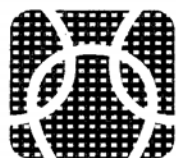
### Schedule of payments for courses taught by the President of the NC Center for Applied Textile Technology July 1, 1998 through December 31, 2003

<u>INSTITUTION</u>	<u>YEAR</u>	<u>SEMESTER</u>	<u>COURSE</u>	<u>SECTION</u>	<u>COURSE START DATE</u>	<u>COURSE END DATE</u>	<u>DAYS TAUGHT</u>	<u>CLASS START TIME</u>	<u>CLASS END TIME</u>	<u>AMOUNT OF PAYMENT</u>
UNC-C	2003	Fall	FINN 3120	004	8/26/2003	12/11/2003	Saturday	9:00am	12:00pm	
UNC-C	2003	Fall	FINN 3120	900	8/26/2003	12/11/2003	Tues/Thurs	12:30pm	1:50pm	
UNC-C	2003	Fall	FINN 3225	001	8/26/2003	12/11/2003	Tues/Thurs	3:30pm	4:50pm	
UNC-C	2003	Fall	FINN 3226	001	8/26/2003	12/11/2003	Tues/Thurs	2:00pm	3:20pm	\$ 14,850.00
UNC-C	2003	Summer 1	FINN 3120		5/28/2003	7/2/2003	Mon/Thurs	5:45pm	9:05pm	
UNC-C	2003	Summer 1	FINN 3222		5/28/2003	7/1/2003	Mon- Fri.	3:00pm	4:30pm	8,000.00
UNC-C	2003	Summer 2	FINN 3225		7/7/2003	8/11/2003	Mon- Fri.	8:00am	9:30am	
UNC-C	2003	Summer 2	FINN 3120		7/7/2003	8/11/2003	Mon/Thurs	5:45pm	9:05pm	
UNC-C	2003	Summer 2	FINN 3120		7/7/2003	8/11/2003	Mon- Fri.	9:45am	11:00am	12,000.00
UNC-C	2003	Spring	FINN 3222	090	1/13/2003	5/2/2003	Tues/Thurs	3:30pm	4:50pm	
UNC-C	2003	Spring	FINN 3226	001	1/13/2003	5/2/2003	Tues/Thurs	5:00pm	6:20pm	8,250.00
UNC-C	2002	Fall	FINN 3120	900	8/24/2002	12/7/2002	Saturday	8:00am	11:00am	
UNC-C	2002	Fall	FINN 3222	001	8/20/2002	12/5/2002	Tues/Thurs	2:00pm	3:20pm	
UNC-C	2002	Fall	FINN 3226	001	8/20/2002	12/3/2002	Tues/Thurs	3:30pm	4:50pm	
UNC-C	2002	Fall	FINN 3226	090	8/20/2002	12/5/2002	Tues/Thurs	5:00pm	6:20pm	14,700.00
UNC-C	2002	Summer 1	FINN 3120		5/23/2002	5/27/2002	Mon- Fri.	3:00pm	4:30pm	
UNC-C	2002	Summer 1	FINN 3222		5/23/2002	5/27/2002	Mon- Fri.	1:15pm	2:45pm	6,890.00
UNC-C	2002	Summer 2	FINN 3120		7/1/2002	8/6/2002	Mon- Fri.	8:00am	9:30am	
UNC-C	2002	Summer 2	FINN 3120		7/1/2002	8/6/2002	Mon- Fri.	9:45am	11:15am	
UNC-C	2002	Summer 2	FINN 3222		7/1/2002	8/5/2002	Mon/Thurs	5:45pm	9:05pm	10,335.00
UNC-C	2002	Spring	FINN 3222	001	1/10/2002	5/7/2002	Tues/Thurs	8:00am	9:20am	
UNC-C	2002	Spring	FINN 3226	001	1/10/2002	5/2/2002	Tues/Thurs	9:30am	10:50am	9,900.00
UNC-C	2001	Fall	FINN 3222	001	8/21/2001	12/6/2001	Tues/Thurs	3:30pm	4:50pm	
UNC-C	2001	Fall	FINN 3222	090	8/21/2001	12/4/2001	Thursday	6:00pm	8:50pm	
UNC-C	2001	Fall	FINN 3226	001	8/20/2001	12/7/2001	Mon/Wed/Fri	8:00am	8:50am	14,625.00

**Schedule of payments for courses taught by the President of the NC Center for Applied Textile Technology  
July 1, 1998 through December 31, 2003**

<u>INSTITUTION</u>	<u>YEAR</u>	<u>SEMESTER</u>	<u>COURSE</u>	<u>SECTION</u>	<u>COURSE START DATE</u>	<u>COURSE END DATE</u>	<u>DAYS TAUGHT</u>	<u>CLASS START TIME</u>	<u>CLASS END TIME</u>	<u>AMOUNT OF PAYMENT</u>
UNC-C	2001	Summer 1	FINN 3120				Mon/Tues/Thurs	3:00pm	4:30pm	
UNC-C	2001	Summer 1	FINN 3222				Mon/Thurs	5:45pm	8:15pm	6,300.00
UNC-C	2001	Summer 2	FINN 3120		6/28/2001	8/3/2001	Mon/Tues/Thurs	3:00pm	4:30pm	
UNC-C	2001	Summer 2	FINN 3120		6/28/2001	8/6/2001	Mon/Thurs	5:45pm	8:15pm	6,300.00
UNC-C	2001	Spring	FINN 3120	001	1/10/2001	5/4/2001	Mon/Wed/Fri	8:00am	8:50am	
UNC-C	2001	Spring	FINN 3222	001	1/10/2001	5/2/2001	Mon/Wed/Fri	9:00am	9:50am	
UNC-C	2001	Spring	FINN 3800	003	Independent Study for No Additional Hours					9,750.00
UNC-C	2000	Fall	FINN 3120	002	8/21/2000	12/13/2000	Mon/Wed/Fri	8:00am	8:50am	
UNC-C	2000	Fall	FINN 3222	001	8/21/2000	12/8/2000	Mon/Wed/Fri	9:00am	9:50am	9,750.00
UNC-C	2000	Summer 1	FINN 3120		5/25/2000	6/30/2000	Mon- Fri.	3:00pm	4:30pm	
UNC-C	2000	Summer 1	FINN 3120		5/25/2000	6/30/2000	Mon/Thurs	5:45pm	8:15pm	6,300.00
UNC-C	2000	Summer 2	FINN 3120		7/6/2000	8/8/2000	Mon/Thurs	5:45pm	8:15pm	3,150.00
UNC-C	2000	Spring	FINN 3224	001	1/12/2000	5/3/2000	Mon/Wed/Fri	12:00pm	12:50pm	3,150.00
UNC-C	1999	Fall	FINN 3120	004	8/23/1999	12/8/1999	Mon/Wed.	3:00pm	12:50pm	3,150.00
UNC-C	1999	Fall	MGMT 3240				Tues/Thurs	12:30pm	1:50pm	3,150.00
UNC-C	1999	Summer 1	FINN 3120		5/27/1999	6/30/1999	Mon- Fri.	8:00am	9:30am	3,050.00
UNC-C	1999	Summer 2	FINN 3120		7/6/1999	8/9/1999	Mon- Fri.	12:00pm	1:30pm	3,050.00
UNC-C	1999	Spring	FINN 3120	003	1/13/1999	5/5/1999	Mon/Wed/Fri	10:00am	11:00am	
UNC-C	1999	Spring	FINN 3120	004	1/13/1999	5/5/1999	Mon/Wed/Fri	11:00am	12:00pm	6,100.00
UNC-C	1998	Fall	FINN 3120	090	8/27/1998	12/27/1998	Thursday	6:00pm	9:00pm	3,050.00
Belmont-Abbey	2000	Fall	BU 401	01	8/22/2000	12/18/2000	Tues/Thurs	8:10am	9:25am	
Belmont-Abbey	2000	Fall	BU 404	01	8/22/2000	12/18/2000	Tues/Thurs	9:35am	10:50am	3,000.00
Belmont-Abbey	2001	Fall	BU 401	01	8/21/2001	12/19/2001	Mon/Wed/Fri	9:10am	10:00am	1,500.00
Belmont-Abbey	2001	Spring	BU 404	W	1/12/2001	5/14/2001	Friday	6:00pm	8:45pm	1,500.00
Belmont-Abbey	2002	Spring	BU 300	01	1/8/2002	5/13/2002	Mon/Wed/Fri	9:10am	10:00am	1,500.00
TOTAL PAYMENTS:										\$173,300.00

**RESPONSE FROM THE CHAIRMAN OF THE NORTH CAROLINA CENTER FOR APPLIED TEXTILE  
TECHNOLOGY BOARD OF TRUSTEES**



**PARKDALE**

P.O. DRAWER 1787  
GASTONIA, NC 28053  
704-874-5000

March 16, 2004

Mr. Ralph Campbell, Jr. CPE  
Office of the State Auditor  
2 S. Salisbury Street  
20601 Mail Service Center  
Raleigh, NC 27699-0601

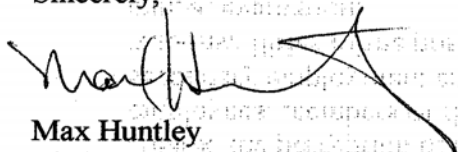
Dear Mr. Campbell:

In response to the special review of the North Carolina Center for Applied Textile Technology, I offer the following response:

1. We accept the finding that the president's secondary employment may have created the perception of a conflict. It should be noted that in addition to the employees, members of the Board of Trustees do not feel that the president's secondary employment created any adverse effect in carrying out the responsibilities of the position. This was reflected in the results of the president's annual evaluation.
2. For clarification purposes, it should be pointed out that records at the Center indicate the president's total hours (hours worked plus leave) were always forty or more during the normal operating hours of the institution (i.e., 7:30 a.m. to 9:00 p.m.)
3. Corrective action will be taken to amend the institution's current secondary employment policy to require that any secondary employment request submitted by the president will be voted on by the entire Board of Trustees and the results of that vote will be reflected in the Board minutes. The president has ceased all secondary employment activities.

We appreciate the thoroughness of your staff and their efforts during this review.

Sincerely,

  
Max Huntley  
Chairman, Board of Trustees



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Director, Fiscal Research Division

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April 6, 2004

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