

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: JOINT MEETING - COMMUNITY COLLEGE & FINANCE

DATE: JULY 23, 2007

COMMUNITY COLLEGE COMMITTEE	OTHERS PRESENT:
MEMBERS PRESENT:	REPRESENTING ADIRONDACK COMMUNITY COLLEGE:
SUPERVISORS CHAMPAGNE	DR. HEACOCK, PRESIDENT
SHEEHAN	WILLIAM LONG, VICE PRESIDENT FOR
STEC	ADMINISTRATIVE SERVICES
TESSIER	BETSY RABIDA, DIRECTOR OF FINANCIAL SERVICES
GABRIELS	KEVIN RIELLY, DIRECTOR OF STUDENT ACCOUNTS,
	BUSINESS & OPERATIONAL SERVICES
FINANCE COMMITTEE MEMBERS PRESENT:	ACC FACULTY
SUPERVISORS MONROE	ACC TRUSTEES
BENTLEY	WILLIAM THOMAS, CHAIRMAN
	HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE &
FINANCE COMMITTEE MEMBERS ABSENT:	FISCAL SERVICES
SUPERVISORS BELDEN	JOAN SADY, CLERK OF THE BOARD OF SUPERVISORS
O'CONNOR	SUPERVISOR CAIMANO
VANNESS	MEMBERS OF THE WASHINGTON COUNTY BOARD OF
KENNY	SUPERVISORS
	AMANDA ALLEN, LEGISLATIVE OFFICE SPECIALIST

Mr. Champagne called the joint meeting of the Community College and Finance Committees to order at 2:00 p.m. in the Bishop Conference Room at the Scoville Learning Center.

Privilege of the floor was extended to William Long, Vice President for Administrative Services, who distributed copies of the ACC (Adirondack Community College) 2007-2008 Proposed Operating Budget, a copy of which is on file with the minutes.

Mr. Long thanked everyone for their attendance and he noted that in previous years they had tried to hold more meetings with the Counties (Warren and Washington) than they had this year in preparation of the proposed operating budget. He explained that they had been unable to hold such meetings because of the Banner Initiative implementation currently under way and he apprised that Betsy Rabida, Director of Financial Services, and Kevin Rielly, Director of Student Accounts, Business & Operational Services, and their staff had been training on the budget at the same time it had been created, which was no small task. Mr. Long stated that the budget process had been quite a chore and he advised that it would be done differently for the next year to give the Counties more timely information.

Mr. Long apprised that once all of the budget requests had been received, meetings were held to pare down the requests and two subsequent meetings had been held with the Board of Trustee's Finance Committee to update them on the proposed budget. He said that this meeting was the next step in the process and was for informational purposes only. Mr. Long noted that the information presented to the Counties was identical to what would be presented to the Board of Trustees at their meeting scheduled for July 26th. He said that if everything went well at that meeting, he would contact each County to determine if additional meetings between the Community College and Finance Committees would be necessary and if so, they would prefer that a meeting for public comment be scheduled within the month of August.

Mr. Long proceeded with a powerpoint presentation of the 2007-2008 ACC Proposed Operating Budget, documentation of which was distributed at the start of the meeting. During the presentation he briefly summarized each portion of the proposed budget, noting that non-discretionary expenses had decreased by .62% from the prior years budget request. Mr. Long explained that this decrease could be attributed to retirements that had occurred two years prior for which they had anticipated the savings that were now being realized. In addition, he noted, the Banner Initiative figures were down \$183,000 and one of the contributing factors to that was the decision made to institute a ban instead of bonding at the suggestion of Paul Dusek, Warren County Attorney, who felt that it was a better decision to delay the bonding for the time being.

Moving to the next portion of the presentation, Pass Throughs (Increased Expenses due to Increased Revenues), Mr. Long reminded the Committee that this sections expenses were offset by corresponding revenues making them neutral; however, the total for this section had increased by 1.07% over the previous year.

Mr. Champagne asked what the reason for the \$110,139 increase in technology fee expenses was and Ms. Rabida explained that a good portion of the increase was due to the fact that distance learning fees had been included in the technology fee expense total for 2007-2008, as noted in the budget breakdown.

Mr. Long stated that the next section of the request reflected Discretionary Expenses, such as wages, fringe benefits and equipment and software costs which had increased by 2.49% from the 2006-2007 budget request.

Mr. Caimano noted that the wages portion of the report reflected an increase of \$360,957 and he asked if this was due to increased salaries. Ms. Rabida replied in the negative and she explained that the additional funding was sought as the result of increased staffing. Mr. Champagne asked if increased staffing was necessary due to the reports of decreased enrollments and Ms. Rabida replied that a portion of the requested amount was intended to fund the position of an athletic trainer, which was newly mandated by the State, as well as to fund student staffing positions as minimum wage was increasing. She noted that they had under budgeted for the summer staffing positions in the previous years budget and additional funding was needed to cover that deficit also. In addition, funding for the newly created position of Humanities Technical Instructor was also included, Ms. Rabida apprised. In essence, she said, the increase would cover several small pieces of their operation requiring additional funding.

Mr. Caimano questioned the percentage figures listed in the report, stating that he felt they should be much higher and Ms. Rabida explained that this was because the figures were intended to represent the percent of the budget represented by each section.

Discussion ensued.

Mr. Long proceeded with the Budget Expenditures portion of the 2007-2008 proposed budget request, noting that personnel costs had risen by 4.01% due to increases in salaries and staffing, while the estimated costs of benefits had decreased by 1.15%. He apprised that equipment and software costs had also decreased by 6.21% and under the 'other' category, containing items such as printing and advertising, educational supplies and dues, fees and subscriptions, there had been a 5.88% increase. Mr. Long stated that an overall increase of 2.94% had been derived for the total operating expenditures.

Moving to the Budget Revenues portion, Mr. Long explained that State revenues received would increase

by 5.71%, although student tuition would also increase. He stated that this was something they needed to discuss more in depth in the future to avoid such increases in tuition. The non-sponsor's share, tuition for non residents, and chargebacks were projected to decrease by 16.43%, Mr. Long advised. He noted that these figures did not account for any application of the fund balance, which was a goal they had been trying to reach for some time. The total revenue increase anticipated for the 2007-2008 term was 2.94%, Mr. Long stated.

Mr. Payne asked what the loss in chargebacks could be attributed to and Mr. Long explained that the number was formula driven and when additional monies were received from the State it caused the chargebacks to decrease. Mr. Rielly clarified that the chargeback figure was based on the local share which had a direct effect on tuition revenue. By not increasing tuition during the 2008-2009 term, the local share would be enforced and the chargeback rate increased, he added.

When asked for the reason behind the increase to the sponsor's cash (County contributions), Mr. Rielly explained that these contributions were received on a calendar year basis by July of each year. He explained that part of that amount was referred to the next fiscal year and resulted in what they called a 'Sponsors Advance' which had to be accounted for to match the revenue during the time period covered. Given this explanation, Mr. Champagne asked why the payment needed to be made in July if it was not going to be booked until the following year and Mr. Rielly replied that he was unsure of the reason behind the payment schedule. Mr. Champagne stated that this matter should be studied further and Mr. Caimano agreed. Mr. Caimano apprised that in 2007 Warren County had ceased making such payments to the High Schools, noting that if funding was needed it could be requested of the County; however, it would no longer be advanced for anticipated use. He said that the same statute might be taken with ACC. Mr. Champagne stated that the County budget was getting more constrictive by the year and it did not make sense to give money to ACC for anticipated use if it could remain with the County pending ACC's need for it. He added that if ACC was holding a large amount of County funding for anticipated use then the Counties should benefit from the interest generated from these funds. Mr. Caimano stated that he would like the opportunity to discuss this matter further as it had been found that very few Counties were continuing the use of fund balances for this reason.

Mr. Long stated that he had received a SUNY (State University of New York) document, not a regulation, which stated that ACC should carry a fund balance of at least 5-15% of its operating costs and this factor should be a part of their conversations. Mr. Caimano replied that he did not feel this was accurate because he did not believe it was documented that a certain amount should be held for surplus purposes.

Discussion ensued with respect to the matter.

Completing the review of the ACC 2007-2008 Proposed Operating Budget, Mr. Long advised that the final page of the packet distributed included several charts reflecting ACC's performance as far as enrollment and student outcomes, financial and staffing for the group to review at their leisure.

Mr. Long advised that a meeting would be scheduled to discuss the schedule for payments made by the Counties to ACC and the fund balance. Mr. Caimano noted that if the matters with the fund balance could be settled this year, maybe in next years discussions they could discuss coming closer to the local share desired of 26.7%.

When asked how the local share of costs was derived, Mr. Rielly explained that the figure consisted of the funds left over after subtracting the Federal share, State share, tuition and other revenues, leaving only the chargeback revenue, double tuition component (charged to out-of-state students), sponsors contributions

and applied surplus. He noted that it would be favorable for the local share amount to be in the 30% range so that if revenues were made it would reduce the local share to the desired 26.7%. Mr. Rielly advised that in prior years he had held the sponsors fund balance in separate CD's (Certificate of Deposit), the interest from which was recorded back into the fund balance. However, he said, this practice was no longer allowed except in the event that the local share was 26.7% or higher and that was the advantage to this percentage. He said that he would like to get back to that practice in order to benefit from the interest income available.

Discussion ensued.

Mr. Long reiterated that the proposed budget would be presented to the ACC Board of Trustees on July 26th and subsequently another meeting of the Community College and Finance Committees would be required. Joan Sady, Clerk of the Warren County Board of Supervisors, replied that this was correct as they would need to set a public hearing before the budget could be approved. Mr. Caimano stated that discussion with respect to the fund balance would need to be held prior to the next joint meeting; however, he stated, he felt that the proposed budget had been very responsibly developed. Mr. Long noted that although they would certainly discuss the matter, any changes made to the fund balance would affect the formula used to develop the budget, and therefore the budget itself.

Mr. Monroe asked what their target was for the fund balance and Mr. Long replied that the minimum would be 5-15% as per general accounting principals and SUNY documentation. He said that he had not done the math to determine the exact dollar amounts represented by those percentages because they did not have the exact amount of the fund balance as evidence of the true-up had not been received.

Discussion ensued during which Dr. Heacock, ACC President, advised the group of his experiences with fund balance practices used at the other academic facilities.

Mr. Caimano noted that in prior years they had discussed the costs of repairing the parking lots at ACC and he asked if the matter had been addressed by the ACC Board of Trustees to possibly develop a means for raising funds for these repairs. Mr. Long stated that this was a matter that needed to be discussed with Dr. Heacock in more detail, as well as the Board of Trustees. Dr. Heacock apprised that he had worked at other facilities which charged a fee for parking to offset repair costs. Mr. Champagne advised that because the institution of parking fees was general practice at many colleges, it was only natural that they should be implemented at ACC. Dr. Heacock advised that they could certainly discuss the matter.

As there was no further business to come before the Committees, Mr. Champagne adjourned the meeting at 2:51 p.m.

Respectfully submitted,
Amanda Allen, Legislative Office Specialist