

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: JOINT - COMMUNITY COLLEGE AND FINANCE

DATE: JUNE 29, 2012

COMMUNITY COLLEGE COMMITTEE MEMBERS PRESENT:

SUPERVISORS STRAINER
DICKINSON
MCDEVITT
WESTCOTT

OTHERS PRESENT:

REPRESENTING ADIRONDACK COMMUNITY COLLEGE:

DR. RONALD HEACOCK, PRESIDENT
WILLIAM LONG, VICE PRESIDENT OF ADMINISTRATIVE SERVICES
DARI NORMAN, EXECUTIVE ASSISTANT TO THE PRESIDENT
MEMBERS OF THE BOARD OF TRUSTEES
LAWRENCE PALTROWICZ, ESQ.

COMMUNITY COLLEGE COMMITTEE MEMBER ABSENT:

SUPERVISOR VANSELOW

JOANN MCKINSTRY, ASSISTANT TO THE ADMINISTRATOR

DANIEL G. STEC, CHAIRMAN OF THE BOARD

JOAN SADY, CLERK OF THE BOARD

KEVIN GERAGHTY, BUDGET OFFICER

FINANCE COMMITTEE MEMBERS PRESENT:

SUPERVISORS THOMAS
TAYLOR
WOOD
KENNY

REPRESENTING WASHINGTON COUNTY:

KEVIN HAYES, ADMINISTRATOR

DEBRA PREHODA, CLERK OF THE BOARD

MEMBERS OF THE BOARD OF SUPERVISORS

HEATHER WELLER, GIS SPECIALIST

BILL MCCARTY, DIRECTOR OF REAL PROPERTY TAX SERVICES

AMANDA ALLEN, DEPUTY CLERK OF THE BOARD

FINANCE COMMITTEE MEMBERS ABSENT:

SUPERVISORS SOKOL
MONROE
BENTLEY
MERLINO
CONOVER

The joint meeting of Warren and Washington Counties Community College and Finance Committees was called to order at 10:00 a.m. in the Bishop Community Conference Center (BCCC).

Agendas were distributed to all Committee members, a copy of which is on file with the minutes.

Following introductions, Dr. Ronald Heacock, SUNY (State University of New York) Adirondack President, stated the purpose of today's meeting was to present the tentative 2012 - 2013 Operating Budget and he noted it was approved by the Board of Trustees (BOT) on June 28, 2012. Dr. Heacock expressed that a 3% increase was requested from the Counties, as a flat budget was not feasible. He referenced the comparison sheet which reflected tuition rates and fund balances for Community College's and he noted SUNY Adirondack's tuition was ranked 22nd out of 30. Maintaining affordability, he stated, was a key objective and he advised the 3% request included the construction of a new extension center in Wilton to attract Saratoga County students. Dr. Heacock said careful analysis indicated that any figure of less than 3% would not be in the best interest of the College in light of reductions in State funding.

William Long, Vice President of Administrative Services, summarized the Highlights of the 2012 - 2013 Operating Budget which included: Total Operating Budget Comparison, Proposed Budget Increase Detail, Full-Time Equivalent (FTE), Tuition Rate, State Aid, Sponsor's Contributions (Warren County increase of \$63,212; Washington County decrease of \$17,308), Non-Sponsors Contributions (Chargeback Rate), Personnel and Equipment & Software. The Budget presentation also included an Expenditures, Revenues, and Fund Balance report.

With regard to Personnel, Dr. Heacock explained that the current Vice President for Academic Affairs handled both Academic and Student Affairs, and a new Dean of Academic Affairs was needed to directly manage academic affairs which had not been effectively addressed for several years due to the lack of staff. The second Personnel change, he advised, was the addition of a Recruiter in Enrollment Management whose recruitment efforts would include student housing.

Pertaining to Equipment & Software, Mr. Long pointed out a 5.61% decrease in expenses for 2012-2013. He advised that reductions had been made and additional reductions would not be sustainable; therefore, he said, the college would continue to seek alternative solutions moving forward.

Referencing the Budget Revenues summary, Mr. Long noted a 4.08% increase in Grants and Other Income, and an 11.77% increase in State Revenues. Mr. Long reported 2011 - 2012 Estimated Actual Revenues and 2012 - 2013 Budget Revenues (Chargebacks) to be \$1.7 and \$1.8 million, respectively. He said any increased enrollment from the Wilton expansion would have a positive effect on the current budget as figures were based on flat enrollment rates.

Mr. Long noted the Fund Balance was intended for unanticipated expenses, such as the college's self-funded prescription drug benefit. He reported an Unrestricted Fund Balance of 5.67% for which SUNY guidelines recommended 10%.

Mr. Long encouraged Committee members to review the historical Summary of Charges to Sponsors through 2013 included with the agenda. The impact of economic conditions on contributions, he said, was evident in the report.

Lastly, Mr. Long noted a typographical correction was necessary for the State Aid Rate for 2012-2013 which was 2,272 (incorrectly listed as 2,122). He advised that SUNY Adirondack students tuition payments provided 50% of the operating budget and State guidelines for student contributions were set at 33.3%.

To better understand Functional Areas, Dr. Heacock provided an overview as follows:

Direct Student Support:

- Instructional (faculty)
- Academic Support (Library, etc)
- Student Services (Counseling , Advisement Admissions, Tutoring services, etc.)

Overhead:

- Maintenance
- General Administration
- General Institutional

Dr. Heacock explained the decrease under Student Services was due to non-recurring expenditures, such as a new Writing Center in 2011-2012, and he noted an increase in academic support services which was offset by reductions in other areas. He explained that overhead included computers and software exclusive of usage, and he pointed out adjustments in General Administration and General Institutional. Dr. Heacock apprised the State paid 45% of approximately \$1million in expenses for the current year which reflected a significant increase due to the Wilton and Culinary Arts Centers. In terms of added positions, Dr. Heacock noted that one administrative position (Director of Adventure Sports) was eliminated resulting in a total of one new position (Dean of Academic Affairs); however, he noted, the salary of the Adventure Sports Administrator was only a portion of that of the Dean. Enrollment Management, he said, would be expanded by adding a Recruiter to market the 400 bed student housing facility. Dr. Heacock advised that SUNY Adirondack had more faculty than other colleges of the same size which raised the quality of the institution.

In terms of tuition, Dr. Heacock reiterated that the college was 22nd among Community Colleges in terms of tuition rates and he pointed out that Hudson Valley Community College's tuition had increased and he felt that SUNY Adirondack had controlled tuition expenses better than other colleges. The challenge, he said, was SUNY's 33.3% student contribution directive and he noted the college was currently at 50% causing the need to eliminate other expenses. He said Sullivan County Community College was having significant difficulties as would a growing number of other community colleges. Housing, he said, was an additional revenue stream and Herkimer Community College (HCC) had a fund balance close to \$6 million with a 600 bed facility. Reductions in overall size, he pointed out, would also necessitate reductions in offerings and services, and noted that SUNY Adirondack was the only choice for many area students due to cost and the need to utilize remedial educational services. Dr. Heacock asserted that throughout economic fluctuations, the role of higher education remained critical for the future of the region and he noted there was evidence supporting the diametric correlation between education and social welfare needs. He further stated that many businesses sought candidates with degrees and it was critical to influence high school students to that end.

Dr. Heacock advised of the College's ongoing need for financial support which had been held under 2%. If the counties could agree to a 1.5% increase per year for the next few years, he said, the college would continue to seek alternative ways to manage and operate in an optimum manner. He noted faculty wages were less than that of high school teachers and contributions for health care coverage were at 25%. Dr. Heacock invited Committee members to visit the Wilton Center.

Addressing the Culinary Arts Program, Dr. Heacock informed the addition of the Bay Road facility would enable the continuation and growth of the program and meal preparation for the student housing facility would take place there, as well. Looking ahead, Dr. Heacock advised it would be in the best interest of the college to purchase the satellite culinary arts facility upon termination of the lease.

Mr. Taylor asked if recruitment /enrollment at the Wilton expansion was in direct opposition to the lodging facility and Dr. Heacock stated it was not. He apprised that the lab facility would attract more students from the southern region of the County, and lodging would effect a larger radius to include southern New York State as well as New Jersey, and he added that Dutchess County Community College had filled their beds. Dr. Heacock further stated that the consultant study indicated that the Wilton lab would attract student enrollment, and the housing facility would further expand such growth.

Mr. McDevitt inquired about recent Legislation regarding increased funding for community colleges and Dr. Heacock advised that the State Assembly agreed to sustain funding, however; he said, the Senate had not agreed and would conduct further review of chargebacks prior to agreeing to a five-year SUNY plan. Additionally, he said, Part II of the study included remedial educational expenditures, and was expected to be complete this year. He advised the State's share of remedial education expenses was \$70 million per year for instruction for which some felt successful achievement should have been reached under high school instruction.

Responding to an inquiry pertaining to cooperative efforts with the Warren-Saratoga-Washington-Hamilton-Essex Board of Cooperative Educational Services (WSWHE-BOCES), Dr. Heacock stated the college had dialogued with BOCES regarding collaborative opportunities for program enhancement. The level of instruction, he said, was difficult to transfer to the college due to academic requirements. One example, he said, was the Nursing program for which BOCES offered a Licensed Practical Nursing (LPN) program and the college offered the Registered Nursing (RN) program, for which courses were not mutually transferrable. He said BOCES had referred students

to the college's culinary arts program and he pointed out that vocational training programs in States without a BOCES, were offered at community colleges. Given the educational level of some students, Dr. Heacock explained, it was not always in the best interest of the student to pull them from regular high school classes to attend BOCES courses. The College, he said, could offer the courses, as well as various developing stages of training throughout their careers, due to technological advancements, and to foster a life long appreciation for learning.

Kevin Hayes, Washington County Administrator, distributed information which included recommendations for calculating county shares of the SUNY Adirondack Budget; a copy of which is on file with the minutes. Mr. Hayes stated that fund balance discussions had prompted him to develop a proposal which would change the methodology used to calculate sponsor's shares, to create a five year blended average. The proposed method, he explained, would use actual five year figures to determine a blended number to be used for the current budget year. Each year, he noted, the oldest figure would be dropped and the newest actual figure would be incorporated to determine the five year blend for the new budget. This method, he said, would eliminate imbalances in contributions (sponsors share) between the two County's, and he felt the method was in the best interest of the college and both Counties. Mr. Hayes noted that "true-up" activities (recalculation based on actual enrollment) would no longer be necessary with the proposed method, as a percentage would be used in the budget process.

Chairman Stec asked Mr. Hayes if he had discussed the plan with Paul Dusek, County Administrator and Mr. Hayes stated he had not and he acknowledged the need for additional time for review.

Privilege of the floor was extended to Heather Weller, GIS Specialist for the Washington County Real Property Tax Services Office, who provided a powerpoint presentation on Student Enrollment in Washington County which included enrollment at SUNY Adirondack, as well as other Community College's, by town. She advised student addresses were used to compile the information which was based on 2011 enrollment, and noted a total of 940 SUNY Adirondack students were from Washington County.

Referencing Ms. Weller's presentation, Mr. Hayes noted Ms. Weller's GIS project presented a SUNY Adirondack internship opportunity which could be completed for both Counties. A discussion ensued with regard to the presentation and ensuing marketing opportunities for the college.

Motion was made by Mr. Dickinson, seconded by Mr. Westcott and carried unanimously to approve the minutes from the previous meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Lawrence Paltrowicz, Legal Counsel for SUNY Adirondack, who requested an executive session to discuss matters relating to the collective bargaining agreement for SUNY Adirondack educational support staff.

Motion was made by Mr. Dickinson, seconded by Mr. Westcott and carried unanimously to enter into executive session pursuant to Public Officers Law Section 105(e).

Executive session was declared from 11:23 a.m. to 11:43 a.m.

Committee reconvened and Mr. Long stated that if the budget were approved and referred to the Finance Committees, a Public Hearing would be set in July to be held in August, and the resolution would be presented for full Board approval in September.

Motion was made by Mr. Dickinson, seconded by Mr. McDevitt and carried unanimously to approve SUNY Adirondack's 2012 -2013 Operating Budget, and refer same to the Finance Committee. *A copy*

of the Proposed 2012 -2013 SUNY Adirondack Operating Budget is on file with the minutes.
Motion was made by Mr. Westcott, seconded by Mr. Dickinson and carried unanimously to approve the Collective Bargaining Agreement between SUNY Adirondack and SUNY Adirondack Educational Support Personnel, through August 31, 2014 and the necessary resolution was authorized for the July 20, 2012 Board Meeting.

Mr. Strainer advised that the information prepared by Mr. Hayes regarding a five year blended plan for sponsor contributions would be reviewed by the County Administrator.

Mr. Dickinson thanked Mr. Paltrowicz for his due diligence on behalf of Warren County.

As there was no further business to come before the Committees, on motion by Mr. Dickinson and seconded by Mr. McDevitt, the meeting was adjourned at 11:46 a.m.

Respectfully submitted,
Joanne Collins, Legislative Office Specialist