

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: JOINT MEETING OF THE COMMUNITY COLLEGE/FINANCE COMMITTEES

DATE: June 9, 2014

COMMUNITY COLLEGE COMMITTEE

MEMBERS PRESENT:

SUPERVISORS MCDEVITT
SEEBER
DICKINSON
WESTCOTT
BROCK

FINANCE COMMITTEE MEMBERS PRESENT:

SUPERVISORS MONROE
WOOD
KENNY
MERLINO
DICKINSON

FINANCE COMMITTEE MEMBERS ABSENT:

SUPERVISORS CONOVER
TAYLOR
SOKOL
FRASIER

OTHERS PRESENT:

REPRESENTING SUNY ADIRONDACK:

DR. KRISTINE DUFFY, PRESIDENT
ANN MARIE SOMMA, VICE PRESIDENT FOR ADMINISTRATIVE SERVICE
AND TREASURER
Karen Mosher, Administrative Assistant to Vice President for
Administrative Services
Larry Paltrowitz, Legal Counsel for SUNY Adirondack

PAUL DUSEK, COUNTY ADMINISTRATOR
JOAN SADY, CLERK, BOARD OF SUPERVISORS
FRANK THOMAS, WARREN COUNTY BUDGET OFFICER
KEVIN HAYES, WASHINGTON COUNTY ADMINISTRATOR
DEB PREHODA, WASHINGTON COUNTY CLERK OF THE BOARD
ALBERT NOLETTE, WASHINGTON COUNTY TREASURER
BRIAN CAMPBELL, WASHINGTON COUNTY BUDGET OFFICER
MEMBERS OF THE WASHINGTON COUNTY BOARD OF SUPERVISORS
SARAH MCLENITHAN, SECRETARY TO THE CLERK OF THE BOARD

Mr. McDevitt called the meeting of the Community College Committee to order at 1:05 p.m.

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

In the absence of both Committee Chairman Conover and Vice Chairman Taylor, Mr. Monroe called the Finance Committee meeting to order at 1:05 p.m.

Motion was made by Ms. Wood, seconded by Mr. Merlino and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Dr. Kristine Duffy, President, SUNY (State University of New York) Adirondack who distributed copies of the agenda to the Committee members; a copy of the agenda is on file with the minutes. Ms. Duffy advised prior to reviewing the proposed Budget for 2014-2015 she would like to review a brief power point presentation summarizing the strategic plan for the college for the time frame of 2014 through 2017; a copy of which is on file with the minutes.

Ms. Duffy apprised the bulk of the budget pertained to fixed costs for which they had no control, therefore; she said, how the budget related to the strategic plan was essential. She stated the colleges mission was to continue to support open access to students, as well as focus on the success of the students. She pointed out the following four directions were included in the plan which was adopted by the SUNY Adirondack Board of Trustees:

- I. Focus on learning and student success
- II. Create and sustain partnerships
- III. Pursue financial stability, efficient and effective operations, and planned growth
- IV. Maximize resources

Ms. Duffy advised the two areas that would be utilizing more resources within the proposed budget were improving completion rates and the number of graduates and improving outcomes for students in developmental courses. With regards to creating and sustaining partnerships, Ms. Duffy stated the more the college partnered with the key control and workforce partners the better the college would be situated to serve the communities. She said the focus on early college was a starting point to be able to provide more opportunities for high school students to experience college earlier, as well as connect them with the workforce during high school to assist them with selecting a suitable career path after completing high school. She apprised they worked in collaboration with Global Foundries, Irving Tissue, and other local manufacturing facilities to offer an early college program where students spent half of their day taking classes at SUNY Adirondack and the other half of the day at their high school. She noted when they graduated from high school students in the program would have up to 28 college credits, as well as an understanding and knowledge of the industry so they qualified for entry level manufacturing positions. She added they were looking into expanding the program, as well as offering a Cisco Networking Program at the Wilton campus in the fall of 2014.

In reference to the college-college partnerships on campus, Ms. Duffy apprised both SUNY Plattsburgh and Empire State College had satellite offices on the campus. She stated they were revisiting discussions with Paul Smith's College about how they can expand upon their partnership to offer programs related to the hospitality and tourism industry.

Ms. Duffy advised the next area concerned pursuing financial stability, efficient and effective operations and planned growth. She stated they would be expending more time and resources pursuing additional grants. She said she was awaiting an update as to whether they would be awarded the SUNY 2020 grant they had applied for and they were partnering with Community Colleges Statewide on a TAP Grant with a focus on advanced manufacturing and creating a national curriculum for a manufacturing technician or an electronics degree. She apprised they continued to look for opportunities to supplement some of the operating costs through grant funding to permit the day to day functions, as well as advance their capital facilities and offer new programs.

In reference to new program development, Ms. Duffy apprised the focus was on programs that were workforce ready for the community through degree programs, as well as short term certifications through the continuing education department. She said they were developing programs they felt the community would respond well to. She stated they needed to maximize the resources they had by attracting and retaining staff by offering professional development for the staff. Sustainability, she advised, referred to how they could continue to operate over time while factoring in the different demographic factors that related to the students they attracted. She said this included how they could attract different markets as they saw the decline in high school students across the northeast.

Ms. Duffy advised the graph on page 5 of the presentation consisted of enrollment trends from 2001 to what was projected in 2014. She said the formula they used to project future enrollment had been rather precise over the last ten years. She pointed out the proposed 2014-2015 Operating Budget was related to the projected enrollment during this time frame. She noted there had been a significant growth in SUNY Adirondack graduates from Washington County; however, she cautioned, they needed to be mindful that future projections indicated a decrease in graduates from both Warren and Washington Counties. She said they would be focusing more on adult learners to ensure the large percentage of undereducated adults or educated adults that required continuing education could enroll in programs at SUNY Adirondack.

Ms. Duffy requested Ann Marie Somma, Vice President for Administrative Services and Treasurer, Administrative Services, provide an overview of the proposed 2014-2015 SUNY Adirondack Operating Budget and answer any questions the Committee members may have. Ms. Somma

advised she had developed a short power point presentation regarding the financing of Community Colleges; a copy of which is on file with the minutes. She stated New York State Community Colleges had several funding sources that were regulated by the State Education Law. She explained the two revenue streams for community colleges were operating and capital. She apprised she would focus on the operating revenue stream since it related to the proposed Operating Budget.

The operating revenue stream, Ms. Somma apprised, consisted of several different sources of revenue, the first of which consisted of State revenue. She explained State Aid was granted to the college based on the FTE (full time equivalent) rate. Another source of revenue received from the State was Rental Aid, which was a set rate dependent upon how much square footage all of the Community Colleges State-wide submitted, she said. She stated this rate had remained relatively stable over the last few years, only decreasing by about two dollars.

Ms. Somma advised the next form of revenue was comprised of the Local Share. She said this consisted of not only Warren and Washington Counties sponsor cash but also non-sponsor's shares via chargebacks and the double tuition that was charged to non-residents, as well as the applied fund balance. She said the portion of the fund balance applied to the Operating Budget was considered the Local Share in the State Education Law formula for revenue.

The third form of operating revenue, Ms. Somma advised, consisted of student tuition. She said the revenue generated from student fees was counted separately in the State Education Law formula with the exception of the technology fee which was applied toward tuition. The last revenue stream, she stated, was grants such as Perkins, Upward Bound, Workforce Development, SUNY grants, etc. With regards to Capital Revenue Streams, she advised this consisted of the Local Share derived from County contributions and capital chargebacks, as well as State matching funds. She explained there was a 50% match provided by the State for whatever the amount submitted was.

The next page of the presentation consisted of the historical funding trends and the State Education Law Formula, Ms. Somma said. She explained the formula dictated that 33.3% of the funding should be derived from tuition, 40% originated from State Aid and 26.7% stemmed from the Local Share. She noted 2000-2001 was the nearest they had come to achieving this formula. She pointed out when the State Aid and the Local Share declined the tuition share increased, as there were no other funding sources available. She added any impact to any of the aforementioned sources would directly impact the others and added the only funding source they had control over was tuition. Brian Campbell, Washington County Budget Officer, questioned how they were able to bypass being compliant with the formula and Ms. Somma replied the SUNY Adirondack Board of Trustees voted each year to not be in compliance with the funding formula.

In reference to Local Sponsors Warren and Washington Counties, Ms. Somma advised because Washington County's FTE was increasing Warren County's FTE was decreasing. She said in the fall of 2013 there was a record 611 FTE from Washington County and 805 FTE from Warren County. A Washington County Supervisor asked whether this was how the sponsors contribution was calculated and Ms. Somma replied affirmatively. She explained each year when they were developing the budget they calculated what each County would owe as their portion of the Local Share by utilizing historical averages based upon the fall FTE. She continued at the end of the year they performed an internal reconciliation with actual figures through the Counties fund balance ownership. She pointed out State Education Law stated "Maintenance of Effort" which dictated if the Counties did not contribute an equal to or greater amount than the prior year, tuition and fees must decrease to 1/3 of the operating costs. She noted there was only one Community College Statewide that had this occur and they were struggling to continue to operate. She stated, she had included on the bottom of page 3 of the presentation the additional amount both Warren and Washington Counties would have been required to pay if they had not been a sponsoring County.

Ms. Somma apprised page 4 of the presentation consisted of how the resources were being allocated. She said according to the information derived from Fiscal Year 2012-2013 SUNY Adirondack's allocation of resources was in line with the other 29 New York State Community Colleges. She pointed out they spent slightly more on instruction and academic support; however, she said, their operating and maintenance costs were below that of the other institutions. She stated additional resources would be allocated in the proposed budget to replace some of the classroom furniture and update some of the maintenance areas, etc. Ms. Duffy interjected that while the Community Colleges all had similar definitions of what fell into certain categories because of nuances and the different ways of operating Community Colleges there were opportunities for each facility to have their own unique categories; however, she said, it provided a benchmark to use as a comparison.

With regards to the Fund Balance, Ms. Somma estimated their fund balance to be equal to about one months operating budget. She stated guidelines advised a community colleges fund balance should be equal to 2 months operating budget; however, she said, there were only 11 community colleges statewide that were able to achieve this. She added SUNY Adirondack's fund balance as a percentage of budget was ranked No. 19 out of the 30 community colleges statewide and 6 out of the 11 Community Colleges in the same peer group.

Commencing the proposed 2014-2015 Operating Budget review, Ms. Somma advised the proposed total Operating Budget was \$28,952,763, an increase of \$1,963,522 or 7.3% from the prior year. She said labor costs made up the bulk of the budget due to an increase in enrollment. She said the current projection for FTE was greater than what was included in the Budget.

Ms. Somma apprised 88% of the Budget was derived from personnel and benefit related costs. As previously discussed, she stated there were slight increases in academic equipment, other expenses and maintenance in an attempt to bridge the gap between SUNY Adirondack and other community colleges. In regards to FTE, the 2013-2014 Budget was based on 2,892; however, she said the estimated actual will be around 3,100. She pointed out the 2014-2015 proposed Operating Budget was based upon 3,032 FTE, which was a 4.8% increase from the previous year.

In reference to tuition, Ms. Somma stated the SUNY Adirondack Board of Trustees approved a 2.5% increase which equated to \$96 for full-time students and \$4 per credit hour for part-time. She noted SUNY Adirondack had the eighth lowest tuition of the thirty Community Colleges across the State. She added the college was educating their students at a rate of \$9,549 per student.

Ms. Somma stated Page 2 of the Budget consisted of a graph displaying the State Aid rate trend. She said they had hoped for a \$150 increase; however, she apprised, they were only awarded a \$75 increase which equated to \$2,497 per FTE. She explained this increase generated an additional \$227,000 in revenue in the Budget. She pointed out the amount of Rental Aid awarded was \$440,494, which was similar to the amount awarded the prior year. She noted the State Aid had not been restored to the amount that had been awarded in fiscal years 2007-2008, 2008-2009 and 2009-2010 of \$2,675 per FTE; however; she said, if this were to occur it would yield an additional \$540,000 in the Operating Budget.

Ms. Somma advised Page 3 of the Budget contained the proposed Sponsor and Non-Sponsor's contributions. She stated they were requesting a 2% increase from the County Sponsor's for a total contribution of \$1,854,699 from Warren County and \$1,376,948 from Washington County. She explained the increase for Warren County was \$2,076 and \$61,290 for Washington County. She noted \$75,000 of the College fund balance was also being applied to the Operating Budget.

With regards to the Non-Sponsor's contributions, Ms. Somma explained this referred to the chargeback rate. She said Saratoga County was the largest Non-Sponsor contributor to the college. She stated the rate was set by the New York State Education Law and was based upon the budgeted revenues. She noted the charge back rate was increasing from \$1,780 to \$1,940, which equated to a \$160 increase.

Ms. Somma apprised the pie chart on Page 3 displayed what the State Education Law dictated the formula should be for Community College financing and what SUNY Adirondack's actual financing percentages were. She stated the proposed Operating Budget required tuition to provide 50.24% of the funding, 28.81% derived from State Aid and 20.95% generated from the Local Share. She said the far right hand corner displayed what the change in percentages and dollar amounts contributed would be in order to be in compliance with the formula set by the State. A Washington County Supervisor questioned what the FTE would be for Sponsor contributions in comparison to the chargeback rate of \$1,940 and Ms. Somma replied the rate for Warren County would be \$1,920 and Washington Counties rate would be \$1,925.

Page 4 of the Budget, Ms. Somma advised contained a summary of the reason for the increase in Personnel and Benefit costs, as well as a breakdown of the additional equipment and software that would be purchased and their respective dollar amounts. She explained the increase in personnel costs was due to increased enrollment, faculty replacements and key positions were identified to be filled in order to meet the strategic objectives. She noted the increase in the cost of benefits was similar to that of both Counties. She noted 3.7% of the 7% increase for benefits was related to health care reform.

Ms. Somma stated the proposed Operating Budget included an increase of \$76,495 for equipment and software for a total amount of \$1,026,201. She advised the proposed purchases included were for banner and software initiatives, academic equipment, technology equipment and software, physical plant equipment and classroom equipment.

The remainder of the packet, Ms. Somma advised referred to the portion of the Budget that supported the executive summary portion. She said rather than review it line by line, as it was repetitive information she would entertain any questions the Committee members may have. Mr. Monroe asked for clarification on the amount of the increase for health insurance and benefits. Ms. Somma explained that although health insurance costs only increased by 7% the personnel and benefits cost comprised about 88% of the total Operating Budget. She pointed out since additional personnel were hired to account for the greater FTE the personnel and benefits costs increased substantially from the prior year.

Mr. Westcott queried how the difference that was not covered by the increase in tuition and sponsor contributions would be covered and Ms. Somma responded the increase in the FTE was where the additional funds would be generated from. A Washington County Supervisor cautioned the college should be mindful if enrollment decreased then the FTE would decrease, as well. Ms. Somma pointed out when they developed the Budget they tried to be attentive in the areas they felt required more attention and invest the additional FTE in them. She added if the FTE were to decline the personnel and benefits costs would decline, as well. A Washington County Supervisor noted more students from out of the area were enrolling there to make up for the decline in local high school students enrolling.

Mr. Westcott questioned where the student housing was referenced in the Operating Budget and Ms. Somma replied the student housing was not included in the Operating Budget, as it was not financed by the college. She explained that the financing for the housing was provided by the Student Faculty Association; however, she attributed the increased FTE to the student housing.

A Washington County Supervisor questioned what impact there would be should the college discontinue the program permitting high school students to earn up to 28 college course credits. Ms. Duffy responded that the program had no impact on their budget, as it was funded by grant funding and administered by the Washington-Saratoga-Warren-Hamilton-Essex Board of Cooperative Educational Services (BOCES). She said she felt it did not have a significant impact on preventing the participants from enrolling at the college after graduation, as it permitted them to take other courses they may not have had the time to enroll in. She stated studies showed that the high school students participating in such programs were less likely to enroll in college after graduating from high school had they not earned the credits during high school. She pointed out the early college program was geared towards the average student who was less likely to enroll in college after graduating from high school.

Mr. McDevitt questioned whether there were any disadvantages to the program and Ms. Duffy replied in the negative. She said the advantages of the program had far exceeded their expectations when they developed the program with BOCES. A Washington County Supervisor queried how high school students had the time to take their regular high school classes, as well as college courses. Ms. Duffy explained that the college course credits they earned were credited toward their high school diploma, as well. As an example, she stated, if they enrolled in a college math course the math credit they received would be applied to their high school math requirements, as well. Mr. Campbell asked what would happen should the grant funding no longer be offered and Ms. Duffy responded funding would be sought elsewhere. She pointed out there were proponents in the Legislature advocating that New York State TAP (Tuition Assistance Program) be utilized for programs such as this one; therefore, she said, TAP may be a source of funding utilized for the program, if necessary.

Ms. Seeber advised she taught distance learning courses in criminal justice to high school students for SUNY Delhi and noted these particular students paid tuition to the college. Ms. Duffy stated there was a larger program offered at the college to high school students at a reduced rate for tuition. A Washington County Supervisor questioned whether Ms. Duffy felt the program would expand to more than just the 18 students that were currently enrolled and Ms. Duffy replied affirmatively. She pointed out they were expanding the program in the fall to offer the Cisco Networking Program at the Wilton campus.

A Washington County Supervisor questioned whether the amount of sponsor contribution would be reduced if additional funds were generated from chargebacks and Ms. Somma replied in the negative. She explained should this occur more than likely the tuition rate would be reduced. She reminded the Committee because of the maintenance of effort regulation in the State Education Law the Local Share contributions would always remain greater than or equal to the previous years contribution. Ms. Duffy added it was necessary to exert every effort to stabilize and/or reduce tuition whenever possible.

Larry Paltrowitz, Legal Counsel for SUNY Adirondack, announced an executive session was necessary to discuss the collective bargaining contract with the SUNY Adirondack Support Staff.

On behalf of the Community College Committee, motion was made by Mr. Brock, seconded by Ms. Seeber and carried unanimously and on behalf of the Finance Committee motion was made by Mr. Dickinson and seconded by Mr. Merlino and carried unanimously to enter into executive session pursuant to Section 105 (e) of the Public Officer's Law.

Upon reconvening, motion was made by Mr. Brock, seconded by Mr. Dickinson and carried unanimously to approve the collective bargaining agreement with Adirondack Community College

Educational Support personnel commencing September 1, 2014 and terminating August 31, 2017 contingent upon adoption of a similar resolution by Washington County Board of Supervisors.

Mr. Monroe questioned the amount of the fund balance and Ms. Somma replied it was projected to be \$2,096,707 in the 2014-2015 Operating Budget.

Motion was made by Mr. Dickinson, seconded by Mr. Brock and carried unanimously to approve the proposed 2014-2015 Operating for Adirondack Community Colleges Budget and forward same to the Finance Committee.

Ms. Duffy encouraged the Committee members to take a tour of facility where the sustainable agriculture program was being offered directly following the meeting.

Mr. McDevitt questioned whether the college could offer programs to educate the local emergency personnel, as they currently had to travel to Schenectady County for these courses and Ms. Duffy replied she would meet with Mr. McDevitt to discuss the issue further.

There being no further business to come before the Community College Committee, on motion made by Mr. Brock and seconded by Mr. Dickinson , Mr. McDevitt adjourned the meeting at 2:20 p.m.

There being no further business to come before the Finance Committee, on motion made by Mr. Dickinson and seconded by Ms. Wood, Mr. Monroe adjourned the meeting at 2:20 p.m.

Respectfully submitted,
Sarah McLenithan, Secretary to the Clerk of the Board