

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: JOINT FINANCE AND PERSONNEL & HIGHER EDUCATION

DATE: JUNE 1, 2018

PERSONNEL & HIGHER EDUCATION OTHERS PRESENT:

COMMITTEE MEMBERS PRESENT:

SUPERVISORS GERAGHTY
FRASIER
MCDEVITT
LEGGETT
BRAYMER
SIMPSON
LOEB
SOKOL

REPRESENTING SUNY ADIRONDACK:

DR. KRISTINE DUFFY, PRESIDENT
ANN MARIE SOMMA, VICE PRESIDENT FOR ADMINISTRATIVE SERVICES &
TREASURER
MARCELL MALETTE, EXECUTIVE DIRECTOR, SUNY ADIRONDACK
FOUNDATION
RONALD CONOVER, CHAIRMAN OF THE BOARD
RYAN MOORE, COUNTY ADMINISTRATOR
FRANK THOMAS, BUDGET OFFICER
SUPERVISOR WILD

PERSONNEL & HIGHER EDUCATION

COMMITTEE MEMBERS ABSENT:

SUPERVISORS HYDE
DIAMOND
MERLINO

SARAH MCLENITHAN, DEPUTY CLERK OF THE BOARD
MIKE SWAN, COUNTY TREASURER
DEB PREHODA, WASHINGTON COUNTY CLERK OF THE BOARD
CHRIS DEBOLT, WASHINGTON COUNTY ADMINISTRATOR
ALBERT NOLETTE, WASHINGTON COUNTY TREASURER
DAN SHAW, WASHINGTON COUNTY BUDGET OFFICER
MEMBERS OF THE WASHINGTON COUNTY BOARD OF SUPERVISORS
MOLLY GANOTES-GLEASON, LEGISLATIVE OFFICE SPECIALIST

FINANCE COMMITTEE MEMBERS PRESENT:

SUPERVISORS SOKOL
SIMPSON
STROUGH
FRASIER
MCDEVITT
GERAGHTY
BRAYMER

FINANCE COMMITTEE MEMBERS ABSENT:

SUPERVISORS MERLINO
DICKINSON
BEATY
HYDE

Please note, the following contains a summarization of the June 1, 2018 joint meeting of the Finance and Personnel & Higher Education Committees; the meeting in its entirety can be heard on the Warren County website using the following link: <http://www.warrencountyny.gov/gov/comm/Archive/2018/finance/>

Mr. Sokol called the Finance Committee meeting to order at 9:04 a.m.

Mr. Geraghty called the Personnel & Higher Education Committee meeting to order at 9:04 a.m.

Commencing the Agenda review, Mr. Geraghty offered privilege of the floor to Dr. Kristine Duffy, *President of 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.*

Dr. Duffy apprised she was pleased to be holding the meeting in the Northwest Bay Conference Center which was located in the WORC (*Workforce Readiness Center*) Building that opened in January of this year. She stated the construction of the WORC Building was funded through the SUNY 2020 Grant and housed not only a large conference and workforce readiness space, but also the Continuing Education Department, the new Entrepreneur Center and a training classroom; she informed that the Simulation Labs and Nursing Department had recently moved back into the renovated Science Building. She said since they opened the Building, this particular conference room had been very busy in part due to its flexibility to be able to divide the room in half or quarters to bring in multiple groups at the same time.

She apprised their goal over the last six months was to get as many community members as possible to view the room and determine how it could be used as an asset. She mentioned their Events Coordinator had recently come on board, informing the purpose of the position was to increase revenue for the College by leveraging the Colleges assets to attract companies who may hold their trainings there, as well as for events such as weddings, etc. She said they were pleased to have this additional asset which had been very busy on campus.

Dr. Duffy introduced Marcell Malette as the new Executive Director of the SUNY Adirondack Foundation. She apprised when the previous Executive Director, who had held the position for several years, resigned to accept a position located in the Philadelphia, Pennsylvania region the College had performed a comprehensive search which resulted in them hiring Ms. Malette. She stated that Ms. Malette brought to the table over twenty years of experience in fundraising an alumni relations. She announced their annual Gold Tournament was scheduled for later today, and some of those whom were present today would be participating.

Dr. Duffy proceeded with a review of a Power Point presentation which consisted of updates on the following: the 2017-2018 priorities; information regarding the Northwest Bay Conference Center; the scheduled date of the Adirondack Hall ribbon cutting ceremony; Adirondack Agenda 2.0: Planning Framework; Student goals and measures; Programs Services, Facilities goals and measures; Employee goals and measures; and A Look Ahead. A copy of the presentation is on file with the minutes.

Dr. Duffy encouraged anyone who had the opportunity to take some time following the conclusion of the meeting to view the College's Salt Water Aquarium which was located at the other end of the building. She stated the aquarium was becoming somewhat of a tourist attraction, attracting groups of school children to see it and learn about the coral and tropical fish that had been secured from all over the world. She remarked she felt it was a beautiful asset they had to offer for their students and the community.

Privilege of the floor was extended to Ann Marie Somma, *Vice President for Administrative Services and Treasurer*, who apprised she would like to provide a brief overview to the new Supervisors in the room pertaining to how Community Colleges were funded prior to reviewing the 2018-2019 Operating Budget. She informed State Education Law regulated their operating and capital revenue streams, as well as their expenditures; she said today they were present to discuss the operating expenses/revenues. She said they had various sources of operating revenue, the first of which was State Aid that came in the form of a base rate per FTE (*Full-Time Equivalent*) student; however, she noted, they continued to advocate for this funding method to be changed. She advised they also received rental aid from the State to assist with reimbursement for any additional space that they had to rent. She mentioned during years when several schools were renting a significant amount of space, as was the case with FIT (*Fashion Institute of Technology*) which was renting an abundant amount of space in New York City while they were in the process of constructing a new facility, the dollar amount that every school received was less. She added she anticipated rental income would increase next year since construction of the new facility would be completed, noting they kept a close eye on this figure since the rate fluctuated each year. With regards to the sponsors contribution, Ms. Somma explained this referred to the allocation they received from Warren and Washington Counties, which, as per the maintenance of effort in New York State Education Law, could not be less than what they provided during the prior year. She mentioned any of the Fund Balance that was applied also counted as a sponsors contribution, as well. Ms. Somma stated they received non-sponsor contributions through operating and capital chargebacks, but they would only be discussing operating chargebacks today. She informed for every student who was a resident of New York State that did not reside in Warren or Washington Counties, their county was paying the College the same amount the sponsor counties were paying for every student they sent there. She said this meant the chargeback calculation took the amount of the sponsor county's contribution and the number of students from this county to generate a rate which was billed to every other county that sent a student there. With regard to non-New York State residents, Ms. Somma advised they were required to pay what was referred to as full or double tuition rather than half of the standard rate that was charged to New York State residents. She said they

did this to ensure that New York State counties did not have to bear the cost for those students. She added the next form of revenue was generated from the students in the form of tuition and fees. She advised they were pleased that SUNY Adirondack continued to maintain one of the lowest rates for within the SUNY Community College system; however, she pointed out, this was a higher percentage of their total revenue than the majority of their peers. She advised that the revenue they referred to as other income was generated from space rental or any conferences and events they held there. In conclusion, she informed they received revenue from grants, apprising they had recently done a significant amount of work with grants that assisted them with driving the institution forward and she outlined some of the grants they had received. She remarked that she thought since 2009, New York State Community Colleges had gone from "State supported to State assisted" resulting in them being primarily dependent on revenue generated from tuition. She said this meant they were highly impacted by enrollment fluctuations, noting they could not continue to rely on their fund balance in the years when enrollment declined; however, she said, they had not had to use any of their fund balance over the past few years.

Ms. Somma proceeded with a detailed review of the Power Point presentation outlining the proposed 2018-2019 SUNY Adirondack operating budget during which the Committee members posed many questions which were answered by Ms. Somma and Dr. Duffy.

During the presentation Dr. Duffy informed that the per FTE funding model created based upon the assumption that FTE was almost an equivalent amount to head count. She continued, the assumption was that most students would enroll full-time which equated to thirty credits; however, she noted, things had changed over time resulting in more students enrolling part-time. She pointed out one FTE did not equate to one head count and yet all of their services and buildings were erected to serve people, not FTE's. As an example, she apprised the College was funded based upon their FTE which was around 2,700 and yet they served nearly 4,000 people. She said when you took this into consideration it brought to light how the College was missing out on an entire chunk of funding that could assist with supporting the people they served. She mentioned 25% of college population in the Country lived on a campus and attended a four year school while the remaining 75% were doing all different types of things in higher education. She remarked because the per FTE funding model was so antiquated the College was never able to obtain enough financial support to provided the quality services that students deserve to help them be successful.

With regard to the Saratoga County's contribution, Ms. Somma stated that Warren and Washington Counties contribution was greater than the chargebacks they received from Saratoga County; however, she noted, Saratoga County's contribution was greater than each sponsors individual contribution. Dr. Duffy added that the College's enrollment would be in a very different position today if the Wilton campus had never been constructed due to the fact that Warren and Washington Counties demographics did not support a large volume of enrollment increase. She mentioned the data on how they compared their influence in Saratoga County compared to Hudson Valley and Schenectady Community Colleges indicated they were about even with Hudson Valley Community College in terms of numbers, which, she said, was a rather significant achievement for a College of their size. She informed they had looked into Saratoga County becoming a sponsor, but not only were they not interested nor would the College benefit from this. She remarked since enrollment at the Wilton campus had flattened out they were looking for the other opportunities in Saratoga County that they had not explored yet.

Mr. Moore requested that Ms. Somma address some of the implications in terms of the capital funding coming from the outside counties rather than Warren and Washington Counties. Ms. Somma advised Saratoga County and any other county in New York State other than Warren and Washington County contributed a chargeback to the College for evert student they sent their. She continued, in addition they also charged that same capital chargeback to every out-of-State student. She said they received \$300 per FTE or about \$400,000 a year for those students which was matched by the State resulting in \$800,000 a year to expend on capital. She pointed out prior to the Wilton Campus and Residence

Halls being erected that figure was closer to \$300,000 a year. She added following the construction of those buildings the amount of money they had to expend on capital projects was increased by \$250,000 on an annual basis. She mentioned it was not a requirement for the Colleges sponsors to provide that same per FTE capital chargeback nor had Warren and Washington Counties historically budgeted an annual allotment for capital for the College. She advised the sponsors contribution to the NSTEM (*Nursing, Science, Technology, Engineering and Mathematics*) Building equated to almost exactly what their contribution would have been if they had been providing the College with \$300 per FTE over the course of the last several years. She stated they had been advocating for Warren and Washington Counties to provide them with some sort of budget or allotment for capital to assist with maintaining the campus and address their deferred maintenance. She informed a joint County meeting would be scheduled in September to discuss capital during which they would review their long-term implementation plan for their strategic plan which addressed both deferred maintenance and other strategic needs on campus.

With regards to capital projects and deferred maintenance, Dr. Duffy informed the gymnasium was the only remaining building on campus that had not had any significant renovations since it was constructed in 1967. She said this was considered a "big ticket item" where in the deferred maintenance was significant much less trying to upgrade the facility to support its tremendous use. She pointed out having a 24/7 population on the campus required them to have things for students to do that were productive and healthy; she apprised these students did use the gym and often times until closing time, but the facility could not manage the volume. She stated the amount of money they received for capital projects was not sufficient enough to fund all of the projects that required their attention. Ms. Somma added the gymnasium was the most utilized building on their campus as per the data from their utilization study or schedule on each of their buildings that was part of their Facilities Master Plan.

Bon Henke, *Chairman, Washington County Board of Supervisors*, inquired what the impact of the Excelsior Scholarship had been and Dr. Duffy responded there were 137 students during the fall semester and a smaller number in the spring which was typical who had qualified for the Excelsior Scholarship. She said they would not know whether these students were able to maintain the requirements in order to be eligible until the end of the summer because one of the requirements called for them to complete 30 credits by the end of the calendar year, and not necessarily within an academic year. She mentioned these students could utilize the summer session in order to make up credits. She apprised the data from Fall to Spring of the students that were awarded the scholarship in the Fall was rather positive; however, she noted, it would be now that would determine what might occur. She remarked that she did not believe 100% of those students would be able to meet the criteria for 30 credit hours or any scholarship program for that matter. She stated they had budgeted to assume a certain percentage that would not meet the credit requirements and although these students would be billed the chances of obtaining payment was rather low. She reminded them these students were charged the 2016-2017 tuition rate resulting in a loss of revenue from anyone who was awarded this scholarship. She apprised there was a part-time Excelsior Scholarship that no one really discussed that was implemented in January which would assist their part-time students who did not have access to a significant amount of disposable cash. She informed the most significant thing they advocated for with regard to the Excelsior Scholarship was for the State not to freeze tuition for four years resulting in four years of lost revenue for all New York State Colleges; however, she noted, their efforts were unsuccessful. Another downfall of the Excelsior Scholarship, Dr. Duffy stated, was that students who needed remedial work could not count their remedial courses toward the 30 credit hours thereby reducing the ability for some of their students who required extra time to bring their skill level to the level needed.

Ms. Braymer questioned why the State did not reimburse the College for the students who were unable to maintain the requirements of the Excelsior Scholarship and then go after the students for reimbursement rather than placing the financial burden on the College. Dr. Duffy replied she was unsure, but felt it may be cause the State felt it was the Colleges responsibility to do everything possible to make students complete. She continued, if the student did not complete the requirements the State

was not willing to take on that responsibility since they considered it to be a partnership between the student and the institution.

Dr. Duffy stated on the federal level there was something referred to as the re-authorization of the Higher Education Act which was created in 1965 to create equity and opportunity in particular for low income students. She said over the years all types of programs had been added to the Act to increase access to higher education such as the Pell Grant, etc. all of which had fundamentally changed the county's ability to provide higher Education to students. She advised every ten years this Act was supposed to be re-authorized, but this time has surpassed and it had not been re-authorized yet. She continued, this was referred to as the Prosper Act and included the concept of institutional risk sharing which she found to be very concerning because the theory was if the federal government made colleges more accountable to helping more students to complete than the colleges would essentially work harder to get more students through. She mentioned what was being proposed was changing the structure of what colleges are accountable to reimburse the federal government if a student dropped out. She apprised currently if a student made it through 60% of the semester and they left for whatever reason the College was not held accountable to pay back any federal aid they had received for that student; however, she advised the proposed change was to transition to a four times per semester payment schedule, and if a student dropped out the College they would be accountable for any of those payments in the last two payment periods. She added they could bill the student for the money they had to pay back to the federal government as a result of them dropping out, but it was unlikely any of the funds would be recovered. She informed they would not be able to reimburse the government for money they did not have.

The Washington County Community College and Finance Committees made mirroring motions to approve the proposed 2018-19 Adirondack Community College Operating Budget, which were approved unanimously.

A motion was made by Ms. Braymer, seconded by Mrs. Frasier and carried unanimously to provide Personnel & Higher Education approval on the proposed 2018-2019 Adirondack Community College Operating Budget.

A motion was made by Mr. Simpson, seconded by Mrs. Frasier and carried unanimously to provide Finance Committee approval of the proposed 2018-2019 Adirondack Community College Operating Budget and provided for the necessary public hearing, thereby authorizing a resolution for the June 15th Board meeting.

There being no further business to come before the Personnel & Higher Education Committee, on motion made by Mrs. Frasier, seconded by Mr. Sokol, Mr. Geraghty adjourned the meeting at 10:25 a.m.

There being no further business to come before the Finance Committee, on motion made by Mr. Simpson, seconded by Mrs. Frasier, Mr. Sokol adjourned the meeting at 10:25 a.m.

Respectfully submitted,
Sarah McLenithan, Deputy Clerk of the Board