

FINANCE COMMITTEE  
BOARD OF TRUSTEES  
MINUTES

Meeting of March 21, 2017

**Finance & Capital Committee members 2016-2017:**

**Linda Green, Chair**  
**John DeGrace**  
**Wanda Jackson**  
**Edward Powers**

The meeting of the Finance Section of the Finance and Capital Committee of the Board of Trustees was called to order by Chair Gardyn on the eleventh floor of the Administrative Tower at approximately 5:30 p.m.

Trustees Present: Dr. Jorge Gardyn, Chair  
Kathy Weiss, Vice Chair  
Linda Green, Chair, Finance & Capital Committee  
John DeGrace  
Edward Powers  
Donna Tuman  
Michael Hilt, Student Trustee, appointed ad hoc to the Finance & Capital Committee

Also in attendance: President Keen  
VPs Conzatti, Muscarella, Reznik  
AVP Friedman, Spiro  
General Counsel/Government & Media Relations Murray  
Procurement Director Cappello  
Treasurer Hahn

\* Chair Gardyn appointed Student Trustee Hilt ad hoc to the Finance & Capital Committee for the March 21, 2017 meeting.

**AGENDA ITEMS**

1. Minutes of the Finance Section of the Finance & Capital Committee meeting of February 14, 2017 were presented for approval. Trustee Weiss made a motion, seconded by Trustee DeGrace. The minutes were approved.
2. Pending College Procurement Agreement—One Pending College Procurement Agreement was presented for approval at the March 21, 2017 Finance & Capital Committee meeting. Chair Green advised that the Communications Department needs the services of a firm to upgrade the TV studio lighting. Student Trustee Hilt made a motion, seconded by Trustee DeGrace. All were in favor of presenting Item A to the full Board of Trustees for approval.
3. Comptroller's Report—January, 2017. VP Reznik advised that an audit of Other Than Personal Services (OTPS) disbursements was conducted for January, 2017 in the amount of \$1.3 million; all items were in conformity and there were no recommendations. Eight (8) Personal Service Contracts were reviewed for January totaling \$4,823; all items were in compliance and there were no recommendations. VP Reznik advised that regarding the Accounts Receivables Report (page 5), as of the end of February, 2017, approximately 40% of spring 2017 revenues were collected.

4. Travel Requests—There were two (2) travel requests in the amount of \$5,268.00 to be presented for approval at the March 21, 2017 Finance & Capital Committee meeting. Student Trustee Hilt made a motion, seconded by Trustee DeGrace; all travel requests were approved.

5. Discussion—Preliminary 2018 Budget. VP Reznik gave a PowerPoint presentation regarding the 2018 budget. She advised that there have been a series of budget discussions at the February Finance & Capital Committee meeting. Board members requested comparative information regarding enrollment at other community colleges. VP Reznik provided a two-page summary which represents comparative information for FTEs for all 30 colleges. An enrollment decline for NCC began in Fiscal Year (FY) 2010-2011. NCC decline is close to average—#16—on the list. Community colleges on average lost about 14.4% in the time period FY 2011 to FY 2016. At this time, NCC lost 15% enrollment. FIT has the least amount of enrollment decline. The majority of schools continue to experience enrollment decrease; however, no report numbers are available for fiscal 2017.

VP Reznik provided information regarding NCC students who attend community colleges outside Nassau County, based on data provided by Nassau County Treasurer. Chargebacks paid by Nassau County to other community colleges increased from \$9 to \$10 million from 2011-2015. This translates into NCC loss of about 179 FTEs. The table shows five colleges – that represents 90% of the payments made by the Nassau County Treasurer.

Short discussion followed regarding Broome Community College and partner program with SUNY Binghamton. Binghamton houses Broome students in their dormitories. VP Reznik advised that during the summer Queensborough Community College has “Nassau” day – to specifically admit Nassau County students.

#### 2018 Budget

The budget is always a challenge, as expenses always grow, there are increases in union contracts, COLAs – all of which is built into operations. Finding solutions is the key to achieve a balanced budget each year. The budget has to be balanced in order for it to be approved by the Board of Trustees, county Legislature and SUNY.

VP Reznik advised that salary expense, fringe benefits go up every year as well as general expenses. The amount of Fund Balance from FY 2017 equals \$13- \$15 million depending on the results of operations for 2017. NCC expenses amount equals about \$4 million per week.

Another factor to consider is Middle States. The usage of Fund Balance can negatively affect Middle States review of our compliance with Standard #3.

Short discussion followed regarding Fund Balance. VP Reznik advised that Fund Balance is to be considered a “rainy day” fund. NCC needs to find other ways to balance the budget; however, it is not completely untouchable. Total should not go below 4% as per Board policy.

The state assembly proposed \$100 increase amount per FTE per student; the state senate proposed a \$50 increase amount per FTE; the governor proposed \$0 increase. If the governor’s proposal is accepted, the enrollment decrease would lead to a \$2.7 million loss as compared to the 2017 budget.

Short discussion followed regarding the governor’s free tuition proposal for community colleges.

Before any further decreases in enrollment for next year, and if all other revenue sources remain the same, there will be approximately \$6 million budget gap. To balance the 2018 budget, we need to find balance between cutting expenses, increasing revenues and the use of some Fund Balance.

Debt service repayment; a four-year payback for the NCCFT retirement that was bonded by Nassau County. \$0 was paid in FY 2017; \$2 million is to be paid in FY 2018; \$2 million in FY 2019, and in \$3.5 million in 2020. There is also the CSEA bond to be paid which costs \$300,000/year.

REVENUES: some revenues cannot be controlled, such as

- The Nassau County property tax has remained unchanged since 2009.
- State Aid per FTE amount. If the assembly proposal goes through, we will still lose \$1.1 million
- Chargeback expenses – enrollment sensitive.
- Tuition rate (can be controlled)

Short discussion followed regarding enrollment.

At this time there is no projected decrease in enrollment in the FY 2018 budget. There is a \$6 million budget gap before enrollment decrease built into the budget.

Dr. Keen advised that the enrollment estimate will be included in the information provided to Board members at the April Finance & Capital Committee meeting.

The meeting adjourned at 6:10 p.m.

Respectfully submitted,

Inna Reznik  
Vice President Finance