

FINANCE COMMITTEE
BOARD OF TRUSTEES
MINUTES

Meeting of December 12, 2017

Finance & Capital Committee members 2017-2018:

John DeGrace, Chair
Linda Green
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 4:05 p.m.

Finance & Capital

Committee members

Present:

John DeGrace, Chair
Linda Green
Edward Powers

Trustees also
in attendance:

Jorge Gardyn, Ex-Officio
Therese Russell, Student Trustee
Donna Tuman
Kathy Weiss, Vice Chair

Also in attendance:

President Keen
VPs Collins, Conzatti, Murray, Muscarella, Reznik
Procurement Director Cappello
AVP Friedman
Treasurer Hahn
Comptroller Izquierdo
CIO Lawless

AGENDA ITEMS

1. Minutes of the Finance Section of the Finance & Capital Committee meeting of November 14, 2017 were presented for approval. Trustee Green made a motion, seconded by Chair Gardyn. The minutes were approved.
2. Pending College Procurement Agreement—There were no Pending College Procurement Agreements to be presented at the December 12, 2017 Finance & Capital Committee meeting.
3. Comptroller's Report—October, 2017. Comptroller Izquierdo advised that the audit of OTPS disbursements and Personal Service Contracts for October 2017 were reviewed with no findings. The Accounts Receivable report has been modified as per Board of Trustees request. The collection of revenue report was added to the bottom showing the percentage collected by year. Vice Chair Weiss advised that the new chart is great. Short discussion followed regarding the collection percentage at other community colleges.

Addendum Item—Donation—Eileen Fisher Tiny Factory.

Trustee Green made the motion, seconded by Chair Gardyn. The donation will be presented to the full Board of Trustees for approval.

4. Discussion: EOP Financial Analysis.

VP Reznik advised that BOT requested an analysis of the cost of the EOP program; a handout was distributed.

NCC submitted a proposal to SUNY to participate in the Educational Opportunity Program (EOP) program. The total number of students SUNY placed in the NCC budget for FY 2018 is 200 students. In FY 2019 and subsequent years, NCC will maintain an enrollment of 200 students.

As stated in his speech in March 2017 for the 50th anniversary of the Educational Opportunity Program at SUNY, SUNY Board of Trustees Chairman H. Carl McCall, advised that the average fall-to-fall first year retention rate of the EOP students is approximately 95% across SUNY campuses.

The retention rate of NCC students is on average 67% (from fall to fall). In the EOP program that number is 95%; therefore, the EOP program should contribute to NCC's revenue. In the second year of the EOP program, NCC will only be able to admit new students based on the attrition from year one to year two.

Based on the proposal submitted to SUNY, NCC's cost is approximately \$231,000 of which \$23,000 are first year expenses. For future years, it will cost NCC approximately \$208,000 to run this program.

There are certain risks associated with the EOP program such as—maintaining a total of 200 students in the program, maintaining 95% retention rate of EOP Program, and maintenance of SUNY shared expenses.

Expenses for the program are shared with the State. NCC plans to hire an EOP director; the State will fund the counselors. Between the partial year salary and benefits for the director, approximately \$60,000 in expenses, previously unbudgeted, will be added to the 2018 budget.

FY 2019 will be the first full enrollment academic year for the EOP program. If there are 200 students, the cost projected to NCC will be approximately \$231,000. In year 2, NCC should see a difference between 95% retained in EOP program and 67% retained from general student population, or a difference of about \$440,000. The cost of the program in that year will be \$208,000 with a net benefit from the program of \$230,000.

Some likely conclusions are as follows:

- One time set up costs of the program will not be refunded by additional EOP generated revenues;
- Revenues generated by higher retention rate of students in the EOP program will approximately offset NCC cost share in future years.

Short discussion followed. Trustees asked how the 95% retention rate is generated. VP Reznik answered that this percentage is taken from SUNY BOT Chairman McCall's presentation. VP Reznik advised that future NCC general retention rate will probably also influence EOP at NCC retention rate; and if overall rate continues to decrease, the EOP program retention may also decrease. Board members asked what the retention rate has been for the program for the past 5 years.

President Keen advised that SUNY should have the average retention figures for report purposes. NCC will collect and provide this information to the BOT. The EOP first year retention is 95%, based on Chairman McCall's statement. NCC first year retention is 67%, but second year retention is far lower than 67%. We do not know what the second year rate is for the EOP, but we expect it to be higher than our general retention rate as well.

There are two counselors funded by SUNY; NCC will fund the director position. The director oversees that program and keeps statistics and reports as well as oversees the counselors. These counselors not only counsel all students on a scheduled basis but also set up tutorial programs, and guide students to other services that the college provides. They are not academic program tutors but advise them about academic programs and direct them where to go on campus. This is a model that has been shown to retain students very well compared with the general population of students. A summer program is incorporated into the program which is funded by SUNY. There is a whole range of things that the program provides these students.

Trustees inquired about the Director salary for the EOP Program. VP Reznik advised that the full year salary is \$70,000.

The meeting adjourned at 4:50 p.m.

Respectfully submitted,

Inna Reznik
Vice President Finance