

FINANCE COMMITTEE
BOARD OF TRUSTEES
MINUTES

Meeting of April 18, 2017

Finance & Capital Committee members 2016-2017:

Linda Green, Chair

John DeGrace

Wanda Jackson

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 5:05 p.m.

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

Also in attendance: President Keen
 VPs Collins, Conzatti, Muscarella
 VP Reznik (via teleconference)
 AVP Friedman
 Assistant to the President for Governmental & Media Relations Murray
 CIO Lawless
 Comptroller Izquierdo
 Procurement Director Cappello
 Treasurer Hahn

* Chair Gardyn appointed Trustees Weiss and Tuman ad hoc to the Finance & Capital Committee for the April 18, 2017 meeting.

AGENDA ITEMS

1. Minutes of the Finance Section of the Finance & Capital Committee meeting of March 21, 2017 were presented for approval. Trustee DeGrace made a motion, seconded by Student Trustee Hilt. The minutes were approved.

2. Pending College Procurement Agreement—One Pending College Procurement Agreement was presented for approval at the April 18, 2017 Finance & Capital Committee meeting. Chair Green advised that the College seeks to replace the existing deteriorated concrete ramps to provide adequate and safe access to handicapped students, faculty, staff and the general public. The existing ramps are in disrepair and need continual repair and maintenance. These ramps were previously cited by the N.Y.S. Fire Marshall as non-compliant. The Department of Design & Construction is confident that Stasi Brothers Asphalt Corporation will effectively meet the College's needs to replace the ADA ramps during the summer 2017 months. Trustee Tuman made a motion, seconded by Trustee Weiss. All were in favor of presenting Item A to the full Board of Trustees for approval.

3. Comptroller's Report—February, 2017. Comptroller Izquierdo reported that the examination performed of OTPS disbursements for February were in conformity and there are no recommendations. There were eight (8) Personal Service Contracts reviewed and all items were in compliance. Regarding the Accounts Receivable report, NCC has collected approximately 85% from the spring semester and 95.7% from the fall semester.

4. Discussion—Preliminary 2018 Budget. Dr. Keen presented the PowerPoint presentation with additions from the March BOT Finance meeting regarding the 2018 budget with VP Reznik via teleconference. He also indicated that the budget will be presented for a vote at the May 9, 2017 meeting.

Expenses:

- No significant savings from additional retirements, and no new early retirements in place
- Personnel expenses increase due to cost of living adjustments and STEPS in union contracts
- Fringe Benefits estimates based on rate increases received from NYS, Department of Civil Service
- Debt service principal to cost \$2 million.

Revenues:

- Enrollment – projecting 6% decline for 2017-2018 budget
- Service fees – affected by 6% decrease in enrollment
- Tuition – different variations on Tuition increases
- \$50 increase per FTE from State Aid – disappointed with this amount as it is \$2.1 million net decrease from last year due to enrollment decrease projected
- Nassau County (sponsor share) – no anticipation of any increase
- Preliminary Budget reflects \$12 million deficit for 2017/18 budget.

Decline of student enrollment/revenue is the greatest problem that NCC is confronted with in the 2017/18 budget.

Dr. Keen presented a slide showing four scenarios. Each scenario had a tuition increase (100/200/250/300). The measures taken to reduce expenses will determine the amount of revenue increase needed to fill the gap. The proposed reduction in expenses include: not replacing available lines from 2017 retirements, building closures, possible North Annex sublease, reduction of OTPS expenses and personnel decreases. The proposed increases in revenue include: increase in technology/lab fees and tuition increase. The expense with the greatest impact is personnel services.

Trustee Green asked how the percentage of decline in enrollment is figured. Dr. Keen advised that the percentage of decline is based on the student enrollment pattern over the past five (5) years. The first two years was minimal but for 2016 & 2017, the decreases were 5-6%. Short discussion followed. VP Conzatti advised that data was compiled from the dean/admission and registrar's office regarding the approximate student enrollment decline. Environmental factors, Middle States report and the Excelsior Scholarship were taken into consideration. It was determined that there will be approximately 6% drop in enrollment.

VP Reznik advised that for every 1% decrease in enrollment, the approximate cost is about \$1 million.

Regarding the Excelsior Scholarship, Assistant to the President for Governmental & Media Relations Murray advised that NCC is preparing a fall campaign; creating a new web page; social media portion including the Excelsior Scholarship Program; new advertisements in both newspapers and on various buses - ½ English, ½ Spanish.

NCC tech fees and total fees are low as compared to other campuses. There has been a change in personnel from 2014 through 2017. Teaching titles have decreased approx. 15%, professional titles down – NCCFT staff is down approximately 12%.

Possible areas for savings:

- 35 temporary full-time faculty lines – will be considered for reappointment
- County official debt service meeting on Thursday, April 20, 2017. NCC requests a renegotiation of loan terms. Loan based on 4-year term with \$2 million per year payment on principal and interest. Renegotiation for longer term would be a great money savings.
- Parking fee increase. Parking fee has not increased in a number of years; the fees offset part-time security expense
- end of year restriction on OTPS
- building closures

Short discussion followed regarding Excelsior Scholarship Program.

Excelsior Scholarship affords students who:

- adjusted gross income of \$100,000 rising to \$125,000 in two years
- earn 30 credits per year
- maintain GPA that will enable student to complete academic program on time
- reside in NYS for the amount of years equal to the number of years the Excelsior Scholarship was received. If student leaves the state, the scholarship becomes a loan.

Dr. Keen advised that there are lots of questions remaining about the Excelsior Scholarship. As previously stated by Assistant to the President for Governmental & Media Relations Murray, NCC is preparing a fall campaign to try to attract more students.

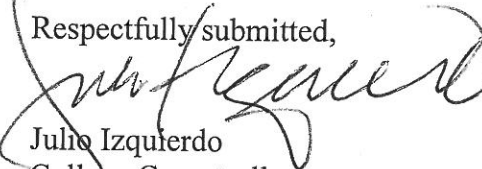
Short discussion followed. VP Reznik advised that no other state in the nation has this program. At the present time, Student Finance department along with Financial Aid department are trying to assess how many of our current student population are eligible for this program. There are approximately 300 students (about \$60,000) who earned 30+ credits. It is difficult as there are no set guidelines to date in terms of impact of current students. And it is unknown how many new students would be affected; however, it will be a great help for a small number of students.

Short discussion regarding increased tuition of other community colleges followed.

VP Reznik has been in contact with other community colleges; however, final budget information is not known at this time. However, tuition increase is unavoidable and most community colleges anticipate a tuition increase of approximately 3 ½ - 4% for next year.

Dr. Keen thanked VP Reznik for the teleconference call.

The meeting adjourned at 5:50 p.m.

Respectfully submitted,

Julio Izquierdo
College Comptroller