

FINANCE COMMITTEE  
BOARD OF TRUSTEES  
MINUTES

Meeting of February 13, 2018

**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 Vice Chair Weiss on the eleventh floor of the Administrative Tower at approximately 5 p.m.

Committee members present: John DeGrace, Chair  
Edward Powers  
Therese Russell, Student Trustee, appointed ad hoc  
Vice Chair Weiss (Ex-officio)

Committee members absent: Linda Green  
Wanda Jackson

Also in attendance: President Keen  
VPs Collins, Murray, Muscarella, Reznik  
Procurement Director Cappello  
AVP Friedman  
Treasurer Hahn  
CIO Lawless

**AGENDA ITEMS**

1. Minutes of the Finance Section of the Finance & Capital Committee meeting of January 9, 2018 could not be approved as the Trustees present at the January 9, 2018 meeting were not present at the February 13, 2018 meeting.

2. Pending College Procurement Agreement—There were no Pending College Procurement Agreements to be presented at the February 13, 2018 meeting.

3. Comptroller's Report—December, 2017. VP Reznik presented the Comptroller's Report at the February 13, 2018 meeting. She advised that the audit of OTPS (other than personal services) is for December 2017; 20 items were selected of approximately \$1.7 million of which represented 10% of the population with no findings. Only one Personal Service Contract of \$4,000 was selected with no findings. The Accounts Receivable report indicates that NCC continues to collect receivables going back to FY 2007.

Vice Chair Weiss inquired if it is typical that only about one third of the spring 2018 tuition has been collected to date. VP Reznik advised that the Accounts Receivable Report was prepared on February 1,

2018 and therefore reflects collections up to that point. Short discussion followed. VP Reznik advised that NCC is not behind in collections; there are many factors contributing to collections—for example financial aid disbursement.

4. Discussion: Preliminary Fiscal 2019 Budget. VP Reznik distributed a hand out and presented a short overview of the projected 2018 operating results.

VP Reznik presented an overview of the FY 2019 budget calendar; the budget calendar is very detailed with approximately 40 categories. VP Reznik presented a summarized version of the most critical dates of the calendar. The FY 2019 Budget will commence on 9/1/2018 and go through 8/31/2019. The preliminary budget will be presented to the Board of Trustees at the April 2018 Finance meeting; at this time we will know what the state's support will be and will have some of the variables determined. On May 9, 2018, the Finance Committee will be presented with the FY 2019 budget for approval which will be passed onto the Full Board of Trustees for approval. The budget will then be sent to the County Executive who in turn will send to the County Legislature. At the June 4, 2018 County Legislature meeting, Legislative committees will discuss the Nassau Community College budget. If it passes at the committee level, on June 18, 2018, the full County legislature will vote on the NCC budget.

VP Reznik limited this presentation to the revenue assumptions, since at this point the expenses are hard to project for the full year. The first Adjunct payroll will not be distributed until 2/26. Short discussion followed.

County of Nassau (sponsor contribution) is \$52,206,833 and has been for the last ten years. This represents approximately 25% of total revenue in FY 2018 Budget. It has been ten years with no increase in the sponsor share.

State Aid projection for FY 2019—The Governor has proposed a zero increase per FTE support for 2018/2019 – which is a decrease of approximately \$3 million as compared to FY 2018 State support which is due to declining enrollment. Enrollment has declined for the last three years.

New York State support is \$42 million = 20% of total revenue for FY 2019 (assumes flat budget) – meaning there will be no increase in the budget from FY 2018. It was stressed that this is much lower than 33% in the original funding formula for community colleges.

Dr. Keen led the discussion on State budget advocacy. He advised that the presidents of community colleges and SUNY decided that a better strategy for advocating for State funding is to ask for a stabilization of State support and not for increases of support per FTE. The presidents are asking the State to supplement the community colleges' budget by providing funding to keep the level equivalent with the last year. The last estimate was that 27 of the community colleges in SUNY have experienced an enrollment drop. The community colleges are hurting because the State formula is based on a formula using enrollment of the previous academic years. Short discussion followed.

The Governor's budget is in the 30-day amendment period which ends February 16, 2018. NCC Board members will meet with State Legislators on March 2, 2018.

Tuition assumptions: changes in enrollment determine whether tuition revenue will increase or decrease. A 1% decrease in enrollment = approximately \$800,000 change in revenue. Enrollment projections are being developed.

Summary

--tuition revenue for FY 2018 is projected to be under budget by approximately \$600,000 – results of a decrease in enrollment of budgeted 6% decline.

--based on zero increase assumptions, 0 increase from State, 0 increase from County and 0 increase in tuition. NCC will face a revenue deficit from FY 2018 to FY 2019 anywhere from \$3.8 million to as much as \$7.9 million before consideration given to increase in expenses.

--on a budget to budget basis decrease will be higher – between approximately \$4.4 million to \$8.5 million.

--always look for alternate ways to decrease expenses such as the Endo Building solution from last year and renegotiated debt payment schedule.

Dr. Keen advised with respect to County advocacy that he and Dr. Gardyn met with County Executive Curran in December and pointed out that the County had been constant for the last 10 years. They discussed with County Executive Curran the possibility of the County increasing its support, but the County Executive did not respond positively or negatively. Short discussion followed.

The meeting adjourned at 5:25 p.m.

Respectfully submitted,

Inna Reznik  
Vice President Finance