

SUFFOLK COUNTY LEGISLATURE



Review of the 2009-2010 Suffolk County Community College Operating Budget

**Budget Review Office
Hauppauge, NY 11788**

June 5, 2009

SUFFOLK COUNTY LEGISLATURE



Gail Vizzini
Director

BUDGET REVIEW OFFICE

June 5, 2009

William J. Lindsay, Presiding Officer
and All Suffolk County Legislators
William H. Rogers Legislature Building
725 Veterans Memorial Highway
Smithtown, NY 11787

Dear Legislators:

The Budget Review Office has completed its review of the Requested/Recommended 2009-2010 Operating Budget for Suffolk County Community College. This is the first college fiscal year 2009-2010 in which the County and the College have agreed to operate under a five-year sponsor service agreement and a memorandum of understanding rather than the modified Plan C agreement. These agreements outline a budget process that is consistent with New York State Education Law and recent court decisions that clarify the role of the County Legislature to approve or disapprove the Operating Budget total. It differs from previous years in that the local sponsor no longer has the authority to make line item budget changes. Therefore, in this context, the Budget Review Office report makes no specific recommendations for changes. The College, the County Executive and the County Legislature met to concurrently discuss the College Operating Budget Request as required. The County Executive has a specific date of May 31 to submit the recommended Budget total and other budget recommendations to the County Legislature.

The College submitted a budget request predicated on a zero increase in the County Contribution, a \$200 annual increase for full-time tuition and no new positions. The College is experiencing a growth in enrollment of 3.8% for 2008-2009 over last year and anticipates growth of 3.0% for 2009-2010. This review was expedited in the spirit of cooperation to address the College's concerns regarding the timeframes for adoption of the budget and billing for tuition. The Budget Review Office can not guarantee such an expedited schedule in future years unless the report is further abbreviated.

I wish to thank my staff for their diligent work in preparing this review while concurrently working on the review of the capital program. The Budget Review Office is ready to assist the Legislature in adopting the 2009-2010 Operating Budget for the Suffolk County Community College.

Very truly yours,

Gail Vizzini, Director

SUFFOLK COUNTY LEGISLATURE



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Vivian Viloría-Fisher, Deputy Presiding Officer

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SUFFOLK COUNTY LEGISLATURE



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Summary of Findings and Recommendations

New Operating Agreements

This is a year of transition as the County of Suffolk and the Suffolk County Community College will operate under a memorandum of understanding and a sponsor service agreement rather than a Plan C agreement.

The new operating agreements reflect the 2003 amendments to the State regulations that eliminated a local sponsor's authority to veto line item appropriations in a community college budget proposed by a college's board of trustees and permitted a college board of trustees to transfer appropriations among budget items without the local sponsor's approval.

Resolution No. 188-2009 approved the new five year operating agreements between Suffolk County and the Suffolk County Community College which set forth a new procedure for the County's consideration of the College's Operating Budget and the approval of an Operating Budget total and provide for extensive information-sharing and cooperation between the County and the College.

It is generally interpreted that the sponsor may approve or disapprove the operating budget total including the level of the County Contribution.

The Budget Review Office met with the Community College and the Executive Budget Office as required by the agreement.

The Budget Review Office report will no longer include specific recommendations for line item changes since that is no longer consistent with the operating agreements, with the exception of the County Contribution and operating budget total.

The College's Budget Request

Expenditures

The College is requesting \$180,459,196 including \$2,320,295 in grants, for 2009-2010, which is \$8,740,892 or 4.93% more than the \$171,718,304 adopted in 2008-2009.

The College estimates that they will expend \$169,657,873 of the 2008-2009 adopted budget, approximately \$5.4 million more than what was spent in 2007-2008.

Personnel Costs

The Budget Review Office estimates a 2008-2009 year end surplus of \$1.7 million in permanent salaries from the amended budget amount of \$74,138,610. This is due primarily to 49 vacancies (30 AME, 14 Faculty, 2 Guild and 3 Exempt).

Depending on utilization of overtime this summer, current 2008-2009 projections indicate the overtime account will be over-expended by \$150,000 and Part-time Instructor, Full-time Overload and Temporary Salaries will be over-expended by approximately \$300,000 from the amended budget amount.

The requested amount for permanent salaries is 4% more than the SCCC estimated amount for 2008-2009 and 1.5% more than the BRO projected amount for 2009-2010.

There are sufficient 2009-2010 appropriations for steps as well as contractual salary increases for the Faculty and Guild where labor agreements span the 2009-2010 period.

The surplus in requested permanent salary funding would allow SCCC to fill approximately half of their vacancies at an average salary of \$43,971.

The Budget Review Office projects that overtime is understated for 2009-2010 with only a 0.7% increase from the 2008-2009 estimated amount considering contractual increases and historical trends.

The Budget Review Office has worked in cooperation with the County Executive's Budget Office to confirm the permanent salary figures and note that there are no savings identified for a lag payroll for AME or other College employees.

Employee Benefits

The Budget Review Office estimates the College's health insurance expenditures for 2008-2009 to be \$19,883,774 and for 2009-2010 to be \$21,624,000 which, in the aggregate, is \$253,322 or .6% less than estimated by the College leading us to conclude their anticipated health insurance expenditures are reasonable.

Retirement

The Budget Review Office estimates the College's retirement expenditures for all plans in 2008-2009 to be \$8,278,649 and for 2009-2010 to be \$8,558,241 which, in the aggregate, is \$107,494 or .6% more than estimated by the College and supports the assertion that the College's requested retirement expenditures are reasonable.

Benefit Fund

The Budget Review Office estimates the College's benefit fund contribution for 2008-2009 at \$1,671,526 and 2009-2010 at \$1,681,518, which is \$28,857 or .8% more, in the aggregate, as compared to the College's estimate which we believe is reasonable.

Social Security (FICA)

The College has estimated their Social Security liability for 2008-2009 at \$7,733,927 and 2009-2010 at \$8,120,623, which is more than the Budget Review Office estimates by \$97,411 or .6% in the aggregate. Our estimate assumes that personal services appropriations are budgeted properly and fully expended and supports the College's estimate as reasonable.

Non-personnel Expenditures

Non-personnel expenditures represent 14.6% of the College's 2009-2010 budget request. Equipment, Supplies & Materials, and Utilities & Contracts (excluding personnel) are requested at \$26,508,596 for 2009-2010, which is an increase of \$1,139,691 or 4.5% over the 2008-2009 adopted budget.

Areas of Significant Decrease in Expenditures

Memberships and Subscriptions are requested at \$257,518, which is \$428,286 or 62.5% less than the 2008-2009 adopted budget. The 62% decrease is unusual since the College estimates that almost all (\$667,804) of the 2008-2009 appropriations will be spent, which is consistent with prior year expenditures.

The College has implemented a deferred computer replacement policy as a cost saving measure. The College estimates that they will only spend \$86,089 of the \$417,416 adopted in 2008-2009 for Office Machines due to the fact that they decided to retain 325 computers scheduled for replacement.

The College is only requesting \$308,314 for office machines for 2009-2010, which is \$109,102 or 26.4% less than the 2008-2009 adopted. Approximately half of the deferred computers are student computers and the other half is comprised of faculty and other office computers. Due to budget restraints, the College has requested funds in 2009-2010 for approximately 325 of the 900 computers needing replacement.

The College is requesting \$130,000 for Authorized Tuition in 2009-2010, which is \$100,000 or 43.5% less than adopted for 2008-2009. The County Executive included an additional \$100,000 in authorized tuition (3790) for the "Credits for Caring" Program in 2008-2009, an Executive initiative designed to encourage volunteerism in non-profit agencies, in exchange for paid tuition at the College. The College estimates that they will spend \$200,000 of the 2008-2009 adopted amount of \$230,000. Only \$83,726 was actually expended in 2007-2008. Based

on what the College has spent YTD, it is likely that they will fall short of this spending level for 2008-2009.

Areas of Significant Increase in Expenditures

The largest requested dollar increase in non-personnel expenditures for the 2009-2010 budget is for Light, Power, and Water. The College is requesting \$7,343,874, which is \$553,600 or 8.1% more than the \$6,790,274 adopted in 2008-2009. The volatility of energy prices over the last few years makes budgeting for utilities difficult; however, it is reasonable to expect an increase in operating costs as a result of new facilities being constructed. Energy costs will be impacted by the Workforce Development and Technology Building on the Grant Campus (CP 2111) scheduled for completion this fall and the Learning Resource Center on the Eastern Campus (CP 2189) should be finished sometime in 2010.

Computer Services are requested at \$593,000 for 2009-2010, a \$418,000 or 239% increase over the 2008-2009 adopted budget of \$175,000. The College estimates that they will spend the adopted amount; however they have already spent \$169,983 as of April 15, 2009. The College cites the need for improvement and expansion of telecommunications and networking systems to keep pace with mandatory educational standards scheduled in 2009-2010.

The College is requesting \$1,104,987 for Fees for Services in 2009-2010, which is \$264,090 or 31.4% more than the \$840,897 adopted in 2008-2009. The College estimates that they will spend \$923,046 in the current budget year, \$82,149 or 9.7% over the 2008-2009 adopted budget. Despite the increase, the 2009-2010 request is less than what was expended in 2007-2008 (\$1,399,919).

The College is requesting a \$128,900 or 24.8% increase in Bank Services from \$520,000 in 2008-2009 to \$648,900 for 2009-2010 due to increases in service rates. The College estimates that they will expend \$540,000 which is \$20,000 over budget for 2008-2009. For 2007-2008, actual expenditures were \$527,561. It is unclear why such a large increase is being requested.

Technology Initiatives are requested at \$654,000 for 2009-2010, an increase of \$109,000 or 20% over the adopted 2008-2009 budget of \$545,000. For 2007-2008, the College spent \$331,841. The College estimates that they will spend \$545,000 (the adopted amount) in 2008-2009, but their YTD expenditures as of April 15, 2009 would put them on pace to spend approximately \$270,000 in 2008-2009. This is another area of expenditure where the College cites the need for improvement and expansion of telecommunications and networking systems to keep pace with mandatory educational standards scheduled in 2009-2010.

The College has included \$370,000 in 8500-MTA Tax Liability for the recently enacted MTA payroll tax for 2009-2010.

General Fund Expenditure for Out-of-County Tuition

Section 6305(5) of the New York Education Law requires Suffolk County to pay the local sponsor's share for Suffolk County residential students who attend community colleges outside the County.

Since the 1994-1995 school year, when 3,230 Suffolk residents attended other community colleges, the number has generally been below this benchmark. However, that has not been the case for the last three budget years. Each year the Comptroller's Office issues a report detailing the amount of Suffolk County students attending community colleges outside of Suffolk County. For 2007-2008, there were 3,688 residency certificates issued, a 14-year high and an increase of 14.1% over the base year.

The County General Fund pays the local share for Suffolk residents to attend other community colleges from the County's Operating Budget (001-MS-2490-0000-4780). Over the last ten years, there has been an average expense to the General Fund of \$7,563,767. This is not an expense to the College, but to the General Fund.

Fashion Institute of Technology (FIT) and Nassau Community College are consistent choices for Suffolk residents opting to attend community colleges outside Suffolk County. The unique program opportunities offered at FIT, the proximity of Nassau Community College to certain communities, and to some extent the cost of tuition are factors contributing to increased costs to the General Fund.

Over 3,188 Suffolk County residents attended one of these two institutions, representing 86.4% of the 3,688 Suffolk County residents that attended community colleges outside of Suffolk County during the 2007-2008 school year. Accordingly, 92.8% of the expenses to the General Fund are due to Suffolk students attending these two institutions.

Conversely, Suffolk County Community College receives revenue of \$515,000 from other New York State Counties.

Revenue

The College's largest sources of revenue are Student Share, comprised of tuition and fees, State Aid, and the County's Contribution.

County Contribution

The County Contribution is \$38.6 million and has remained flat since the 2007-2008 budget. The County Contribution is also referred to as the "local sponsor share" or "maintenance of effort" (MOE). The State Legislature has conditioned

aid for local community colleges by requiring that local sponsors at least match their annual subsidy from the previous school year.

Changes to the County Contribution affect the College tax levy. The County Contribution is equal to the sum of the College non-mandated tax levy of \$4,405,215 and the Suffolk County Contribution, \$34,197,742. The Suffolk County Contribution in turn is equal to appropriation 001-2495 in the General Fund operating budget.

State Aid

The College's budget request for 2009-2010 includes \$49,099,948 in State Aid. This is an increase of \$1,524,493 over the 2008-2009 academic year in which State Aid is estimated at \$47,575,455. This increase is due primarily to the State providing \$1.7 million in aid for the growth in FTE's in 2008-2009 over the previous year. This is growth of approximately 675 FTE's at a rate of \$2,675 per FTE.

The additional \$1.7 million in aid for growth in FTE's is offset by a reduction in the percentage for Rental aid which decreased from 50% to 40%, for a reduction of \$200,000. The net impact is additional revenue of \$1.5 million which will be used to offset increases in tuition.

The State's determination to pay the FTE growth was made in early May and provided sufficient State revenue so that the College could limit the increase in student tuition to \$200 for full time rather than the original \$260. The College's 2009-2010 budget request was then modified and approved at the Board of Trustees meeting on May 16th.

Student Tuition

The College is projecting an increase in enrollment of full-time equivalent students (FTE's). For the current school year 2008-2009, the number of FTE's increased by 3.8% over the previous year and enrollment is projected to increase 3% in 2009-2010.

The tuition for full-time and part-time students is determined based on the recommendation of the College President and approval of the College's Board of Trustees. The College requested a \$200 per annum increase for full time students and an \$8.00 per credit increase for part time.

Over the period 2003-2004 through 2009-2010 Suffolk County Community College has had an average increase of \$196 per year, and \$7 on a per credit basis.

Suffolk County Community College full time annual tuition for 2009-2010 will be \$3,576. Nassau Community College full time tuition will increase by \$70 to \$3,622 for the 2009-2010 academic year. Suffolk County Community College tuition will be \$46 less annually for full time students compared to Nassau.

Welfare-to-Work

Revenue code "818-2815-Transfer from General Fund – Miscellaneous" has been used to fund the Welfare-to-Work program. The Legislature appropriated \$29,500 in the 2007 Omnibus, Resolution No. 1054-2007, to pilot this program in summer 2007. The purpose of the program is to mentor higher risk students and encourage them to stay in school and the efforts have been successful.

The College's request does not include specific additional funding for this program in the 2009-2010 academic year. Both the College and Eastern Suffolk BOCES have incorporated strategies learned through the pilot effort into current programs that serve the TANF populations. No further funding is needed at this time as previously appropriated funds are sufficient to meet the needs of the program.

County Employee Computer Training

The College's budget request for 2009-2010 does not include funding for the Suffolk County employee computer training program provided by the College. Last year, the Legislature made a policy determination to reinstate this program and added \$100,000 to this revenue code. The College's budget request indicates that the estimated budget for this training program in the 2008-2009 academic year is \$0. The County's Training Schedule indicates, "Training has been suspended until further notice!"

The County Executive's Budget

The County Executive and the Legislature are limited to changing only the County Contribution and therefore the total budget. The following are the highlights of the County Executive's Recommended 2009-2010 College budget. The recommended budget includes a zero increase in the County Contribution as requested by the College and there is no change to the total budget.

The recommended budget document includes a County Executive resolution to adopt the budget. It has been customary for the Legislature to prepare its own resolution and therefore numbered page 1 should be expunged from the adopted budget.

Resolution No. 574-2008 adopted the 2008-2009 College operating budget and authorized the inclusion in the adopted budget document of three summary schedules to improve the transparency and clarity of the budget presentation.

The purpose of the schedules are to: a) summarize the relationship between the College Budget and the County General Fund, b) summarize the relationship between the various College expenditures and revenues and c) summarize adjustments that reconciled the College's fund balance to the College's audited financial records. None of the schedules are included in the recommended budget document.

The Budget Review Office recommends that two of these schedules be included in the printed 2009-2010 adopted budget pursuant to the intent of Resolution No. 574-2008. Since there is no audit adjustment this year, there is no need for schedule C.

Page 2 of the recommended budget includes a clear presentation of the Country Contribution of \$38,602,957 and the tax levies. The Discretionary Tax Levy is \$4,405,215 and the Mandated Levy is \$845,252.

The Executive Budget Office prepared the Status of Funds which shows that the actual 2007-2008 carry over fund balance is \$6.9 million compared to the estimated carry over fund balance of \$2.5 million, an increase of \$4.4 million.

The 2008-2009 estimated fund balance is \$8.7 million of which the \$1.7 million reserve is applied as revenue to the 2009-2010 Budget.

The requested/recommended fund balance for 2009-2010 is \$6.9 million.

The 2008-2009 fund balance is likely to be larger because both the County Executive and the Budget Review Office note that personal services are overstated by \$1.5 million in the current year and there is no provision associated with savings from a lag payroll for AME employees estimated at \$725,000.

Should the fund balance be larger the College will determine in subsequent operating budgets whether funds are deposited in the reserve or applied to offset increases in expenditures.

The status of funds is a summary of expenditures and revenue to assure a balanced budget. Traditionally the Executive Budget Office has prepared this when the Executive and Legislature could make line item changes to the College's request. Although not specifically stated in the current operating agreements it makes sense that with its autonomy the College should assume responsibility for the preparation of the status of funds and include it as part of the College budget request.

The Sponsor Service Agreement and the Memorandum of Understanding of Procedures

This is a year of transition as the County of Suffolk and the Suffolk County Community College will operate under a memorandum of understanding and a sponsor service agreement rather than a Plan C agreement. Resolution No. 109-2009 terminated the Plan C agreement between the County of Suffolk and Suffolk County Community College recognizing State Law changes that granted the community college greater autonomy and independence. From 1996 the amended Plan "C" Agreement authorized the County to maintain certain budget and fiscal controls over the Community College's operations.

The Board of Trustees of the State University of New York (SUNY) amended its rules and regulations in 2003 to conform with 1988 amendments to the New York Education Law, which provided greater fiscal autonomy for community colleges. The 2003 amendments to the State regulations eliminated a local sponsor's authority to veto line item appropriations in a community college budget proposed by a college's board of trustees and permitted a college board of trustees to transfer appropriations among budget items without the local sponsor's approval. The County of Westchester and the New York State Association of Counties brought suit against SUNY challenging these regulations and on June 28, 2007 the New York Court of Appeals upheld lower court rulings finding that the SUNY regulations were consistent with New York Education Law and the State Legislature's "intent to grant community colleges greater flexibility and autonomy in the budget process by increasing their independence from the local sponsors". The Suffolk County Community College Board of Trustees responded to the above cited State regulations and court decisions by bringing its own legal action to terminate the Plan "C" Agreement and by an order dated November 10, 2008, the New York State Supreme Court (Justice Melvyn Tannenbaum) ruled that the Plan "C" Agreement is invalid, unenforceable and void. The Middle States Commission on Higher Education's re-accrediting team has expressed strong concerns about the level of control the County exerts over the Community College with regard to governance, budget oversight and accountability for college resources.

Resolution No. 188-2009 approved the new operating agreements between Suffolk County and the Suffolk County Community College. Representatives of the County Executive, the County Legislature and the Community College met to negotiate and produce a Sponsor Service Agreement and a Memorandum of Understanding of Procedures. The Agreements shall run for a term of five (5) years and reflect changes in state law and SUNY regulations that have granted community colleges greater fiscal autonomy. The Agreements specify the services that the County and the College will provide to each other and stipulate that pending lawsuits between the County and the College with respect to the Plan "C" Agreement and a civil service personnel dispute shall be discontinued. The Agreements set forth a new procedure for the County's consideration of the

College's Operating Budget and the approval of an Operating Budget total and provide for extensive information-sharing and cooperation between the County and the College. It is generally interpreted that the sponsor may approve or disapprove the operating budget total including the level of the County Contribution. The College is afforded considerable autonomy which includes the ability to make budgetary transfers and to establish independent financial and personnel systems compatible with College needs. Pursuant to the *Memorandum of Understanding of Procedures* the Budget process will be as follows:

- (1) The College will submit an Operating Budget Request to the County Executive and the County Legislature on the forms prescribed by the County Executive, both in printed and electronic form, which shall include line item detail, no later than the third (3rd) Friday in April unless a later date is mutually agreed upon.
- (2) The College, the County Executive and the County Legislature will meet to concurrently discuss the Operating Budget Request.
- (3) The County Executive will submit the recommended Budget total and other budget recommendations to the County Legislature, no later than May 31st.
- (4) The County Legislature's Budget Review Office will make recommendations to the County Legislature after review of the College Operating Budget Request.
- (5) The County Legislature will review all documents and recommendations before it relative to the College Operating Budget Request.
- (6) The County Legislature will approve or disapprove the Operating Budget total of the College.
- (7) The County Executive may approve or disapprove the Legislature's approval or disapproval of the Operating Budget total of the College.
- (8) If vetoed by the County Executive, the County Legislature may reconsider the Operating Budget request of the College.
- (9) After the County approves an Operating Budget for the College, the College's Board of Trustees will take any and all necessary actions to assure that the College budget is balanced and enacted only as a balanced budget. This may require line-item adjustments by the College to bring expenses and/or revenues into balance with the County budget total as adopted by the Legislature.
- (10) The College will provide the County Executive and the County Legislature with a complete copy, both in printed and electronic form, of the final balanced budget.
- (11) The County will make timely transmissions of sponsor contributions to ensure that the College has adequate cash flow to meet current expenditures.

- (12) The College will hold quarterly meetings with the County Executive and the County Legislature regarding the College budget. Such meetings shall be called by the Chair of the Legislative Economic Development, Higher Education and Energy Committee or successor committees.

The Budget Review Office met with the Community College and the Executive Budget Office as required by the agreement. The Budget Review Office report will no longer include specific recommendations for line item changes since that is no longer consistent with the operating agreements, with the exception of the operating budget total.

The College's Budget Request

Expenditures

The College has requested total expenditures of \$178,138,901 for 2009-2010, an increase of 5.47% over last year's adopted budget, excluding grants. In the aggregate, the College is requesting \$180,459,196 including \$2,320,295 in grants, for 2009-2010, which is \$8,740,892 or 4.93% more than the \$171,718,304 adopted in 2008-2009. The College estimates that they will expend \$169,657,873 of the 2008-2009 adopted budget, approximately \$5.4 million more than what was spent in 2007-2008.

Personnel Costs

2008-2009 Estimates

- The Budget Review Office estimates a surplus of \$1.7 million in permanent salaries from the amended budget amount of \$74,138,610. This is due primarily to 49 vacancies (30 AME, 14 Faculty, 2 Guild and 3 Exempt).
- Depending on utilization of overtime this summer, current projections indicate the overtime account will be over-expended by \$150,000 from the amended budget amount.
- Part-time Instructor, Full-time Overload and Temporary Salaries will be over-expended by approximately \$300,000 from the amended budget amount.

2009-2010 Requested

- The requested amount for permanent salaries is 4% more than the SCCC estimated amount for 2008-2009 and 1.5% more than the BRO projected amount for 2009-2010.
- There are sufficient appropriations for contractual salary increases and steps for bargaining units with contracts spanning the 2009-2010 period.

- The surplus in requested permanent salary funding would allow SCCC to fill approximately half of their vacancies at an average salary of \$43,971.
- The Budget Review Office projects that overtime is understated with only a 0.7% increase from the 2008-2009 estimated amount considering contractual increases and historical trends.
- Part-time Instructor and Full-time Overload appear to be reasonably funded with increases from 5.2 to 6.2%. This increase would indicate increased utilization of these positions and related contractual increases.

The Budget Review Office has worked in cooperation with the County Executive's Budget Office to confirm the permanent salary figures.

Employee Benefits

Health Insurance

The vast majority (99%) of the College's 1,651 employees and retirees are enrolled in the County's self insured Employee Medical Health Plan (EMHP). The remaining 1% (17 employees) are enrolled in one of several health maintenance organization options available. Thirty-seven percent of the College's health insurance enrollees are retired. The College remits payment to the County via inter-fund transfer to Fund 039-Employee Medical Health Plan Fund for both its EMHP enrollees and HMO enrollees on a monthly basis based upon the coverage (family or individual), plan (EMHP or HMO), and number of insureds. The EMHP portion of the monthly transfer is based upon inter-fund transfer rates established within the County's adopted operating budget on a yearly basis. The 2009 annual inter-fund transfer rate for family coverage is \$14,640 while individual coverage is \$6,864.

The Budget Review Office estimates the College's health insurance expenditures for 2008-2009 to be \$19,883,774 and for 2009-2010 to be \$21,624,000 which, in the aggregate, is \$253,322 or .6% less than estimated by the college leading us to believe their anticipated health insurance expenditures are both sound and reasonable.

Retirement

The College offers three different retirement plans for its employees. Most faculty and administrators participate in either the New York State Teachers' Retirement System (TRS) or the Teachers' Insurance Annuity Association – College Retirement Equities Fund (TIAA-CREF) while other employees are enrolled in the New York State Local Employees' Retirement System (ERS).

In the preparation of our estimate we've inflated the employer contribution rate for the ERS portion of the College's retirement liability in 2010 by 30% in anticipation of significant increases in contributions which will be required by the

State in order to compensate for poor market performance encountered by the State common retirement fund during 2008-2009. The Budget Review Office estimates the College's retirement expenditures for all plans in 2008-2009 to be \$8,278,649 and for 2009-2010 to be \$8,558,241 which, in the aggregate, is \$107,494 or .6% more than estimated by the college and supports the assertion that the College's requested retirement expenditures are both sound and reasonable.

Benefit Fund

The College makes contributions to both a Faculty/Guild Benefit Fund and an AME Benefit Fund. The contribution is based upon contractual employer contribution rates and the number of eligible enrollees in each fund. The College's contribution includes a \$10 contribution annually for life insurance for each of its approximately 1,300 Adjunct Professors in addition to life insurance payments for each of approximately 350 College Aides at an annualized rate of \$11.83 for 2008 and \$9.10 for 2009. The AME contribution rate for the 2009-2010 school year remains static at \$1,381 due to the fact that the AME contract expired December 31, 2008 and no settlement has been reached. The Faculty/Guild Benefit Fund annual contribution increases \$50 to \$1,733 per the contractual agreement.

The Budget Review Office estimates the College's benefit fund contribution for 2008- 2009 at \$1,671,526 and 2009-2010 at \$1,681,518, which is \$28,857 or .8% more, in the aggregate, as compared to the College's estimate which we believe is reasonable.

Social Security (FICA)

Social Security taxes consist of two components: Old Age Survivors and Disability Insurance (OASDI) and Medicare Hospital Insurance (HI). The OASDI tax rate for 2009 earned wages up to \$106,800 is 6.2% for both the employee and employer and the tax rate for HI is 1.45% for both employees and employers which apply to all earnings.

The College has estimated their Social Security liability for 2008-2009 at \$7,733,927 and 2009-2010 at \$8,120,623 which is more than the Budget Review Office estimates by \$97,411 or .6% in the aggregate. Our estimate assumes that personal services appropriations are budgeted properly and fully expended and supports the College's estimate as reasonable.

Non-personnel Expenditures

In the aggregate, including \$2,320,295 in grants, the College is requesting \$180,459,196 for 2009-2010, which is \$8,740,892 or 4.93% more than the \$171,718,304 adopted in 2008-2009. The College estimates that they will expend \$169,657,873 of the 2008-2009 adopted budget, approximately \$5.4 million more than what was spent in 2007-2008.

Non-personnel expenditures represent 14.6% of the College's 2009-2010 budget request. Equipment, Supplies & Materials, and Utilities & Contracts (excluding personnel) are requested at \$26,508,596 for 2009-2010, which is an increase of \$1,139,691 or 4.5% over the 2008-2009 adopted budget.

The College is requesting a significant *decrease* for the following non-personnel costs:

Decreases in Requested Expenditures

OBJ	Description	2008-2009 Adopted Budget	2009-2010 Requested Budget	2009-2010 Req-Adopt 2008-2009 Budget	% Change Requested 2008-2009 Adopt
3070	Membership, Subscriptions	\$685,804	\$257,518	-\$428,286	-62.45%
2020	Office Machines	\$417,416	\$308,314	-\$109,102	-26.14%
3440	Technology Fee Supplies	\$269,000	\$160,000	-\$109,000	-40.52%
3790	Authorized Tuition	\$230,000	\$130,000	-\$100,000	-43.48%

- Memberships and Subscriptions are requested at \$257,518, which is \$428,286 or 62.5% less than the 2008-2009 adopted budget. The 62% decrease is unusual since the College estimates that almost all (\$667,804) of the 2008-2009 appropriations will be spent, which is consistent with prior year expenditures.
- The College has implemented a deferred computer replacement policy as a cost saving measure. The College estimates that they will only spend \$86,089 of the \$417,416 adopted in 2008-2009 for Office Machines due to the fact that they decided to retain 325 computers scheduled for replacement. The College is only requesting \$308,314 for 2009-2010, which is \$109,102 or 26.4% less than the 2008-2009 adopted budget. Approximately half of the deferred computers are student computers and the other half is comprised of faculty and other office computers. Due to budget restraints, the College has included requested funds in 2009-2010 for approximately 325 of the 900 computers needing replacement. The exact number replaced will depend on the unit price.
- The College estimates that it will expend all of the \$269,000 that was adopted for Technology Fee Supplies in 2008-2009. However, they are only requesting \$160,000 for 2009-2010, a \$109,000 or 44.5% reduction. This amount is almost equal to what was actually spent in 2007-2008.
- The College is requesting \$130,000 for Authorized Tuition in 2009-2010 which is \$100,000 or 43.5% less than adopted for 2008-2009. The County Executive included an additional \$100,000 in authorized tuition (3790) for the "Credits for Caring" Program in 2008-2009, an Executive initiative designed to encourage volunteerism in non-profit agencies, in exchange for paid tuition at the College. The College estimates that they will spend \$200,000 of the 2008-2009 adopted amount of \$230,000. Only \$83,726 was actually expended in 2007-2008. Based on what the College has

spent YTD, it is likely that they will fall short of this spending level for 2008-2009.

The College is requesting significant *increases* for the following non-personnel costs:

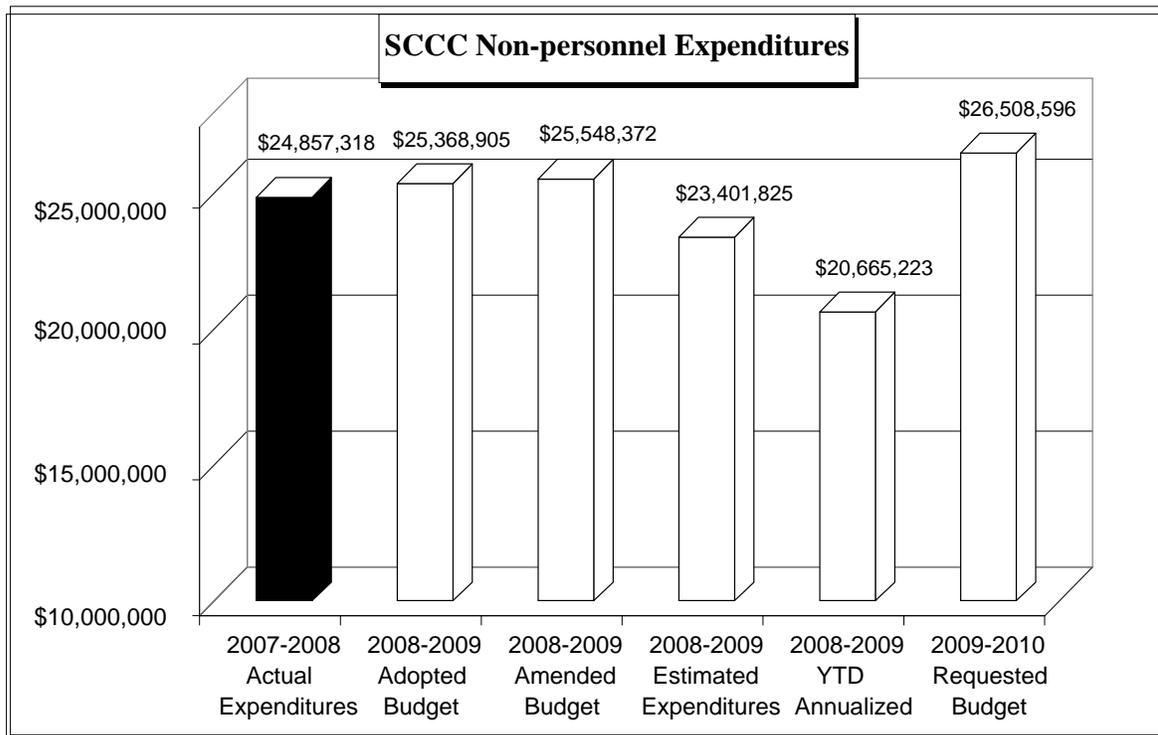
Increases in Expenditures

OBJ	Description	2008-2009 Adopted Budget	2009-2010 Requested Budget	2009-2010 Req-Adopt 08-09 Budget	% Change Req- 08-09 Adopt
4020	Light, Power, Water	\$6,790,274	\$7,343,874	\$553,600	8.15%
4210	Computer Services	\$175,000	\$593,000	\$418,000	238.86%
4560	Fees for Services, Non Employees	\$840,897	\$1,104,987	\$264,090	31.41%
3460	Bank Fees	\$520,000	\$648,900	\$128,900	24.79%
2550	Technology Initiatives	\$545,000	\$654,000	\$109,000	20.00%

- The largest requested dollar increase for the 2009-2010 budget is for Light, Power, and Water. The College is requesting \$7,343,874, which is \$553,600 or 8.1% more than the \$6,790,274 adopted in 2008-2009. The College estimates that they will spend almost the entire 2008-2009 adopted budget. The volatility of energy prices over the last few years makes budgeting for utilities difficult; however, it is reasonable to expect an increase in operating costs as a result of new facilities being constructed. The Workforce Development and Technology Building on the Grant Campus (CP 2111) is scheduled for completion this fall and the Learning Resource Center on the Eastern Campus (CP 2189) should be finished sometime in 2010.
- Computer Services are requested at \$593,000 for 2009-2010, a \$418,000 or 239% increase over the 2008-2009 adopted budget of \$175,000. The College estimates that they will spend the adopted amount; however they have already spent \$169,983 as of April 15, 2009. If this figure is annualized, the College would spend over \$270,000, approximately \$100,000 more than adopted. The College cites the need for improvement and expansion of telecommunications and networking systems to keep pace with mandatory educational standards. According to the College, the bulk of these updates will occur in 2009-2010.
- The College is requesting \$1,104,987 for Fees for Services in 2009-2010, which is \$264,090 or 31.4% more than the \$840,897 adopted in 2008-2009. The College estimates that they will spend \$923,046 in the current budget year, \$82,149 or 9.7% over the 2008-2009 adopted budget. Despite the increase, the 2009-2010 request is less than what was expended in 2007-2008 (\$1,399,919).
- The College is requesting a \$128,900 or 24.8% increase in Bank Services from \$520,000 in 2008-2009 to \$648,900 for 2009-2010 due to increases in service rates. The College estimates that they will expend \$540,000

which is \$20,000 over budget for 2008-2009. For 2007-2008, actual expenditures were \$527,561.

- Technology Initiatives are requested at \$654,000 for 2009-2010, an increase of \$109,000 or 20% over the adopted 2008-2009 budget of \$545,000. For 2007-2008, the College spent \$331,841. The College estimates that they will spend \$545,000 (the adopted amount) in 2008-2009, but their YTD expenditures as of April 15, 2009 would put them on pace to spend approximately \$270,000 in 2008-2009. The College cites the need for improvement and expansion of telecommunications and networking systems to keep pace with mandatory educational standards. According to the College, the bulk of these updates will occur in 2009-2010.
- The College has included \$370,000 in 8500-MTA Tax Liability for the recently enacted MTA payroll tax for 2009-2010.



*Annualized figure is based on YTD data collected on April 15, 2009

General Fund Expenditure for Out-of-County Tuition

Section 6305(5) of the New York Education Law requires Suffolk County to pay the local sponsor's share for Suffolk County residential students who attend community colleges outside the County. Pursuant to Resolution No. 184-1996, as amended by Resolution No. 663-2000, the College is eligible to receive an annual incentive payment from the County when there is a reduction in the

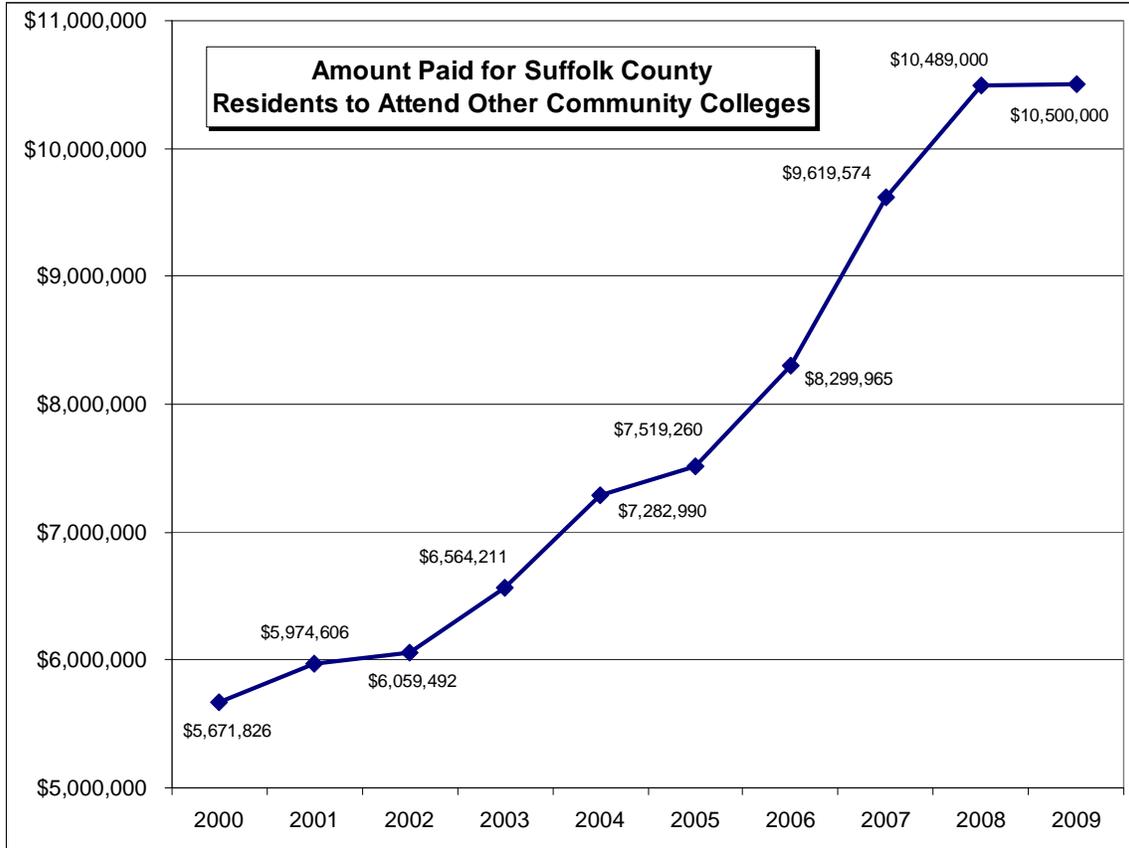
number of Suffolk residents attending other SUNY-sponsored community colleges in the state. If the number of Suffolk residents attending school elsewhere for the immediately preceding school year is less than the base year number for 1994-1995, then the County Legislature may, at its discretion, approve a maximum stipend of \$200 per student.

Since the 1994-1995 school year, when 3,230 Suffolk residents attended other community colleges, the number has generally been below this benchmark. However, that has not been the case for the last three budget years. Each year the Comptroller's Office issues a report detailing the amount of Suffolk County students attending community colleges outside of Suffolk County. For 2007-2008, there were 3,688 residency certificates issued, a 14-year high and an increase of 14.1% over the base year.

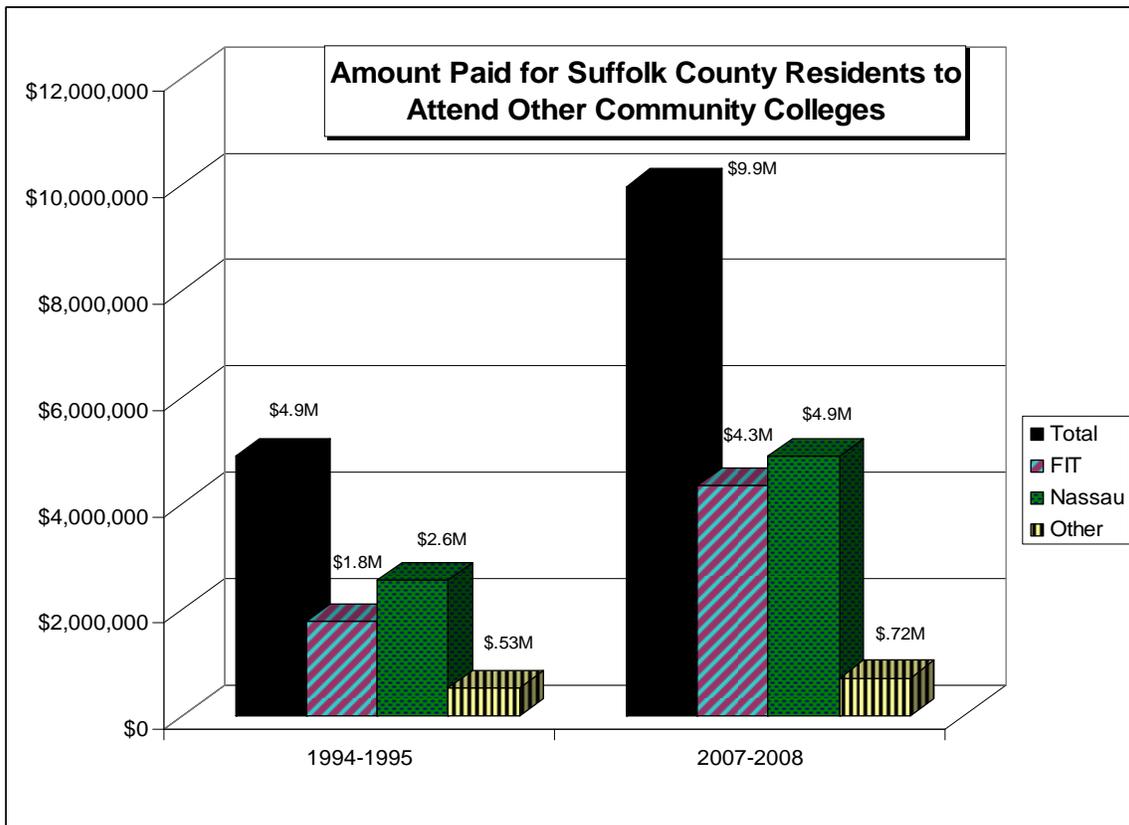
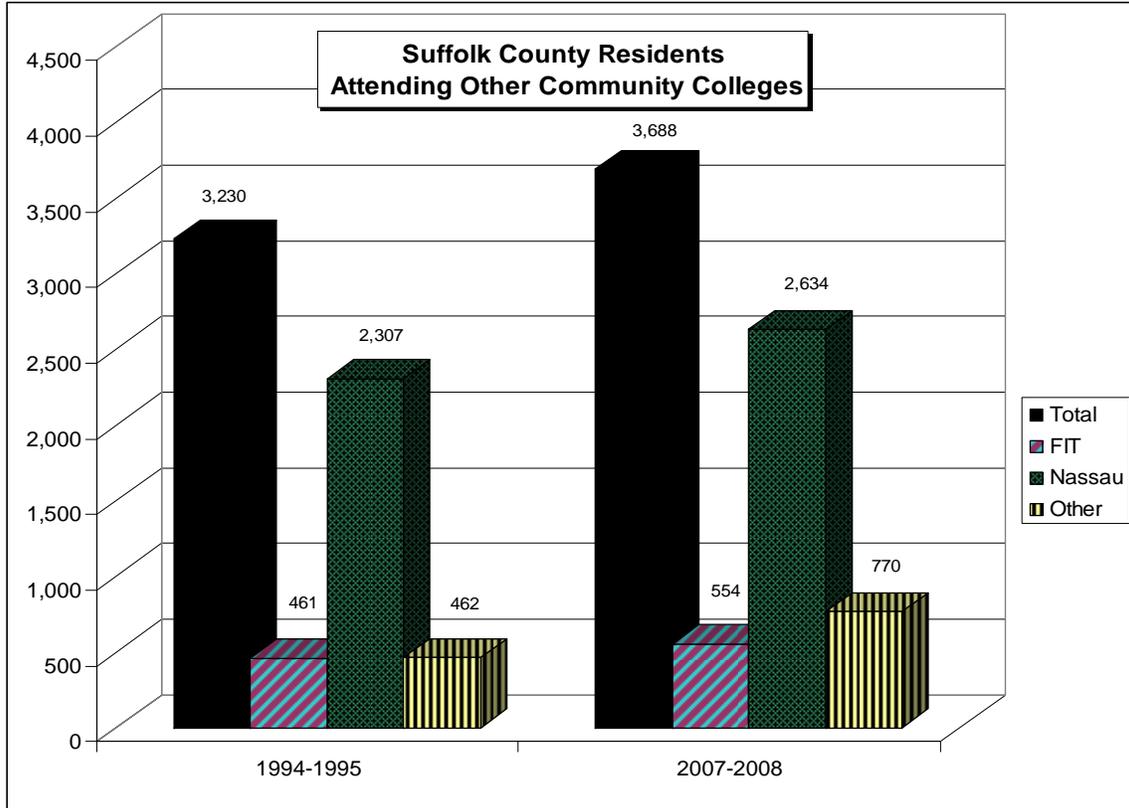
**Suffolk County Residents Attending
Other SUNY Community Colleges**

School Year	No. of Residents	Diff. from Base Year More (Less)	Pct. Chg. from Base Year
1994 – 1995	3,230	N / A	N / A
1995 – 1996	3,152	(78)	-2.4%
1996 – 1997	3,174	(56)	-1.7%
1997 – 1998	3,154	(76)	-2.4%
1998 – 1999	3,031	(199)	-6.2%
1999 – 2000	2,910	(320)	-9.9%
2000 – 2001	2,633	(597)	-18.5%
2001 – 2002	2,910	(320)	-9.9%
2002 – 2003	2,842	(388)	-12.0%
2003 – 2004	2,840	(390)	-12.1%
2004 – 2005	3,052	(178)	-5.5%
2005 – 2006	2,994	(236)	-7.3%
2006 – 2007	3,472	242	7.5%
2007 – 2008	3,688	458	14.1%

The County General Fund pays for Suffolk residents to attend other community colleges from the County's Operating Budget (001-MS-2490-0000-4780). Over the last ten years, there has been an average expense to the General Fund of \$7,563,767. This is not an expense to the College, but to the General Fund. The following graph shows the increase in expenditures since 2000.



Data shows that Suffolk County residents are consistently opting to attend F.I.T. and Nassau Community College. The unique program opportunities offered at F.I.T., the proximity of Nassau Community College to certain communities, and to some extent the cost of tuition are factors contributing to increased costs to the General Fund. Over 3,188 Suffolk County residents attended one of these two institutions, representing 86.4% of the 3,688 Suffolk County residents that attended community colleges outside of Suffolk County during the 2007-2008 school year. Accordingly, 92.8% of the expenses to the General Fund are due to Suffolk students attending these two institutions. These statistics are illustrated by the graphs on the following page.



Conversely, Suffolk County Community College receives revenue of \$515,000 from other New York State Counties. The table below shows revenue from non Suffolk residents in several categories.

2008-2009 Adopted	2008-2009 Estimate	Rev Code	Description	2009-2010 College Revenue Budget
\$413,030	\$400,000	1395	Non-Resident	\$412,000
\$366,253	\$350,000	1397	Out-Of-State	\$360,500
\$586,500	\$500,000	2238	Op. Chgbck	\$515,000
\$1,365,783	\$1,250,000			\$1,287,500

Revenue

The College's largest sources of revenue are Student Share, comprised of tuition and fees, State Aid, and the County's Contribution. The data in the table below demonstrates the percentage breakdown in the major sources of revenue. The County share includes a zero increase over the 2008-2009 level of support and excludes revenue from Out-of-County contribution. The student share includes a 3% increase in enrollment and an increase in tuition of \$200 for full time and \$8 per credit for part time. The State share assumes the level of support per FTE to be flat, with the exception of FTE growth and includes a reduction in rental aid.

College Revenue (Excluding Grants or Carryover Fund Balance)

	2008-2009 Adopted	% of Total	2009-2010	% of Total
Student Share	\$66,517,495	39.76%	\$73,825,328	41.86%
Suffolk County Share	\$38,731,157	23.15%	\$38,699,557	21.95%
New York State	\$47,575,455	28.44%	\$49,099,948	27.84%
Offset Revenue	\$14,189,678	8.48%	\$14,566,744	8.26%
Other	\$271,239	.16%	\$151,884	.09%
Total	\$167,285,024		\$176,343,461	

County Contribution

The County Contribution is also referred to as the “local sponsor share” or “maintenance of effort” (MOE). The County Contribution is not fixed by law since the County Legislature can approve whatever amount it deems appropriate. However, in the past the State Legislature has conditioned aid for local community colleges by requiring that local sponsors at least match their annual subsidy from the previous school year. A reduction could jeopardize the maintenance of effort and would be inconsistent with the State Legislature’s conditions for aid to local community colleges. In addition, any inadvertent decrease in the County Contribution could also impact College revenues from tuition and fees. This is the case because the community college is only allowed to increase tuition and fees above those established under Paragraph D of Section 6304 of the Education Law, provided the local sponsor's contribution either in the aggregate or per full-time equivalent student is *no less than the comparable actual rates for the previous community college fiscal year*.

Changes to the County Contribution affect the College tax levy. The County Contribution is equal to the sum of the College non-mandated tax levy and the Suffolk County Contribution. The Suffolk County Contribution in turn is equal to appropriation 001-2495 in the General Fund operating budget.

County Contribution 818-Contribution to Community College Fund

Description	2008-2009 Adopted	2009-2010 Requested	2009-2010 Requested minus 2008-2009 Adopted
	(1)	(2)	(3)=(2)-(1)
County Contribution	\$38,602,957	\$38,602,957	\$0
Suffolk County Contribution (818-2810 = 001-2495)	\$34,197,742	\$34,197,742	\$0
Non-mandated College Tax Levy (818-1001-Real Property Taxes)	\$4,405,215	\$4,405,215	\$0

The table that follows shows the County’s Contribution over the twelve year period (1998-1999 to 2009-2010) and indicates that the County’s annual subsidy to the College has increased at a compounded rate of growth of 3.13% per year. Additionally, the College’s request will equate to no increase in the County’s contribution for three consecutive years, including the current academic year and the upcoming one. Holding the County Contribution to a zero % increase will increase pressure on other forms of revenue to address increases in the cost of operation.

Suffolk County's Annual Contribution to the Community College

School Year	Amount	% Change From Prior Year
1998 – 1999	\$28,356,138	2.00%
1999 – 2000	\$29,490,384	4.00%
2000 – 2001	\$30,669,999	4.00%
2001 – 2002	\$33,644,989	9.70%
2002 – 2003	\$33,644,989	0.00%
2003 – 2004	\$33,644,989	0.00%
2004 – 2005	\$34,990,788	4.00%
2005 – 2006	\$36,390,420	4.00%
2006 – 2007	\$37,846,036	4.00%
2007 – 2008	\$38,602,957	2.00%
2008 – 2009	\$38,602,957	0.00%
2009 – 2010 College's Requested	\$38,602,957	0.00%
11-year compounded rate of growth (1998-1999 to 2009-2010)		3.13%

In the next table, we compare the local sponsor share in Suffolk to elsewhere in the State over the past eleven years that data are available (1997-1998 to 2007-2008). Compounded annual growth in the local sponsor share over this eleven-year period has been in the mid 3% range statewide as well as in Nassau and Suffolk. Suffolk's 3.44% growth rate per year was the same as Nassau's but lower than the SUNY average for all community colleges growth rate of 3.59%. However, overall County support is higher in Nassau County than in Suffolk. Both local counties have considerably higher contributions than the SUNY average.

Comparison of Sponsor Contributions to Community Colleges

School Year	Nassau County	Suffolk County	SUNY Average
1997 – 1998	\$35,824,298	\$27,800,135	\$7,205,911
2007 – 2008	\$50,247,241	\$38,978,000	\$10,254,984
11 Year Annual Compounded Rate of Growth	3.44%	3.44%	3.59%

As shown in the next table, the trend for local sponsor support has been downward, requiring local community colleges to increase reliance upon other sources of revenue.

Annual County Subsidy as a Percentage of Total Revenues

School	1997 – 1998 School Year	2007 – 2008 School Year	Difference More (Less)
SUNY Average	22.80%	19.8%	-3.0%
Nassau	29.20%	26.4%	-2.8%
Suffolk	30.40%	23.9%	-6.5%

State Aid

The State is a major source of public funding for the College that is provided in various forms. The predominant form of state aid is based on the number of Full-Time Equivalent (FTE) students. An FTE is equal to 30 credits annually. The Governor proposes and the State Legislature adopts a funding rate per FTE student. This rate is then applied to the number of FTE students from either:

- 1) the immediately preceding year when there is growth; or
- 2) a weighted average of FTE students for the three previous years when there is retrenchment.

The College's budget request for 2009-2010 includes \$49,099,948 in State Aid. This is an increase of \$1,524,493 over the 2008-2009 academic year in which State Aid is estimated as \$47,575,455. This increase is due primarily to the State providing \$1.7 million in aid for the growth in FTE's in 2008-2009 over the previous year. This is growth of approximately 675 FTE's at a rate of \$2,675 per FTE. The additional \$1.7 million is offset by a reduction in the percentage for Rental aid which decreased from 50% to 40%, for a reduction of \$200,000. The net impact is additional revenue of \$1.5 million which will be used to offset tuition. The State's determination to pay the FTE growth was made in early May and provided sufficient State revenue so that the College could limit the increase in student tuition to \$200 for full time rather than the original \$260. The College's 2009-2010 budget request was then modified and approved at the Board of Trustees meeting on May 16th.

Student Tuition

Student tuition revenue provides the College with the financial resources it requires to offer its educational curriculum along with state aid, the County's annual subsidy, and other miscellaneous income. Tuition income is a function of both student enrollment and tuition rates.

The College is projecting an increase in enrollment of full-time equivalent students (FTE's). For current school year 2008-2009, the number of FTE's increased by 3.8% over the previous year and enrollment is projected to increase 3% in 2009-2010.

Enrollment

Enrollment is the paramount driver for various Community College revenues, chief among those are state aid and tuition. Enrollment is largely determined by the following factors:

- The annual number of high school graduates
- The state of the economy: Currently we are experiencing a national recession. Historically, a downturn in the economy has lead to an increase in enrollment for educational institutions.
- Competition from other regional schools
- College initiatives: The College exercises some influence over enrollment through its marketing program and course offerings.

As seen in the following table, the College is projecting an increase in enrollment of full-time equivalent students (FTE's). For the current school year 2008-2009, the number of FTE's increased by 3.8% over the previous year and enrollment is projected to increase 3% in 2009-2010.

School Year	Full Time Equivalent (FTE)	% Change from Prior Yr
2007-2008	17,404	--
2008-2009	18,067	3.8%
2009-2010	18,609	3%

Tuition Rates

The tuition for full-time and part-time students is determined based on the recommendation of the College President and approval of the College's Board of Trustees. The College requested a \$200 per annum increase for full time students and an \$8.00 per credit increase for part time.

The following table identifies full and part time tuition over the period 2003-2004 through 2009-2010. Over this six year period Suffolk County Community College has had an average increase of \$196 per year, and \$7 on a per credit basis. Suffolk County Community College full time annual tuition for 2009-2010 will be \$3,576. Nassau Community College full time tuition will increase by \$70 to \$3,622 for the 2009-2010 academic year. Suffolk County Community College tuition will be \$46 less annually for full time students compared to Nassau.

Suffolk County Community College Five Year Tuition History				
YEAR	Full Time (per year)	Change From Prior Year	Part Time (per credit)	Change From Prior Year
2003-2004	\$2,600	--	\$109	--
2004-2005	\$2,890	\$290	\$121	\$12
2005-2006	\$2,990	\$100	\$125	\$4
2006-2007	\$3,100	\$110	\$130	\$5
2007-2008	\$3,256	\$156	\$136	\$6
2008-2009	\$3,376	\$120	\$141	\$5
2009-2010	\$3,576	\$200	\$149	\$8
6 Year Average Change		\$163		\$7

The table below compares the 2009-2010 Suffolk County Community College full time tuition to other local colleges including two and four year institutions.

Annual Tuition Costs in Long Island/NY Metro Area

2 Year Institutions	Full Time Student Tuition Spring and Fall Semesters	Difference from SCCC (2009-2010)
CUNY Junior Colleges	\$2,800	(\$776)
Suffolk Community College (2008-2009)	\$3,376	(\$200)
Suffolk Community College (2009-2010)	\$3,576	--
Nassau Community College (2008-2009)	\$3,552	(\$24)
Nassau Community College (2009-2010)	\$3,622	\$46
4 Year Institutions	Full Time Student Tuition Spring and Fall Semesters	Difference from SCCC (2009-2010)
CUNY Senior Colleges	\$4,000	\$424
SUNY Farmingdale	\$4,660	\$1,084
SUNY Stony Brook	\$4,660	\$1,084
SUNY Old Westbury	\$4,660	\$1,084
Berkley College	\$12,700	\$9,124
St. Joseph's College	\$16,200	\$12,624
Five Towns College	\$17,400	\$13,824
Molloy College	\$18,700	\$15,124
Dowling College	\$19,000	\$15,424
NY Institute of Technology	\$23,380	\$19,804
Adelphi University*	\$24,420	\$20,844
Long Island University (Brooklyn)	\$24,420	\$20,844
Long Island University (C.W. Post)	\$26,090	\$22,514
Long Island University (Brentwood)	\$26,090	\$22,514
Hofstra University	\$27,600	\$24,024
St. John's University	\$28,100	\$24,524

Juilliard	\$30,500	\$26,924
Pace University	\$31,860	\$28,284
Fordham University	\$35,825	\$32,249
New York University	\$37,372	\$33,796
Columbia University**	\$37,470	\$33,894

All tuitions assume first year students who are residents; does not include any costs other than tuition

* Uses averages as different programs have different rates

** Uses cost for "Columbia College" undergrad program; University has various programs at different costs

Welfare-to-Work

Revenue code "818-2815-Transfer from General Fund – Miscellaneous" has been used to fund the Welfare-to-Work program. The Legislature appropriated \$29,500 in the 2007 Omnibus, Resolution No. 1054-2007, to pilot this program in summer 2007. The purpose of the program is to mentor higher risk students and encourage them to stay in school and the efforts have been successful. These funds were to be used exclusively for the Welfare-to-Work Mentoring Program. Any funds unexpended by end of the 2007-2008 year lapsed to fund balance and are being used during the 2008-2009 academic year to continue the program. The College's request does not include specific additional funding for this program in the 2009-2010 academic year. Both the College and Eastern Suffolk BOCES have incorporated strategies learned through the pilot effort into current programs that serve the TANF populations. No further funding is needed at this time as previously appropriated funds are sufficient to meet the needs of the program.

County Employee Computer Training

The College's budget request for 2009-2010 does not include funding for the Suffolk County employee computer training program provided by the College. Last year, the Legislature made a policy determination to reinstate this program and added \$100,000 to this revenue code. The College's budget request indicates that the estimated budget for this training program in the 2008-2009 academic year is \$0. The County's Training Schedule indicates, "Training has been suspended until further notice!"

The Executive's Recommended Budget

The County Executive and the Legislature are limited to changing only the County Contribution and therefore the total budget. The following are the highlights of the County Executive's Recommended 2009-2010 College budget.

- The recommended budget includes a zero increase in the County Contribution as requested by the College and there is no change to the total budget.
- The recommended budget document includes a County Executive resolution to adopt the budget. It has been customary for the Legislature to prepare its own resolution and therefore numbered page 1 should be expunged from the adopted budget.
- Resolution No. 574-2008 adopted the 2008-2009 College operating budget and authorized the inclusion in the adopted budget document of three summary schedules to improve the transparency and clarity of the budget presentation. The purpose of the schedules are to: a) summarize the relationship between the College Budget and the County General Fund, b) summarize the relationship between the various College expenditures and revenues and c) summarize adjustments that reconciled the College's fund balance to the College's audited financial records. Similar to the status of funds, these schedules should include columns for actual, estimated and adopted amounts. None of the schedules are included in the recommended budget document.
- The Budget Review Office recommends that two of these schedules be included in the printed 2009-2010 adopted budget pursuant to the intent of Resolution No. 574-2008. Since there is no audit adjustment this year, there is no need for schedule C.
- Page 2 of the recommended budget includes a clear presentation of the Country Contribution of \$38,602,957 and the tax levies. The Discretionary Tax Levy is \$4,405,215 and the Mandated Levy is \$845,252.
- The Executive Budget Office prepared the Status of Funds which shows that the actual 2007-2008 carry over fund balance is \$6.9 million compared to the estimated carry over fund balance of \$2.5 million, an increase of \$4.4 million. The 2008-2009 estimated fund balance is \$8.7 million of which the \$1.7 million reserve is applied as revenue to the 2009-2010 Budget. The requested/recommended fund balance for 2009-2010 is \$6.9 million.
- The 2008-2009 fund balance is likely to be larger because both the County Executive and the Budget Review Office note that personal services are overstated by \$1.5 million in the current year and there is no provision associated with savings from a lag payroll for AME employees estimated at \$725,000. Should the fund balance be larger the College will determine in subsequent operating budgets whether funds are deposited in the reserve or applied to offset increases in expenditures.
- The status of funds is a summary of expenditures and revenue to assure a balance budget. Traditionally the Executive Budget Office has prepared

this when the Executive and Legislature could make line item changes to the College's request. Although not specifically stated in the current operating agreements it makes sense that with its autonomy the College should assume responsibility for the preparation of the status of funds and include it as part of the College budget request.