SUFFOLK COUNTY LEGISLATURE

PUBLIC HEARING

JUNE 13, 2017

A Public Hearing on the Suffolk County Community College Budget was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York.

MINUTES TAKEN BY:
Diana Flesher, Court Stenographer

MINUTES TRANSCRIBED BY:
Denise Weaver, Legislative Aide
(*The public hearing was called to order at 12:35 P.M.*)

CHAIRPERSON MARTINEZ:
Good afternoon. We are here at this moment to open the public hearing on the Suffolk County Community College budget. We see no cards, Mr. Clerk?

MR. RICHBERG:
No cards.

CHAIRPERSON MARTINEZ:
No cards. Thank you. Anyone in the audience that would like to address us on this public hearing, please let us know and come forward. Seeing none as well, I will then make a motion to close the public hearing; second by Legislator Calarco.

MR. ZWIRN:
Madam Chair, may I just make two comments with respect to the college budget?

CHAIRPERSON MARTINEZ:
Of course.

MR. ZWIRN:
You know, I just want to put something on the record before we close the hearing. I don't know if it was appropriate to do it after the public portion or just at some point, I just want to --

MR. NOLAN:
Right. This is the -- one of our two required public hearings on the Community College budget. The other one will be on Tuesday.

MR. ZWIRN:
Yeah. One of the things I'd just like to say is that one of the issues that we had was that there was a -- a recommendation by the County Executive one-and-a-half percent increase in the contribution to the college budget. And the college board of trustees had recommended two-and-a-half percent. And the college can live, we understand the stresses that the County's going through, we recognize that and we can live with the one-and-a-half percent.

So there will be shortfall with respect to the revenue in the budget. And we would like the opportunity to be able to manage that -- the board would like to manage that themselves. As opposed to the Legislature imposing a 400 and some-odd thousand dollar decrease, we believe we can manage it through the reserves that we have and we'd like to be able to do that.

There will not be a tuition increase over the $100 so it's not going to be that we didn't get the money, therefore, we're gonna, you know, try to place blame somewhere. We'll live with the $100. That's what the board of trustees has indicated that even though they have the -- they have the final say but that's what their indication has been.
One thing we wanted to make clear is that the Community College Budget Committee that was set up by the Legislature with the college and representatives, the chairwoman was on the committee as well, was not to the take the place of the budget process. Because there is -- there are comments that are made in the County Executive’s report that says that the Community College Budget Committee issued last month recommended increasing the County contribution by 1.5% a year for each of the five years discussed given the County's fiscal challenges. Therefore, we are recommending 1.5%.

Every year we're going to go through a budget process. The model that was worked on with that one-and-a-half percent also included the expectation of $100 increase in FTE from the State, which did not materialize. We got half that. And despite getting an increase of $50 for FTE, the State will actually be giving the college less money than they did this current year.

The other thing was also including a tuition increase of $200 a year. And the board of trustees has determined that they do not want to go to $200. It's only going to be a $100 increase. So therefore, there will be a shortfall. And the college is asking for the Legislature to let us take it out of reserves and let us handle it ourselves and we will do that.

The only thing I'd just like to say about the reserves, there are times when the college needs those reserves. The college does not have the ability to borrow money. When hurricane Sandy, Superstorm Sandy came through, three of the roofs in the Selden campus were badly damaged and we went to the reserves to pay for that. Eventually, we were reimbursed by FEMA, but in the -- if we had not been, we would have had -- to be able to fix those roofs and that comes out of the reserves. There was a major settlement several years ago, several million dollars, again, was paid out of the reserves. I know the committee previously has just, you know, decided to borrow money to pay for a settlement. The college cannot do that. We have the option of going to reserves or else coming back before the Legislature and asking for help.

So, I just wanted to put those items on the record. And the board of trustees will be sending a letter describing what I just said earlier about the -- the special committee that was set up and their understanding just so that everybody's on the same page. Thank you.

CHAIRPERSON MARTINEZ:
Thank you, Ben. I know that some of our Legislators have questions for you so I'll let them go first. Legislator Barraga.

LEG. BARRAGA:
Yeah, Ben, you know, just a couple of things with reference to the Community College Budget Committee. As you pointed out, they had estimated a $100 increase in FTEs. It's only $50. They indicated in their projections a $200 increase in tuition. It's only a 100 so obviously to be nice, there's a lot flexibility in their plan here because obviously things aren't turning out exactly in the
short-term the way they projected in their five-year plan.

MR. ZWIRN:
That's correct.

LEG. BARRAGA:
The other issue, too, and I would caution you with reference to the reserve, you're gonna take 6.3 million but since 2013 and '14 when the reserve was at 25 million, now you're going to be down about fifteen-and-a-half million, that's a 39% reduction in the reserve fund. And certainly take a look at Middle States, the accrediting agency, they normally recommend to have ten or fifteen percent of your operating budget in reserve. You're going to fall below eight percent; you're going to be around seven-and-half percent.

MR. ZWIRN:
You're right. The model -- that's why we say it was just to be advisory because it would be -- we could not sustain that, that one-and-a-half percent over the years. And with a modest increase from the State, we would go through the reserves and we'd be in the negative. So that's why we say we'd like to do it every year.

The committee was set up to take a look at some of the problems that we faced, putting a model in place. But you're absolutely right; if it remains at one-and-a-half percent and the State doesn't come through with additional funding, we'll go through the reserves and financially we'll be in serious trouble.

LEG. BARRAGA:
The other issue we should discuss to some degree is out-of-County tuition. You know, obviously the college with three campuses over a period of six or seven years, your FTEs for the most part are down by 2000 students, almost 2000 students. So when you have an FTE of like $2750 coming from the State, that's a loss of about -- in excess of $5 million a year in terms of monies coming from the State of New York. Give me an explanation, when -- when -- most of the students who are going to colleges outside of the County, a large percentage of them, maybe 56% go to Nassau Community College; and a number go to FIT; and then about 25% go to other community colleges throughout the State. How does the FTE scenario work?

For example, in our budget I think we're putting in $13 million for these out-of-county students. Do we get the FTE -- are they counted into our FTE at Suffolk?

MR. ZWIRN:
No.

LEG. BARRAGA:
No, okay. Now, I find very interesting. Because when you have a 2000 student reduction, if those 3900 students were going here, we'd have the FTE in state aid. This is ridiculous because here we have three eminent campuses, great community college. And yet you have loads of people from Huntington and Babylon on the west end going to Nassau Community College or FIT. It would seem to me that, you know, we have to take a look at that law at some point, if it's a state law because I think this -- there's nothing wrong
with saying to someone, look, if you want to go for an associates
degree and the program isn't offered at Suffolk County Community
College, go someplace else and we'll pick up some of the cost. But
these people are going to Nassau Community or other colleges and
yet those degree programs are right here; and yet we're taking a
political hit because we're not getting the FTE. We're out $5
million.

MR. ZWIRN:
You're absolutely right. And we have made a concerted effort to go
-- we've worked with the Comptroller's Office to get the residency
certificates so that we can identify the students that are going
from -- Suffolk County residents who are going to Nassau Community
College, in particular, and try to contact them and to try to bring
some of them back. And we have, if you look at the numbers that
are in the BRO report, that the actual numbers have gone down going
to Nassau Community College.

FIT is a world unto itself. It is a two-year school; it's a
four-year school. In Nassau County there were lawsuits brought.
FIT has been successful. When the community college program was
originally set up, it was so that you can go anywhere in the State.
That was part of the deal; that you didn't have to go with
community college in your own county. Even if the academic, you
know, courses were offered in that county, that would make a lot of
sense.

LEG. BARRAGA:
Yeah.

MR. ZWIRN:
And that, you know, we advocate for it but then we get -- you know,
SUNY, part of the problem is that that's how the system was set up.
In addition, the state in its wisdom, the Legislature, and you
probably remember this when you were up there, also committed to
paying half the out-of-county tuition.

LEG. BARRAGA:
We don't, we don't.

MR. ZWIRN:
And the state doesn't. So now it's down to -- it used to be the
County. General Fund used to pay it -- well, the General Fund
still pays it, but they charge back the towns for -- for that
revenue. So, you know, it's subject to available appropriations,
it's -- the state relieves itself of its obligation.

LEG. BARRAGA:
I think over a number of years now we've been taking that cost and
passing it down to the towns or municipalities.

12:45PM

MR. ZWIRN:
In the last -- in the last year of the Levy administration.

LEG. BARRAGA:
Yeah.
MR. ZWIRN: It was the last year of the Levy administration, to take pressure off the General Fund, we passed the $14 million onto the towns and they put a separate line on the town.

LEG. BARRAGA: I think -- because, you know, it really comes down to logistics; it's a lot easier, I guess, to commute from Huntington to Nassau Community College or Babylon to Nassau Community College than coming out to Selden.

MR. ZWIRN: It's the western towns that have the most students at Nassau Community.

LEG. BARRAGA: It's just that when you really take a look at it from a fiscal perspective, there's a lot of money being lost. Suffolk County Community College --

MR. ZWIRN: No question.

LEG. BARRAGA: Because of not being able to get the FTEs that roughly 4,000 -- even if you got half of them.

MR. ZWIRN: And we have looked at the programs that they might offer that we don't offer at Suffolk. And we are now beginning to offer some of those programs.

LEG. BARRAGA: But most of the programs that these students are going for you already offer.

MR. ZWIRN: And the ones we don't we're --

LEG. BARRAGA: They just don't want to travel.

MR. ZWIRN: -- we are going to offer.

LEG. BARRAGA: Something has to give here because, you know --

MR. ZWIRN: It's true, if we had those students back here we wouldn't --

LEG. BARRAGA: You wouldn't have a deficit.

MR. ZWIRN: We wouldn't have a problem.
LEG. BARRAGA:
You wouldn't have a problem. You wouldn't be going into --

MR. ZWIRN:
Ten percent of the student body that we have is --

LEG. BARRAGA:
That's a loss of roughly in excess of $5 million based on 1960 students coming back, that's what you're down for the last seven years, that's cumulative. I mean, it's not just one year. It's 5.3 million this year and last and the year before going back to 2010. That's a tremendous loss of money and something should be done to correct it. Maybe the state legislation should be modified that if -- if a community college offers your associates program in your major, you got to go to that community college. The County and the State's not going to pick up money for you to go someplace else in some other county.

MR. ZWIRN:
Well, next year when you have some free time, maybe we'll go up to Albany together and meet some of your old colleagues up there.

LEG. BARRAGA:
You're going to Albany. ("Laughter")

Just tell me how you made out when you get up there.

CHAIRPERSON MARTINEZ:
Thank you, Legislator Barraga. Legislator Kennedy.

LEG. KENNEDY:
Actually I'm turning this over to Legislator Hahn.

LEG. HAHN:
Do we have students from Nassau?

MR. ZWIRN:
Very few. It goes the other way. It's dramatic. I mean, there was one time we had actually one of the student trustees was from -- was from Nassau County, one of our student trustees. And he was terrific but for the most part it's not -- it doesn't work that way.

LEG. HAHN:
Okay. So do you have those numbers? And did you say that you had a list of majors what it was for.

MR. ZWIRN:
We took a look because, you know, we don't like to lose Suffolk County students because we have three campuses and satellites. You know, they're very -- want to be very aggressive, you know, educating our -- our residents. There was some programs that Nassau Community College had, dental hygienist, there were a couple of programs that we thought might be attracting students so that we are now going to offer those -- we're getting in the process of
doing that at Suffolk County and hopefully we'll bring some of those students back.

But we -- we were very aggressive when Dowling closed and Briarcliffe closed. We waived fees for those students to bring them in and we did bring a number of those students in. We have a very aggressive marketing campaign trying to bring those students in. And we reached out working with the Comptroller, John Kennedy. I got the residency certificates, which the student has to provide if they're going to another community college outside the County so we could contact those people personally and find out why they weren't coming here and what could we do to try to bring them back. So we're aware of it and we want -- we'd like to get as many of those students as we can.

CHAIRPERSON MARTINEZ:
Leslie, did he answer your question?

LEG. KENNEDY:
Yes, he did.

CHAIRPERSON MARTINEZ:
Okay, thank you. Any other questions from the Committee? Just quickly doctor -- Ben, what was the shortfall that you were referring to?

MR. ZWIRN:
Doctor's good. I stayed at a Holiday Inn last night. I'm almost a doctor. (*Laughter*)

CHAIRPERSON MARTINEZ:
That's good. What's the -- what was the shortfall that you -- I know you didn't give me a specific number, but can you just tell the Committee know where the shortfall would be.

MR. ZWIRN:
For the County, about $417,000, I think, is -- we'll just add that to reserves. And I think we can manage that this year. We'd like to have the opportunity to manage that shortfall.

CHAIRPERSON MARTINEZ:
How much do you have in the reserves at the moment?

LEG. BARRAGA:
About 15 million.

MR. ZWIRN:
Well, it's 24, as we speak right now, but it'll be going down.

CHAIRPERSON MARTINEZ:
Okay, thank you. So we don't have any other questions nor comments, Ben. And the rest of the college thank you for being here. And this concludes our public hearing. And I believe we had a motion and a second to close it. All in favor? Opposed? Abstention? The public hearing is closed. Thank you.
(*The public hearing was adjourned at 12:49 p.m.*)

{ } DENOTES SPELLED PHONETICALLY