

# SUFFOLK COUNTY LEGISLATURE



Robert Lipp  
Director

## BUDGET REVIEW OFFICE

June 11, 2018

To: DuWayne Gregory, Presiding Officer and  
All Suffolk County Legislators

From: Robert Lipp, Director  
Budget Review Office

Subject: **Review of the Suffolk County Community College 2018-2019 Requested  
and Recommended Operating Budget**

The Community College operating budget process is codified in Suffolk County Code Section A4-3 F, which specifies that the Legislature shall hold at least two public hearings on the Community College's operating budget request prior to approving an operating budget total and County Contribution by August 15th<sup>1</sup>. Since the County makes a substantial fiscal commitment to the College, the Budget Review Office continues to provide information to the Legislature as to the College's expenditures and revenues. No specific recommendations for line item changes are made since the Legislature does not have the authority to make such changes.

### **Overview**

Suffolk County Community College requested a 2018-2019 operating budget of \$226.4 million (including grants), which is an increase of \$5.5 million or 2.5% compared to the adopted 2017-2018 budget and \$7 million or 3.2% more than what the College estimates for the 2017-2018 fiscal year. The request includes a four percent increase in the County Contribution and a \$350 annual increase in tuition. The County Executive recommended a 1.84% increase in the County Contribution, which is \$916,160 less than requested; however, the recommended budget includes the requested level of expenditures, which assumes that the deficit will be made up from the reserve fund. The recommended budget was submitted in a new, more concise, format and no

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<sup>1</sup> If the Legislature does not adopt an operating budget total and County contribution by August 15, the budget total and County contribution recommended by the County Executive shall be deemed adopted as submitted. If the County Executive disapproves the operating budget total and County Contribution, he or she shall return the disapproved resolution to the County Legislature no later than 10 days after such resolution was submitted by the Legislature to the Office of the County Executive. The County Legislature may override the County Executive's disapproval by an affirmative vote of 2/3 of the total membership within 15 days after it was returned to it, but in no event later than August 31.

longer reproduces expenditure, revenue, and staffing detail provided by the College. This information is still provided in the College's request and is summarized in this report. In order to offset increased expenditures and diminished revenue because of declining enrollment, the College included several revenue enhancements in its requested budget. The following table summarizes the College's projected deficits and the value of each of the major revenue increases.

| <b>Estimated Shortfalls vs Revenue Enhancements</b> |                             |                      |
|---|-----------------------------|----------------------|
| <b>Shortfalls from 2017-2018 Estimate</b>           |                             |                      |
| Increases in expenditures                           |                             | -\$7,000,000         |
| Use of Reserves                                     |                             | -\$5,400,000         |
|   | <b>Total</b>                | <b>-\$12,400,000</b> |
| <b>Revenue Enhancements in 2018-2019 Request</b>    |                             |                      |
| Tuition   | Increased by \$350 annually | \$5,750,000          |
| Fees  | Various fee increases       | \$1,400,000          |
| County Contribution                                 | Four percent increase       | \$1,700,000          |
| State Aid   | \$100 increase per FTE      | \$1,050,000          |
| Use of Reserves                                     | Transfer from Reserve Fund  | \$2,500,000          |
|   | <b>Total</b>                | <b>\$12,400,000</b>  |

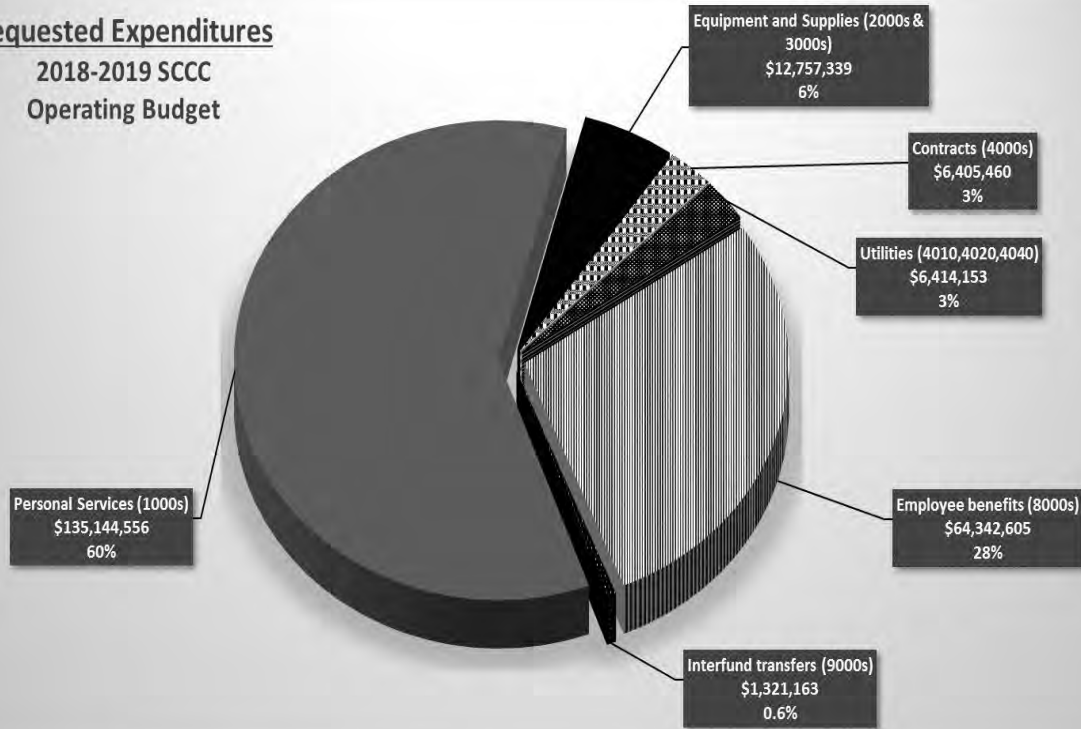
The next table shows the total SCCC expenditure budget with and without grants from 2012-2013 to the 2018-2019 request.

| <b>Suffolk County Community College Operating Budget</b> |                      |                      |                      |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | <b>2012/2013</b>     | <b>2013/2014</b>     | <b>2014/2015</b>     | <b>2015/2016</b>     | <b>2016/2017</b>     | <b>2017/2018</b>     | <b>2018/2019</b>     |
|  | <b>Actual</b>        | <b>Actual</b>        | <b>Actual</b>        | <b>Actual</b>        | <b>Actual</b>        | <b>Estimate</b>      | <b>Request</b>       |
| Without Grants   | \$187,015,533        | \$191,318,660        | \$200,903,259        | \$202,161,531        | \$210,116,903        | \$215,947,904        | \$222,910,774        |
| Grants   | \$3,574,333          | \$3,193,816          | \$3,302,524          | \$3,390,189          | \$3,979,420          | \$3,470,475          | \$3,474,502          |
| <b>Total</b>   | <b>\$190,589,866</b> | <b>\$194,512,476</b> | <b>\$204,205,783</b> | <b>\$205,551,720</b> | <b>\$214,096,323</b> | <b>\$219,418,379</b> | <b>\$226,385,276</b> |

The following charts detail the allocation of the College's requested expenditures and revenues for 2018-2019; salaries and benefits account for over 88% of all requested expenditures. On the revenue side, tuition and fees make up over 53% of requested revenues.

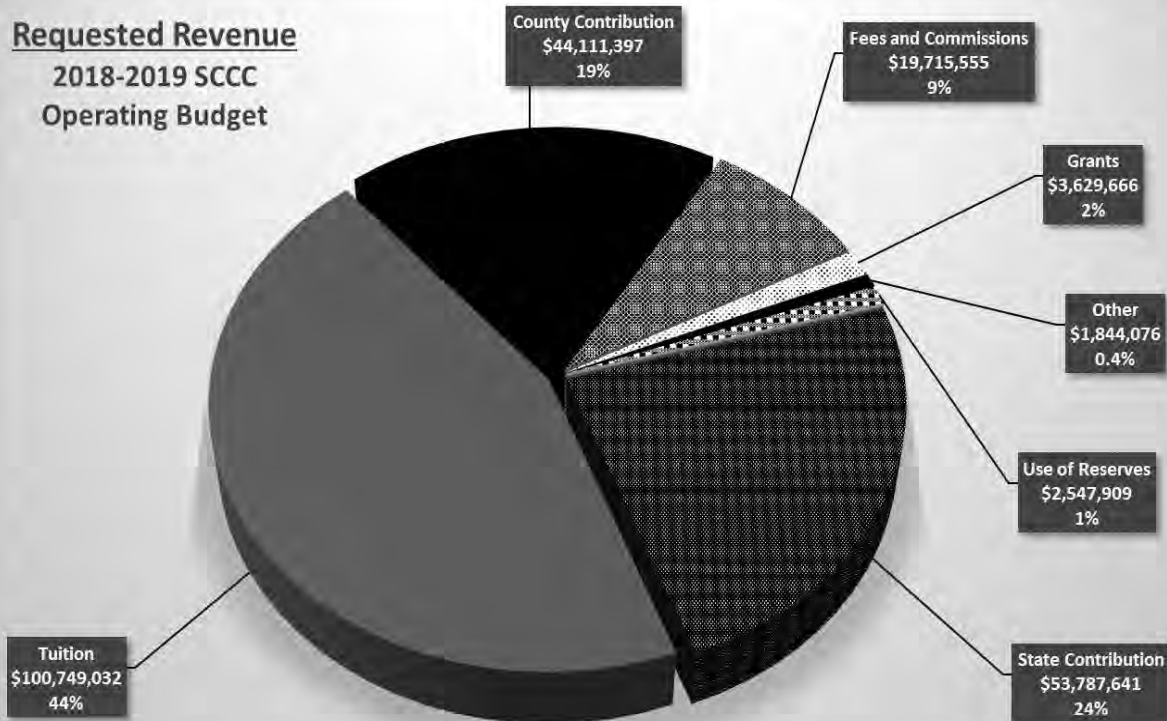
**Requested Expenditures**

2018-2019 SCCC  
Operating Budget

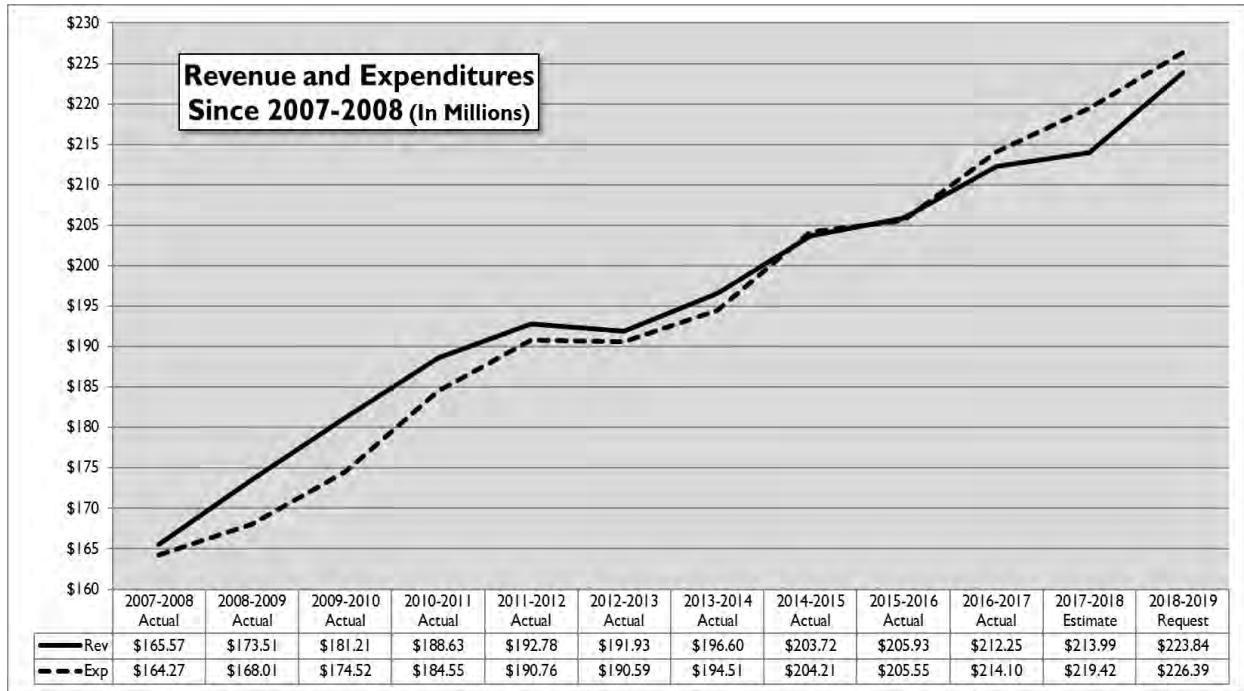


**Requested Revenue**

2018-2019 SCCC  
Operating Budget



The next chart shows the annual relationship between expenditures and revenue from 2007-2008 through the 2018-2019 request. The College has experienced a deficit twice over the past ten years (2007-2008 to 2016-2017), \$484,560 in 2014-2015 and \$1.8 million in 2016-2017. The College projects a \$5.4 million deficit in 2017-2018 and a \$2.5 million deficit in 2018-2019.



The following table shows the allocation of SCCC revenue as defined by SUNY methodology, which differs somewhat from the categories shown in the College’s operating budget. For the purposes of calculating county, state, and student shares, SUNY excludes grants and offset revenue (certain fees, commissions, and miscellaneous items). SCCC is a full opportunity college, meaning it accepts all eligible applicants. Accordingly, the local sponsor share should be 26.7% instead of 33.33% as is required for local sponsors of community colleges that are not full opportunity. The requested/recommended budget for 2018-2019 includes a county share of 23%.

| Revenue Shares per SUNY Formula |                      |             |                      |             |                      |             |                      |             |
|---------------------------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
|                                 | 2016-2017            |             | 2017-2018            |             | 2017-2018            |             | 2018-2019            |             |
| Revenue                         | Actual               | %           | Adopted              | %           | Estimated            | %           | Requested            | %           |
| County                          | \$45,214,127         | 23.2%       | \$50,621,092         | 25.0%       | \$49,434,363         | 24.6%       | \$48,310,382         | 23.3%       |
| State                           | \$52,433,007         | 26.8%       | \$52,736,351         | 26.0%       | \$52,736,351         | 26.2%       | \$53,787,641         | 25.9%       |
| Student                         | \$97,638,920         | 50.0%       | \$99,409,183         | 49.0%       | \$98,853,121         | 49.2%       | \$105,324,681        | 50.8%       |
| <b>Total</b>                    | <b>\$195,286,054</b> | <b>100%</b> | <b>\$202,766,626</b> | <b>100%</b> | <b>\$201,023,835</b> | <b>100%</b> | <b>\$207,422,704</b> | <b>100%</b> |

Under the SUNY formula, the use of the SCCC Reserve Fund is part of the County Share. The amount that the County would have to increase the County Contribution in order to meet the 26.7% threshold would be an additional \$7 million above what was requested by the College if the College reduced tuition by that amount and still accessed \$2.5 million from the reserve fund. However, it makes fiscal sense for the College to use any additional revenue to first reduce the

usage of reserves and then offset tuition. Accordingly, the first \$2.5 million increase in County Contribution would not change the County Share as increasing the County Contribution and reducing the use of reserves simply reallocates funding within the County Share. All things being equal, the County would need to increase the County Contribution by an additional \$9.5 million (\$2.5 million + \$7 million) above the College's request to reach the 26.7% threshold, which is \$11.2 million more than the current county contribution.

### **Community College Budget Committee**

Resolution No. 920-2015 established a Community College Budget Committee comprised of legislative, executive, and college appointees to develop a five-year non-binding budget plan with the goal of strengthening the College's financial position, maintaining educational standards, and stabilizing tuition costs for students. The Committee issued a report on April 19, 2017, which recommended a 1.5% increase in the County Contribution in each of the next five years, which considered both the College's desire for additional predictable revenue from the County and the County's ability to pay.

To assist the Committee in its deliberations, the Suffolk Community College Department of Business and Financial Affairs and Legislative Office of Budget Review worked concurrently, with input from the County Executive's Budget Office, to develop a five-year budget model capable of adapting to a variety of revenue and expenditure assumptions. The base scenario assumed an average annual increase in expenditures of 3.2% through 2020-2021. On the revenue side, it assumed an annual increase in state aid per FTE of \$100, an annual increase in tuition of \$200, and an annual increase in the County Contribution of 1.5%.

Excluding grants, the model projected expenditures of \$217.5 million and revenue of \$214.6 million in 2017-2018 with the \$2.9 million difference being made up from the reserve fund. The College estimates expenditures (without grants) at \$215.9 million and revenue at \$210.4 million in 2017-2018, requiring the use of \$5.4 million in reserves. The revenue shortfall is due to the following:

- The model projected enrollment growth of 0.1% in 2017-2018, the College estimates a decrease of 2.17%
- Based on historical trends, the model assumed a \$100 increase in aid per FTE, New York State approved only an additional \$50 in 2017-2018
- Based on the average annual increase in tuition from 2013-2014 to 2016-2017, the model assumed an increase in tuition of \$200 in 2017-2018; the Board of Trustees authorized only a \$100 increase.

The model projected expenditures of \$224.4 million in 2018-2019; the College requested \$222.9 million. Both the model and the request reflect a 3.2% increase; the difference in the total dollars is related to the smaller estimated base in 2017-2018. On the revenue side, the model assumed that \$2.7 million would be needed from the SCCC reserve fund. The College request includes the use of \$2.5 million; however, the College is proposing several revenue enhancements that exceed the model's assumptions in order to limit use of reserves. Tuition is increased by \$350 compared to \$200 in the model, the County Contribution is requested at a four percent increase compared to 1.5% in the model, and various fees are increased. The following factors contributed to the need for additional revenue.

- The model projected enrollment growth of 1.01% in 2018-2019, the requested budget assumes a 1.2% decrease

- The lower than anticipated enrollment and state aid from the previous academic year resulted in a lower base for the upcoming academic year.

### **Expenditures**

The College requested an increase for salaries (1000s) and benefits (8000s) of \$8.1 million, which exceeds the \$7 million in total requested increases in expenditures compared to the College's 2017-2018 estimate. The increase is offset by \$1.1 million in decreases in contracts and utilities (4000s), and equipment and supplies (2000s and 3000s). The following table summarizes the College budget request by major category.

| <b>Suffolk County Community College Expenditures by Object (With Grants)</b> |                             |                              |                                |                                |                                |   |
|--|-----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|---|
| <b>Category</b>  | <b>2016/2017<br/>Actual</b> | <b>2017/2018<br/>Adopted</b> | <b>2017/2018<br/>Estimated</b> | <b>Change from</b>             |                                |   |
|  |                             |                              |                                | <b>Actual to<br/>Estimated</b> | <b>2018/2019<br/>Requested</b> | <b>Change from<br/>Estimated to<br/>Requested</b> |
| Personal Services (1000s)  | \$129,419,764               | \$131,983,052                | \$131,118,010                  | 1%                             | \$135,144,556                  | 3%  |
| Equipment and Supplies (2000s & 3000s)                                       | \$14,363,189                | \$13,965,430                 | \$13,490,643                   | -6%                            | \$12,757,339                   | -5%   |
| Contracts (4000s)  | \$5,674,991                 | \$6,555,420                  | \$6,708,482                    | 18%                            | \$6,405,460                    | -5%   |
| Utilities (4010,4020,4040)   | \$6,213,384                 | \$6,607,153                  | \$6,467,292                    | 4%                             | \$6,414,153                    | -1%   |
| Employee benefits (8000s)  | \$57,103,058                | \$60,449,818                 | \$60,312,789                   | 6%                             | \$64,342,605                   | 7%  |
| Interfund transfers (9000s)  | \$1,321,937                 | \$1,321,163                  | \$1,321,163                    | 0%                             | \$1,321,163                    | 0%  |
| <b>Total</b>   | <b>\$214,096,323</b>        | <b>\$220,882,036</b>         | <b>\$219,418,379</b>           | <b>2%</b>                      | <b>\$226,385,276</b>           | <b>3%</b>   |

Increases in personnel expenses are attributable to an increase in permanent salaries for employee step increases as well as contractual salary increases. Part of the increase from 2017-2018 to 2018-2019 is due to the fact that a lag payroll was negotiated with the Guild of Administrative Officers to defer \$1 million in 2017. There is no such agreement in place for the upcoming academic year. As shown in the following table, permanent salaries are expected to grow by 4.4%, adjusting for the lag payroll, the increase is 3.3%. All other salaries are expected to grow modestly or decrease.

| <b>Personal Services (1000s)</b> |                             |                              |                               |                                |                    |                                   |
|----------------------------------|-----------------------------|------------------------------|-------------------------------|--------------------------------|--------------------|-----------------------------------|
| <b>Category</b>                  | <b>2016-2017<br/>Actual</b> | <b>2017-2018<br/>Adopted</b> | <b>2017-2018<br/>Estimate</b> | <b>2018-2019<br/>Requested</b> | <b>Change from</b> |                                   |
|                                  |                             |                              |                               |                                | <b>Est to Req</b>  | <b>Change from<br/>Est to Req</b> |
| Permanent Salaries               | \$87,599,010                | \$90,838,648                 | \$89,394,456                  | \$93,361,693                   | \$3,967,237        | 4.4%                              |
| Terminal Pay                     | \$2,369,093                 | \$1,735,000                  | \$1,735,000                   | \$1,735,000                    | \$0                | 0.0%                              |
| Temp & PT Salaries               | \$28,530,119                | \$28,840,697                 | \$28,840,176                  | \$28,968,924                   | \$128,748          | 0.4%                              |
| Other                            | \$2,190,310                 | \$1,965,850                  | \$2,090,665                   | \$2,052,850                    | -\$37,815          | -1.8%                             |
| Overtime and Overload            | \$8,731,232                 | \$8,602,857                  | \$9,057,713                   | \$9,026,089                    | -\$31,624          | -0.3%                             |
| <b>Total</b>                     | <b>\$129,419,764</b>        | <b>\$131,983,052</b>         | <b>\$131,118,010</b>          | <b>\$135,144,556</b>           | <b>\$4,026,546</b> | <b>3.1%</b>                       |

Equipment and Supplies are requested at a net decrease of \$733,304 compared to the 2017-2018 estimate. The only category to increase is \$306,649 for instructional equipment and software. The "Other" category in the table below includes office supplies, rental of equipment, fuel, and other miscellaneous supplies, and is the largest decrease at \$518,710. The next table shows the College's request for equipment and supplies.

| <b>Equipment and Supplies (2000s and 3000s)</b> |                             |                              |                               |                                |                                   |                                   |
|---|-----------------------------|------------------------------|-------------------------------|--------------------------------|-----------------------------------|-----------------------------------|
| <b>Category</b>                                 | <b>2016-2017<br/>Actual</b> | <b>2017-2018<br/>Adopted</b> | <b>2017-2018<br/>Estimate</b> | <b>2018-2019<br/>Requested</b> | <b>Change from<br/>Est to Req</b> | <b>Change from<br/>Est to Req</b> |
| Advertising                                     | \$814,471                   | \$815,835                    | \$826,522                     | \$805,820                      | -\$20,702                         | -2.5%                             |
| Bank Service Charges                            | \$645,464                   | \$630,000                    | \$645,000                     | \$598,310                      | -\$46,690                         | -7.2%                             |
| Building Repairs and Materials                  | \$1,548,703                 | \$1,618,825                  | \$1,392,514                   | \$1,306,858                    | -\$85,656                         | -6.2%                             |
| Computers and Office Machines                   | \$1,663,033                 | \$1,244,339                  | \$1,359,697                   | \$1,024,764                    | -\$334,933                        | -24.6%                            |
| Instructional Supplies, Equip, & Software       | \$2,538,437                 | \$3,716,165                  | \$2,916,860                   | \$3,223,509                    | \$306,649                         | 10.5%                             |
| Maintenance Contracts                           | \$1,279,003                 | \$1,299,759                  | \$1,417,441                   | \$1,414,270                    | -\$3,171                          | -0.2%                             |
| Other   | \$5,055,663                 | \$3,647,443                  | \$4,011,910                   | \$3,493,200                    | -\$518,710                        | -12.9%                            |
| Outside Printing                                | \$337,220                   | \$511,024                    | \$444,945                     | \$434,570                      | -\$10,375                         | -2.3%                             |
| Postage   | \$481,195                   | \$482,040                    | \$475,754                     | \$456,038                      | -\$19,716                         | -4.1%                             |
| <b>Total</b>                                    | <b>\$14,363,189</b>         | <b>\$13,965,430</b>          | <b>\$13,490,643</b>           | <b>\$12,757,339</b>            | <b>-\$733,304</b>                 | <b>-5.4%</b>                      |

The only increase in the “Utilities & Contractual Costs” category is the “Other” category, which includes travel, meals, and training expenses for college employees. All other expenses are requested at a net decrease compared to the 2017-2018 estimate. The following table shows utility and contract costs.

| <b>Utilities and Contractual Costs (4000s)</b> |                             |                              |                               |                                |                                   |                                   |
|--|-----------------------------|------------------------------|-------------------------------|--------------------------------|-----------------------------------|-----------------------------------|
| <b>Category</b>                                | <b>2015-2016<br/>Actual</b> | <b>2016-2017<br/>Adopted</b> | <b>2016-2017<br/>Estimate</b> | <b>2017-2018<br/>Requested</b> | <b>Change from<br/>Est to Req</b> | <b>Change from<br/>Est to Req</b> |
| Computer Services                              | \$921,833                   | \$1,027,300                  | \$1,027,300                   | \$962,100                      | -\$65,200                         | -6.3%                             |
| Fees for Services, Non Employee                | \$1,329,449                 | \$1,403,908                  | \$1,410,944                   | \$1,365,917                    | -\$45,027                         | -3.2%                             |
| Other  | \$578,586                   | \$1,028,762                  | \$1,019,200                   | \$1,077,992                    | \$58,792                          | 5.8%                              |
| Rent: Office Building                          | \$2,046,498                 | \$2,114,966                  | \$2,139,266                   | \$2,084,466                    | -\$54,800                         | -2.6%                             |
| Special Services                               | \$798,625                   | \$980,484                    | \$1,111,772                   | \$914,985                      | -\$196,787                        | -17.7%                            |
| Utilities                                      | \$6,213,384                 | \$6,607,153                  | \$6,467,292                   | \$6,414,153                    | -\$53,139                         | -0.8%                             |
| <b>Total</b>                                   | <b>\$11,888,375</b>         | <b>\$13,162,573</b>          | <b>\$13,175,774</b>           | <b>\$12,819,613</b>            | <b>-\$356,161</b>                 | <b>-2.7%</b>                      |

Employee benefits are requested at an increase of \$4,029,816, which is the largest increase for any major budget category; approximately 77% of the total net increase is due to projected increased costs for the Employee Medical Health Plan (EMHP), which is the same plan as the County offers its employees. Health insurance costs are requested at a 9.4% increase, which is reasonable because the County experienced almost nine percent growth from 2016 to 2017 and budgeted a 7.5% increase from 2017 to 2018.

The next largest increase is for retirement. Costs for the Employee Retirement System (ERS) and TIAA/CREF are increasing by less than three percent, while the contribution to Teachers Retirement System (TRS) is expected to increase by more than 14%. The following table shows employee benefit costs by category.

| <b>Employee Benefits (8000s)</b> |                             |                              |                               |                                |                                   |                                   |
|----------------------------------|-----------------------------|------------------------------|-------------------------------|--------------------------------|-----------------------------------|-----------------------------------|
| <b>Category</b>                  | <b>2015-2016<br/>Actual</b> | <b>2016-2017<br/>Adopted</b> | <b>2016-2017<br/>Estimate</b> | <b>2017-2018<br/>Requested</b> | <b>Change from<br/>Est to Req</b> | <b>Change from<br/>Est to Req</b> |
| Benefit Fd. Contribution         | \$1,567,601                 | \$1,638,400                  | \$1,639,636                   | \$1,661,417                    | \$21,781                          | 1.3%                              |
| Health Insurance                 | \$30,231,259                | \$32,878,733                 | \$33,094,766                  | \$36,200,471                   | \$3,105,705                       | 9.4%                              |
| Other                            | \$763,572                   | \$884,954                    | \$807,954                     | \$879,954                      | \$72,000                          | 8.9%                              |
| Retirement                       | \$14,015,153                | \$14,236,798                 | \$13,958,516                  | \$14,608,322                   | \$649,806                         | 4.7%                              |
| Social Security                  | \$9,439,050                 | \$9,640,933                  | \$9,641,917                   | \$9,822,441                    | \$180,524                         | 1.9%                              |
| Workers' Compensation            | \$1,086,423                 | \$1,170,000                  | \$1,170,000                   | \$1,170,000                    | \$0                               | 0.0%                              |
| <b>Total</b>                     | <b>\$57,103,058</b>         | <b>\$60,449,818</b>          | <b>\$60,312,789</b>           | <b>\$64,342,605</b>            | <b>\$4,029,816</b>                | <b>6.7%</b>                       |

All interfund transfers are projected by the College to be the same in 2018-2019 as adopted and estimated in 2017-2018, which are slightly less than in 2016-2017.

| <b>Interfund Transfers (9000s)</b> |                             |                              |                               |                                |                                   |                                   |
|------------------------------------|-----------------------------|------------------------------|-------------------------------|--------------------------------|-----------------------------------|-----------------------------------|
| <b>Category</b>                    | <b>2016-2017<br/>Actual</b> | <b>2017-2018<br/>Adopted</b> | <b>2017-2018<br/>Estimate</b> | <b>2018-2019<br/>Requested</b> | <b>Change from<br/>Est to Req</b> | <b>Change from<br/>Est to Req</b> |
| Interdepart. Oper. Fd (016)        | \$25,000                    | \$25,000                     | \$25,000                      | \$25,000                       | \$0                               | 0.0%                              |
| Other                              | \$510,996                   | \$510,996                    | \$510,996                     | \$510,996                      | \$0                               | 0.0%                              |
| Self Insurance Fd (038)            | \$785,941                   | \$785,167                    | \$785,167                     | \$785,167                      | \$0                               | 0.0%                              |
| <b>Total</b>                       | <b>\$1,321,937</b>          | <b>\$1,321,163</b>           | <b>\$1,321,163</b>            | <b>\$1,321,163</b>             | <b>\$0</b>                        | <b>0.0%</b>                       |

### **New Positions**

The College requested seven new positions for 2018-2019. One position is associated with a grant program; the other six are needed to staff new and expanding facilities such as the Learning Resource Center on the Grant Campus and the Health and Wellness Facility on the Eastern Campus. According to the College, the positions will not necessarily be filled, or be filled on a full-time basis, but are needed to provide flexibility. The following table shows the requested positions.

| <b>New Positions</b>          |                                |                     |                            |                     |
|-------------------------------|--------------------------------|---------------------|----------------------------|---------------------|
| <b>Title</b>                  | <b>Division</b>                | <b>No. Employee</b> | <b>Salary per Employee</b> | <b>Total Salary</b> |
| Custodial Worker              | Plant Maintenance & Operations | 4                   | \$32,303                   | \$129,212           |
| College Public Safety Officer | Public Safety                  | 2                   | \$35,501                   | \$71,002            |
| Professional Assistant II     | Grant                          | 1                   | \$31,298                   | \$31,298            |
| <b>Total</b>                  |                                | <b>7</b>            | <b>\$99,102</b>            | <b>\$231,512</b>    |

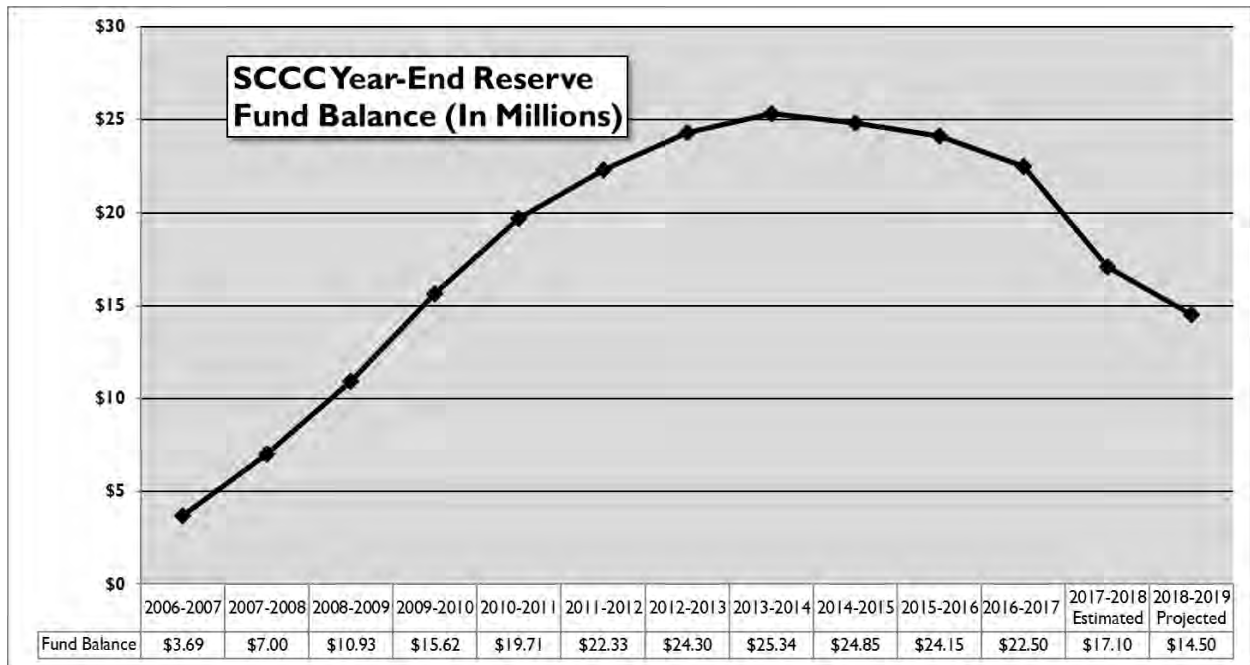
### **Fund Balance**

The reserve fund grew from a year-end balance of \$3.69 million in 2006-2007 to a year-end balance of \$25.3 million in 2013-2014. During many of these years, higher than anticipated enrollment resulted in tuition revenue that exceeded budgeted expenditures. Despite authorizations to utilize reserves several times over those years, the reserve fund balance grew.



In 2014-2015, the College used \$484,560 from the reserve. In 2015-2016, there was an operating surplus of \$382,264 and a negative audit adjustment of \$1,082,747 resulting in a net decrease of \$700,483. In 2016-2017, there was a net decrease in the reserve fund of \$1,636,920, which was comprised of an operating deficit of \$1,841,763 and a positive audit adjustment of \$204,843. Accordingly, the fund balance was reduced by \$2.8 million from \$25.3 million at the end of 2013-2014 to \$22.5 million at the start of 2017-2018.

The Adopted 2017-2018 Community College Budget authorized the use of \$6.7 million from the reserve fund; the College estimates that it will need \$5.4 million. The College's requested budget includes the use of an additional \$2.5 million in 2018-2019. Assuming the College uses the estimated amount in 2017-2018 and the full amount requested in 2018-2019, the reserve fund balance would decline from \$22.5 million to \$14.5 million at the end of the 2018-2019 academic year (\$13.6 million if the \$916,160 less than requested in the County Contribution is made up from the reserve fund as recommended by the Executive). The following chart shows the year-end fund balance since 2006-2007.



The College's accrediting agency, Middle States, recommends that the College maintain a reserve balance equal to 10-15% of its annual operating budget. Accordingly, 10% of the College's requested 2018-2019 budget (excluding grants) would be approximately \$22.3 million and 15% would be approximately \$33.4 million. Estimated 2017-2018 year-end reserves as a percentage of estimated 2017-2018 expenditures are 7.9%. The College projects that by the end of the 2018-2019 academic year, its reserves will be at 6.5% or \$7.8 million below the 10% threshold. However, the College typically estimates and projects expenditures conservatively. Actual expenditures have been less than adopted and less than estimated every year since 2008-2009. On average, actual expenditures have been \$4.8 million less than adopted and \$3.3 million less than estimated. If this trend continues, the College will access only a fraction of what it estimates for 2017-2018 and projects

for 2018-2019. Nevertheless, the funding being relied upon from the reserve fund has been increasing, which is concerning because it indicates a growing structural deficit.

**State Aid**

Each year the Governor proposes and the State Legislature adopts a funding rate per full-time equivalent (FTE) student. To arrive at the amount of basic aid to be paid to each school, this rate is applied to the number of FTE students from the immediately preceding year when there is growth and to a weighted average of FTE students for the three previous years when there is retrenchment.

The Community College request reflects a \$100 increase in the rate of state aid per FTE from \$2,747 to \$2,847. The College estimates that the increase will provide an additional \$1.1 million. The following table shows the annual change in state aid since 2010-2011.

| <b>Annual Change in State Aid per FTE and Total State Revenue Since 2010-2011</b> |                     |  |                      |   |
|---|---------------------|--|----------------------|---|
| <b>Year</b>   | <b>Rate per FTE</b> | <b>Change in Rate from Previous Year</b> | <b>Total Revenue</b> | <b>Change in Total Revenue from Previous Year</b> |
| 2010-2011   | \$2,260             | NA                                       | \$45,184,969         | NA  |
| 2011-2012   | \$2,122             | -\$138                                   | \$44,463,290         | -\$721,679  |
| 2012-2013   | \$2,272             | \$150                                    | \$46,139,162         | \$1,675,872                                       |
| 2013-2014   | \$2,422             | \$150                                    | \$48,324,386         | \$2,185,224                                       |
| 2014-2015   | \$2,497             | \$75                                     | \$49,259,584         | \$935,198   |
| 2015-2016   | \$2,597             | \$100                                    | \$51,172,359         | \$1,912,775                                       |
| 2016-2017   | \$2,697             | \$100                                    | \$52,433,007         | \$1,260,648                                       |
| 2017-2018 Estimated   | \$2,747             | \$50                                     | \$52,736,351         | \$303,344   |
| 2018-2019 Requested   | \$2,847             | \$100                                    | \$53,787,641         | \$1,051,290                                       |

**Student Revenue**

The College continues to face the challenge of mitigating a budget gap resulting from growth in expenditures that outpaces growth in revenue due, in large part, to declining enrollment. According to the College, the decline in enrollment is mainly attributable to trends in demographics. In addition, the College has been enrolling a greater percentage of part-time students, which puts downward pressure on the FTE rate (total credits taken divided by total number of students). In order to counteract declining enrollment, the College has been increasing tuition and fees. From 2010-2011 to 2016-2017, annual tuition and fee revenue per student [(tuition revenue + fee revenue)/FTEs] increased by \$1,119. It is estimated to increase by another \$191 in 2017-2018 and projected to increase by another \$476 in 2018-2019. The following table shows a decline in enrollment of 11.01% from 2010-2011 to 2018-2019 while tuition and fee revenue is estimated at a 21.37% increase over the same period.

| <b>Annual Change in Enrollment and Annual Change in Tuition &amp; Fee Revenue Since 2010-2011</b> |  |  |                            |                        |                             |  |
|---|--|--|----------------------------|------------------------|-----------------------------|--|
| <b>Academic Year</b>  | <b>Full Time<br/>Equivalents<br/>(FTE)</b> | <b>Change from<br/>Previous<br/>Year</b> | <b>Tuition<br/>Revenue</b> | <b>Fee<br/>Revenue</b> | <b>Tuition and<br/>Fees</b> | <b>Change from<br/>Previous<br/>Year</b> |
|   |  |  |                            |                        |                             |  |
| 2011-2012   | 19,770                                     | -2.27%                                   | \$85,444,615               | \$17,654,927           | \$103,099,542               | 3.88%                                    |
| 2012-2013   | 19,240                                     | -2.68%                                   | \$84,548,520               | \$17,165,994           | \$101,714,514               | -1.34%                                   |
| 2013-2014   | 19,405                                     | 0.86%                                    | \$87,234,787               | \$17,130,016           | \$104,364,803               | 2.61%                                    |
| 2014-2015   | 19,309                                     | -0.49%                                   | \$92,138,889               | \$17,246,180           | \$109,385,069               | 4.81%                                    |
| 2015-2016   | 18,832                                     | -2.47%                                   | \$92,574,681               | \$16,539,180           | \$109,113,861               | -0.25%                                   |
| 2016-2017   | 18,623                                     | -1.11%                                   | \$93,682,198               | \$18,525,340           | \$112,207,538               | 2.84%                                    |
| 2017-2018 Estimated   | 18,219                                     | -2.17%                                   | \$94,968,807               | \$18,283,851           | \$113,252,658               | 0.93%                                    |
| 2018-2019 Projected   | 18,001                                     | -1.20%                                   | \$100,749,032              | \$19,715,555           | \$120,464,587               | 6.37%                                    |
| <b>Change from 2010-2011 to 2018-2019</b>   | <b>-2,228</b>                              | <b>-11.01%</b>                           | <b>\$17,300,364</b>        | <b>\$3,912,023</b>     | <b>\$21,212,387</b>         | <b>21.37%</b>                            |

Approximately \$1.4 million in additional fee revenue is anticipated in 2018-2019 compared to the current year estimate as a result of new and increased fees. According to the College, most of the fees being increased have not been adjusted for several years. The Technology Fee has been increased in recent years, but the College states that the proposed fee is still less than the SUNY average. The following table shows the new and increased fees proposed by the College.

| <b>Proposed Fee Increases in the 2018-2019 SCCC Operating Budget</b> |                                 |                                  |            |               |                                 |            |               |
|--|---------------------------------|----------------------------------|------------|---------------|---------------------------------|------------|---------------|
| <b>Fee</b>   | <b>Method of<br/>Assessment</b> | <b>Full-Time</b>                 |            |               | <b>Part-Time</b>                |            |               |
|  |                                 | <b>Current</b>                   | <b>New</b> | <b>Change</b> | <b>Current</b>                  | <b>New</b> | <b>Change</b> |
| Laboratory/Equipment/Special Program Fee*                            | Per course                      | \$60                             | \$75       | \$15          | \$60                            | \$75       | \$15          |
| Distance Education Fee*  | Per course                      | \$65                             | \$75       | \$10          | \$65                            | \$75       | \$10          |
| Physical Education Fee*  | Per course                      | \$60                             | \$75       | \$15          | \$60                            | \$75       | \$15          |
| Technology Fee   | Per course                      | \$125                            | \$150      | \$25          | \$65                            | \$75       | \$10          |
| Administrative Collection Fee  | As applicable                   | \$0                              | \$100      | \$100         | \$0                             | \$100      | \$100         |
| English as a Second Language (non-credit) Tuition+                   | per semester                    | \$1,830                          | \$1,960    | \$130         | \$360                           | \$390      | \$30          |
| English as a Second Language (non-credit) Tuition+                   | per semester                    | \$215                            | \$230      | \$15          | \$180                           | \$195      | \$15          |
| English as a Second Language (non-credit) Tuition+                   | per semester                    | NA                               | NA         | NA            | \$155                           | \$165      | \$10          |
| Enrolled in More than 18 Credits per semester-resident               | per credit                      | \$0                              | \$218      | \$218         | \$0                             | \$218      | \$218         |
| Enrolled in More than 18 Credits per semester-non-resident           | per credit                      | \$0                              | \$436      | \$436         | \$0                             | \$436      | \$436         |
|  |                                 | *Applies only to certain courses |            |               | +Varies based on actual courses |            |               |

The College's tuition rate for full-time and part-time students is determined based on the recommendation of the College President and the approval of the College's Board of Trustees. If the County Legislature disagrees with the Board's decision, it can request, but cannot mandate a change in tuition rates.

Current tuition for Suffolk County residents is \$2,435 per semester or \$4,870 annually for full-time students and \$203 per credit for part-time students. The College is planning to increase tuition by

\$175 per semester to \$2,610 or \$350 annually to \$5,220. Part-time students will pay an additional \$15 per credit; \$218. The next table shows Suffolk County Community College’s tuition history for full-time and part-time students since the 2011-2012 academic year.

| <b>Suffolk County Community College Tuition History</b> |                             |                               |          |                               |                               |          |
|---|-----------------------------|-------------------------------|----------|-------------------------------|-------------------------------|----------|
| <b>Academic Year</b>                                    | <b>Full Time (per year)</b> | <b>Change From Prior Year</b> | <b>%</b> | <b>Part Time (per credit)</b> | <b>Change From Prior Year</b> | <b>%</b> |
| 2011-2012   | \$3,990                     | NA                            | NA       | \$165                         | NA                            | NA       |
| 2012-2013   | \$3,990                     | \$0                           | 0.0%     | \$165                         | \$0                           | 0.0%     |
| 2013-2014   | \$4,140                     | \$150                         | 3.8%     | \$173                         | \$8                           | 3.6%     |
| 2014-2015   | \$4,390                     | \$250                         | 6.0%     | \$183                         | \$10                          | 5.8%     |
| 2015-2016   | \$4,570                     | \$180                         | 4.1%     | \$191                         | \$8                           | 4.4%     |
| 2016-2017   | \$4,770                     | \$200                         | 4.4%     | \$199                         | \$8                           | 4.2%     |
| 2017-2018   | \$4,870                     | \$100                         | 2.1%     | \$203                         | \$4                           | 2.0%     |
| 2018-2019   | \$5,220                     | \$350                         | 7.2%     | \$218                         | \$15                          | 7.4%     |

Tuition at Suffolk County Community College has increased by an average of \$147 or 3.4% annually from 2011-2012 to 2017-2018, which is more than the statewide average in dollars (\$136), but the same in terms of percentage (3.4%). In 2017-2018, tuition at Suffolk County Community College was the fourth highest of the 30 community colleges in New York. Nassau County had the highest tuition at \$5,102 and Dutchess County had the lowest at \$3,696. Tuition rates for other New York community colleges are not yet available for 2018-2019. Assuming all other community colleges increase tuition by the state average annual percentage since 2011-2012, the 2018-2019 tuition requested by Suffolk County Community College would be the second highest in the state. The following chart shows Suffolk County Community College tuition in context to other community colleges in New York State.

| Tuition Rates from 2011-2012 to 2017-2018 for NYS Community Colleges |                |                |                |                |                |                |                |               |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|----------------|
| Community College  | 2011-12        | 2012-13        | 2013-14        | 2014-15        | 2015-16        | 2016-17        | 2017-18        | Average       | Average Annual |
|  |                |                |                |                |                |                |                | Annual Dollar | Percentage     |
|  |                |                |                |                |                |                |                | Increase      | Increase       |
| Adirondack   | \$3,556        | \$3,664        | \$3,774        | \$3,870        | \$3,984        | \$4,176        | \$4,392        | \$139         | 3.6%           |
| Broome   | \$3,694        | \$3,820        | \$3,954        | \$4,108        | \$4,212        | \$4,418        | \$4,592        | \$150         | 3.7%           |
| Cayuga County  | \$3,820        | \$3,950        | \$4,090        | \$4,200        | \$4,326        | \$4,499        | \$4,544        | \$121         | 2.9%           |
| Clinton  | \$3,620        | \$3,820        | \$3,960        | \$4,060        | \$4,200        | \$4,300        | \$4,644        | \$171         | 4.3%           |
| Columbia-Greene  | \$3,648        | \$3,792        | \$3,960        | \$4,080        | \$4,100        | \$4,392        | \$4,536        | \$148         | 3.7%           |
| Corning  | \$3,870        | \$3,950        | \$4,070        | \$4,150        | \$4,230        | \$4,314        | \$4,518        | \$108         | 2.6%           |
| Dutchess   | \$2,900        | \$3,100        | \$3,200        | \$3,200        | \$3,360        | \$3,528        | \$3,696        | \$133         | 4.1%           |
| Erie   | \$3,600        | \$3,900        | \$3,995        | \$4,295        | \$4,595        | \$4,733        | \$4,900        | \$217         | 5.3%           |
| Fashion Institute  | \$3,974        | \$4,200        | \$4,425        | \$4,500        | \$4,500        | \$4,590        | \$4,690        | \$119         | 2.8%           |
| Finger Lakes   | \$3,484        | \$3,654        | \$3,834        | \$4,022        | \$4,180        | \$4,368        | \$4,522        | \$173         | 4.4%           |
| Fulton-Montgomery  | \$3,394        | \$3,444        | \$3,598        | \$3,648        | \$3,900        | \$4,200        | \$4,450        | \$176         | 4.6%           |
| Genesee  | \$3,400        | \$3,550        | \$3,700        | \$3,850        | \$3,900        | \$3,950        | \$4,050        | \$108         | 3.0%           |
| Herkimer County  | \$3,540        | \$3,640        | \$3,740        | \$3,840        | \$3,940        | \$4,270        | \$4,470        | \$155         | 4.0%           |
| Hudson Valley  | \$3,700        | \$3,900        | \$3,980        | \$3,980        | \$4,100        | \$4,300        | \$4,500        | \$133         | 3.3%           |
| Jamestown  | \$3,900        | \$4,050        | \$4,220        | \$4,220        | \$4,520        | \$4,630        | \$4,750        | \$142         | 3.4%           |
| Jefferson  | \$3,648        | \$3,744        | \$3,864        | \$3,984        | \$4,176        | \$4,392        | \$4,584        | \$156         | 3.9%           |
| Mohawk Valley  | \$3,480        | \$3,580        | \$3,710        | \$3,810        | \$3,960        | \$4,084        | \$4,250        | \$128         | 3.4%           |
| Monroe   | \$3,060        | \$3,140        | \$3,240        | \$3,416        | \$3,800        | \$4,100        | \$4,280        | \$203         | 5.8%           |
| Nassau   | \$3,990        | \$3,990        | \$4,088        | \$4,234        | \$4,534        | \$4,868        | \$5,102        | \$185         | 4.2%           |
| Niagara County   | \$3,624        | \$3,696        | \$3,792        | \$3,888        | \$3,960        | \$4,080        | \$4,224        | \$100         | 2.6%           |
| North Country  | \$3,900        | \$3,900        | \$4,050        | \$4,250        | \$4,426        | \$4,600        | \$4,692        | \$132         | 3.1%           |
| Onondaga   | \$3,930        | \$4,050        | \$4,172        | \$4,300        | \$4,430        | \$4,570        | \$4,570        | \$107         | 2.6%           |
| Orange County  | \$3,900        | \$4,100        | \$4,400        | \$4,400        | \$4,486        | \$4,636        | \$4,776        | \$146         | 3.5%           |
| Rockland   | \$3,815        | \$4,025        | \$4,175        | \$4,300        | \$4,300        | \$4,429        | \$4,586        | \$129         | 3.1%           |
| Schenectady County   | \$3,384        | \$3,384        | \$3,384        | \$3,456        | \$3,528        | \$3,720        | \$3,936        | \$92          | 2.6%           |
| <b>Suffolk County</b>  | <b>\$3,990</b> | <b>\$3,990</b> | <b>\$4,140</b> | <b>\$4,390</b> | <b>\$4,570</b> | <b>\$4,770</b> | <b>\$4,870</b> | <b>\$147</b>  | <b>3.4%</b>    |
| Sullivan County  | \$4,180        | \$4,474        | \$4,474        | \$4,474        | \$4,674        | \$4,674        | \$4,814        | \$106         | 2.4%           |
| Tompkins-Cortland  | \$3,950        | \$4,150        | \$4,300        | \$4,500        | \$4,650        | \$4,790        | \$4,950        | \$167         | 3.8%           |
| Ulster County  | \$3,990        | \$4,130        | \$4,230        | \$4,230        | \$4,230        | \$4,330        | \$4,480        | \$82          | 2.0%           |
| Westchester  | \$4,150        | \$4,280        | \$4,280        | \$4,280        | \$4,280        | \$4,280        | \$4,280        | \$22          | 0.5%           |
| <b>Average Tuition Rates</b>   | <b>\$3,703</b> | <b>\$3,836</b> | <b>\$3,960</b> | <b>\$4,065</b> | <b>\$4,202</b> | <b>\$4,366</b> | <b>\$4,522</b> | <b>\$136</b>  | <b>3.4%</b>    |

### **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.

The County Contribution was increased only once from 2008-2009 to 2013-2014 (one percent in 2011-2012). In an effort to be sensitive to the County’s fiscal challenges, the College requested no increase in contribution for 2012-2013 or 2013-2014. Due to declining enrollment, growth in

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expenditures has outpaced growth in revenues over the past few years. Consequently, the College requested and the County adopted a two percent increase in the County Contribution for the 2014-2015 academic year and a 2.5% increase was adopted in each of 2015-2016 and 2016-2017. Based on the recommendations by the Community College Budget Committee and the ongoing fiscal challenges facing the County, a 1.5% increase was adopted in 2017-2018. The College requested a four percent increase in 2018-2019; the County Executive recommended 1.84%. The requested increase would result in an additional cost to the County of \$1.7 million. The recommended increase provides an additional \$780,432, which is a difference of \$916,160. The following table shows the County's annual contribution to the Community College since 1998-1999.

| <b>Annual County Contribution to SCCC</b> |                            |                                    |                      |                            |                                    |
|---|----------------------------|------------------------------------|----------------------|----------------------------|------------------------------------|
| <b>Academic Year</b>                      | <b>County Contribution</b> | <b>% Change From Previous Year</b> | <b>Academic Year</b> | <b>County Contribution</b> | <b>% Change From Previous Year</b> |
| 1998 – 1999                               | \$28,356,138               | N/A                                | 2009 – 2010          | \$38,602,957               | 0.0%                               |
| 1999 – 2000                               | \$29,490,384               | 4.0%                               | 2010 – 2011          | \$38,602,957               | 0.0%                               |
| 2000 – 2001                               | \$30,669,999               | 4.0%                               | 2011 – 2012          | \$38,988,987               | 1.0%                               |
| 2001 – 2002                               | \$33,644,989               | 9.7%                               | 2012 – 2013          | \$38,988,987               | 0.0%                               |
| 2002 – 2003                               | \$33,644,989               | 0.0%                               | 2013 – 2014          | \$38,988,987               | 0.0%                               |
| 2003 – 2004                               | \$33,644,989               | 0.0%                               | 2014 – 2015          | \$39,768,766               | 2.0%                               |
| 2004 – 2005                               | \$34,990,788               | 4.0%                               | 2015 – 2016          | \$40,768,766               | 2.5%                               |
| 2005 – 2006                               | \$36,390,420               | 4.0%                               | 2016 – 2017          | \$41,787,985               | 2.5%                               |
| 2006 – 2007                               | \$37,846,036               | 4.0%                               | 2017 – 2018          | \$42,414,805               | 1.5%                               |
| 2007 – 2008                               | \$38,602,957               | 2.0%                               | 2017 – 2018 Req      | \$44,111,397               | 4.0%                               |
| 2008 – 2009                               | \$38,602,957               | 0.0%                               | 2018 – 2019 Rec      | \$43,195,237               | 1.8%                               |

It should be noted that instead of paying this expense directly, the County has the option of passing legislation to charge back the County Contribution to the towns, pursuant to New York State Education Law Article 126 Section 6304 Financing of Community Colleges. The charge back would be in proportion to the number of students from each town attending the College. The Legislature may wish to consider this as a policy option.

In addition to the County Contribution, the County also has College related expenses for:

1. College debt service: to pay for the local share of the College's capital projects. The County's debt service costs for the College can be found in the budget as the sum of the General Fund transfer to the College and the mandated portion of the college property tax. In 2018, the total is \$8,632,106; it is projected to increase by almost \$900,000 in 2019.
2. Out-of-County tuition: Suffolk County is required to pay the sponsor's share of tuition for County residents who opt to attend other New York State community colleges outside of Suffolk County. This mandated expense is budgeted and paid for from the County's General Fund (001-MS-C-2490-Comm. Coll. Non Cnty Tuition-4780-Out of County Tuition). The Adopted 2018 Operating Budget included \$14.2 million for this expense. It should be noted that New York State's Education law requires New York State to reimburse the local sponsor for half of out-of-county tuition costs for the Fashion Institute of Technology (FIT) and 1/3 the cost for other community colleges; however, the State has

not included appropriations in its budget for this statutory commitment since 2001. Additional details regarding Out-of-County tuition can be found in the next section.

### **Out-of-County Tuition**

In 2016-2017, 3,872 Suffolk County residents attended a New York State community college outside of Suffolk County. The majority of out-of-county tuition costs to Suffolk County are typically for students attending Nassau Community College and FIT. These two institutions accounted for 73% of all Suffolk residents attending community colleges outside the County and 92% of the total out-of-county tuition cost in 2016-2017. The following table shows the allocation of out-of-county tuition expenditures for 2016-2017 compared to the previous year. The overall number of students decreased for the second consecutive year; however, out-of-county-tuition costs increased by \$559,263 because the cost per student increased by 6.3% for all schools, nine percent for FIT.

|                   | Out-of-County Tuition for Academic Year 2015-2016 |                     |                  | Out-of-County Tuition for Academic Year 2016-2017 |                     |                  | Change from 2015-2016 to 2016-2017 |                  |                  |
|-------------------|---|---------------------|------------------|---|---------------------|------------------|------------------------------------|------------------|------------------|
| Community College | No. Students                                      | Amount Paid         | Cost per Student | No. Students                                      | Amount Paid         | Cost per Student | No. Students                       | Amount Paid      | Cost per Student |
| FIT               | 725   | \$7,967,969         | \$10,990         | 702   | \$8,411,086         | \$11,982         | -23                                | \$443,118        | \$991            |
| Nassau            | 2,243   | \$4,799,630         | \$2,140          | 2,131   | \$4,754,310         | \$2,231          | -112                               | -\$45,319        | \$91             |
| Other             | 987   | \$1,040,221         | \$1,054          | 1,039   | \$1,201,685         | \$1,157          | 52                                 | \$161,464        | \$103            |
| <b>Total</b>      | <b>3,955</b>                                      | <b>\$13,807,819</b> | <b>\$3,491</b>   | <b>3,872</b>                                      | <b>\$14,367,082</b> | <b>\$3,711</b>   | <b>-83</b>                         | <b>\$559,263</b> | <b>\$219</b>     |
| Community College | No. Students                                      | Amount Paid         | No. Students     | Amount Paid                                       | No. Students        | Amount Paid      |                                    |                  |                  |
| FIT               | 18.3%   | 57.7%               | 18.1%            | 58.5%   | -0.2%               | 0.8%             |                                    |                  |                  |
| Nassau            | 56.7%   | 34.8%               | 55.0%            | 33.1%   | -1.7%               | -1.7%            |                                    |                  |                  |
| Other             | 25.0%   | 7.5%                | 26.8%            | 8.4%  | 1.9%                | 0.8%             |                                    |                  |                  |

As is the case with the County Contribution, instead of paying this expense directly, the County has the option to charge back out-of-county tuition to the towns. The County exercised this option for one year in 1994 and each year since 2012 in order to provide General Fund relief. The authorized chargebacks are for the allocable portions of the operating costs and capital costs of the other New York State Community Colleges for Suffolk County residents attending each such college as non-residents. The next table shows out-of-county tuition costs from the 2007-2008 academic year through the 2016-2017 academic year.

| <b>Out-of-County Tuition Payments from 2007-2008 to 2016-2017</b> |                     |                                 |                    |                                 |
|---|---------------------|---------------------------------|--------------------|---------------------------------|
| <b>Academic Year</b>  | <b>No. Students</b> | <b>Change from Previous Yr.</b> | <b>Amount Paid</b> | <b>Change from Previous Yr.</b> |
| 2007-2008   | 3,668               | NA                              | \$9,955,502        | NA                              |
| 2008-2009   | 3,789               | 3.3%                            | \$11,098,790       | 11.5%                           |
| 2009-2010   | 4,090               | 7.9%                            | \$12,169,198       | 9.6%                            |
| 2010-2011   | 4,163               | 1.8%                            | \$13,099,610       | 7.6%                            |
| 2011-2012   | 4,180               | 0.4%                            | \$12,872,139       | -1.7%                           |
| 2012-2013   | 4,121               | -1.4%                           | \$13,030,590       | 1.2%                            |
| 2013-2014   | 4,012               | -2.6%                           | \$13,569,325       | 4.1%                            |
| 2014-2015   | 4,124               | 2.8%                            | \$14,142,240       | 4.2%                            |
| 2015-2016   | 3,955               | -4.1%                           | \$13,807,819       | -2.4%                           |
| 2016-2017   | 3,872               | -2.1%                           | \$14,367,082       | 4.1%                            |

### **College Property Tax**

The 2018-2019 recommended College property tax of \$5,250,467 is the same as the 2017-2018 adopted tax. The College property tax is further broken down into mandated and discretionary amounts.

- Of the \$9,518,459 in projected mandated college debt service, \$845,252 is paid from the property tax and the remaining \$8,673,207 is paid by General Fund transfer to the College.
- On the discretionary side of the budget, payment of the recommended \$43,195,237 County Contribution is split up into \$4,405,215 from the non-mandated college property tax and \$38,790,022 from county General Fund appropriations.



|   | 2017-2018<br>Adopted | 2018-2019<br>Recommended |
|---|----------------------|--------------------------|
| <b>Total College Property Tax Levy</b>            | \$5,250,467          | \$5,250,467              |
| Mandated College Tax Levy                         | \$845,252            | \$845,252                |
| NonMandated College Tax Levy                      | \$4,405,215          | \$4,405,215              |
|   |                      |                          |
| <b>County Contribution - Debt</b>                 | \$8,632,106          | \$9,518,459              |
| Mandated College Tax Levy                         | \$845,252            | \$845,252                |
| Trans from General Fd for Debt Service (001-E818) | \$7,786,854          | \$8,673,207              |
|   |                      |                          |
| <b>County Contribution - Appropriations</b>       | \$42,414,805         | \$43,195,237             |
| NonMandated College Tax Levy                      | \$4,405,215          | \$4,405,215              |
| Contribution to Community College (001-2495)      | \$38,009,590         | \$38,790,022             |

The 2018-2019 recommended college budget is the tenth consecutive year in which the college property tax does not follow the previously prescribed methodology. That methodology was based on Resolution No. 785-1995, paragraph 3.d. and the new Type C agreement, dated February 9, 1996 and the Laws of Suffolk County §C4-6(B). Although the Type C agreement is no longer in effect, the County’s Memorandum of Understanding with the College is silent on this issue. Short of an agreed upon alternative methodology, the calculation of the College property tax should follow the prescribed methodology.

**Closing Remarks**

Pursuant to the Suffolk County Charter, the Legislature may (1) approve or disapprove the budget total, (2) change the County Contribution, or (3) approve the recommended amounts for both. Any of these actions requires that the Community College balance their budget once the County Contribution and budget total are approved. The facts before the Legislature in its deliberations are as follows:

- The requested four percent increase in County Contribution would result in an additional \$1,696,592 impact to the General Fund in the County’s 2019 operating budget.
- The recommended 1.84% increase in County Contribution would result in an additional \$780,432 impact to the General Fund in the County’s 2019 operating budget.
- Should the Legislature increase the County Contribution above the recommended level, only the College Board of Trustees can determine what impact this may have on tuition or any other line item in the College budget. Each 1% increase in the County Contribution would equate to approximately \$424,000.