

SUFFOLK COUNTY LEGISLATURE



Robert Lipp
Director

BUDGET REVIEW OFFICE

June 8, 2015

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

From: Robert Lipp, Director *Robert Lipp*
Budget Review Office

Subject: **Review of the Suffolk County Community College 2015-2016 Requested and Recommended Operating Budget**

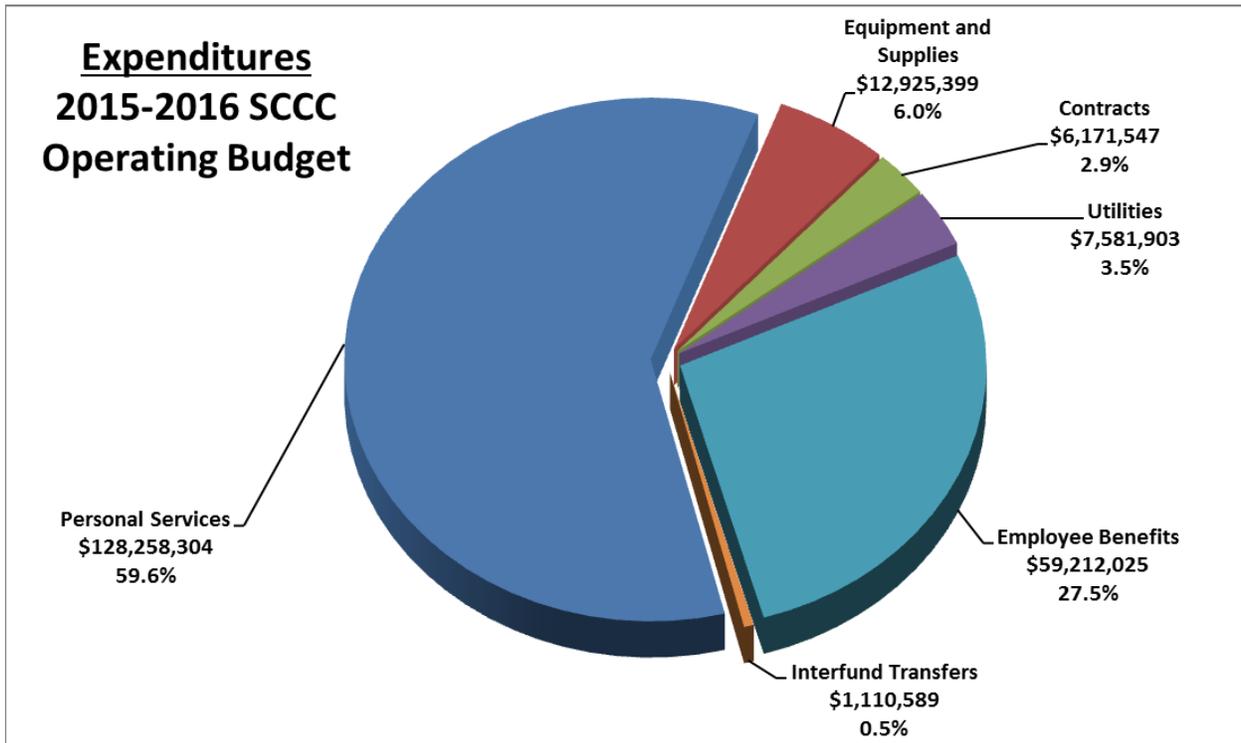
The Community College operating budget process is codified in Suffolk County Code Section A4-3 F, which specifies that the Legislature shall hold at least two public hearings on the Community College's operating budget request prior to approving an operating budget total and County Contribution by August 15th¹. 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.

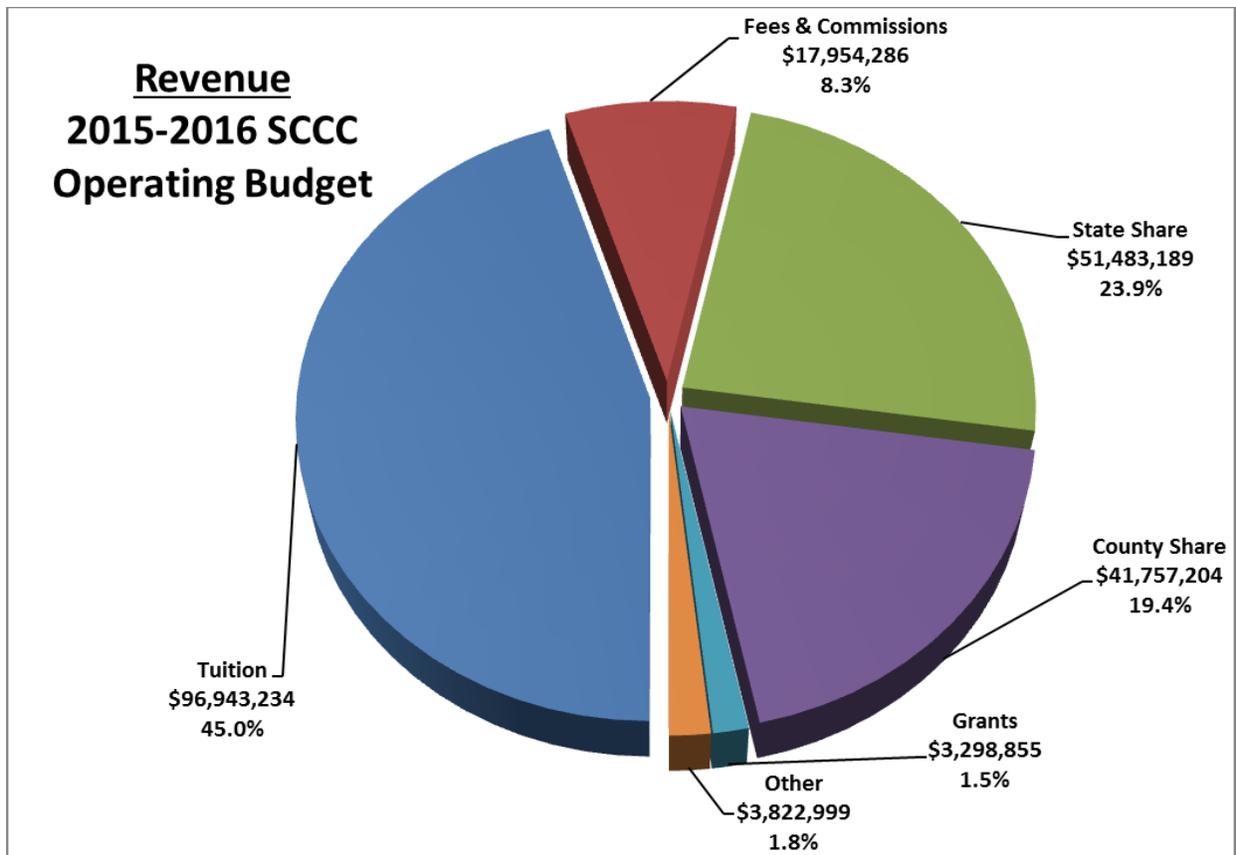
The Board of Trustees for the Suffolk County Community College requested a 2015-2016 operating budget of \$215.3 million (including grants), which is an increase of \$6.9 million or 3.3% over the adopted 2014-2015 budget and \$8.5 million or 4.1% more than what the College estimates for the 2014-2015 fiscal year. The request includes a five percent increase in County Contribution and a 4.1% increase in tuition. The County Executive recommended a 2.51% increase in the County contribution, or \$988,438 less than requested. The following chart shows the total SCCC budget with and without grants from 2011-2012 to the 2015-2016 request.

¹ 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 Legislature's 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 2/3rds of the total membership within 15 days after it was returned to it, but in no event later than August 31.

| Suffolk County Community College Operating Budget | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 | 2014/2015 | 2015/2016 |
| | Actual | Actual | Actual | Adopted | Estimated | Requested |
| Without Grants | \$186,350,591 | \$187,481,256 | \$191,318,660 | \$205,545,212 | \$203,445,682 | \$212,082,237 |
| Grants | \$4,410,740 | \$3,574,333 | \$3,193,817 | \$2,831,483 | \$3,315,808 | \$3,177,530 |
| Total | \$190,761,331 | \$191,055,589 | \$194,512,477 | \$208,376,695 | \$206,761,490 | \$215,259,767 |

The following charts detail the allocation of the College's requested expenditures and revenues for the 2015-2016 Operating Budget; salaries and benefits account for over 87% of all requested expenditures. On the revenue side, tuition and fees make up over 53% of requested revenues.





The following chart shows SCCC revenue as defined by SUNY methodology, which differs somewhat from the categories in the College’s operating budget (shown in the pie chart above).

| SCCC Revenue (in millions) Based on SUNY Methodology | | | | | | | | |
|--|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
| Revenue | 2013/2014 | | 2014/2015 | | 2014/2015 | | 2015/2016 | |
| | Actual | % | Adopted | % | Estimated | % | Requested | % |
| Student Share | \$89,865,498 | 45.7% | \$95,516,985 | 45.8% | \$94,988,601 | 46.5% | \$99,363,220 | 46.2% |
| State Share | \$48,324,386 | 24.6% | \$49,295,041 | 23.7% | \$49,428,381 | 24.2% | \$51,483,189 | 23.9% |
| County Share | \$40,195,948 | 20.4% | \$45,431,337 | 21.8% | \$41,085,340 | 20.1% | \$45,385,203 | 21.1% |
| Offset Revenue | \$14,570,041 | 7.4% | \$15,206,426 | 7.3% | \$15,412,924 | 7.5% | \$15,729,300 | 7.3% |
| Grants | \$3,643,574 | 1.9% | \$2,926,906 | 1.4% | \$3,505,140 | 1.7% | \$3,298,855 | 1.5% |
| Total | \$196,599,447 | 100% | \$208,376,695 | 100% | \$204,420,386 | 100% | \$215,259,767 | 100% |

Expenditures

The College requested an increase in 2015-2016 compared to its estimated expenditures in 2014-2015 for every major budget category except equipment. Salaries and benefits are responsible for \$6.7 million or 78% of the requested \$8.5 million increase. Supplies and materials represent 15% of the requested increase; contracts, utilities, and interfund transfers are responsible for the remaining seven percent. The following chart summarizes the College budget request by major category.

| Suffolk County Community College Expenditures by Object (With Grants) | | | | | | |
|---|----------------------|----------------------|----------------------|---------------------|----------------------|------------------------|
| Objects | 2013/2014 | 2014/2015 | 2014/2015 | Change from | 2015/2016 | Change from |
| | Actual | Adopted | Estimated | Actual to Estimated | Requested | Estimated to Requested |
| Personal Services (1000) | \$117,895,156 | \$124,093,556 | \$123,143,749 | 4.5% | \$128,258,304 | 4.2% |
| Equipment (2000) | \$2,107,038 | \$2,406,400 | \$2,867,534 | 36.1% | \$2,691,499 | -6.1% |
| Supplies and Materials (3000) | \$7,786,138 | \$9,477,532 | \$8,962,985 | 15.1% | \$10,233,900 | 14.2% |
| Contracts and Utilities (4000) | \$11,439,381 | \$13,118,678 | \$13,019,171 | 13.8% | \$13,753,450 | 5.6% |
| Employee Benefits (8000) | \$53,944,959 | \$58,172,457 | \$57,659,979 | 6.9% | \$59,212,025 | 2.7% |
| Interfund Transfers (9000) | \$1,339,805 | \$1,108,072 | \$1,108,072 | -17.3% | \$1,110,589 | 0.2% |
| Total | \$194,512,477 | \$208,376,695 | \$206,761,490 | 6.3% | \$215,259,767 | 4.1% |

Increases in personnel expenses are attributable to contractual salary increases for College bargaining units and a 3.5% increase for adjunct faculty to attract and retain qualified part-time educators. The requested budget also includes \$607,383 for 11 new positions; two custodians, three assistant professors, three information technology professionals, and three clerical positions. The increase in benefit costs is primarily due to the increase in costs for the Employee Medical Health Plan (EMHP). The rise in cost associated with health insurance is partially offset by a reduction in the College's state mandated retirement contribution.

The largest increases over the 2014-2015 estimate for non-personnel related expenses are \$451,612 for utilities, \$374,208 for instructional equipment, \$291,101 for building repairs, and \$251,981 for instructional software. Pursuant to the president's transmittal letter, non-personnel increases were limited to costs associated with the opening of new facilities, enhanced assessment efforts to maintain accreditation, and items with a measurable positive impact on institutional goals.

Although expenditures are increasing, the College reports that the following initiatives have either resulted in efficiencies or prevented costs from increasing beyond what was requested:

- Negotiating an extension to the agreement with the Faculty Association to allow an additional two students per class
- Implementing direct deposit payroll
- Strategic use of adjunct professors who work less hours and do not carry the benefit costs associated with full-time employees
- Attracting new students through an aggressive marketing campaign and by offering a variety of relevant academic programs that are in demand
- Public-private partnerships with other local educational institutions and businesses
- Development and implementation of data-driven assessment standards that have improved operational efficiencies and satisfied accreditation requirements

Fund Balance

The reserve fund grew from a starting balance of \$3.69 million in 2006-2007 to a starting balance of \$25.3 million in 2014-2015. During many of these years, higher than anticipated enrollment resulted in tuition revenue that exceeded budgeted expenditures. The College accessed its reserves once over that eight year period, \$1.7 million in 2009-2010. The College estimates that the reserve fund balance will decrease to \$18.4 million by the end of 2015-2016 as a result of using \$4.6 million to balance the 2014-2015 budget and \$2.3 million to balance the 2015-2016 budget. The recommended budget assumes that the difference between the requested and recommended County contribution for 2015-2016 will be made up by use of reserve funds, which would result in the usage of an additional \$988,438 and a year-end fund balance of \$17.4 million. It should be noted

that the County cannot mandate that the College use its reserves to balance the budget. The difference may be resolved by the College through any combination of increases in revenue or decreases in expenditures. The following chart shows reserve fund usage since 2008-2009.

| Use of Reserve Fund to Balance Budget | |
|--|-------------|
| Academic Year | |
| 2008-2009 | \$0 |
| 2009-2010 | \$1,726,555 |
| 2010-2011 | \$0 |
| 2011-2012 | \$0 |
| 2012-2013 | \$0 |
| 2013-2014 | \$0 |
| 2014-2015 Estimated | \$4,646,078 |
| 2015-2016 Requested | \$2,304,974 |
| 2015-2016 Recommended | \$3,293,412 |

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 2015-2016 budget (excluding grants) would be approximately \$21.2 million and 15% would be approximately \$31.8 million. The College projects that by the end of the 2015-2016 academic year, its reserves will be 8.7% or \$2.8 million below the 10% threshold. Assuming the County Contribution is not increased by the Legislature and the College uses its reserves to balance its budget as recommended by the County Executive, the reserve balance would be equal to 8.2% of the College's operating budget; \$3.8 million below the minimum threshold recommended by Middle States. The following chart shows starting reserve fund balances since 2010-2011.

| SCCC Reserve Fund | |
|----------------------------------|-------------------------------|
| Academic Year | Beginning Fund Balance |
| 2010-2011 | \$15,623,398 |
| 2011-2012 | \$19,653,328 |
| 2012-2013 | \$22,333,666 |
| 2013-2014 | \$24,299,237 |
| 2014-2015 | \$25,338,529 |
| 2015-2016 Estimated | \$20,692,451 |
| 2016-2017 projected by SCCC | \$18,387,477 |
| 2016-2017 Projected by Co. Exec. | \$17,399,039 |

While it is projected that the College will still have a significant reserve fund balance at the end of 2015-2016, the continued use of reserves to balance operating budgets is an unsustainable practice. Absent increases in enrollment and/or tuition, increases in State aid, or increases in the County Contribution, the College will be forced to make significant expenditure cuts in order to avoid a prolonged structural budget problem.

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 \$2,497 to \$2,597. The College anticipates \$51.5 million in State aid for the 2015-2016 academic year; \$2.1 million more than the \$49.4 million estimated by the College for 2014-2015.

Student Revenue

The College faces the challenge this coming year to mitigate a budget gap resulting from growth in expenditures that outpace growth in revenue due, in large part, to the leveling off of enrollment. Enrollment this year is estimated to be down by 0.41% from 2013-2014 and is projected to be flat in 2015-2016. However, the projected 2015-2016 enrollment is 4.5% less than enrollment in 2010-2011. According to the College, enrollment is mainly attributable to trends in demographics. The College has also 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). Even though growth has slowed, Suffolk County Community College is expected to remain the largest community college in New York State. The following chart shows enrollment since 2010-2011.

| Academic Year | Full Time Equivalents (FTE) |
|----------------------|--|
| 2010-2011 | 20,229 |
| 2011-2012 | 19,770 |
| 2012-2013 | 19,240 |
| 2013-2014 | 19,405 |
| 2014-2015 Estimated | 19,325 |
| 2015-2016 Projected | 19,325 |

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 \$2,195 per semester or \$4,390 annually for full-time students and \$183 per credit for part-time students. The College is planning to increase tuition by \$90 per semester to \$2,285 or \$180 annually to \$4,570. Part-time students will pay an additional eight dollars per credit; \$191. The next table shows Suffolk County Community College's tuition history for full-time and part-time students since the 2010-2011 academic year.

| Suffolk County Community College Tuition History | | | | |
|---|---------------------------------|-------------------------------|-----------------------------------|-----------------------------------|
| Academic Year | Full Time (per year) | Change From Prior Year | Part Time (per credit) | Change From Prior Year |
| 2010-2011 | \$3,776 | \$200 | \$158 | \$9 |
| 2011-2012 | \$3,990 | \$214 | \$167 | \$9 |
| 2012-2013 | \$3,990 | \$0 | \$167 | \$0 |
| 2013-2014 | \$4,140 | \$150 | \$173 | \$6 |
| 2014-2015 | \$4,390 | \$250 | \$183 | \$10 |
| 2015-2016 Req | \$4,570 | \$180 | \$191 | \$8 |

Tuition at Suffolk County Community College has increased by an average of \$154 or 3.9% annually from 2010-2011 to 2014-2015, which is higher than the statewide average of \$136 or 3.7%. In 2014-2015, tuition at Suffolk County Community College was the fifth highest of the 30 community colleges in New York. FIT and Tompkins-Cortland had the highest tuition at \$4,500 and Dutchess had the lowest at \$3,200. Tuition rates for other New York community colleges are not yet available for 2015-2016. Assuming all other community colleges increase tuition by the state average annual percentage since 2010-2011, the 2015-2016 tuition requested by Suffolk County Community College would rank fourth highest. The following chart shows Suffolk County Community College tuition in context to other community colleges in New York State.

| Tuition Rates from 2010-2011 to 2014-2015 for NYS Community Colleges | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|---------------|----------------|
| Community College | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | Average | Average Annual |
| | | | | | | Annual Dollar | Percentage |
| | | | | | | Increase | Increase |
| Adirondack | \$3,386 | \$3,556 | \$3,664 | \$3,774 | \$3,870 | \$121 | 3.4% |
| Broome | \$3,464 | \$3,694 | \$3,820 | \$3,954 | \$4,108 | \$161 | 4.4% |
| Cayuga County | \$3,560 | \$3,820 | \$3,950 | \$4,090 | \$4,200 | \$160 | 4.2% |
| Clinton | \$3,600 | \$3,620 | \$3,820 | \$3,960 | \$4,060 | \$115 | 3.1% |
| Columbia-Greene | \$3,456 | \$3,648 | \$3,792 | \$3,960 | \$4,080 | \$156 | 4.2% |
| Corning | \$3,670 | \$3,870 | \$3,950 | \$4,070 | \$4,150 | \$120 | 3.1% |
| Dutchess | \$2,900 | \$2,900 | \$3,100 | \$3,200 | \$3,200 | \$75 | 2.5% |
| Erie | \$3,300 | \$3,600 | \$3,900 | \$3,995 | \$4,295 | \$249 | 6.8% |
| Fashion Institute | \$3,714 | \$3,974 | \$4,200 | \$4,425 | \$4,500 | \$197 | 4.9% |
| Finger Lakes | \$3,328 | \$3,484 | \$3,654 | \$3,834 | \$4,022 | \$174 | 4.8% |
| Fulton-Montgomery | \$3,194 | \$3,394 | \$3,444 | \$3,598 | \$3,648 | \$114 | 3.4% |
| Genesee | \$3,400 | \$3,400 | \$3,550 | \$3,700 | \$3,850 | \$113 | 3.2% |
| Herkimer County | \$3,340 | \$3,540 | \$3,640 | \$3,740 | \$3,840 | \$125 | 3.6% |
| Hudson Valley | \$3,400 | \$3,700 | \$3,900 | \$3,980 | \$3,980 | \$145 | 4.1% |
| Jamestown | \$3,720 | \$3,900 | \$4,050 | \$4,220 | \$4,220 | \$125 | 3.2% |
| Jefferson | \$3,480 | \$3,648 | \$3,744 | \$3,864 | \$3,984 | \$126 | 3.4% |
| Mohawk Valley | \$3,400 | \$3,480 | \$3,580 | \$3,710 | \$3,810 | \$103 | 2.9% |
| Monroe | \$3,000 | \$3,060 | \$3,140 | \$3,240 | \$3,416 | \$104 | 3.3% |
| Nassau | \$3,732 | \$3,990 | \$3,990 | \$4,088 | \$4,234 | \$126 | 3.2% |
| Niagara County | \$3,480 | \$3,624 | \$3,696 | \$3,792 | \$3,888 | \$102 | 2.8% |
| North Country | \$3,730 | \$3,900 | \$3,900 | \$4,050 | \$4,250 | \$130 | 3.3% |
| Onondaga | \$3,784 | \$3,930 | \$4,050 | \$4,172 | \$4,300 | \$129 | 3.2% |
| Orange County | \$3,700 | \$3,900 | \$4,100 | \$4,400 | \$4,400 | \$175 | 4.5% |
| Rockland | \$3,515 | \$3,815 | \$4,025 | \$4,175 | \$4,300 | \$196 | 5.2% |
| Schenectady County | \$3,280 | \$3,384 | \$3,384 | \$3,384 | \$3,456 | \$44 | 1.3% |
| Suffolk County | \$3,776 | \$3,990 | \$3,990 | \$4,140 | \$4,390 | \$154 | 3.9% |
| Sullivan County | \$3,890 | \$4,180 | \$4,474 | \$4,474 | \$4,474 | \$146 | 3.6% |
| Tompkins-Cortland | \$3,760 | \$3,950 | \$4,150 | \$4,300 | \$4,500 | \$185 | 4.6% |
| Ulster County | \$3,820 | \$3,990 | \$4,130 | \$4,230 | \$4,230 | \$103 | 2.6% |
| Westchester | \$3,850 | \$4,150 | \$4,280 | \$4,280 | \$4,280 | \$108 | 2.7% |
| Average Tuition Rates | \$3,521 | \$3,703 | \$3,836 | \$3,960 | \$4,065 | \$136 | 3.7% |

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. Based on the leveling off of enrollment, growth in 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. For 2015-2016, the College requested a five percent increase or \$1,988,438. The recommended budget includes a 2.51% increase or \$1 million. The following table shows the County's annual contribution to the Community College since 1998-1999.

| Historical Annual County Contribution to the Community College | | |
|---|----------------------------|------------------------------------|
| Academic Year | County Contribution | % Change From Previous Year |
| 1998 – 1999 | \$28,356,138 | N/A |
| 1999 – 2000 | \$29,490,384 | 4.0% |
| 2000 – 2001 | \$30,669,999 | 4.0% |
| 2001 – 2002 | \$33,644,989 | 9.7% |
| 2002 – 2003 | \$33,644,989 | 0.0% |
| 2003 – 2004 | \$33,644,989 | 0.0% |
| 2004 – 2005 | \$34,990,788 | 4.0% |
| 2005 – 2006 | \$36,390,420 | 4.0% |
| 2006 – 2007 | \$37,846,036 | 4.0% |
| 2007 – 2008 | \$38,602,957 | 2.0% |
| 2008 – 2009 | \$38,602,957 | 0.0% |
| 2009 – 2010 | \$38,602,957 | 0.0% |
| 2011 – 2012 | \$38,988,987 | 1.0% |
| 2012 – 2013 | \$38,988,987 | 0.0% |
| 2013 – 2014 | \$38,988,987 | 0.0% |
| 2014 – 2015 | \$39,768,766 | 2.0% |
| 2015 – 2016 Req | \$41,757,204 | 5.0% |
| 2015 – 2016 Rec | \$40,768,766 | 2.5% |

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:

- I. College debt service: to pay for the local share of the College's capital projects. The Recommended 2015-2016 Operating Budget for the College includes \$7,501,205 for this purpose, which is \$48,926 more than the 2014-2015 estimate. Based on the amount of existing pipeline debt for college projects, we project that the County's debt service costs

will continue to rise, reaching \$10.9 million by 2019. 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.

2. Out-of-County tuition: Suffolk County is required to pay the sponsor's share of tuition for County residents who opt to attend community colleges outside of Suffolk County. This mandated expense is budgeted and paid for in the County's General Fund. The Adopted 2015 Operating Budget included \$13.6 million for this expense. Additional details regarding Out-of-County tuition can be found in the next section.

Out-of-County Tuition

New York State Education Law requires Suffolk County to pay the sponsor's share of tuition for Suffolk 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-MSC-2490- Comm. Coll. Non Cnty Tuition-4780-Out of County Tuition). It should be noted that New York State's Education law requires New York State to reimburse the local sponsor for 50% of this cost, but the State has not included appropriations in its budget for this statutory commitment since 2001.

In 2013-2014, 4,012 Suffolk County residents attended a New York 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 the Fashion Institute of Technology (FIT). These two institutions accounted for 78% of all Suffolk residents attending community colleges outside the County and 94% of the total out-of-county tuition cost in 2013-2014. The following charts show the allocation of out-of-county tuition expenditures for 2013-2014.

| Out-of-County Tuition Paid by Suffolk County for Academic Year 2013-2014 | | | |
|---|---------------------|---------------------|-------------------------|
| Community College | No. Students | Amount Paid | Cost per Student |
| FIT | 705 | \$7,752,148 | \$10,996 |
| Nassau | 2,433 | \$4,966,892 | \$2,041 |
| Other | 874 | \$850,286 | \$973 |
| Total | 4,012 | \$13,569,325 | \$3,382 |

| Nassau Community College and FIT as a Percentage of Total 2013-2014 Out-of-County Tuition | | |
|--|---------------------|--------------------|
| Community College | No. Students | Amount Paid |
| FIT | 17.6% | 57.1% |
| Nassau | 60.6% | 36.6% |
| Other | 21.8% | 6.3% |

As is the case with the County Contribution, instead of paying this expense directly, the County has the option of passing legislation 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 following chart shows out-of-county tuition costs from the 2007-2008 academic year through the 2013-2014 academic year.

| Out-of-County Tuition Payments from 2007-2008 to 2013-2014 | | | | |
|---|---------------------|---------------------------------|--------------------|---------------------------------|
| Academic Year | No. Students | Change from Previous Yr. | Amount Paid | Change from Previous Yr. |
| 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% |

Although the overall number of Suffolk residents attending other New York community colleges has decreased, the number of students that elect to go to FIT and Nassau Community College is increasing. The fact that these two institutions have tuition costs that are higher than most other community colleges contributes to the fact that out-of-county tuition costs continue to grow.

College Property Tax

As seen in the following table, the 2015-2016 recommended College property tax of \$5,250,467 is the same as the 2014-2015 adopted tax. The College property tax is further broken down into mandated and discretionary amounts.

- Of the \$7,501,205 in recommended mandated College debt service, \$845,252 is paid from the property tax and the remaining \$6,655,953 is paid by General Fund transfer to the College.
- On the discretionary side of the budget, payment of the recommended \$40,768,766 County Contribution is split up into \$4,405,215 from the non-mandated College property tax and \$36,363,551 from County General Fund appropriations.

| | 2014-2015 Adopted | 2015-2016 Recommended |
|---|------------------------------|----------------------------------|
| Total College Property Tax Levy | \$5,250,467 | \$5,250,467 |
| Mandated College Tax Levy | \$845,252 | \$845,252 |
| NonMandated College Tax Levy | \$4,405,215 | \$4,405,215 |
| | | |
| County Contribution - Debt | \$7,452,279 | \$7,501,205 |
| Mandated College Tax Levy | \$845,252 | \$845,252 |
| Trans from General Fd for Debt Service (001-E818) | \$6,607,027 | \$6,655,953 |
| | | |
| County Contribution - Appropriations | \$39,768,766 | \$40,768,766 |
| NonMandated College Tax Levy | \$4,405,215 | \$4,405,215 |
| Contribution to Community College (001-2495) | \$35,363,551 | \$36,363,551 |

The 2015-2016 recommended College budget is the seventh 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; however, there has not been any interest in addressing this matter.

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 recommended 2.51% increase in County Contribution will result in an additional \$1 million impact to the General Fund in the County's 2016 operating budget.
- The requested 5% increase in County Contribution will result in an additional \$1,988,438 impact to the General Fund in the County's 2016 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 \$397,688 or approximately \$20 per FTE tuition.
- The College Board of Trustees has expressed interest in engaging in a dialogue with the County beyond the immediate budget process to establish a multi-year roadmap of sustainable County contributions going forward.

* * *