

**ECONOMIC DEVELOPMENT
HIGHER EDUCATION
and
ENERGY COMMITTEE
of the
SUFFOLK COUNTY LEGISLATURE**

Minutes

A regular meeting of the Economic Development, Higher Education & Energy Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on Wednesday, **August 4, 2004**.

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MEMBERS PRESENT:

Legislator Lynne Nowick • Chairperson

Legislator Angie Carpenter • Vice•Chair

Legislator Brian Foley

Legislator Peter O'Leary

Legislator Jay Schneiderman

Legislator Vilorina•Fisher

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MEMBER NOT PRESENT:

Legislator Jon Cooper • Excused Absence

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ALSO IN ATTENDANCE:

Mea Knapp • Counsel to the Legislature

Joe Schroeder • Budget Review Office

Joe Muncey • Budget Review Office

Ilona Julius • Deputy Clerk of the Legislature

Ben Zwirn • County Executive's Office

Carolyn Fahey • Economic Development

Charles Stein • Suffolk County Community College
Shirley Pippins • Suffolk County Community College
Kevin Petermen
Tom Breeden
Jennifer Elsmore
Megan Gilroy
All other interested parties

MINUTES TAKEN BY:

Donna Catalano • Court Stenographer

(* THE MEETING WAS CALLED TO ORDER AT 9:39 A.M. *)

CHAIRPERSON NOWICK:

Good morning, everybody. I'd like to start this meeting with the Pledge of Allegiance led by Dr. Pippins.

SALUTATION

CHAIRPERSON NOWICK:

Good morning, everybody and welcome back after hopefully a nice summer, which is not over yet. We have a few cards to start this meeting. So we'll start with Megan Gilroy. Megan, you have three minutes. Good morning.

MS. GILROY:

Good morning. Hello. I'd just like to start by saying thank you for letting me speak today.

CHAIRPERSON NOWICK:

Could you just state your name for the record.

MS. GILROY:

Yes. My name is Megan Gilroy. I'm a student at Suffolk County Community College. For many students such as myself, continuing to a higher education would be impossible if it were not for a Community College such as Suffolk. If you could please increase the budget by 4% that

would be allocated to so many different things that would really be beneficial to us. It would go to the students, we wouldn't have to pay as high a tuition. It would help improve the student to full time faculty ratio, and it would not be wasted. It would really be something that could really help us out.

Like I said, many of us really could not continue to a higher education if it was not for a Community College. Private and other public institutions are very expensive. And there's very little help out there. Scholarships are limited, grants are limited, and it's really, really hard to get into a good school. And by going to a Community College first, we're able to get maybe an associates or even just get our feet wet and see what it's like to go to college, and then we could transfer into another school. And it's very important for us to start education. I mean, some people might not even be able to go to another institution if it was not for a Community College. This might be the end point for some people's education. Let's at least give them that much. Thank you.

CHAIRPERSON NOWICK:

Thank you, Megan. What year are you in?

MS. GILROY:

I just finished my freshman year.

CHAIRPERSON NOWICK:

Good for you. And you happen to be right about that first hand •• first hand knowledge, because I have two daughters your age, and you are right. Thank you for coming.

MS. GILROY:

No problem. Thank you.

CHAIRPERSON NOWICK:

Joseph Maisonet. Good morning, Joseph. Could you just please state your name.

MR. MAISONET:

I'm Joe Maisonet. I'm also just finishing my first year at Suffolk County College. I came from a larger university in Daytona Beach, and I decided to switch over to Suffolk Community College because it wasn't working out at the large university. And coming from a bigger university, I

kind of was not happy going to a smaller college like Suffolk. And now that I'm there, it's the best thing that I decided to do probably ever in my whole educational process.

I'm also here to reiterate what Megan said, to give us the 4%, because it would be used wisely and also because most of the students that go to Suffolk end up staying in Suffolk. So it would be an investment, not only into the school, but also for the County. And by giving us the 4%, it would not only make an investment into the school, but for the rest of Long Island. And that's basically about it. That's all I have to say, that it is an investment and not money wasted.

LEG. CARPENTER:

Thank you.

CHAIRPERSON NOWICK:

Thank you, Joseph. Thank you for coming down here. Jennifer Elsmore.

Good morning, Jennifer.

MS. ELSMORE:

My name is Jennifer Elsmore, and I am a full time student at Suffolk Community College as well as the student trustee for 2004•2005 academic school year. I've been at Suffolk •• I just finished my fourth semester there, and I'm going to be taking an extra year. And so may changes have happened at Suffolk since I've been there, and I'd like to name a few.

For one, there's been a new student government in place that is going to be starting this year at Ammerman Campus. There is a new campus activities board at the Grant Campus. There are new student organizations every year. There have been expanding summer course offerings, which have provided for a 10% enrollment increase during the summer. And there's new distance education programs and academic programs at Suffolk. Suffolk County Community College is an affordable option in higher education, especially for returning students and students who are supporting families. The Governor proposes a 5% reduction in the full time enrollment rate for the upcoming academic school year, which would result in a \$1.8 million reduction in state aid.

With increased costs of housing, utilities and medical, many students are finding it difficult to make ends meet. According to the County Executive's recommended budget, students are to

pay over 40% of the funding for the college. This included with the rising cost of fuel, student fees and books, it is becoming almost impossible to get an affordable education. This is why it is essential to invest in Suffolk County Community College.

CHAIRPERSON NOWICK:

Thank you, Jennifer.

MS. ELSMORE:

Thank you.

LEG. FOLEY:

Thank you.

CHAIRPERSON NOWICK:

Carolyn Fahey.

MS. FAHEY:

Good morning. Carolyn Fahey with Suffolk County Economic Development. I've been asked again to speak to you and to reiterate one point on IR 1520, which is changing the voting policy of the Airport Lease Screening Committee. Under the current policy, if any of the members have a conflict and/or a concern about a lease proposal, that proposal now comes in front of you. Underneath the proposed changes, those issues and those concerns do not come in front of you. That's just the one point I wanted to bring home, that currently if there is a conflict or a concern, it does come to the full Legislature for consideration. Thank you.

LEG. SCHNEIDERMAN:

If I might, just for one second.

CHAIRPERSON NOWICK:

Yes. Legislator Schneiderman.

LEG. SCHNEIDERMAN:

I just wanted to make Carolyn as well as the committee aware that the resolution before you is not the correct one, and I will be asking for it to be tabled. It was meant to maintain the unanimity requirement. But as long as at least six members are present, three-quarters, that's

not what it says. So you'll be seeing the right copy at the committee meeting.

CHAIRPERSON NOWICK:

Thank you, Legislator Schneiderman. Tom Breeden.

MR. BREEDEN:

Good morning, ladies and gentlemen of the Legislature. My name is Tom Breeden. I'm the President of the Guild of Administrative Officers at the Community College. And I was doing some fascinating reading last night. Jim Spero has continued the fine tradition of thorough discussion of the college budget. And I found some interesting points that Jim made.

First of all, he estimates that we'll need another \$500,000 a year for energy costs that the college did not include in its original proposal. As you know, 1% of the County contribution is about 330,000, so that could be used as a de facto justification of a one and a half percent increase just to keep the buildings warm in the winter time. There's a mention that the college traditionally overestimates the amount of tuition revenue it will get from students because some student can't pay their bills. That might be a suggestion that tuition is too high, we won't go into that. But again, those numbers are on the order of 280 to \$300,000 a year or again, approximately 1%.

The last time we got an increase from you our sponsor was in '01-'02. In that period of time, the number of students, full time equivalent students, has gone up about 16%. So imagine if in your personal finances what you had to do increased by 16%, but your revenue didn't go up at all. It's been a tough time. I guess in closing then, I'll just read to you from page 17 in the Budget Review report, the college currently has 63 vacant positions. Recommended turnover savings represents approximately 18 of these positions.

The BRO Office does not believe there are enough permanent salaries recommended to fill the remaining 45 positions. So if we do not get an increase from our sponsor, your own Budget Review Office suggests that 45 positions will have to remain vacant. That means that we need the money. With these positions •• trust me, I don't think there's been •• in my union there's been maybe one or two positions added over the past four or five years. So we're not creating positions randomly. If the college says we need these 45 positions, I suggest we need them.

And so in closing, I'm hoping •• I understand that the college is willing to settle for 4%. I would like to see eight or 10% myself. I think we could use it. Let me give you an example. Let me take off my union hat for a moment and put on the hat that I wore for a long time before that, that of a physicist. If I stood here and explained to you that a rainbow is caused by total internal inflection on rain drops because the index of refraction •• I can see eyes glazing over already. But if I show you a rainbow that gets a wow.

The Capital Budgets for the departments where we buy equipment where we can elicit that wow response from students is always the first thing that gets cannibalized when times get hard, justifiably so. But it is not as though there is no loss to the Community College when we don't have the equipment that inspires people. So I'm hoping •• I'd like to see 10%. Ten percent is a small amount of money from the total budget of the County. The budget of the County is approaching \$2 billion, I think. And our part of that last year was \$33 million. A 10% increase would make that a little less than \$37 million.

An investment in the youth of this County keeps them here. I'm an example of what happens to people •• now this maybe is the wrong example because it brought me to Suffolk County •• but I'm an example of what happens when kids go away to college. I'm from Virginia, I went away to college, I came to college in New York, and I stayed here because I love Suffolk County, and I'll always have a home here. When I retire in 20 years, if I have a second home in Florida, I'll keep my home in Suffolk County. Students who go to the Community College tend to be conservative. They don't want to incur large debts. They tend to stay home. This will stanch the brain drain for a small amount of money.

And then finally, the second or third finally, I think, you know the expenses that happen when people don't improve themselves. You're going to have to build a \$200 million jail, and that's what happens to people who don't improve themselves for whatever reason. So I hope you will give us 10%. I don't think that's an unreasonable number, especially in light of several years of zeros. And I thank you for your time.

CHAIRPERSON NOWICK:

Thank you, Tom. Yes. Legislator Foley has a question.

LEG. FOLEY:

Thank you, Madam Chair. And before I ask Tom a question, first I want to commend the

students who spoke at the podium about their concerns for the budget. I'm happy to see that student government will be back in place at the Ammerman Campus. We live in a time when we need to have students be more active on campuses throughout •• throughout the country, and I'm glad to see that here in Suffolk, that advocacy role that the students are •• are playing once again. It is important for us to hear. Tom, you just mentioned about the wow factor with •• on the campus. And one of the great joys I know professors receive is when they see that expression on the face of a student. But part and parcel of creating that learning experience is the need, if you will, for the equipment to help the professor instruct the students. You mentioned earlier that the equipment line has over the years been one •• is one of the areas of the budget that has been cannibalized; is that not correct?

MR. BREEDEN:

I believe that's correct. Now I will say that my particular department budget has gone up over the years. It's still very small.

LEG. FOLEY:

You've been a skilled in fighting for your department, that's been well known on the three different campuses. But just along that point of view, and Madam Chair, over the years this has been something that particularly I and others have brought up whether it's instructional equipment line or other equipment lines, it has always been the first casualty when there have been budget battles at the college.

So one of the things that •• when we hear the president give her presentation, and if in fact there is close to a five or \$6 million •• as much as I believe there's a need for a County contribution increase, but if there is a multi million dollar surplus at the college, I think what they can do with some of those monies is focus those •• focus the expenditures of those funds particularly for equipment and other things that might be outside of the Capital Program or may not be enough on a particular equipment line. But we'll talk about that when the president comes up and how we can utilize •• in a small fashion, but how we can utilize that huge •• that large surplus in a way to help the professors teach their students in order to learn what they need to learn in order to do well in that particular field of instruction. So I want to thank you, Tom.

CHAIRPERSON NOWICK:

Thank you, Tom.

MR. BREEDEN:

Thank you.

CHAIRPERSON NOWICK:

I just want to mention that Legislator Cooper has an excused absence today. Kevin Peterman.
Good morning, Kevin.

MR. PETERMAN:

Good morning. Actually, I can't help myself, as a professor, I have two handouts. I don't know if I can •• thank you. I'm the Executive Vice President of the Faculty Association. And I spoke several weeks ago, and I won't repeat myself, but I do want to thank Budget Review for again, as Tom said, another excellent job on the budget analysis.

My remarks are going to be concerned with the County Exec's proposed document that I believe everyone got. What my concern is is that this will be the fourth year that the County is not going to increase the contribution to the college. I'm very concerned about that. For those of you who have been around as long as I have, back in the '80s, we had severe problems when the County chose not to increase the contribution for almost eight years, we had a major, major problem. I don't want to repeat that again. This will be the fourth year if we don't get an increase.

There's some talk about a 4% increase. Tom mentioned 10%. I like the number four as I said before. I think we need a \$4 million increase in the County contribution, and the reason for that is if we got a 4% increase over the last four years, it would equal about \$4 million. The two handouts that I prepared, one of them •• and I can speak to this from a college perspective, but I believe from a labor standpoint, I believe all exempt employees are getting the shaft. And what I will use here is the college administrators as an example, because I know their situation. The one handout talks about the salary comparisons for vice presidents at Nassau, Westchester, Monroe, Suffolk. The exempt employees or managerial confidential employees at the college are woefully unpaid. I don't think anyone whether management should be treated that way.

I want to point out that at Monroe Community College, which is in Rochester, the salary is almost \$120,000, but I also want to point out that you can buy a house up in Rochester for about a \$140,000. I think the situation needs to be addressed. Some of the salaries that some of these people are trying to work under are just unconscionable in my opinion. That's my labor hat. Too bad I can't organize them.

The other point I wanted to make was the tuition. Under the County Exec's proposed budget, the students, the students will be paying 40% of the total share of the college budget. Now that's tuition. That doesn't include other expenses like fees. This is only talking about tuition. Now just about every student gets charged a fee. So we're really talking about the student burden being over 40%. So I'd like you to you keep that in mind when you consider the budget next week. Those two items I think are very important for us to move into the future. We need to reduce the burden on the students, and we need to treat all the employees at the college with respect and decent salaries. Thank you.

CHAIRPERSON NOWICK:

Legislator Viloría•Fisher has a question for you.

LEG. VILORIA • FISHER:

Hi. Good morning. Thank you for being here.

MR. PETERMAN:

Always a pleasure.

LEG. VILORIA • FISHER:

I just have a question about the pie chart. I was shocked when you handed this out to see that the student portion is up to 40%.

MR. PETERMAN:

Out of the County Exec's budget, chart number three, I got the data right out of that chart.

LEG. VILORIA • FISHER:

Okay. BRO, is that the number you have, 40%? You know the numbers that I'm looking at on page four are from past years. This year it's at 40%?

MR. SPERO:

That's correct. The Board of Trustees has proposed a large tuition increase because the State of New York has not •• is attempting to lower the FTE rate.

LEG. VILORIA • FISHER:

And it's unconscionable that the state is down to 25%. When I began here in the Legislature, we had tried to keep it at one•third, one•third, one•third.

MR. SPERO:

That was the traditional approach. And obviously, you know, as time has gone on, the County and the state have veered off that.

LEG. VILORIA • FISHER:

What's happening with the state right now?

MR. PETERMAN:

The dysfunctional state?

LEG. VILORIA • FISHER:

Well, it's dysfunctional.

MR. PETERMAN:

What concerns me is that it's August and all the therapists are on vacation.

LEG. VILORIA • FISHER:

I know there's no budget, but I know that there have been packages that have been put together that will be presented every few weeks it seems. There's nothing for the college?

MR. PETERMAN:

We were up in Albany yesterday, and there's nothing firm. There's some rumors, but again, until •• it's like anything, until you see it passed and signed. You know, right now, the Governor proposed a 5% reduction, which is a cut of \$115 per FTE. We're getting some rumors that the state aid might be restored, but I think with that court battle going on with the city schools, I think it's all up in the air.

LEG. VILORIA • FISHER:

I had heard rumors, and I thought that they were going to be •• that there was going to be going to be something put together by September 12th, I thought.

MR. PETERMAN:

I heard that too, but again, I wouldn't take it to the bank.

MR. SPERO:

In my cover letter to the report, I just point out that if there's no state budget, we presume that the FTE rate for state aid would remain at the higher level of \$2300.

LEG. VILORIA • FISHER:

At last year's level.

MR. SPERO:

It would take an action of the State Legislature and the Governor to reduce it. So absent a budget, it should stay at the higher level.

LEG. VILORIA • FISHER:

Which would have what impact on this pie chart?

MR. SPERO:

It would increase state aid by \$1.8 million.

LEG. VILORIA • FISHER:

Okay.

MR. SPERO:

And the Board of Trustees, I believe, is already on record to say if they got the additional state aid, they would reduce the student tuition.

LEG. VILORIA • FISHER:

Okay. Chuck, why don't you take a seat, maybe you can help us out with this. Madam Chair ••

through the Chair.

MR. STEIN:

Charles Stein from the college.

LEG. VILORIA • FISHER:

Thank you very much, Kevin.

MR. STEIN:

I was just mentioning to Jim that if there is no budget at the state level, the per FTE amount would remain at the 2300. However, the total dollars available in the state budget would not exceed the total number of FTEs that were used in calculating last year's state budget. So the availability for Suffolk would actually go down, since our students went up, the number of students went up. In other words ••

LEG. VILORIA • FISHER:

So you'll have some FTEs that wouldn't be covered, in other words.

MR. STEIN:

That's the point. If they don't adopt budget and recognize our growth in FTEs, Jim is correct, it would remain at the \$2300 per FTE, but the total dollars available in the state budget would not increase.

LEG. VILORIA • FISHER:

Okay. So what would the percentage be there? I'm trying to reconcile the pie chart to the reality. Would it be then at 27%, rather than 25%, 26%?

MR. STEIN:

Well, since our costs would be going up and we would have to get that funding from some other location, if the state share doesn't go up, then the percentage, in relative terms, would go down.

LEG. VILORIA • FISHER:

Would actually go down from the 25%?

MR. STEIN:

Yes. I don't have the exact amount.

LEG. VILORIA • FISHER:

Although The FTEs go up, the total number would be that much lower?

MR. STEIN:

We're saying that if there is no state budget ••

LEG. VILORIA • FISHER:

The FTEs would be what they were last year.

MR. STEIN:

Yes.

LEG. VILORIA • FISHER:

But the bottom line of that would be lower in percentage because we have a higher number of students.

MR. STEIN:

And at a higher cost of operations.

LEG. VILORIA • FISHER:

Right. Okay. Thank you, Chuck. Another dismal projection. Thank you, Madam Chair.

CHAIRPERSON NOWICK:

You are welcome. Okay. That is our •• concludes the cards. Now let's see, who do we have here? We'll bring up •• is there any •• okay. So we are speaking about the college budget, so we will continue from there. Jim, although we all have your paperwork here, maybe you can give us a recap from the Budget Review Office.

MR. SPERO:

A quick walk through of the report. The first section on cap compliance, the Legislature can increase the County contribution 4% and still remain within the tax levy cap, which requires ••

that would require ten votes. If we exceed the 4%, it would require 14 votes. We can increase the County contribution a total of \$1,345,000 with a ten vote resolution. As you know, the college budget is exempted from the expenditure cap. However, in total •• the total County adopted budget must conform to the expenditure cap. The recommended college budget is about \$2.6 million over the expenditure cap. So that \$2.6 million will have to be made up. When the regular County Operating Budget is considered in the fall.

State aid as we just discussed, the proposed Governor's budget, reduces it from 2300 per FTE to 2185 per FTE. That situation obviously remains unresolved. If it's restored to the \$2300 level and there's no cap on the number of FTEs we can apply state aid for, we would get an additional \$1,850,000 in state aid. The College Board of Trustees is on record that if that happened, they would lower the student tuition rate accordingly, and I believe that reduction would be \$110 per full time student.

Student tuition, the Board of Trustees approved a full time tuition rate of \$3030, which is a 16.5% increase from the current \$2600 level. That rate assumed a zero percent increase in County contribution as the college was directed to submit a budget without an increase by County contribution by the County Executive, and it is assumed the lower state aid rate.

CHAIRPERSON NOWICK:

Jim, just to stop you for a second so I understand. We're going to be voting on a college budget and right now there is no budget up in Albany, so there are no numbers, there is no money that we can count on. How do we do that •• how do we •• I'm trying to think of how I would do my own budget at home if I had to start paying •• this is from September •• starts in September. So if there's no budget in Albany, how do that plan for that?

LEG. VILORIA • FISHER:

We revert to last year.

CHAIRPERSON NOWICK:

We revert to last year. And then if it comes down from Albany say in November or December, then you rework the numbers, but the tuition then •• what do the students get the tuition money back then or how does that work?

MR. SPERO:

The college ••

CHAIRPERSON NOWICK:

Because you have to charge the tuition right up front right in September.

MR. SPERO:

My recommendation would be to adopt the college budget assuming the lower state aid rate at this point in time, because then that's the conservative approach. If the state aid comes through, that money all goes to the college. It's not like the General Fund when we get additional state aid, it can be used to offset other expenses. This money would be dedicated solely for the use of the college, it would stay in the college fund and go to fund balance. If the board subsequently reduced the student tuition because the extra state aid came in, the college budget would remain in balance.

CHAIRPERSON NOWICK:

But then you would only reduce the tuition for the spring semester obviously, because the fall •
•

MR. SPERO:

Depending on the timing of it, that may be true.

MR. STEIN:

Depends on the timing of it.

CHAIRPERSON NOWICK:

You might as well come up anyway, because this is what we're going to be speaking about, make your presentation. Jim, I'm sorry that I interrupted you on that.

MR. SPERO:

We have a lower than •• our student tuition revenue estimate is a total of \$663,000 lower than the County Executive's. That's one of the adjustment we recommend making to the college budget. We talked about the County contribution. If adopted as proposed, this would be the third year in a row without an increase, and the fourth year with the County contribution remaining at the same rate. A 4% increase is \$1,345,000. If the 4% increase was used to

reduce the student tuition rates, it could reduce it about •• the full time rate by about \$80.

The county tuition revenue. It's an old story that Suffolk pays out much more to other community colleges than it receives. If you look on the top of page 13 of the report, you'll see that Nassau collects \$10.3 million from other counties, and FIT receives eight and a half million dollars from other counties, we collect \$634,000 from students who come to Suffolk.

Traditionally it's been true and it remains true, our students go out to school in other counties, predominantly Nassau and FIT.

CHAIRPERSON NOWICK:

I'm sorry. Just hold on one second. What is the reason students from Suffolk County are going to Nassau County Community College rather than our beautiful campuses over here?

DR. PIPPINS:

My understanding is that those numbers have been decreasing and decreasing since made improvement on the Grant Campus. So I think the attractiveness of that new facility encourages students to stay in the County. FTE is a very distinct entity. You go there because of your choice of vocation. Some students in fact work in Nassau County, so they choose to stay there and go to school. And I think there was a research project that was approved to take another look at why students were going out of County to attend higher education. So we should have some more information in the future.

CHAIRPERSON NOWICK:

Thank you.

LEG. VILORIA • FISHER:

If I may, Madam Chair. It was to that point.

CHAIRPERSON NOWICK:

Sure. Legislator Vilorina • Fisher.

LEG. VILORIA • FISHER:

President Pippins, I also spoke to some people when I took that bus ride, the day I took the bus ride, and some students who happened to be on the bus that day said that went to Nassau because the transportation in Nassau County was easier for them to get from their school to

work. So transportation is •• public transportation seems to be a factor. I don't know if your study bore out any transportation issues.

DR. PIPPINS:

We don't have the results yet, but we're looking at that.

LEG. VILORIA • FISHER:

Okay. Thank you.

MR. SPERO:

One suggestion we made to •• we make several suggestions to stem the tide of students leaving Suffolk, but one suggestion we make is that when students supply for •• to go to another school, they go to the County Comptroller's Office to fill out the appropriate forms, and that per state law. We suggest that the students be required to go to the Community College to fill out the forms. This way the college could interact with the students who are applying to leave •• attend school in another county and perhaps show them the benefits of why they should go to school in Suffolk, and then those forms could be forwarded to the County Controller for process.

CHAIRPERSON NOWICK:

Legislator Carpenter.

LEG. CARPENTER:

I'd just like to speak to that particular issue, because this was something that we've discussed and we tried to implement in the past. Unfortunately, the previous County Comptroller refused to cooperate with that kind of initiative. And I'm hoping now with •• you know, we've got a different Comptroller, that perhaps he would be a little bit more open and not quite so protective of something that he had going on in his office that we could do that, because it really makes sense. It's easier for the students, because they can select to go to a campus that's closer to them than going to the Comptroller's Office to fill out that paperwork. So I just, you know, for the record am working on that, have reached out to the Comptroller to see if we can get that very positive recommendation implemented.

MR. SPERO:

We're estimating out of County tuition revenue was overstated by about \$280,000.

LEG. FOLEY:

Madam Chair.

CHAIRPERSON NOWICK:

Excuse me, Jim.

LEG. FOLEY:

Just on the point of out of County for this instance for a moment just to amplify on what Legislator Carpenter said. She's absolutely correct that we have been wrestling with this for a number of years, and the Legislature has been in the forefront of coming up with suggestions to try to help the college reverse this •• this trend of •• of migration to other community colleges. When is your report •• through the Chair, when will your report on this be completed?

DR. PIPPINS:

I'm not sure. I can get that information for you.

LEG. FOLEY:

I mean, are we looking at half a year from now, a few months from now? Because certainly •• and has there been •• has there been •• there has not been any interaction with this committee on it, because certainly ••

DR. PIPPINS:

We should have it by the fall.

LEG. FOLEY:

Okay. Because our collective experience of this committee as Legislator Carpenter just demonstrated, we can help and can give you our •• not only our suggestions, as can Budget Review Office, but also what we've tried to do in the past, and it's been •• we've been frustrated not only by past comptrollers, but by past college administrations as well. So the fact of the matter is with a new slate in both •• with your appointment as well as with the new comptroller, there's a new opportunity here to follow through on a number of suggestions that can really help •• help the college.

Finally I would say, Madam Chair, just on the point, one of the other ways, we talk about dysfunctionality of Albany, but one of the other things we've spoken about for a couple of years has been resisted by some, particularly in the Upstate Communities, is to look at making changes to state law that would allow •• well, if our college is offering the same courses and curriculum that other community colleges are offering, then the students have every opportunity to •• to access our colleges as opposed to other colleges. Now we still have to pay their freight if they go elsewhere even though we offer the same curriculum. So there's a few different things. And all I'm saying is prior to the final draft and the issuance of the report, have some interaction with this committee, with us individually as well as Budget Review Office, and the Comptroller, I think we can help to help your report to be even more far reaching.

DR. PIPPINS:

I would think also that some of the changes we're making at the college will change the traffic flow of students. As our honors programs get stronger, as our campuses look better, as we have stronger programs, students choose to come to Suffolk County Community College.

MR. SPERO:

Tom just whispered in my ear that our student tuition revenue projection was \$270,000 below the proposed amount for this year. And Tom just said he saw the enrollment report, and it looks like it's going to be 390, \$390,000 short this year. So our projections were conservative as it's turning out unfortunately.

Out of County tuition incentive, this was an initiative by the Legislature to give the college an incentive to try to keep students here in Suffolk. The college at the discretion of the Legislature can receive a \$200 per student stipend based on the 1994•95 base year of the number of students who attend schools outside of Suffolk County. The proposed budget includes a \$77,600 stipend for the college this year, but didn't include any funding for next year. We suggest that \$43,000 be included in the '04•'05 budget for the incentive, because in all likelihood, the number of •• the college will be entitled to receive that incentive based on the number of students attending schools outside of Suffolk County.

MR. STEIN:

Excuse me, Jim. I just wanted to make the committee aware that there will be a resolution coming over for this year's money on that incentive. There was some miscommunication, that

we were first advised by the County Executive that we wouldn't need a resolution. Now we're advised we do need a resolution. So one has been submitted, it will be coming before the committee.

MR. SPERO:

The next item is personal services. The County Executive included ten new faculty positions as requested by the college. And in so doing, also reduced some of the salary lines for the adjunct faculty. The amount of salaries included in the budget total \$62.6 million. That will allow the college to keep •• maintain all currently filled positions, fill the recommended net increase of seven positions for the school year, provide for the negotiated salary increases for faculty and guild employees and provide a reasonable salary for AME employees. However, as Tom pointed, Tom Breeden pointed out in his presentation, about 45 positions would have to remain vacant for the entire year based on the permanent salaries included. We recommended reshuffling some of the permanent salaries; increasing salaries in the instruction area, 400,000 and reducing salaries in general administration and general instructional support by \$200,000 each.

Staffing, there are 31 new positions included in the budget and 24 positions are abolished, this was as requested by the college. Because of the new faculty positions, \$365,000 for adjunct salaries were reduced. The college has also requested a restructuring of its management's salaries, which we did a rather extensive review, and we •• on the top of page 21, you can see what the positions were changed from and to. The cost of implementing the salary increases as proposed would be about \$157,000, and the County Executive had included \$20,000. So the net increase would be about \$137,000 if the Legislature wishes to implement those salary adjustments. It was not our recommendation to do so. We believe it should be done in the normal course of events, in the normal procedures of the County, but it is the Legislature's option to do it if it chooses to do so.

In the non personal service area, basically the proposed budget is as requested by the college except for two areas; rent, office buildings was reduced \$50,000 and that basically was for the downtown centers that the college is attempting to start up these downtown centers, but we agreed with the County Executive that all that money wouldn't be needed for this entire school year and that hopefully the college will be able to get at least one downtown center off the ground during the coming school year Riverhead. The other additional \$100,000 was put in the 456 line for •• to have the college work in conjunction with high schools on a program where

high school students could get college credit. We point out in our report in the proposed implementing legislation section that the has already embarked on this program and already has a number of agreements with school district to already effectuate that program, page 43 of the report highlights that.

Equipment funding is down in the proposed budget as requested by the college. The college had to contain its equipment requests to meet the County Executive's guidelines for the budget submission. The budget •• the proposed budget is over \$700,000 in equipment funding less than it was in the current year. Per FTE, the recommended budget is about \$108 per FTE for equipment versus the current \$175 per FTE. We also show, if Legislators are interested, how our spending on equipment relates to other colleges and the state wide averages.

And the supplies area includes funding for the mailing of the course catalogs. We still think that that money could be better spent perhaps in another initiative rather than mass mailings of the course catalogs to every household, but we did not recommend any funding decreases in the that area. We suggest the college do a study to see whether this mass mailing really does impact the number of students attending the college. Contractual expense area, the major finding here is in energy costs. And Joe Schroeder is here. This is also the Energy Committee, so I'd like to have Joe discuss his reasons why energy costs for the college and the County in general are expected to increase rather dramatically over the next year.

MR. SCHROEDER:

Good morning. Based on the Operating Budget Review for 2004, we projected an increase overall in energy costs going into 2004. A big percentage of that was relating to LIPA costs, relating to their fuel and purchase power surcharges and the cost of natural gas for retail energy consumption. Since natural gas is more heavily relied upon nationally now for electric generation, there's a very close link between commodity fluctuations and natural gas and oil and cost of electricity.

We've been witnessing that through LIPA's fuel and purchase power surcharges in the past couple. In particular, this year we have forecasted a modest increase in LIPA surcharges based on their past history of absorbing a good percentage of the excess cost that they incur during each year. This year LIPA increased the percentage that it was recovering twice. First in the beginning of the year with a 4.5% increase over the year end 8.8% surcharge and again in

June with another 5% increase. It's worth noting that the rating agencies have been looking at LIPA, and have been •• in some cases, they've been on a credit watch. One of the many reasons for that has been their reluctance to pass through what the lending institutions consider an appropriate percentage of their excess costs. And they're worried about financial health of LIPA.

This morning, Standard and Poors down rated LIPA's bonds to an A minus with a negative outlook. So I think we could expect that we will be seeing LIPA recover even more of their excess costs as we move forward. Just recently, at a meeting over on Fire Island with Angie Carpenter, Richie Kessel stated that if LIPA were passing through all of its excess costs, we'd be paying 40% more than we're currently paying. So there's a significant amount of money that they have absorbed since 1998. The beginning of this year that total is over \$780 million. It is unclear based on direct inquires whether or not LIPA ratepayers will be subject to repaying that debt or whether that debt is somehow off the books. I've gotten answers both ways on that, and we're still looking for clarification.

At the beginning of this year, natural gas prices went up considerably. Actually, since last summer they've been on the climb or trending upward. For the first few months of this year, the price of natural gas was up 39% over a year ago. Overall, January to May that's •• it's only up about 11%. But the college and the County use the bulk of natural gas during the heating months, the winter months. And so the impact on our budget is more significant that it was higher over the winter.

There was precipitous drop in the cost of natural gas in March. Due to the substitute nature of natural gas and fuel oil for each other, as you come out of the heating season, entering the shoulder months of the energy year, it's easy to make that switch. There's not a lot of demand for oil during the month of March relative to natural gas. I don't see that substitute nature being available as we head into this heating season. So as the price of energy is running a bit higher than it was last year and we're heading into a heating season, I feel very confident that unfortunately we will realize the 25% average increase that we forecasted last year heading into the coming months.

And so taking the cost of fuels over the past several months and looking at the college's energy consumption pattern, the college uses about 26% of its energy during the summer months, 85% of that energy is represented by LIPA primarily due to the fact that the college uses

electric for air conditioning. The year to date expenses through the end of March including unpaid bills, according to the college, was over \$3 million. We calculated based on previous years' performance what the fourth quarter or last two months of the year would be, July and August. We calculate that they're going to run at about 688 •• more than \$688,000, leaving them a shortfall of \$419,182.

Looking at what we're forecasting for increases moving ahead into 2004•2005 budget cycle, we're forecasting that the college is going to need an additional \$645,000 plus, resulting in an overall increase in 2003•2004 of 8.2%. The combined effect of the shortfall for 2003•2004 and the projected increase for 2004•2005 is \$1,064,383.

CHAIRPERSON NOWICK:

Thank you, Joe.

LEG. SCHNEIDERMAN:

I have a question for Joe.

CHAIRPERSON NOWICK:

I just wanted to mention also on the record that I have invited Mr. Kessel several times to address this committee, because I think we're all concerned about these rising costs. I know my own home bill •• they say 5% surcharge, mine went up 15%. I don't understand how that worked. But I still have not been able to have him come before us. Legislator Schneiderman.

LEG. SCHNEIDERMAN:

I think we're all getting killed on utility costs between gasoline and electric and everything else. Has anything been done at the campus any of the three campuses in terms of an energy audit to try to figure out if there's ways to conserve energy or, you know, light sensors, motion sensors that would shut off lights, all those things that are typically done to reduce those types of costs, changing fixtures to the more efficient fluorescent types of bulbs?

MR. STEIN:

If I might comment on that. A few years ago, the Budget Review Office analysis recommended that we go to NYPA and work with NYPA to review our campus operations on all three camps and finance work through them, and we've done that on all three campuses. And in fact the

program is providing a net savings to the college on an annual basis even after paying the amounts necessary for the work. So the costs that Joe just went through would have been significantly higher had we not done that.

LEG. SCHNEIDERMAN:

Okay.

CHAIRPERSON NOWICK:

Thank you. Jim, did you have anything else that you want to add? Jim, did you have anything else that you wanted to add?

MR. SPERO:

Just a couple more things. Page 35 we highlight our adjustments in the equipment. And in the equipment area, we recommended some increases in funding as well as the energy costs. On page 39 we summarize some adjustments in the fringe benefit area, which have a negative adjustment of \$233,450 over the two year period. We did a section on the proposed implementing legislation which was included as part of proposed budget. Just to quickly highlight, the college is already pursuing the partnerships with the school districts as required in that resolution. We have a letter from SUNY Counsel, which is attached to the report in Appendix C, which states that it's unlawful for the County to make •• as a condition of the budget, I rolled back •• requiring the Board of Trustees to roll back tuition and/or have verbatim minutes of its meetings. So SUNY Counsel believes those requirements are unlawful and the County, I guess, can request the college to make those adjustments, but can't make it a part of the •• a condition of the budget.

The last section on the status of funds, the sum total of our adjustments over a two year period to the proposed budget totaled \$1,925,561. This would reduce the projected fund balance for the college by that amount. The County Executive had recommended transferring more than \$1.6 million to the reserve fund. If the Legislature makes our recommended adjustments, that transfer cannot be made. As a matter of fact, the college will require an additional \$275,000 to balance its budget.

LEG. SCHNEIDERMAN:

Jim, for clarification. So you're recommending what amounts to a 4% increase in County contribution as well as roughly a 4% increase in tuition •• I'm sorry, a higher increase in

tuition, an 8% in tuition?

MR. SPERO:

The tuition increase is established by the Board of Trustees. It's established at the higher amount because it was anticipated there would no increase •• there would be a decrease in state aid and there would no increase in County contribution. If the Legislature chooses to increase the County contribution, it can use some of that money, to the extent it wishes to increase the contribution, and ask the board to roll back the tuition increase. That's one the options you can consider when you adopt the budget.

LEG. SCHNEIDERMAN:

Roll back from what to what, from the 16% down to the 8%?

MR. SPERO:

Depends on how much money you give the college, but a 4% increase would roll it back about \$80, roll back the full time tuition rate about \$80.

LEG. SCHNEIDERMAN:

Can you clarify that for me, Chuck?

MR. STEIN:

I think Jim is on the right track here. Basically I'll go to the resolution that was adopted by the board in April. What the board said is based upon a zero percent increase in County support and a reduction in state aid, they had to ask for an increase in tuition of \$430. They did include in that resolution, though, resolved clauses that with a 4% increase from the County and with restoration of state aid, that amount would be reduced, that tuition increase would be reduced, to an estimated \$230 instead of the \$430.

LEG. SCHNEIDERMAN:

That's with the 4% and the state aid. And with the 4% and without state aid?

MR. STEIN:

It would be 430.

LEG. SCHNEIDERMAN:

So the recommendation is to assume that there wouldn't be state aid, and if we get it, they'll be some adjustment.

MR. STEIN:

Some adjustment.

LEG. SCHNEIDERMAN:

An adjustment.

MR. STEIN:

Yes.

MR. SPERO:

There's a chart on page 11 of our report.

MR. STEIN:

The hope was, of course, that we would have a state budget by now.

DR. PIPPINS:

I think it's important also to know that it was not necessary to require the board to roll back tuition, to encourage the board to do that. The board had already expressed that interest and put forth a strategy for reducing tuition in its initial proposal.

LEG. SCHNEIDERMAN:

Jim, you had mentioned something earlier about tuitions not coming in as high as •• you guys had projected there would be a shortfall, but the shortfall is even bigger. Would that also •• lower tuitions, would that affect the FTEs or the reimbursement we're getting from the state as well, and does that change the budget in any fundamental way?

MR. SPERO:

To the extent that lower tuition reflects lower enrollment, yes, that would be fewer FTE reimbursements for which we would ask the state for.

LEG. SCHNEIDERMAN:

Does it fundamentally affect the budget and what's before us, those numbers or no?

MR. SPERO:

Well, we're projecting for this year and next that tuition is overstated by \$663,000. That's on page nine, if you look at the chart on page nine.

LEG. CARPENTER:

Jim, you briefly touched on, in your overview, the proposed implementing legislation on page 39. Perhaps we could discuss that a little bit. I'd also like to ask Counsel to comment on it, because it's my understanding, certainly in the 11 years I've been here that this is a radical departure from the way we've done things, that the Charter calls for the County Executive to submit a recommended budget to the Legislature and then we amend and/or adopt it. But as you have pointed out here, the proposed budget buried in the middle of it includes implementing legislation. Do you want to kind of discuss that?

MR. SPERO:

This is the first time the implementing legislation was included as part of the budget. And the actual budget components, the appropriations, revenues and staffing were considered an exhibit to the attached resolution.

LEG. CARPENTER:

So apart from the last 11 years that I'm aware of, was this every done before?

MR. SPERO:

It hasn't been done this way in the 30 years I've been in the County.

LEG. CARPENTER:

Oh, okay. All right. So we therefore don't or should be acting on the legislation per se.

MR. SPERO:

Clearly •• unless the Legislature wants to adopt the County Executive's resolution, it would adopt its own resolution, and I presume we would take an action to table or defeat the Executive resolution, which has been submitted as a separate IR. I mean, it was the

Legislature that give the resolution an IR. When it came over, it wasn't •• it didn't come other separately, it was part of the budget. The Clerk of the Legislature assigned an IR number to the resolution for consideration as it would any other resolution. So it's our belief that if the Legislature wished, it could accept that resolution, reject it in its entirety or amend that resolution, because it would be part of the budget. It's part of the budget document, you change any part budget document. The Legislature has that authority.

LEG. CARPENTER:

So if we chose to just act in a fashion as we've had in the past, to adopt the budget with whatever amendments we may elect to do, that certainly was •• would be within our purview and acting within the directions of the County Charter?

MR. SPERO:

I would say so. The Legislature would substitute its own resolution for that of the County Executive.

LEG. CARPENTER:

Counsel, do you want to comment on that?

MS. KNAPP:

When the college budget first came over, these pages that were inserted in the middle did create questions in all our minds, both the Clerk, Budget Review and myself. It was denominated an introductory resolution. So we therefore treated it as an introductory resolution. And, in fact, there was a separate IR that was filed. And as additional evidence that it is a separate IR, it had been amended. And as you know, budgets can't be amended by the Executive after they are submitted. So we feel fairly •• while we had some questions about what it was, I think we feel certain at this point give the Executive action in amending it, that it is indeed an introductory resolution and can be treated by the Legislature •• they can either adopt or choose not to.

LEG. CARPENTER:

Thank you.

LEG. VILORIA • FISHER:

Madam Chair just for further clarification.

CHAIRPERSON NOWICK:

Yes, Legislator Viloría•Fisher.

CHAIRPERSON NOWICK:

Legislator Carpenter, were you fished? I'm sorry.

LEG. CARPENTER:

Yes.

LEG. VILORIA • FISHER:

Now, Jim I believe had said that we would treat amendments to this as we would treat any amendments to any budget, but perhaps I'm misunderstanding what Counsel has said, which is that it would be treated as a separate IR and not the way we would treat amendments to budgets in the normal fashion. Did I understand that correctly?

MS. KNAPP:

I believe that what Jim is saying is if there is some parts of this that you would like to adopt, he would put that into the budget.

LEG. VILORIA • FISHER:

Okay. So parts of it that we wish to have we could put into our budget recommendations. But amendment •• but that IR stands alone, and so we could treat it as separate and distinct.

CHAIRPERSON NOWICK:

Or we could amend it or we could choose not to. I know that Dr. Pippins would like to make a statement. Are you finished, Jim?

MR. SPERO:

That pretty much sums it up.

CHAIRPERSON NOWICK:

We'd like to hear from the president now.

DR. PIPPINS:

Thank you. I welcome this opportunity to get this microphone fixed •• welcome this opportunity to again address the Education Committee of the County Legislature. In many ways this conversation started slightly over a year ago with Legislator Foley sitting on the selection committee and Legislators Carpenter, Nowick and Vioria•Fisher attending receptions and quietly grilling me. It has been a very rewarding year, and I thank you for Your support of the college and for my presidency. In particular I'd like to thank you for your approval of the Capital Program and for your thoughtful consideration of our Operating Budget and exempt salaries. I know that these are tough decisions.

Although I am no longer the new president •• perhaps I should say I hope the honeymoon isn't over, I continue to be impressed with importance of the college to the fabric of life in this County, the number of people whose lives have been touched by the college, including many Legislators and the leadership of the County. Student are leaving us with the self confidence, the ability to meet their life goals. Our graduates are achieving excellence in their careers and are seeking to stay in this community and form the core of word class work force and the leadership of our County.

The college can and we seek to contribute even more to the success of individuals, to families and to Suffolk County. The college, which I believe is becoming less and less of a hidden jewel is poised to do just that. We've spent the past year meeting with faculty and staff and students, community leaders, community members, addressing groups throughout the County. We have identify our priorities, we have a vision for the future. We're have enhanced academic programs. We're building a strong economic development program. We have reestablished our student government, we've reallocated resources, we've developed a strong data base for future fund raising, we've cut costs, and we're prepared to invest for the future.

We have so many successes in so many areas; outstanding faculty, a growing honors program, nationally recognized debate team and basketball team, nursing, _fulbright_ scholars, national science programs. We're currently piloting a college success program that's been warmly received by families and students. Our students are transferring to the most prestigious institutions in the country. And just yesterday, I signed a letter of support for an honor student to my alma mata, Columbia University, and that says a lot about Suffolk County Community College.

While I celebrate and sometimes marvel at our accomplishments, I am convinced that the best is yet to come. The decisions we make in the coming days and weeks will determine the ability of this institution to move forward and to improve the transfer and work opportunities of our students. To make that next step, we need your continued support and your bold actions. Our goals of regional and national and state recognition, state of the art facilities, enhanced student success, successful fund raising and excellence in leadership, these goals are all within our reach. These goals require your continued public support of the college and its leadership, adequate funding and sufficient autonomy to achieve excellence.

The state and national organization which will determine our status and the quality of the transfer options for our students have high performance expectations, and we will be evaluated by several such organizations in the future. I ask you to continue to celebrate our successes and support us so we can exceed and meet the standards of these organizations. I must also ask you to support us in another important area; pay equity for the leadership of Suffolk County Community College. Salary adjustments are always difficult in a public environment. Public servants should and must be held to a higher standard. But when they perform, it is important that they are recognized and compensated appropriately.

In this case, the objective data supports adjustments. The data validates that the leadership staff is not being compensated similar to their colleagues in comparable positions, nor are they structurally compensated as well as their direct reports. In addition and significant, in 2000, exempts at Suffolk County Community College were collectively and specifically excluded from salary adjustments given to similar employees in the County. This action contributed to the current situation and helped create this pay equity dilemma. It also created significant recruitment challenges. I believe you have seen and experienced significant improvement over the course of past year. The changes, of course, are the results of the effort of the entire Suffolk County Community College organization, but as you know, leadership makes a difference. I have worked with leaders from around the country, and we have great leaders here in Suffolk County.

I have shared with you previously that I have streamlined the leadership of the institution. I have eliminated several positions. I have reassigned responsibility to the current leadership. The gross savings in exempt areas before this adjustment approximate \$300,000. I started to say we determined, but I'll blame it all on Chuck, that the net impact on tuition not including

these savings would be in single digits for tuition. The impact of an affirmative step on your part for the current leadership who have been asked to do even more will be powerful. It will send a powerful message to the community that you believe it not business as usual as Suffolk County Community College. And it will significantly enhance my ability to recruit the best and the brightest for future positions.

I ask as a sign of your continued support and recognition for our current achievements and as a vote of confidence in our future performance that you approve the 4% increase budget proposal to include pay equity adjustments for the leadership of the college. I ask that you hold us accountable, hold us to a higher standard, but please give us the resources we need to achieve excellence. I promise you that you won't be disappointed. I thank you again for your past support, and I look forward to celebrating additional victories with you. Thank you.

CHAIRPERSON NOWICK:

Thank you, Dr. Pippins. I guess you are finished •• have you completed one full year already?

DR. PIPPINS:

I moved here around August 17th. My birthday is August 16th, I'm no longer counting those years. I closed on my house in Calverton on last Monday.

CHAIRPERSON NOWICK:

You are staying that means?

DR. PIPPINS:

I'm staying.

CHAIRPERSON NOWICK:

The work you have done for the college does not go by unnoticed, that you have all done, and particularly yourself. I just want you to know that it's not unnoticed. And I see Legislator O'Leary there chomping at the bit.

LEG. O'LEARY:

Not chomping at the bit, just anxious to hear your response to my question concerning the overall proposed 4% increase, that does not include filling the vacancies of the 45 exemptions that were spoken of previously, or does it?

DR. PIPPINS:

Under our version of the 4% budget it does.

LEG. O'LEARY:

Oh, it does?

DR. PIPPINS:

Yes.

LEG. O'LEARY:

I was under the wrong impression then by statements given earlier that the •• that the vacancies of the 45 positions have not been included in this particular proposal.

DR. PIPPINS:

We eliminated some positions, and put some new ones in. I think the net result was an increase of seven positions, but our 4% budget included the positions that we felt we wanted within the organization.

MR. STEIN:

There were •• when the budget was submitted, there were anticipated vacancies that would remain vacant. And I think that what you are referring to is in the Budget Review Office report where the Budget Review Office estimates that 45 positions would not be filled. They did point out, I believe, Jim, that there are a number of positions that will be filled, but ••

MR. SPERO:

A net increase of seven positions can be filled.

MR. STEIN:

Okay.

MR. SPERO:

So 45 positions will have to remain unfilled for the entire year.

LEG. O'LEARY:

How many positions?

MR. SPERO:

Forty•five.

LEG. O'LEARY:

Forty•five. So I was •• I did hear what I thought I heard. So during the course of the year, 45 positions will remain vacant? Is it the college's wish to fill those positions?

DR. PIPPINS:

That's the problem. There are a number of variations of the budget being discussed here.

MR. SPERO:

First off, we have a \$1.9 million hole to plug if the Legislature accepts our recommendations. The County Executive has a \$1.6 million surplus going to the reserve. So the 1.9 wipes out that transfer to the reserve, and you still need another 275,000 to balance the college budget. You can do that by increasing County contributions or taking more money out of the reserve. If the Legislature wishes to increase the County contribution to the college, the first thing you do, you plug the \$275,000 hole. The remaining funds could be used for equipment, salaries, lower tuition. I mean, the Legislature has a smorgasbord of options, which it can consider and adopt.

LEG. O'LEARY:

What would be the percentage increase over and above the 4% that would require us to do that? In other words, if we were to fill those gaps that you speak of, we would have to approve a budget in excess of 4%, would we not?

MR. SPERO:

That's correct.

LEG. O'LEARY:

And that requires 14 votes.

MR. SPERO:

Requires 14 votes. I have to go back and calculate an amount, but you would be piercing the cap.

LEG. O'LEARY:

I'm well aware of the 4% cap.

CHAIRPERSON NOWICK:

Jim, how much reserve stays •• how much money stays in the reserve fund, and what's the recommended amount? Or is there some type of a state law as to the amount?

MR. SPERO:

We're projecting at the end of this year there would be a \$6.2 million reserve balance, and with our recommended adjustments, that would be reduced to about \$4.3 million.

CHAIRPERSON NOWICK:

Legislator Carpenter, you had a question?

LEG. O'LEARY:

I just have one more question.

CHAIRPERSON NOWICK:

Go right ahead.

LEG. O'LEARY:

Thank you very much. I appreciate that. The 4% proposed increase, I'm assuming that that includes the •• addressing the pay equity on the exempts?

MR. SPERO:

Not necessarily. That would be one of the options you would consider in amending the budget. That would require an additional \$137,000 as •• if it's included as requested by the college.

LEG. O'LEARY:

So if I am to understand this correctly, if we approve the 4% proposed budget and also address the pay equity issue with respect to the exempts, we're going to be exceeding the 4% cap?

MR. SPERO:

It could be done within the 4% cap. In other words, if you increase the County contribution 4%, you have \$1.345 million to play with, so to speak. If you plug the 275 hole based on our recommendations, you're down to let's say roughly 1.1 million.

LEG. O'LEARY:

I want to point out, I have no problem piercing the cap. If you get the impression I don't want to pierce the cap, I'm in favor of eliminating the cap. You know, that's my position for years.

MR. SPERO:

I would agree with you on that. I think the County really should look at eliminating the budget caps and simplify and •• it would make the budget more meaningful and easier to read.

LEG. O'LEARY:

Absolutely. I'm in total agreement with that. Now, what I want to see is the issues raised by the college addressed in their proposed budget, the needs that they have expressed that they want to see in the budget plus the pay equity issue. And in order to do that, what do we have to do? Pure and simple.

MR. SPERO:

The first thing is to fix the \$1.9 million hole. If you want to do the pay equity, that's another \$137,000. If you want to increase permanent salaries to fill 45 positions, that could be a sum of •• could be about a million dollars for argument's sake. So we have to sit down and decide how •• which of these options are going to be included in the resolution, then the County contribution could be adjusted accordingly to keep the college budget in balance.

DR. PIPPINS:

Within the 4% we could address the major issues presented by the legislation.

MR. SPERO:

That's correct.

LEG. O'LEARY:

That was my question.

DR. PIPPINS:

That's what I'm saying. There are various versions •• various perceptions of the budget that are being discussed here which makes it difficult for everybody. But I wanted to make the point that within that number, we could address the major issues we've raised.

LEG. FOLEY:

Legislator Carpenter.

LEG. CARPENTER:

On that point. I had •• we've been •• a number of us have been working with the Budget Review Office to craft an amendment that would in fact increase the contribution 4%. You know, I listened very carefully when Tom especially was up making his remarks, Tom Breeden, and in a perfect world, it would be wonderful to increase the contribution 10%. But I think in light of the fact that we have to look at the reality of the situation and the fact that we would require 14 votes, it may not be as doable, but something I certainly would consider.

Dr. Pippins, you mentioned that you had your version of the 4%. And I just want to make sure that, Budget Review, I know that you have working •• Chuck, you have been working very closely with Budget Review, Jim and the analysts, but I just want to be sure that we have that • that we have that version so that when we sit to look at how we're putting together that 4% that it is something that meets your needs and not necessarily something that we think should be.

DR. PIPPINS:

Well, we've been in conversation, and we will continue that conversation.

LEG. CARPENTER:

Okay. Legislator Foley.

LEG. FOLEY:

Thank you, Legislator Carpenter. As the record should reflect this committee in a bipartisan fashion is drafting amendments to the proposed budget in order to let's say reach the 4% cap that we can go to without needing a supermajority. And just what I'd like to have distributed to

the committee is something that I had asked of the Budget Review Office in early July and was then faxed to each district office and Legislator Carpenter and I had spoken about it, this gets to the heart of the matter of increasing the County's contribution to the college.

In years past, we were told that any time we would increase the County's contribution to the college that that would •• that it was almost absolute there would be an increase in the County property tax line. But when you review this memo from July 2, the narrative is on the front page and on the back are the numbers, it shows clearly, and I go to the general conclusion that can be drawn from this data is that an increase in the County contribution does not, does not automatically translate into an increase in the General Fund property tax, see the attached spread sheet for specific year by year. Madam Chair, I think that's important because in years past that specter of •• of an automatic increase has been used by a number of people to defeat past amendments by myself, Legislator Carpenter and others to increase the County's contribution.

But we finally have some imperial data as Mr. Breeden •• Professor Breeden would say, that would show clearly that there is not an automatic translation to that cause and effect. And I think that will help guide us in making some judgements about increasing the County's contribution.

Madam Chair, what I'd like to do is ask a serious of questions, if I may, to the presentation made by the President and by the Budget Review Office, with your sufferance. I think it would be important to lay these facts out. Under the proposed budget by the County Executive, there are 31 new positions created; is that not correct? Now, could we have a breakdown of those 31 new •• ten are new full time faculty, but why don't you tell us what the breakdown is of those 31 new positions. Do we have that? And of the 31, is ten of the •• if ten of the •• if Budget Review has it, is ten of the 31 new full time faculty? Because I know ••

DR. PIPPINS:

Ten are faculty. We're trying to pull this together. There were •• I remember there were two counselors who would be involved in the college success program. There were two clerks. There were four •• I believe four evening positions, maintenance, sorely needed at the Ammerman Campus.

LEG. FOLEY:

Right. So that's already included without the 4% increase; is that not correct?

DR. PIPPINS:

It was included in both versions of the budget.

LEG. FOLEY:

All right. Just through the Chair, just addressing the issue, this has been an annual •• I should say perennial issue of this committee when I was Chair of Health and Education at the time and past chairs, and the issue of middle states with trying to correct the imbalance between the ratio of full time to part time faculty. Just address that for a moment. You say there will be ten new full time faculty. Will there be a concomitant reduction in adjuncts? Or how is that ratio impacted by this proposed budget?

DR. PIPPINS:

I believe that the ratio of full time to part time would be approaching the 70% goal that we had established.

MR. STEIN:

The ten positions was not selected out of the air. There was an analysis done by institutional research based upon the number of sessions taught by full time faculty and with the projection of the enrollment growth next year, how many additional full time faculty positions would be necessary to get to the 70/30% breakdown? And the calculation from institutional research showed that ten additional positions were necessary.

LEG. FOLEY:

If we are able to give additional dollars, I mean, certainly you would entertain the idea of additional full time faculty? That would be something that would be in the mix?

DR. PIPPINS:

We would entertain that.

LEG. FOLEY:

Okay. Madam Chair, let me •• just a few other questions. And I ask this every year at this particular one. If we can have a fuller answer. The instructional supply line and equipment

line, as we both know those are two different lines. Equipment line could be for computers, could be for office equipment. Let's focus on instructional supplies for a moment. Is that particular budget line reduced, increased, status quo from last year? How does it appear in the budget?

MR. STEIN:

I'm going to refer right to page 25 of the Budget Review Office report. It shows that equipment, in fact, has been climbing each year in terms of the amount of expenditures.

LEG. FOLEY:

That's equipment. But they do make the distinction between equipment and instructional supplies, which is the •• which is the •• I'll stand to be corrected, the supplies and equipment that go in to the classroom. It's my understanding the equipment •• the general equipment line goes into offices. Now maybe it's a hybrid of the two, you tell me.

MR. STEIN:

The instructional equipment has •• we have been increasing expenditures on instructional equipment and supplies. For next year, and I think this is what the BRO report was trying to say, because of the increased pressures of the health insurance costs and the pension costs increase, which by the way, what was resolved in Albany doesn't have an impact on the college, you should be aware of that.

LEG. FOLEY:

Okay.

MR. STEIN:

In order to fund those elements, yes, there was a proposed in next year's budget for those areas.

LEG. FOLEY:

By how much? By how much? How much was that, Jim?

MR. STEIN:

I don't have the number.

MR. SPERO:

Seven hundred and nineteen thousand dollars.

LEG. FOLEY:

That's equipment all across the line. If we were able to get a subset of that as far as instructional equipment that would be utilized in the classroom, what is •• and I know that number is out there somewhere, what would that number be?

LEG. FOLEY:

Somehow the •• the number I recall is somewhere in the 400,000 range.

DR. PIPPINS:

Well, we're willing to entertain any increase that you're suggesting in the area ••

LEG. FOLEY:

My point is I believe this past year •• as a general proposition I agree with it, that there were mid year cuts in the instructional equipment line?

MR. STEIN:

If I might. The adopted budget for '03•'04 for instructional equipment was 565,200.

LEG. FOLEY:

What's the estimated expenditure?

MR. STEIN:

The estimated is 333,456.

LEG. FOLEY:

So where's •• where's the difference ••

MR. STEIN:

Which is about \$70,000 higher than the actual for the previous year.

LEG. FOLEY:

I know that.

MR. STEIN:

But for next year ••

LEG. FOLEY:

Let's just stay on that for a moment. That difference of roughly 200,000 was that •• were those monies transferred to another account line? If you don't have the answer today, I'd like to see if we get that answer and what it was transferred to. Because the facts •• even with that 300 and some odd thousand that was expended on the instructional equipment line, I think we both know that there are still further outstanding needs of professors for having the right equipment in order to teach their students. So I think that's a discussion we can have over the next few days and see how we can adjust the proposed budget in that particular area.

Madam Chair, just a couple of other questions. I know others will have some. You mentioned the pay equity issue with top administrators. It's something that members of the committee are looking at very carefully. But I want it noted clearly for the record that if and when we address that issue, it will be addressed in a fashion that it won't be an impact on the tuition as in finding other areas of the budget where we can make that happen. I think that's important for the record to be understood.

Finally, on the issue of tuition. In times past it's been reported that when we approve a budget that we approve a tuition increase. What many of us have tried to say over the years is that the tuition is set by the Board of Trustees under State Education Law, and that what we've tried to do is develop a budget •• approve a budget that can encourage the Board of Trustees to revisit their initial tuition increase, to try to find them ways in order to give them the reasons to reduce the tuition increase. So it's not so much that we as Legislators are approving an increase in tuition. What we try to do is approve a budget that in a number of ways can be fashioned so that the Board of Trustees can, in fact, reduce the increase.

Now, on that note, if we turn to page 11, if we have a 4% increase in the County's contribution, and Jim, that translates to a \$1.4 million increase or a 1.6?

MR. SPERO:

1.34.

LEG. FOLEY:

You look at page 11 and it mentions that if we increase the County's subsidy by 4% that would be an \$80 reduction in student tuition. Now that \$80 reduction across all the student body, does that \$80 translate to \$1.34 million

MR. SPERO:

That in conjunction with a reduction of the part time rate as well.

LEG. FOLEY:

But it's pretty close. Pretty close?

MR. SPERO:

That's ••

LEG. FOLEY:

So it's almost like an offset.

MR. SPERO:

Right. Exactly.

LEG. FOLEY:

Okay. All right. That's important to know. Finally, and we •• Madam Chair, we won't •• we won't so much need an answer today, but I do want to •• and this is under the issue of Plan C, at the end of the •• and I thank the BRO for appending •• appending •••• appending the Cunningham letter from the State University of New York at the •• at the end of the Budget Review Office (sic). We're going to have to have a serious discussion about this particular letter, if not today, but soon, about the state's position that, you know, that we cannot have any conditions attached to •• to the proposed budget. And the only question I would ask right now to the President is that when you read the July 21 letter from the state, it says, this is to acknowledge our conversation on Friday, July 16, does Mister •• does Mr. Cunningham •• rather this is •• it's actually Dona Bulluck rather •• excuse me, it's Dona Bulluck, who is associate counsel to the State University of New York. Were they responding to a conversation or did they also have a copy of our Plan C agreement before Ms. Bulluck had responded to ••

had written the letter?

DR. PIPPINS:

I believe that Ms. Bulluck has the history of the Plan C agreement for Suffolk County at her disposal, because she has attended several meetings of the board.

LEG. FOLEY:

So this particular letter is not only also based upon conversations with yourself, but is it also based her reading of the Plan C agreement? Because she cites State Ed Law, but I see no citation here of the Plan C agreement.

DR. PIPPINS:

I don't know exactly what she was referring to.

LEG. FOLEY:

Okay.

DR. PIPPINS:

I do know that she's attended several meetings and has background information on Plan C as implemented in Suffolk County over time.

LEG. FOLEY:

Certainly, Madam Chair, there will be some follow up in this particular matter. But I don't see anyone from the Board of Trustees here today, but I would hope that if not •• if there's a difference of opinion about the law, and it's certainly in the spirit, that the verbatim minutes would be something that would continue to be part and parcel to the practice of the Board of Trustees, because it's very important for us •• it's was one of the confidence building measures several years ago after a long •• after a certain period of time where there was quite a bit of tension between some in this committee and the board about how secretive they were in certain respects and how the verbatim minutes offered us a bit more sunshine on the proceedings at the college. And I hope that notwithstanding this opinion from state counsel, that at least in the spirit of cooperation that those verbatim minutes will continue.

DR. PIPPINS:

I would make the distinction between the spirit of cooperation and embedding mandates in a

budget document which creates serious problems for a variety of reasons to include future accreditation issues.

LEG. FOLEY:

Okay. All right. Noted. Thank you very much.

CHAIRPERSON NOWICK:

Thank you very much.

LEG. VILORIA • FISHER:

I had asked to be recognized while you were out of the room.

CHAIRPERSON NOWICK:

I'm sorry. Legislator Vilorina•Fisher.

LEG. VILORIA • FISHER:

Thank you. Just getting back to that number 45 that Legislator O'Leary was asking about, because there seems to be a little bit of confusion in the responses. I seem to hear mixed responses. Is that a net number after we look at the restructuring with the addition of new positions or •• do you know what I'm asking President Pippins? I saw a list of new positions that have •• 31 new positions. Is the 45 •• the number 45 what's left after the creation of those new positions? I think Gail is jumping in.

MS. VIZZINI:

I think I can answer that. The quote is from page 17 of our report. To clarify it on the record, what we're saying is all the money that is included in the personnel lines including the ten new faculty and the 31 newly requested position offset by the 24 abolished positions for the net of seven allows the college to fill all but a net actually of 30 of their 63 vacancies.

LEG. VILORIA • FISHER:

I see.

MS. VIZZINI:

If you read the last sentence, it is •• what he is saying is that 15 of those 45 can be filled. So

roughly 30 positions would have to remain vacant through the year.

LEG. VILORIA • FISHER:

Okay. I was just hoping to get a clearer answer. Legislator O'Leary, I don't know if you heard this exchange just now. Because I didn't think that there was a real complete answer to your question about the 45 positions. I found the answers a little bit more confusing than the question.

LEG. O'LEARY:

As did I.

LEG. VILORIA • FISHER:

Yes. So what Gail has just said is that on page 17, you will see that there are 15 positions that offset that 45. And so now we are talking about 30 positions.

LEG. O'LEARY:

Yep.

LEG. VILORIA • FISHER:

Okay. Thank you, Gail.

CHAIRPERSON NOWICK:

All right. I guess that now it will be time to go on with the agenda. And I would like to thank Dr. Pippins and Mr. Stein for being here.

MR. STEIN:

Thank you.

DR. PIPPINS:

Thank you.

TABLED RESOLUTIONS

1520•04. Adopting Local Law No •• 2004, a Local Law to amend the voting policy of the Airport Lease Screening Committee. (SCHNEIDERMAN).

CHAIRPERSON NOWICK:

Motion to table by Legislator O'Leary, seconded by Legislator Viloría•Fisher. All in favor? Opposed? Motion carried. **TABLED. (VOTE:6•0•0•1) (Not Present; Legis. Cooper).**

INTRODUCTORY RESOLUTIONS

CHAIRPERSON NOWICK:

1672, authorizing the County Executive to execute Supplemental Agreements #7 and #8 to lease with the Air National Guard. This was adopted with CN.

1673•04. Adopting no tax increase, sound education, affordable tuition Suffolk County Community College Operating Budget for 2004•2005. (COUNTY EXEC)

LEG. CARPENTER:

Motion to table.

LEG. FOLEY:

Second.

CHAIRPERSON NOWICK:

Motion to table by Legislator Carpenter, seconded by Legislator Foley. All in favor? Opposed? Motion carried.

TABLED. (VOTE:6•0•0•1) (Not Present; Legis. Cooper).

LEG. CARPENTER:

We have also the resolution that was laid on the table yesterday, 1734.

1734•04. Confirming the appointment of County Commissioner of Economic Development (James Morigo) (COUNTY EXEC)

LEG. FOLEY:

Motion to table, Madam Chair.

CHAIRPERSON NOWICK:

Motion to table by Legislator Foley, seconded by Legislator Carpenter.

LEG. FOLEY:

He is not present primarily, but I had also spoken to the County Executive's Office, and they had asked for a tabling motion and that he would present for the next committee cycle, then we can vote on it at the August 24th meeting. So they're willing to table it.

LEG. CARPENTER:

Well, it's unfortunate that he wasn't notified, because, you know, the County •• the deputy •• the Presiding Officer made the accomodation to get it laid on the table to help expedite the process to get Mr. Morgo's appointment confirmed. And obviously he was not notified about the fact that the resolution was assigned to the committee. So it's unfortunate that we are losing two weeks in the appointment process.

LEG. SCHNEIDERMAN:

Since we all know and are all familiar with Mr. Morgo, is there a way to do this where he can come before the main committee?

LEG. FOLEY:

He could come next Tuesday. That's certainly something ••

LEG. CARPENTER:

That's certainly an option.

LEG. FOLEY:

•• we can entertain.

LEG. SCHNEIDERMAN:

We can always move it out of this committee for that purpose.

LEG. CARPENTER:

We can discharge without recommendation, then have him, you know, come on Tuesday to the full meeting of the Legislature. I'm sure that would make him happy too.

LEG. FOLEY:

That wouldn't honor our tradition of usually waiting, but given that we know him so well, we can

•• I'll make a motion to discharge without recommendation.

CHAIRPERSON NOWICK:

Motion to discharge without recommendation by Legislator Foley, seconded by Legislator

Carpenter. All in favor? Opposed? **Discharged without recommendation. (VOTE:6•0•0**

•1) (Not Present; Legis. Cooper)

LEG. FOLEY:

And through the Chair, we will speak with the County Executive's Office to ask ••

CHAIRPERSON NOWICK:

Will the County Exec's Office ask Mr. Morgo ••

LEG. FOLEY:

•• Mr. Morgo to attend next Tuesday.

CHAIRPERSON NOWICK:

That's fine. And just for the record, this •• this 1734, last night was laid on the table, and we did not get to assign it to Ways and Means until about 6:30, a quarter to seven.

Tabled Sense Resolution

S•22•04. Memorializing resolution requesting the Long Island Power Authority to approve the Kings Park Energy Project. (LINDSAY)

LEG. CARPENTER:

This was tabled a number of times. I'm going to make a motion to table subject to call.

CHAIRPERSON NOWICK:

Motion to table subject to call, seconded by Legislator O'Leary. All in favor? Opposed?

LEG. FOLEY:

Opposed.

CHAIRPERSON NOWICK:

One opposed.

LEG. VILORIA • FISHER:

Opposed.

CHAIRPERSON NOWICK:

Two opposed. Legislator Foley is opposed, Legislator Vilorina • Fisher is opposed. Motion carried.

TABLED SUBJECT TO CALL. (VOTE:4•2•0•1) (Opposed; Legis. Foley and Vilorina • Fisher) (Not Present; Legis. Cooper)

LEG. SCHNEIDERMAN:

Motion to go into Executive Session on Millstone.

CHAIRPERSON NOWICK:

Motion to go in to Executive Session my Legislator Schneiderman, seconded by myself. All in favor? Opposed?

(AN EXECUTIVE SESSION WAS HELD FROM 11:20 A.M. UNTIL 11:45 A.M.)

CHAIRPERSON NOWICK:

Okay. I have a motion to come out of Executive Session.

LEG. VILORIA • FISHER:

Second.

CHAIRPERSON NOWICK:

The committee has authorized Counsel to bring in attorney Jonathan Block on Tuesday, and we have also authorized Mea if need be, we will cover his basic travel expenses, to discuss this Millstone intervention. Okay. So now, do I have a motion to close this meeting by ••

LEG. CARPENTER:

Motion to adjourn.

CHAIRPERSON NOWICK:

Motion to adjourn by Legislator Carpenter, seconded by myself.

LEG. CARPENTER:

Before we do, I think Jim wanted to make a •• it's okay? All right. Thank you.

(* THE MEETING WAS ADJOURNED AT 11:45 A.M.*)

_ _ **DENOTES BEING SPELLED PHONETICALLY**