

**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, July 30, 2008.

MEMBERS PRESENT:

Legislator Wayne Horsley - Chairman
Legislator Cameron Alden
Legislator Lou D'Amaro
Legislator John Kennedy

MEMBER NOT PRESENT:

Legislator Steve Stern - Vice Chairman

ALSO IN ATTENDANCE:

George Nolan - Counsel to the Legislature
Joe Schroeder - Budget Review Office
Joe Muncey - Budget Review Office
Renee Ortiz - Chief Deputy Clerk of the Legislature
Ben Zwirn - Deputy County Executive
Carolyn Fahey - Economic Development
Dr. Shirley Pippins - President - SCCC
Charles Stein - Suffolk Community College
George Gatta - Suffolk Community College
Linda Bay - Aide to Minority Leader
Russell Berse - American Honda
Arthur Valentino - Suffolk Community College
Debra Alloncius - AME
Steven Epstein
Ashlee Oyku
Chris Wallace
Alina Nazir
Melissa Galasso
James Barriero
James Whitten
Margaret Raustiala
Peter Quinn

MINUTES TAKEN BY:

Donna Catalano - Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 2:16P.M.*)

CHAIRMAN HORSLEY:

May we all stand for the Pledge of Allegiance.

SALUTATION

And may we all stand for a moment of silence for those -- those soldiers who protect our freedoms across -- across the seas throughout the year and may they have a safe return.

MOMENT OF SILENCE

Thank you very much. Please be seated. Good afternoon, everybody and welcome to the Economic Development, Higher Education and Energy Committee Meeting of July 30th. I would like to note for the record that Legislator Stern will not be joining us today. Apparently he has a medical issue that has come up this morning, so he will not be able to be here.

All right. Though the agenda looks light, we seem to have a lot of -- we have a lot of interest. We will do the public portion first, which means the cards. Everyone has three minutes to speak, and we will progress from there. Then we will do the presentations, which are -- which is concerning, "Are Realtors Safe?" And they are representatives from LIBOR, Long Island Board of Realtors, which we're very anxious to hear about it, involving, of course, the foreclosure issue that is engulfing the entire United States and world economy. All right. With that in mind, may -- the first person for public portion speaker is Peter Quinn. Are you ready, Peter?

MR. QUINN:

Yes. Good afternoon, members of the committee. My name is Peter Quinn, attached to any group any longer. But I guess I'm still a member of Steve Levy's Energy Task Force, for I was invited to last week's Energy Summit. I must confess, I'm a little bit about the steering of the agenda. It was a three-hour meeting. When Steve finished promoting Islander East, he was followed by Steve Selkowitz from National Grid, who put on his map presentation of all of the gas pipelines in the region, followed by Kevin Law from LIPA, who also supported Islander East and from Michael White from the Regional Planning Board. Again, everybody in unison supporting Islander East.

I think there ought to be some clear understanding that supporting Islander East supports fossil fuels. And fossil fuels are what we're attempting to escape. We've got both Bush and McCain pushing for drilling off the continental coast for oil, natural gas, they come from the same well. We have {T-bone Pickens} addressing Channel 25 saying we need more avenues to natural gas. How are we going to escape fossil fuels and high gas prices if we can continue with that agenda?

It just seems to me -- well, as a matter of fact, I submitted over 21 proposals to the committee, and I did so because I knew I wouldn't be given an opportunity to speak in that large and august forum. So I submitted them and I'm hopeful that somehow some of these proposals turn into resolutions and become law, first and foremost of which is the promotion of solar stations at parking lots and bringing on the electric car plug in device to the solar stations. It's being done in some places in the the country, fifty -- 40 to 50 plug-in sites. If we were to do it in a Manhattan-type project, we would dot the landscape with solar stations and plug-in electric cars, reduce our expenditures for gasoline and begin to take cognizance of the way in which we ought to be eliminating fossil fuels. Thank you.

CHAIRMAN HORSLEY:

Thank you very much, Peter. And I will be glad to -- I do have a copy of that proposal that you made, and I will be glad to pass it out to -- Brendan, if we would, pass it out to the committee when we -- when you get a moment. Thank you.

MR. QUINN:

Thank you very much.

CHAIRMAN HORSLEY:

All right. The next speaker is Russell Berse representing American Honda for Higher Education.

MR. BERSE:

Good afternoon, everyone. My name is Russell Berse. I'm the Long Island District Parts and Service Manager for American Honda Motor Company. And I am here today to speak on behalf of Suffolk County Community College. What I'd like to say is that the automobile business in the New York-Long Island area is a deceptively large business. There's about 250 franchise dealers on Long Island, another 250 within the Five Burroughs. Each one of those dealership employs approximately 60 to 80 people. So we're talking about 30 to 40,000 employees from the automobile business, and that doesn't include the thousands of independent repair shops that are in this region, adding even more employees to that.

The problem that we've had -- and I'm sure you all have cars, you've all driven, and I venture to say that at one point in your life you've experienced taking your car in for repairs and have been disappointed by not getting the car fixed right the first time, not getting it back on time, or maybe getting it repaired, but picking up the car with new problems that didn't exist before. And part of the problem there is a lack of training in this industry particularly on the technical side.

And if you take a look at what we're doing now as a society in this region, pretty much after the high school vocational level, there really is no other training for people coming into this business, whether it's being a sales person, a service advisor, a service technician or any of the support people at dealerships. And it's obviously very, very critical to the average Long Islander who owns multiple cars to make sure that we can support their needs.

Being with American Honda Motor Company, we're a very, very fast growing company. As a matter of fact, we're the number one brand name on Long Island right now. The first quarter of this year, we actually sold more cars globally in the world than any other manufacturer. That's the first time that's ever happened. So you see we're expanding like crazy. We've also been getting into a lot of the newer technologies that didn't exist a few years back; hybrid technology, alternate fuel vehicles, like our natural gas cars, and then, of course, ultimately what we're striving for is electric-powered cars that are actually powered by hydrogen fuel cells.

And a matter of fact, just a couple of months ago, we started leasing our hydrogen fuel cell cars in the State of California. So as soon as we get an infrastructure on Long Island of hydrogen fuel, we can, you know, bring that technology here. And it's an absolutely clean technology, there's virtually no air pollution. And the mileage on the vehicle is upward of 70 miles per gallon. So that's what we're looking for.

But where do we get the technicians that we need and the support personnel to do that? Well, a few years back, American Honda started to search for the next level of education. We can take a technician, somebody who knows basically how to repair automobiles, and we can teach them the specifics about our cars, but there's a lack of a foundation out there, as I mentioned, before and after the high school level. So we started searching, we developed a program, a national program, that we call the PACT Program, P-A-C-T, that stands for Professional Automotive Career Training. And our mission statement requires that as a secondary education or post-secondary education, we strive to find community-based institutions like Suffolk County Community College to provide that additional training, bring that to a higher level.

When we started looking, we looked at colleges, educational institutions in North Jersey, in the City of New York, on Long Island. And even though logistically we're kind of out east, we were very, very impressed by Suffolk County, by the administration and their desire to support our program. And last year, we started out very first class and we're just about to launch the second freshman class coming in. It's been working very, very well for us. Virtually every one of our students is employed. It's a work-study program. It's required that that be the case. So not only are they

getting a book education, but they're getting a practical education. And when they step out with their Associate's Degree, this is a two-year fully accredited program, that they have employment and usually with the dealership that they interned with for two years.

My dealers have been extremely impressed with the quality of the student coming out of the program, much, much better than any of the vocational programs and even some of the independent colleges like Lincoln Technical, okay, which give very generic educations.

So in closing, I just want to thank the board for supporting the budget at Suffolk County Community College. And I hope and trust that you will continue to support that program. Thank you very much.

CHAIRMAN HORSLEY:

Thank you very much, Mr. Berse. Just as a quick note, the fuel cell program that you wish to bring to Long Island, please come talk to us about it. You know, absolutely. We'd like to see its progress and Suffolk County can assist you in bringing fuel cell technology to Long Island. I think it could have -- find a good home here.

MR. BERSE:

I agree. Thank you.

CHAIRMAN HORSLEY:

Legislator D'Amaro.

LEG. D'AMARO:

Of course, you're too late, but we want to see it anyway. I was just curious about the program. So you're working in conjunction Suffolk Community College for a two year Associate's Degree that leans towards assisting students in coming into your automotive repair industry?

MR. BERSE:

That's correct.

LEG. D'AMARO:

How does that program work? Do you -- do you pick up any portion of the tuition for the student?

MR. BERSE:

No, we don't pick up the tuition. We basically support it by supplying product; the automobiles that the students work on, training materials, which include the manuals, computer-based training modules, special tools and equipment, the diagnostic equipment. We also help to train instructors at the college specifically in our product and our technologies. And it's only one -- by the way, we're only one of many programs at the school. I mean, presently Honda had a fledgling program, as I mentioned, we're only a year old. Toyota has supported a program at the college for several years now as does General Motors. All of those programs have been immensely successful. And over the years, even the General Motors technicians that I know that have come out of that program are just heads and tails above anything else that's out there as far as their ability to properly diagnose and repair a car. It's very refreshing to work with a school like Suffolk County. They put out a very good product.

LEG. D'AMARO:

Thank you.

CHAIRMAN HORSLEY:

Thank you. Mr. Arthur Valentino, Suffolk County Community College.

MR. VALENTINO:

Good afternoon. How are you? I'm Arthur Valentino, I come from Dix Hills, and I'm a student at

Suffolk County Community College. And I was invited here as one voice out of many students that wish to have the budget put into to keep our experience alive in the school. My experience has made me grow in so many different ways as a young man; I've learned how to organize myself, I've learned how to aim all my efforts towards a goal of going to my four-year university and taking all the different things that I've learned and utilizing that for possibly a future family and for -- back to my county. So I'll keep it brief. I just would like to tell you, investment in my future, invest in other student's futures as well. Thank you for your time.

CHAIRMAN HORSLEY:

Thank you very much, Mr. Valentino. Mr. Steven Epstein, Suffolk Community College budget.

MR. EPSTEIN:

My name is Steve Epstein, and I'm a Professor of Communications at the Grant Campus where I also direct the Honor's Program and the Early College Program. Unlike others who will speak today, I'm not going to ask you to override the County Executive's veto of the Operating Budget of the College. As members who are concerned with education, I know you will do that. What I am going to speak to is another need the college has. You understand that our request is reasonable.

We're requesting such a small increase that the need is self-evident. Most is mandated by the contract, law, and the price of oil. Moreover, since the entire Legislature recently voted to override the Capital Budget veto, I know that you and your colleagues will support our operating needs. However, we are asking too little. We are understaffed in our classrooms, and we rely on too many part-time staff in administrative offices. We currently teach more than 35% of our day classes with part-time faculty. The teachers are excellent, but are only paid to teach their classes. They are not here outside of classrooms hours to mentor students, advise clubs, develop new courses and programs, or serve on the committee that are integral to the running of the college.

The President and Board of Trustees seeks to move of us to having 70% of the day classes taught by full-time faculty. It is not in the present budget that you are approving and being asked to override. But when we move towards this goal when the economy of the State and County are in better shape, I trust you will allow us to provide the proper level of instruction in and out of class.

There is a place for adjunct faculty. When we offer a course in deadline journalism, I would love to have the Editor of Newsday teach that class. When we offer a course on State and local politics, I would love to have one of you or a member of your staff teaching that class. But to have hundreds of general introductory classes taught by part-time faculty who are not on campus to mentor students, to advise clubs, develop new courses, is to do a disservice to the students of their district and to the members of their family.

While we teach too many classes with part-time students, we do so -- so do we also staff our administrative offices with too many part-time staff. They all are capable and work -- hardworking, but are limited by law and contract to as few as 12 hours a week. An office that is opened 35 or more hours each week should be staffed primarily with full-time personnel. You know that in the County offices the overuse of part-time personnel is counter productive. It is equally counterproductive to have a student meet with someone on a Monday and find the same person will not be on campus again until Thursday. The students at Suffolk Community College and the residents of the County deserve full-time employees most of time. As I said, there is a place for part-time personnel in the classroom and across the campus. In general, we should not be overusing part-time personnel and underservicing the residents of the County.

CHAIRMAN HORSLEY:

Thank you very much, Mr. Epstein. Ashlee Oyku. Ashlee. Ashlee. Chris Wallace.

MR. WALLACE:

Good afternoon. My name is Chris Wallace, and I'm here to speak on behalf of Suffolk County Community College. Only a short while ago, I came to speak in support of Suffolk's Capital Budget.

I reminded you all of how difficult it is for some -- for someone without a college education to succeed and how students can benefit from all that Suffolk has to offer. The wonderful education I received was supplemented with the opportunity to participate in several community service projects.

I, along with other students, faculty and staff also explained the need for additional facilities to support our growing student body. You responded with a nearly unanimous decision to approve spending which would provide new facilities to our campuses. And for that, I thank you. Today, I'm here to ask you once again to approve a budget for the college. Suffolk County Community College needs funding to continue providing quality education to its students at a very reasonable cost, especially in our struggling economy.

Students like me who work and go to school so they may have a better future rely on the affordable education that institutions like Suffolk provide. Although operating costs have increased recently, the college is only asking the County for the same support. The County Executive's proposal of using reserves to balance budget can only hurt the college, both financially in the eyes of our accrediting agency. As a Suffolk County resident living in West Islip and a graduate of Suffolk County Community College, I once again thank you for past support and request that you support the budget currently proposed by the college.

CHAIRMAN HORSLEY:

Thank you very much, Mr. Wallace. Alina Nazir.

MS. NAZIR:

Thank you.

CHAIRMAN HORSLEY:

Good afternoon.

MS. NAZIR:

Good afternoon. My name is Alina Nazir, and I'm from Smithtown. I went to Smithtown High School, and I'm currently a senior at Stony Brook University where I'm pursuing my career in medicine. And I'm a biochemistry major, and I eventually want to go to medical school. And I have to say I wouldn't be at this point right now if it wasn't for me going to Suffolk County Community College right out of high school.

I have so far not paid for college at all. I've received a full scholarship to Suffolk County Community College with my books paid, and I received a stipend research internship that I got from Stony Brook because of Suffolk County Community College. My experience at Suffolk was amazing. And I can say that I couldn't have done it without the faculty and staff there. They're the ones who encouraged me and gave me push that I always needed.

All the lab techniques that I have learned in the labs, the physics and the chemistry labs at Suffolk, have helped me immensely at Stony Brook where I just transitioned right in. I had no problems with anything, and people couldn't even tell that I went to a community college, because I know that's a huge thing for students that might look down upon it. I would hate to see it be taken away for any others that are junior of me, because it was a great opportunity that I got. And I would really love it if you passed the budget for Suffolk County Community College so I can see other students also pursue goals in medicine and help the community as a whole. Thank you.

CHAIRMAN HORSLEY:

Thank you. We appreciate you being here. Excuse me, Ms. Nazir. Legislator Kennedy.

LEG. KENNEDY:

Mr. Chair, I just want to point out that I commend Alina for coming forward to go ahead and speak about her experiences. Not only is she a bright young woman from the 12th Legislative District, she

is the sister of one of my aides, Ali. But more importantly, she, I think, epitomizes what our young people today are striving to achieve through use of our Community College, which we all know -- you know, yourself being somebody from the educational community are germane to it. But I commend you for coming forward to speak today. Thank you.

MS. NAZIR:

Thank you so much. I'll see you soon.

CHAIRMAN HORSLEY:

Melissa Galasso. Melissa, did I pronounce it right?

MS. GALASSO:

Galasso. Hello. I am Melissa Galasso, a student that attends the Grant Campus of the Suffolk County Community College. I'm aware that there's a veto of the budget pertaining to our operations. As a student, I use the academic centers on the college, and without the adequate personnel in these centers, the use of these facilities would be almost impossible to run properly and efficiently.

I am at the college sometimes at great lengths to get my studies and papers done that are required for my classes, And the help of an adequate amount of faculty is imperative. As a single parent, I do not have the capability to wait around for long periods of time for a very small ratio of faculty compared to students. This will cut in to the quality time that I set aside for my son. I am sure that out of 8000 students on just my campus alone there are many others that agree with my thoughts.

I have done orientation for the future students that will be attending our college each semester and have seen the number of students increase substantially. I realize that there are additional people that will need academic help. As part of the student leaders at Suffolk County Community College, we express that one of the important ways to excel at college is to utilize the faculty member support. These students of our college are the future leaders of our communities, so without the funds to advance the accessibility of our faculty to help them and myself to succeed in our grades, how can we secure our future? At this time I would like to say thank you to the Legislator (sic) for the past support and hope that you will continue with your support.

CHAIRMAN HORSLEY:

Thank you very much. We appreciate your comments. James Barriero.

MR. BARRIERO:

Good afternoon.

CHAIRMAN HORSLEY:

Good afternoon, James.

MR. BARRIERO:

My name is James Barriero, and I'm a student at the Suffolk County Community College, the Grant Campus. I was also here just invited to just speak on some of the budget for the school. And I spent most of my summer at school with Arthur and Melissa just helping the school with the orientation. I'm part of a committee for students to just give back and have new students have a smooth transition. And we've put in countless hours. We are getting paid for it, but not once did any of us just ask, "Oh, how many hours do we have to fulfil for our check?" or anything like that.

And we're just a reflection of the staff at the school. Our advisor, Tara Faghan, she's pregnant, she's due next week, and she's been there every day just helping us. Dr. Epstein, I have him -- I've worked with him on various things. Again, they're just a reflection of how far they're willing to go. And to just hear that, they're not even -- the operations for the budget for the school, to just not have them be able to continue doing things like that, you're going to take away from them, would just really -- really bother me if I'm trying to give back and I don't worry about them, because that's

what I'm getting from the college. So hopefully, that's what the college is going to get from the County. Again, thank you for speaking (sic) and also, for your decisions the last time I came to speak on the Capital Project plan. Again, thank you. Have to good day.

CHAIRMAN HORSLEY:

Thank you very much, James. And we do appreciate part timers. Mr. James Whitten.

MR. WHITTEN:

Good afternoon. My name is James Whitten. I'm the Vice-President for Workforce and Economic Development at Suffolk County Community College. And actually, I'm here today to talk about Resolution 1602 and the accepting of the money from the US Department of Labor Employment and Training Administration. And this is actually a great opportunity to talk about a win not only for the college, but for the community. And I just wanted to be able to provide you all with some additional facts as you consider the resolution.

As you know, the college received \$2.4 million from the United States Department of Labor back in 2005 for its Advanced Manufacturing and Mechatronics Program. This actually is a leverage on top of that for another \$1.67 million, which will impact approximately 365 students and employees within the region. That is actually focused on welding and C and C machining, but with national certifications and credentialing. And we anticipate that close to 150 students will actually receive these certifications through this funding. So it's really a great win for everyone through the -- the certifications will come through the American Welding Association and the National Institute of Metal Skills.

The other piece of it that is really important for you to understand is that the high school outreach will be a major impact of this as well, that as we move these programs forward, they would be going into the high schools to create as opportunities, as we like to call the pipeline for future workers and the talent pipeline for Long Island and particularly Suffolk County. We were one of 69 awards that were awarded out of 341 applicants. And this funding actually begins April 1st of 2008 and will stretch all the way through 2011. So we want to make sure that you understand all of the issues that are pertaining to it and have that information when you consider the resolution.

CHAIRMAN HORSLEY:

Thank you very much, Mr. Whitten. Ms. Margaret Raustiala.

MS. RAUSTIALA:

Excuse my voice, I've had a cold for three weeks. My name is Margaret Raustiala, and I represent the Alliance of Long Island Agencies. The Alliance of Long Island Agencies represents 25 providers of services to individuals with mental retardation and other developmental disabilities. And I'm here to ask for your support of Suffolk Community College's budget request.

For approximately eight years now, the Alliance and Suffolk County Community College have worked together on a program to address one of our industry's biggest problems, and that is the recruitment and retention of direct care staff, the staff that work with the individuals who are disabled. It's very, very difficult work. It's hard to find people, and it's even harder to keep them.

With Suffolk Community College, we designed a program which is five classes. The first class is non-credit. It's a foundation's class, and it teaches the students to study, organize themselves and prepare themselves. Why? Because most of these direct care workers are either old or returning students, minority students who haven't had an opportunity to go to college for many years, people whose English -- workers whose English is a -- for whom English is a second language. So they need the skilled development. So they get that, and then they go on and take four credit classes and then they get a certificate.

It means the world to these students. And the fact that their confidence is uplifted while also gaining insight and knowledge for their job has amazing results for the consumers that they serve in

the districts that you represent; group homes, day programs, etcetera.

We had a graduation ceremony last month, and the Commissioner, Diana Ritter, from the State Office of Mental Retardation came down to graduation to speak. She was so moved by the faculty at Suffolk and what they have been devoting themselves to and how much they believe in this program as well as the students and what it means to them that at the next up -- up in Albany, the providers from around the State meet periodically. She went on and on praising the program and suggesting that other community colleges from around the State should join with other provider associations to replicate the program.

CHAIRMAN HORSLEY:

Thank you very much. The next speaker is Zabby.

MS. ZABBY:

I wanted to say that if this Legislature were on television, they would get -- everyone would have a course in politics. But I'm here because I might want some of the resolutions from this meeting. I didn't want any from the last meeting of the Parks, but I did also want them from the Ways and Means Commission. And so I just want to have this letter that I'm writing and have written to everyone here concerned on record.

And this is it; 7/30, today, July 30th, '08, complaint to Suffolk County Personnel Office, both Presiding and Deputy Presiding Officers, Christine Malafi, Steve Levy and the 17 other Legislators, I am a member of the press and have always had access to the Legislative packet of resolutions without FOILING for them or paying 25 cents per page before the Presiding Officer and Legislature passed the so-called flawed, and it was flawed and discriminatory, so-called paper-saving resolution, which also limits a citizen's right to know and comment on pending resolutions on the day these resolutions will be voted.

Even organizations such as the American Civil Liberties Union was able to get a packet to monitor the violation of one's liberty here many years ago. I maintain that even this very economically discriminating -- discriminatory resolution is one more attempt to do business behind closed doors, keeping information from the scrutiny of the public. This echos the Legislator's refusal to spend a one-time expense to buy six cameras; three for Riverhead, three for Hauppague with an inhouse operation by Tim Laube, Clerk to the Legislature, who would use the turnkey easy-to-use-system to televise the Legislature and file the official record of the proceedings.

But Tim Laube tells me the Presiding Officer does not want this to happen and neither do the other Legislators. And so I complain -- and so I complained in 2007, and Tim was abusive to me in 2007, raising his voice, Tim Laube. And he also stopped me from free access to resolutions then in 2007, and he also wrote a letter to Lisa Schulman and Debbie Coleman singling me out to FOIL for every -- for resolutions if I wanted them.

Today, in front of you a witness who may have been recording it on his tape recorder, Tim Laube in a very -- in a very -- again said in a very, you know, sort of dismissing and trivializing any response that I had that this was not right. He, again, said that I had to FOIL for resolutions. Of course, you and I know he is wrong. I received resolutions from Kara Hahn in the past in 2007. She said Tim Laube was wrong. I received resolutions yesterday from Debbie Coleman and agendas today from Lisa Schulman, today, without FOILING.

I believe Tim Laube's discriminatory actions in the past and today need to be corrected, because I see this as a violation of my 1st Amendment rights. I want free access to resolutions. I request and need them so I can report to the public on TV and radio. Although I am speaking as a member of the press, I think the few people if any who show up at the 11 committee meetings held during the day who don't have a laptop internet access should also be able to request resolutions, which interest them. I will be doing a media trial on this abridgment of my rights. And I want you to remedy this immediately so that I can get the resolutions that Debbie Coleman so nicely was going

to give me and I have a right to today. And we will end this here.

CHAIRMAN HORSLEY:

Thank you very much, Zabby. All right. That concludes the cards. Would anyone else like to speak? I know that Dr. Pippins, you have a presentation. But what I was going to do is I was going to ask our presenters from LIBOR to make their presentation first before you, Dr. Pippins, only because they were invited and we had a time schedule for them, and we didn't want to offend our guests. Anyone else like to speak? We are good? Excellent.

All right. I'd like to I know invite up two members of LIBOR which is the Long Island Board of Realtors. Long Island has -- Suffolk County in particular has a crisis. Are they here? I know they were outside before. Come on up. Join us up at the table. Long Island has serious crisis that may be a lot of people aren't aware of, that Long Island and Suffolk County in particular is the number one county for foreclosures in New York State, which amount to over 8000 foreclosures or pending -- or those residents who are -- who are over 30 days late on their mortgage payments.

This is a very serious issue, because what it has done, it has left of many of our neighborhoods, oftentimes our minority neighborhoods, in a situation where we have houses that have been foreclosed upon, the banks no longer -- beyond boarding up their windows, no longer have taken for them, where they're being ravaged by vandals and -- and thefts of -- of copper and the granite kitchen tops and the like have brought down the neighborhood.

And so this is becoming a very serious problem, not only on a humane level, but as well as a level for the stability of the neighborhood. So we are here, and I asked Randy Kaplan, who is the Long Island Board of Realtors Public Relations person. I believe that's --

MR. KAPLAN:

Director of Government Affairs.

CHAIRMAN HORSLEY:

Director of Government Affairs.

CHAIRMAN HORSLEY:

As well as my good friend Georgia Wescott, who is a Coldwell Banker member of LIBOR, good rotarian and an active person in my community, which -- who I have a great deal of respect for. But they are here to give the perspective of a realtor on Long Island and some of the problems that the real estate business is facing due to this foreclosure issue. If I may, I'd love to invite you to give your presentation.

MR. KAPLAN:

Thank you very much, all of you, for inviting us here today. It's an honor. I'm going to defer to Georgia. Georgia is an esteemed member of LIBOR's Board of Directors as well.

MS. WESCOTT:

Thank you. And thank you for inviting me here today too. I actually represent today over 20,000 realtor members of the Long Island Board of Realtors. And Legislator Horsley is correct when he says that we really are in a crisis. And i'm going to describe to you some of the situations that we have on hand. And we really welcome your invitation today, because this is kind of an issue that no one is talking about, and it really does need to get out there.

To give you a little bit of background, Long Island is number one -- well, Suffolk County is number one in foreclosures right now. On July 11th, Ellen {Yon} reported in Newsday that foreclosure related filings for June jumped 72%. Now, based on the amount of lis pendens that are filed each week, we're well over 100% increased. And other data supports three to 4% of homes are going into foreclosure or having foreclosure related filings. Now, when you think about three or 4%, it doesn't sound like much. But if you do the math, if there are 500,000 homes on long Island, that's

15,000 foreclosures that are going to be coming through pipeline in a very short period of time.

And these foreclosures and also short-sale properties are complicating things for us, but the picture is also complicated, because there's no laws that require lenders to accurately give reports on the mortgage crisis. For instance, non-profits and also -- for instance, lenders don't have to release number of short sales. And a short sale is a property where the mortgagee is obviously not able to make the payments, they're not paying, they're slow paying, they have a lis pendens, but they're going to ask the bank if they can get out of the house by selling it for less than what they owe. And many times, those are abandoned properties as well as foreclosures.

So what's happening for us in the industry is we're going to show homes, we're trying to gain access to homes that have been abandoned for a long period of time, they've been attracting nuisances to people in the neighborhood. It's very common for me at this point to show a home that has not been boarded up by any bank or any homeowners, windows are broken, maybe people are living in the house that don't belong living there, anything from animal feces to drug addicts who've now taken over the basement and are living there, and, you know, partying in the house.

I had a personal incident on a home in West Babylon, very nice neighborhood by anyone's standards, very stable neighborhood, and over spring break of this year, it was broken into, a party in the house, alcoholic beverage bottles all over, over \$20,000 worth of damage done to the house, sheetrock walls smashed, bathroom vanities smashed, tiles smashed. And the homeowner has no money. They vacated the property and gone to Arizona for work. So no one is going to fix that property, and now it's unsalable.

And this is an issue that doesn't just affect what people want to think a subprime market crisis is. And they put the face of this on low income areas or areas that maybe have never been very stable, but that's really not true. I have foreclosures in million dollar neighborhoods where I'm going in to show the property and copper pipes have been ripped out, granite counters have been ripped out, heating systems are taken. I showed a property in -- a waterfront property not too long ago in a Suffolk County community where even the central air conditioning ducts were ripped out of the walls. No one's minding these properties, and no one's being forced to maintain them.

So it presents a situation with two problems; one, a safety issue. A lot of the realtors are finding themselves buddying up with another realtor in the office when we go to show these properties, because we don't know what's on the other side of the door. It's also creating an unsafe environment for the people who live in these neighborhoods and are looking and driving past and seeing these properties and don't know what's going on with them.

And it's also creating an economic blight on every community, because now when I go to sell a home that maybe a typical homeowner who's been living there 30 or 40 years and it's time for them to retire, they've maintained their home and it's beautiful, I can't sell it, because the two across the street that have now been abandoned, the lawn is six feet high and neighborhood looks horrible. Buyers only want to buy in neighborhoods that look stable and look like they're moving into a neighborhood that's worth their mortgage payments.

The good news is today the President passed on economic bill, the housing bill that's going to make housing incentives for people and really stimulate the market for the buyers. But they're going out and they're looking at homes that they want to purchase and they're seeing them next door to these homes, and it's really tough. So we need to really look into how homes can be maintained and who is going to be responsibility for these parties.

MR. KAPLAN:

Georgia, if I may. You mentioned to me before about the grass; one of your neighbors was actually cutting the grass of the property.

MS. WESCOTT:

Yes. I live in Babylon Village. I actually live in a beautiful community south of Montauk. And I have a foreclosure in my neighborhood that's been abandoned for over a year. The next door neighbor mows the grass every week on this foreclosed home. You know, it's nice that he does that, but if you think about it, that is a little ridiculous.

MR. KAPLAN:

As Georgia mentioned, if I may continue, President Bush signed this morning a comprehensive housing bill into law that you all probably heard about. This is going to be providing an opportunity of a lifetime for home buyers, first-time home buyers. It's a comprehensive housing bill that aims to improve the struggling housing market and strengthen mortgage finance giants Fannie Mae and Freddie Mac. This legislation contains a number of victories for American homeowners, including government sponsorship enterprises, reform FHA reform, permanent loan limit increases and a \$7500 homeowner tax credit. That's right, \$7500. So this bill will help homeowners facing foreclosure find ways to refinance and will help strengthen the mortgage markets.

CHAIRMAN HORSLEY:

Anything else? We have a couple of questions here. A couple that come to mind that I'd like to ask first, and then I'm going to pass it off to my colleagues. One would be that you mentioned that the lawns are not being cut, they're forcing the municipality to oftentimes be the ones that are going to end up cleaning up the properties to no avail, they can't get reimbursement on it, the banks have abandoned that end of it, the maintenance of these properties even though they are the owner at that point in time.

Has there been -- I don't think the realtors -- it's not your responsibility -- but has there been any -- but maybe you know -- any accounting for how many dollars have been spend by either municipalities, realtors, homeowners next door for the minimal maintenance that these homes do receive so people can upkeep their neighborhood?

MS. WESCOTT:

I don't have any dollar figures on that. But I will tell you that it's very common. And even though -- you know, I know -- I know myself as a realtor that have homes in inventory now that I'm paying to maintain because I want to sell them.

MR. KAPLAN:

It's an out of pocket expense.

MS. WESCOTT:

Right. It's an out of pocket expense. Of course, that hurts the industry. But I think the problem is also for some of the municipalities is knowing where to send a bill or who to bill, because part of this crisis is also that some of these banks are not in existence. The loans have been sold. You're trying to get through -- I know even myself to try and find out what the trail is on some of these properties is nearly impossible. And many of these properties, the bank has not taken possession yet.

There's a tremendous amount of homes on Long Island on every block in every neighborhood where homeowners basically just threw their keys on the counter and left. And I see it quite often, and it's not just homeowners that are transients, these are people who have ties to Long Island, children, young families. And maybe because of a job situation or just the housing market here was too expensive, they got -- bit off a little more than they could chew, they have a job somewhere else, and they're just leaving the house. So the now the house is in the process, but the bank doesn't own it yet. And I find many, many of those homes abandoned. So I wouldn't know statistics on who -- you know, dollar for dollar who's maintaining. But I think part of the problem is even if the municipality does it, them actually collecting.

CHAIRMAN HORSLEY:

Absolutely. And we're seeing in some cities across the country where whole neighborhoods have been abandoned and the municipality has gone and had to destroy the homes because they're in

such poor shape they would never sell, due to vandalism and all those issues that you cited.

MS. WESCOTT:

I often say to people that sometimes you will hear something that sounds outlandish to you. And the way I'm doing business right now and the way that this crisis has come down, if somebody had told me about this three years ago, it would have sounded very outlandish to me, but it's reality. And like Mr. Horsley just said, you think about whole blocks being abandoned here on Long Island, it sounds outlandish. When it doesn't sound so outlandish to me when I think about the business I'm doing every day.

CHAIRMAN HORSLEY:

Thank you very much. Secondly, I just wanted to ask a quick question. It's been report to me that due to the -- how these laws -- how these home mortgages were set up that in October, there's going to be a second round where another ratcheting up of costs to the homeowners is going to take place, which is just going to compound the problem which these poor homeowners are now -- are now facing.

But, Legislator Alden, who's -- unfortunately, he must have stepped out or is not here at the moment, he came over to me before and he said, listen, you know, we're seeing in my district and other areas across Long Island where adjusted rate mortgages are -- we're finding that people who were originally prime lenders -- prime prospects for a mortgage where convinced by the lender that you can -- you can move up the ladder, you can get a bigger house, you can get a more expensive house and you could afford this, even though you could have afforded the smaller house which they initially came in form. They were talked up, and now are facing a situation -- ARMs, is that the Adjustable Rate Mortgage? And that's another issue that will soon be levied upon our communities of people that are going to be faced with foreclosure. Do you have any comments on that?

MS. WESCOTT:

Well, that's a very good point. And part of -- that's part of the reason why the data is very skewed on some of these lis pendens, because a lot of the are what we term in the industry HELCs, Home Equity Lines of Credit. Typically someone would buy a home in the last couple of years, and because the market was appreciating, they would be in a house a year and then go the bank and get for more. And, you know, you probably heard on CNN, some of the reporters equate it to people using their homes like ATM machines. Was it intelligent? No. But the banks let them do it. And sometimes the values were overinflated.

So what's happened now is they owe on their primary, say, ABC Mortgage Company lent them \$300,000, and then they went the next year and borrowed another 100,000 to EDF Mortgage Company. So now the problem is they're in foreclosure or a lis pendens. Who's getting paid? Who's going to maintain the property? Who really owns it? There's two mortgagees on the property. And usually these HELCs that are seconds are adjustable rates, because many of these banks and many of these financial institutions who are very stable institutions; local credit unions, etcetera, that had teaser rates for the first couple of years, maybe a 3% or a 4% adjustable rate mortgage or ARM.

And now those are all adjusting at the current rate. We're writing mortgages now anywhere from 7.1 and up. So if you think a payment on \$100,000 was four or \$500 a month, now it's going to be closer to seven \$800 a month. And those people can't afford that. And if they're used that 100,000 to improve the property, now their tax base is higher to which is in their mortgage. So what could be a payment of say \$3000 now becomes a payment of \$4000, and that's why you see people walking away from the homes.

CHAIRMAN HORSLEY:

Wow. That's alarming. And you know, I can't help but feel that we have let the lenders off Scott free. They just created these deficient products in their mortgages, and they've just -- and they've walked away and the United States Government and the people of the United States are going to be

paying for it. Very sad. And I thank you for your comments, Georgia. Legislator D'Amaro.

LEG. D'AMARO:

Thank you. Thank you very much for coming down today. I appreciate it, and I thank the Chairman for inviting you. You know, there are so many issues to talk about. So much of it is beyond the jurisdiction of what we can do here, but I think it's important to have the dialog anyway.

Just go back quickly, and then I want to make a few points, but on those HELCs, I sat at many closing tables in my private capacity as attorney -- as an attorney and watched hundreds of those loans close. And what's interesting is that Federal Law requires the Truth in Lending Disclosure Statement, and those statements do anticipate should the loan go up -- should the interest rate go up a substantial amount in a short period of time.

What's interesting is those disclosures are made as a matter of course. In the lending process, they're given to borrowers when they first apply, they're also given to a borrower at the closing table. But the problem is they become just another piece of paper. No one looks at them, no one reads them, no one really pays attention to that. So, you know, that is a Federal regulation that I think has to be addressed at a Federal level.

But I think at a minimum, you know, we can have a debate about how far government regulation needs to go in this area, but at a minimum, there has to be more sufficient attention called to a borrower -- a borrower's attention called to the ramifications of the loan that they're entering into. And I think that's something that, you know, may be beyond our jurisdiction. But that's a very important.

MS. WESCOTT:

What I was going to say is once again, we could discuss lending and predatory practices that have gone on in the last few years all day, but that wasn't why I was here today. I think the start is these quality of life issues and the issues of the safety of -- you know, Long Island Board of Realtors isn't just concerned with our members being safe when we're showing these homes, we're also concerned with the citizens in these communities being safe, having to live with these homes in their neighborhoods.

LEG. D'AMARO:

Right. I'd like to address that. And, again, I thank you for bringing that up as well. You know, when you talk about maintaining private property, you get into a constitutional level of prohibitions on using public funds for private purposes. It's all part of the same dilemma that you were saying; you know, who's the owner, how do we latch onto someone whose responsible for the property. Maybe it's in foreclosure, the bank says, look, we're paying the taxes on this property, but you can't force me to maintain it. The towns are permitted to enact certain regulations as long as they can hook it in to their police power where it's threatening the public health, safety and welfare. That may mean tall glass, which creates a health hazard, that may mean an unsafe structure where the property can be demolished. But in between that, routine --

MR. KAPLAN:

As well as an obstructed view, if I may just add that in as well.

LEG. D'AMARO:

Or that may be another -- but in between that, there is normal maintenance on a home that the government, because of even as far as the taking clause in the Constitution, would be prohibited from taking action or expending public funds for a privately owned property. But with that said, I just want to throw this out there and then I'd love to hear what you have to say, if the government were -- if we were to enact regulations hooking into that police power, similar to what the towns have done, you made a comment about, you know, how do you collect, I think the answer to that is simple statutory lien, where whatever funds are expended on that property would automatically attach to the property and can be collected if and when it's ever sold. Whether or not that can be

done legally, I don't know.

But my question is, assuming it can, how would that impact your ability to sell the property? Because remember, now you're showing a property, it's at a certain value at a certain price, and a buyer is making a decision, oh, and by the way, the municipality or the County spent 5000 or \$10,000 in the last year and a half on this property, do you still want to buy it, because that has to be paid at closing.

MR. KAPLAN:

That's a very good point. One of the main things we do at LIBOR is to try promote homeownership and foster homeownership to young, old and middle-aged people alike. That would create just another barrier to homeownership. Similar to what we fought last year in the Town of Brookhaven with the transfer tax, they're trying to set precedent by charging money at the time of closing. As you know, young people find the most -- biggest challenge at the time of closing, the closing cost and the down payment. Now you're going to turn to a young couple buying a home and say, oh, by the way, the town needs to collect \$7500 additionally on that. You're shutting the door on homeownership for people.

MS. WESCOTT:

Well, I was going to ask is it possible if that -- hypothetically speaking, if something like that was done, is it possible then that the -- it would not be a buyer fee, if it had to be paid by the seller, whether the seller was the bank or -- because once you get to closing, there has to be a seller. The problem is when they're in through the lis pendens process, finding the bank that's really the bank. So that may work.

LEG. D'AMARO:

It may, but it does affect marketability. And you're the expert, not me, but I'm sure it does, whether it's a buyer or seller.

MS. WESCOTT:

Well, one of the points I was going to make is that one of the reasons why this is becoming such a hot topic is because we're find that these homes are staying on the market a very long time. And these abandoned properties are taking a very, very long time to sell, not just because of all the tangibles that are going on in the market with the amount of inventory, etcetera, but because of some of these homes and the vandalism, whether it's from the previous owner or someone who broke in and did it, are making the homes unsalable.

For instance, if someone goes in and takes a heating system, now I can't do an FHA on that house. I have to have plumbing and heating and other forms when the appraiser goes in. They need electric on, the whole thing. So what's happening now is these homes are falling through the cracks and sitting and are completely unsalable unless you find either a cash buyer who usually is a speculator who's not the best neighbor for you neighbor, you know. So that's the problem. At least if there was some legislation in place that these banks or whoever the owner of record is had to maintain the property to be legally of some kind of standard what we need. It goes beyond the lawn mowing.

LEG. D'AMARO:

I agree with you. And I would be open to exploring that, because, you know, the premise of why you're here is that we're facing record foreclosures, the owners have packed up and moved to Arizona, unfortunately, of course. The banks are in a foreclosure procedure, but don't have a deed to the property yet. The properties are not being maintained. That creates a risk when you're doing, it creates a risk to the community, it has an impact on other property values. And here we are in a vicious cycle going round and round.

MS. WESCOTT:

I know, for instance, not to long ago, Mr. Horsley, I think you were part of like -- there was

legislation on commercial properties and abandoned properties in Babylon where they had to put fencing around, etcetera, if it was left empty for a certain period of time.

LEG. D'AMARO:

Right. And again, that would be hooked on to the what we call in Constitutional Law, the police power for us to enact that type of regulation affecting a property right. And I would be willing to explore that. And maybe the committee can work along with your organization and see just how far we push the envelope and get something that will not only help, but will pass a court challenge.

MR. KAPLAN:

We'll certainly bring that back to the Long Island Board of Realtors Legislative Committee.

LEG. D'AMARO:

Yeah. And I don't know -- this maybe something that has to, again, go through towns, but that's never stepped us before as a County Legislature. Thank you. Mr. Chairman, thank you.

CHAIRMAN HORSLEY:

Thank you, Legislator D'Amaro. Legislator Kennedy.

LEG. KENNEDY:

Thank you, Mr. Chair. I also welcome you here and you bring an important perspective to a problem unfortunately all of us are wrestling with in our districts. My colleagues have good ideas, and certainly I would be willing to go ahead and pursue them. Myself and my staff have been working the better part of around 14 months now with a foreclosure in our area. And it occurs to me, life's a circle. Some of you know I had a former life in the County Clerk's Office. And I was one of the litigants that opposed the mortgage electronic recording system coming into place because of the belief in keeping a transparent record in the County Clerk's Office when it came time to find out who had security interest.

Lo and behold, I'm dealing with a property that's flipped some three times now in an effort to try and find who, in fact, holds the security interest with this process. We've just come on to Countrywide, but unfortunately I seem to be about a week or two too late as to try to chase who now holds the interest. My question is similar to what we just talked here, trying to find this out, do your members through LIBOR have access through that merged system to go ahead and ascertain who holds the security interest, or is it something you only permeate through the banks?

MS. WESCOTT:

Most of MLS, when it comes to mortgage researching, is done through county records. I mean, if you work for a large company like I do, we have access to a title company, and I can order preliminary titles on things before they're sold. And that's usually the way we try to track. But like you said, these lenders are selling these notes. I mean, I'm not going to too deep into Wall Street, but you know, some of these were bundled and sold to hedge funds.

You know, these mortgages are so deep, people -- subprime or what we know as Alt-A packaging is not just someone who did 105% financing, it's -- there's people who bought jumbos with interest-onlys, it's all kinds of things. So it's not just the low income loans. And they're bundled together. So if a package is sold, you don't -- you know, you're trying to track one single house to find out that that lender now becomes something else.

And with -- since January of '07, we've had 245 mortgage companies completely go out of business in this country. So now those loans are sold to other places which may or may not be the service center for that loan. So you might have Countrywide loan being serviced by another provider. So it's like a Herculean effort just to find the trail.

LEG. KENNEDY:

I'm pleased to hear that the President signed that bill, and I'll be interested -- certainly your

organization, I guess, from time to time gets some of the distillation of how it's going to work its way out. And I would very interested to see how the program is going to be implemented here in New York State and Suffolk County.

MS. WESCOTT:

We're very excited about that bill actually.

MR. KAPLAN:

We will keep you all abreast. I can assure you of that.

MS. WESCOTT:

It's a great time to buy a house.

LEG. KENNEDY:

Well, that, and -- but I would also ask you to at least consider polling your membership, and I'd pose back to the Chair that we try to petition mers for an ability to get some access without going having to go through their proprietary system to ascertain who's got the security interest. We're government. We shouldn't have to pay in order to go ahead and get access to information that heretofore was part of the public record. In a similar fashion, as you're trying to go ahead and do a community effort, if you will, to be somewhat part of, you know, civic mindedness to keep the community stable, there should be some portal or access for hardship cases so we can get at that information without having to pay all of the subscription fees and enrollments that mers compels.

CHAIRMAN HORSLEY:

That's very interesting.

LEG. KENNEDY:

For what its worth.

CHAIRMAN HORSLEY:

Thank you, Legislator Kennedy. To compound matters, I know in my investigations that we took a look at -- the Federal Reserve Board used to publish how many -- how many foreclosures are in a particular county, town, etcetera. And they no longer are producing or at least disseminating that information simply because they are closing ranks and don't want to let the general public know about that. That I find extremely alarming. Anyway, we're not going to cure all the issues today, but certainly this has gone a long way in letting us know a little bit about it. What can -- do you have any suggestions that -- as far as what the County can do, towns can do that we can pass on, you know, from the local level working with realtors to ease the pain of so many of our citizens?

MS. WESCOTT:

I think that Mr. D'Amaro is on track with maybe the idea that he put forth. I think that was, you know, something that maybe could be looked into more. I think maybe it could be a graduated thing that if a house is left empty over a certain period of time that the municipality is allowed to step in, because some of these homes have been abandoned over a year. And that's certainly a long enough time for it to become a quality of life issue.

And also I think that the key to all of this, you know, one of the great things that's happened from the subprime mess is that now the banks are very restricted. And that may be hard for us to deal with in the industry right now, but it will also create more of a normalcy in the long run for borrowers, which is where we should be in this country to protect our interests.

CHAIRMAN HORSLEY:

Is the genesis of this that this is deregulation that caused this, you know, going back 20, 30 years ago?

MS. WESCOTT:

I think it was a part of a lot of different things. But I think now is it hard to find someone who can put 20% down on a house? Yes. Is it prudent to do it? Yes. So things will iron itself out in that regard over time. But I think that the key to all of this is also affordable housing on Long Island. I think if people had a place to live that was in a stable community that they could afford and more affordable housing was brought in, a lot of these things wouldn't be so attractive to people, because they're not stretching over their means to get into a home.

CHAIRMAN HORSLEY:

That's very interesting, which goes back again, Mr. Kennedy, to sewers, because you've got to -- for any density increase to have affordable housing, we need sewers. Buy, everything is round robin here. Very interesting.

Anything else you would like to add? Any further questions? Thank you very much, Georgia. I really appreciate you being down here tonight. We will be talking to you again. Mr. Kaplan, thank you very much for being here today. It's most illuminating. And if we can assist you in any way, you know, you guys come up with any ideas, we are there, we're anxious to assist, because there's -- there's a whole lot of pain out there that a lot of people are sharing as well as the municipalities, because we've seen in Suffolk County our mortgage tax numbers decrease exponentially as the -- as the crisis has been fallen. And now we've got a deficit that may exceed \$150 million.

It's all coming back to very similar beginnings. And a lot of it has to do with the housing industry and these -- these money lenders who have perpetrated these -- this problem on us and just -- just walked away. I'm upset about that. I appreciate you here to illuminate us. Thank you, gang. I really appreciate it.

MS. WESCOTT:

Thank you.

MR. KAPLAN:

Thank you.

CHAIRMAN HORSLEY:

All right. We're going to have a presentation by Dr. Pippins at this point in time concerning the Suffolk County budget. And as while Dr. Pippins is stepping up to make that presentation, I certainly would -- Gail, is it appropriate for you to give maybe an overview on where the budget process is as far as your end of the world? And it appears that from the some of the questions and some of the public portion statements that the word veto has been flashed about and stuff like that. And I haven't -- I haven't heard of one yet. I assume --

LEG. D'AMARO:

Those are capital projects.

CHAIRMAN HORSLEY:

It didn't sound like the capital projects they're talking about.

MS. VIZZINI:

I certainly could comment on that as well as give you a brief -- a very brief summary of our report if that's your pleasure.

CHAIRMAN HORSLEY:

It's my pleasure.

MS. VIZZINI:

The status of the College's Operating Budget was issued by the County Executive, the Budget Review Office did its report, the working group has made some progress in terms of any changes it may be making to the recommended budget. The Legislature will vote on the recommended

Operating Budget Tuesday, August 5th. There could be a veto of the actions in the omnibus or not.

I think there may have been a little confusion in terms of the capital process where the actions taken by the Legislature were vetoed by the County Executive and then subsequently overridden. So as far as the Operating Budget, we'll be voting on that August 5th. And the omnibus should be available to you no later than the close of business Friday if not sooner.

As far as a quick summary of the Budget Review Office report, the County Executive's college budget came in at a recommended 172 million. It's actually an increase of 3.57% over what the college has the current year. The non-mandated portion of the tax levy was actually reduced, but needs to be increased because it composes a part of the County contribution, which cannot be reduced.

The fund balance presentation, which was a major consideration in last year's Omnibus, I'm happy to report it has been reconciled reasonably with the outside auditors financial statements. In our report, in order to improve the transparency in the budget presentation, we're actually recommending that you authorize the college budget to include a few tables that will clarify the relationship between the General Fund and the college budget, how the college illustrative property taxes are set, and for this particular budget, a reconciliation of the fund balance to the financials, a little bit more clear than what's in the recommended budget.

The college recommended budget is in compliance with the tax levy cap, although in our opinion, the Budget Office did not use the prescribed formula to calculate the non-mandated college property tax levy. And as you know, the college is exempt from the expenditure cap. So that's not a consideration.

Revenue as defined by the state breaks down to 24% County, 28% State, 38% student and 10% offset. The County share is actually inadvertently reduced by 2%. The State share increases 2.9 and the student share, 6.9%.

LEG. D'AMARO:

Excuse me, gail. Could you give me those numbers one more time. I know they're in your report, but just quickly.

MS. VIZZINI:

Yes. The County share is at 24, the State is at 28, the student is at 38, and offset is at ten.

LEG. D'AMARO:

Thank you.

MS. VIZZINI:

The State aid per FTE rate is flat for the '08-'09 year. Despite that fact, enrollment is strong. And because of that, Budget Review expects that State aid will actually be more for the current year and slightly more than is included in the recommend budget for '08-'09.

Both the College and the County Executive have proposed a tuition increase, that is the College Board of Trustees had authorized \$120 per annum increase for full-time students, which would make full-time tuition 3376. The County Executive proposes to reduce that to an \$80 per annum increase, which would make tuition annually 3336. Both the College and the Executive agree on a \$5 per credit increase for part-time students.

Enrollment, the College and the Executive project a 3.4% increase in enrollment for the 2007-2008 year over last year, and additionally, a 2.75% increase over that for the '08-'09 year. There are a lot of factors that come into place with that. We think that the 2.75 may be a little optimistic, but it's probably attainable.

The County Executive recommended \$100,000 for the Credits For Caring Program, and the narrative

indicates that an additional \$200,000 will be forthcoming to the College Foundation. The recommended budget, however, does not include a continuation of the County Training Program for which the County does Excel, Word, Power Point and other training for County employees -- we pay the college to do that for us -- neither does it include a continuation of the Welfare to Work Monitoring Program which is a Legislative initiative. And we recommend that both of those things be reinstated.

Currently there are 412 full-time faculty and 86 full-time professional assistants. In 2003, the Board of Trustees approved a goal that day-time sections were to be taught -- were to achieve a 70-30 split between full-time faculty and adjuncts. This particular recommended budget does little to bring that up, because the current split is about 63-37. The college didn't ask for nor does the recommended budget provide any new positions, nor is there sufficient funding unless it's transferred from some other lines to provide additional positions, although, there is sufficient funding to fill 14 existing vacancies.

The last point is that the recommended budget did take \$2.3 million from the reserve and distribute it; 598,000 went to make up for the reduction from the \$120 increase in tuition to the \$80. And then a million was distributed -- 717 was distributed to heat, light and power, building repairs and furniture and equipment. A million was also transferred to the Reserve Fund, which right now is at 4.4 million in the '08-'09 recommended.

CHAIRMAN HORSLEY:

Thank you very much, Ms. Vizzini. As always, you are an expert and handled that very well. Okay. Dr. Pippins, my apologies for -- and I meant no discourtesy for -- that I made you sit for a while before you doing a presentation, but we had a good -- as you can see, the realtors very are interesting and it affects all of us in Suffolk County.

DR. PIPPINS:

It affects us also. So it's not a problem.

CHAIRMAN HORSLEY:

That's what I said, all of us. Yeah, I absolutely agree. But welcome, and please, your presentation.

DR. PIPPINS:

Before you, you see the faces of the 65 -- before you, you see the faces of the approximately 65 recipients of the Get There Here -- Get There From Here Scholarships, and I'm proud to begin the presentation with those faces. It's reflective of the results of the hard work that we've together done over the last years. And I want to thank the Legislature, BRO and the community for their support of the college.

We all know that these are difficult times that we face, difficult for the County, for the State and the nation. And there are many that believe that in these circumstances, the strategy is to cut surgically and to investment strategically. The good news today is that your strategic investments in the college continue to yield impressive results. And I think we all agree that there is just no other investment like an investment in higher education.

We have independent data that indicates that for every dollar appropriated by State and local government, taxpayers will see a cumulative return of \$2.40. State and local governments receive a rate of return of 9% on their investment in Suffolk County Community College. These are not just difficult times for the County and the State, they're also difficult times for individual citizens. And citizens are struggling with issues around energy, health costs, taxes, and as we just discussed, mortgages.

We believe that in these times education and training are the keys not just to success, but also to survival and advancement and that for many individuals and families, especially working-class families, the college is the best option, and for many of them the only option. That's same research

indicates that the average annual earnings of a student with a year certificate are \$41,500 or 83% more than someone with a high school diploma or GED, that the average earnings for someone with an Associates Degree are \$49,200 or 117% more than someone with a high school diploma or GED, and that our students enjoy an 18% rate of return on their investment in education including foregone wages in just eight years.

We are aware of this data. And your Community College is prepared to be part of the solution here in Suffolk. We are planning strategically to enhance our ability to fulfill our obligations to act as an economic engine for Suffolk County. We believe that we have made the tough decisions, we have cut surgically, and with your support, we will invest strategically.

Moving forward, we are mindful of our multiple responsibilities, we will continue our pursuit of excellence, securing the value of a Suffolk County Community College diploma, we will maintain access and we will continue to support local businesses. And perhaps most importantly in this environment, we will maintain our financial viability; protecting and strengthening our reserve, operating within a structurally balanced budget and funding recurring expenses with recurring revenue.

As we move forward, we will stay the course on our strategic plan, but we will adjust the timing of the implementation of the elements of that plan. And we will remain mindful of Middle States Admission Review II requirements. We'll also continue to provide access to a quality affordable education at a reasonable price saving our taxpayers thousands of dollars. We will support a competitive workforce providing our residents with the skills they need for highly competitive and well paying positions. We will support job creation.

We will address these traditional goals through our traditional offerings, through our satellite centers. And we thank the Presiding Officer and the Members of the Legislature for their support on these initiatives through our grants you just heard about; that second Mechatronics Grant, and through continuing education.

Support the County and our citizens, we are delaying strategic investments, we are requesting no new positions, we are strategically reviewing all vacancies as they occur. We're monitoring and reviewing programs, we're conducting program assessments, we're comparing ourselves to our peers, and we're adjusting our offerings as appropriate.

We will continue with cost saving and cost avoidance actions. And we anticipate another \$1.78 million in avoided costs in the coming year in the area of energy. We're moving forward with implementation of our administrative computing system banner, and we believe that will make us a more effective and efficient organization, enhancing our ability to obtain timely data and make data driven decisions.

To put our costs in context, at the same time that the average high school per pupil spending is projected to be \$18,768 Statewide, almost 23,000 in Nassau and \$20,816 in Suffolk County, the net operating cost per FTE at Suffolk County Community College is \$8603. At the same time, we retain the status as the institution having the lowest administrative cost of any community college in the SUNY system.

To secure our position, we're seeking to diversify our funding base, we're moving forward in terms of securing grants, we have exciting partnerships. You're aware of what's happening with our Nursing Program. We're working to secure additional donors. And I think what happened with Sub-Zero Wolf in terms of the demonstration theater is an excellent example of our work in this area.

Perhaps the most exciting initiative in terms of our ability to diversify our funding base is the anonymous \$5 million gift that we recently received. And as I mentioned earlier, citizens from every single community in this County are receiving those scholarships. And we'll just pass out a list that gives you a list of your constituents. I believe we invited all of you to a reception on Monday at four

o'clock, so I'm hoping that you'll come and celebrate with you. And Legislator D'Amaro was at an earlier celebration and Legislator Horsley. We appreciate that.

The foundation is building on our current status and moving forward with its first major gifts effort to coincide with our 50th Anniversary. We've initiated presidential alumni visits, and we've also contracted for a feasibility study to look at exactly how much money we can raise for different initiatives. Looking forward at looking at other projections, while public school spending is projected to increase by 5.8% Statewide, and in Suffolk County, 5.3%, same time that the college anticipates probably at best a zero increase from the State, and we're requesting a zero increase from the County, we're holding the tuition increase to \$120. And this essentially is a 3.78% increase.

We're holding the tuition to \$120, we're protecting our reserves, we're supporting recurring expenses with recurring revenues, and we're submitting a structurally balanced budget all in the context of a budget reflecting the percentage increase in recent history. We believe that we made the tough decisions long term that will have an impact on our ability to provide an appropriate learning environment, we'll have to make adjustments, but in the short term, it allows us to address our goals of maintaining access, providing support to local businesses and maintaining our financial viability.

All the time, we are mindful that for many of our residents, we're the only entree to an affordable high quality education and that this institution must service an economic engine of the region. We believe that with your support we'll emerge from these challenging times to a brighter, stronger future for Suffolk County and for Suffolk County Community College. Thank you for your support.

CHAIRMAN HORSLEY:

Thank you very much, Dr. Pippins. As always, good job. Are there any questions? Yes. Certainly. Legislator D'Amaro.

LEG. D'AMARO:

Dr. Pippins, welcome. Thank you for your presentation. You know, I just want to take one brief moment of the committee's time to just say that I have visited the college recently in my tenure here. And putting aside all the issues and putting aside when we grapple with budgets and things like that, I am just extremely impressed with the way the college is run. And it's not just from sitting here with you today or any other day, it's from being there and observing the students first hand and watching the dedication of yourself and your staff. I think it's just wonderful, and I appreciate that. I wanted to ask you, the budget that you submitted, our Budget Review has told us would bring tuition to 3376; is that correct? That is correct. I'm sorry.

MR. STEIN:

With the \$120 increase.

LEG. D'AMARO:

With the increase. And that is tuition amount for a full-time student for a semester or a year?

MR. STEIN:

A year.

LEG. D'AMARO:

For one year. Okay. And so that assumes a full curriculum, a full -- what is that, 15 credits, these days or 16 credits, is that --

MR. STEIN:

It's a minimum of 12 credits per semester, but they can take up to 18 credits for the same price.

LEG. D'AMARO:

Right. And I know that you do your very best to try and keep that increase as low as you can. And

then, of course, that turns into well, what is the State doing and what is the County doing, basically, is the equation as I understand it. What's the trend in the tuition? You know, how we doing with that, you know, as compared to, let's say, cost of living increases or rates of inflation over the last few years? How have the -- how substantial are the increases?

DR. PIPPINS:

Right. We came in at 3.78% increase.

MR. STEIN:

3.7%, which is in line with the Higher Education Price Index.

LEG. D'AMARO:

That's for this year.

MR. STEIN:

What we're requesting for the '08-'09 year is in line with the HEPI, it's called, H-E-P-I, Higher Education Price Index.

LEG. D'AMARO:

Oh, okay. Give me that again. It's in line with a recommended index, is that what you said?

MR. STEIN:

Higher Education Price Index known as the HEPI.

LEG. D'AMARO:

The HEPI. So the college tuition increases are in line with this index. Okay. So use that, I guess, as a guide post in determining, you know, what's acceptable, so to speak, within that -- when you're crafting your budget. I know zero increase -- you know, we'd all like to have no increase, I understand that, but you need some guidance.

DR. PIPPINS:

Right. That's the standard that the community colleges along with SUNY have agreed upon. It's a standard that we would seek to meet collectively and individually in terms of increases.

LEG. D'AMARO:

I understand that. And my last comment is only, again, a little bit off point on the budget, but going to that scholarship ceremony, I think it was about three or four weeks ago now, that was from the private undisclosed donation made for scholarship purposes. And it was a marvelous event, and it was great to see the kids get that benefit from that. So I appreciate that as well. Thank you, Mr. Chairman.

DR. PIPPINS:

We're really excited to see 60 plus recipients get those scholarships. And it's just clear from talking to them that it will change their lives. So they're all coming to spend the day with us Monday. And we're having a three-hour workshop on the Seven Habits of Highly Effective People, we're discussing that and the recent Indiana Jones Movie and having a reception all the scholarship recipients. All of you, again, are invited to that. And then there's a Shakespearean experience at the conclusion of the evening.

LEG. D'AMARO:

That's wonderful. Thank you, again. Thank you, Mr. Chairman.

CHAIRMAN HORSLEY:

Thank you very much, Legislator. Presiding Officer Lindsay.

P.O. LINDSAY:

I would be remiss if I didn't pick up where Legislator D'Amaro left off. I guess it was last week there was an article in Newsday about higher education and the acceleration in the cost, especially in the private institutions, real dramatic, dramatic increases. And, you know, I think that you guys are doing a good job as far as keeping an affordable education for our students. And I would think that you will probably see a spike even greater than what Ms. Vizzini projected in terms enrollment. I think there's normally a correlation, isn't there, that when we go into a downturn in the economy that our population increases in the Community College?

MR. STEIN:

Historically, when there is a downturn in the economy, community colleges do usually get an increase in enrollment. However, this downturn is somewhat different than prior ones. Prior ones involve manufacturing, and this one deals with service sector employment; bankers, etcetera. So the jury is still out as to whether or not past history will be repeated.

P.O. LINDSAY:

Well, between the combination of the private institutions going up so dramatically and less money in circulation in our economy, I just have a feeling that you're going to see a dramatic increase in enrollment.

DR. PIPPINS:

We're definitely seeing an increase among first-time college going students. And we're getting really excellent feedback from four-year institutions. I think I shared with you earlier that we had a visit from Columbia, and they came to sit down to talk to us about what are you doing that producing such great transfer students. And we're seeing really great opportunities emerging for students. We just entered into a new partnership with Cornell. So great things are happening.

CHAIRMAN HORSLEY:

Thank you very much, Legislator Lindsay. I know both myself and mister -- and Legislator Kennedy, we're asking the same questions. Do you mind if I ask? I may be more succinct. I'm just kidding. We're both talking about the speech made by Governor Paterson the other day concerning cutbacks, and we're hearing anywhere -- them getting back to together and asking for a 7% cut, 3% cut. We're hearing things all over the map about what they are going to do the budget for next year, even though they've made commitments already. Are you prepared for that? What are you hearing? How do you adjust to it? You know, what -- you know, what contingency plans do you have to make in case the State does pull back some of their monies?

DR. PIPPINS:

As part of my presentation, I reviewed our thinking even coming into this year, and we anticipated that it would be a rough year. And even as decisions were made, we were hearing from some of our legislative connection that the Governor might come back again this year and ask for a return of some funding. So we're already in conversation as a leadership team about what we will if, in fact, that comes through, and we'd be happy to share with you what we do at that point in time.

CHAIRMAN HORSLEY:

I think it's something we're all going to be in together. So we should talk, because it's going to be ongoing. And I'm hearing that initially, the Legislature was going to go back in December, and that was for 3%. Whether that's true or not, I have no idea. But now I'm hearing -- John, you said that you heard 7%?

DR. PIPPINS:

I think that's one of the reasons why we consider protecting and strengthening our reserves so important.

CHAIRMAN HORSLEY:

Well, that was a good answer.

LEG. KENNEDY:

Thank you. As my colleagues have said, and I'll say it to you, I think none of us around this horseshoe can say enough about the outstanding job you do. I find that I try to talk to young people more and more now when I see them in different, you know, situations. The gentleman from Honda, I think your automotive partnerships are an outstanding way for students to transition from high school graduates to a relatively decent salary and stable position in an area that's in constant demand. So anything that you can do to continue to grow that or expand it, I guess, I'd say try to stay focused on.

I mean, the nursing and the health care goes without saying. You know that I know that firsthand. And part of the reason I think that you continue to have such great success is because you have such outstanding instructors and your placements are so diverse. I'll also share with you, if you might, pass it on to your nursing staff, that there are other nursing homes who I think would like to see your students in there.

I know firsthand Mr. {Happinheimer} from Nesconset and Hilaire would like to see nursing students there, as even John J. I don't know that we have nursing students in there yet. So I'd encourage you to go ahead and look at exploring them, because the facilities will benefit, hopefully our students will benefit from it as well. And I think that's an area that's going to expand.

But I'd also just offer one other suggestion, and it's very anecdotal, I'll make it very brief. I happened to be in a grocery recently just kibitzing with a guy who was a checker. And he was telling me about the fact that he was going off to Suffolk Community in September. And I said to him, oh, I said, well, what are you going to pursue? He said, well, you know, I'm just going to start with regular enrollments. And I spoke to him about the automotive program, and I think I also spoke to him about the HVAC. Is it the heating instruction, the oil burner instruction and things like that? Both he seemed to be interested in, neither he had an awareness of. So if there's a way that you can impart some of that information for the new enrollees even as they're coming out of high school or as they're starting, it might be something that's of help. Or maybe this one student just didn't know.

DR. PIPPINS:

No. One of the things that you'll see, we're paying a lot of attention to retention rates and graduation rates. And we've implemented a new standard for the fall that requires all full-time students to participate in orientation their first semester that they're at the college, and that will help address exactly the type of issues that you just raised.

MR. GATTA:

John, if I could just mention one thing and build on very briefly the comments of Jim Whitten earlier when he spoke in support of Resolution IR 1602, the extension of our advanced manufacturing training. This morning at ten o'clock at our Grant Campus, in partnership with the Hauppauge Industrial Association and ADAPT, which is a manufacturing industry group comprised of about 300 manufacturing companies on Long Island, we hosted the Assembly Manufacturing Task Force. John Lombardo who is with us today, our Director of Corporate Training, spoke about both of -- all of our efforts in manufacturing training going from training to an Associates Program and articulating with our four-year colleges and universities.

We had upwards of 60 individual manufacturing executives there today. Many of them, unsolicited, spoke about the great value of that program to their businesses and to their employees. But probably one of most exciting elements of that program, and which touches on the point that you just made, was the fact that we have now introduced this curriculum, this advanced manufacturing and a career in manufacturing, and we're partnering with multiple school districts throughout Suffolk County.

We're sharing our curriculum which is State Ed approved, we're sharing our equipment and resources, we are training and we've already trained any number of high school technology teachers so that students beginning in eight grade can be exposed to careers in manufacturing, they can understand the education that's needed. And these are very high paying jobs in a technically advanced manufacturing environment right now. The average worker is making close to \$60,000, and there are 85,000 of those jobs here on Long Island. So that's just another example of how we're working with young people through the high schools through our program, and then articulating on to the four-year institutions accessing Federal funds. Thank you to the Legislature for your support of that new Workforce Development Technology Center, which is under construction at the Grant Campus. Certainly, the business community appreciates the support of the County in that effort.

LEG. KENNEDY:

Good. Thank you.

CHAIRMAN HORSLEY:

Is there anything else that you would like to add?

DR. PIPPINS:

I'd just like to close by thanking you for your support. I'd like to thank the Presiding Officer for joining us this afternoon. I know he's busy, and we appreciate your presence.

CHAIRMAN HORSLEY:

And I certainly appreciate the Kumba ya spirit that we've all got in our hearts today.

DR. PIPPINS:

We will leave before anything happens.

CHAIRMAN HORSLEY:

That's right. Thank you very much for your presentations here this afternoon. All right. We have some Introductory Resolutions that we have to approve.

1602. Accepting and appropriating a grant award from the United States Department of Labor - Employment Training Administration for a community-based Job Training Grants Initiative: TEAM 100% reimbursed by Federal funds at Suffolk County Community College (COUNTY EXEC).

Motion to approve by Legislator Kennedy, I'll second the motion and also to put on the Consent Calendar. Right. All those in favor? Opposed? So moved. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 3-0-0-2 - Not present; Legis Alden and Stern).**

1622. Accepting and appropriating a grant award from the State University of New York for a Community College Workforce Development Training Grants Program for NANA's House inc 91% reimbursed by State funds at Suffolk County Community College (COUNTY EXEC).

LEG. D'AMARO:

Motion to approve.

CHAIRMAN HORSLEY:

Motion by Legislator D'Amaro, seconded by Legislator Kennedy. All those in favor? Opposed? So moved. **APPROVED (VOTE: 3-0-0-2 - Not present; Legis Alden and Stern).**

They've both been approved and passed on to the Legislature. Thank you very much for attending today. This has been interesting.

(*THE MEETING WAS ADJOURNED AT 4:00 P.M. *)

{ } DENOTES BEING SPELLED PHONETICALLY