EDUCATION & INFORMATION TECHNOLOGY COMMITTEE

OF THE

SUFFOLK COUNTY LEGISLATURE

MINUTES

A meeting of the Education & Information Technology Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on June 9, 2015.

MEMBERS PRESENT:
Leg. Sarah S. Anker, Chairperson
Leg. Monica Martinez, Vice Chair
Leg. Thomas Cilmi
Leg. Lou D'Amaro
Leg. Robert Trotta

ALSO IN ATTENDANCE:
George M. Nolan, Counsel to the Legislature
Jason Richberg, Chief Deputy Clerk/Legislature
Shaun McKay, President/Suffolk County Community College
Gail Vizzini, Suffolk County Community College
Jeffrey Pedersen, Suffolk County Community College
Student Gardy Amilcar, Suffolk County Community College
Ben Zwirn, Suffolk County Community College
Benny Pernice, Budget Review Office
Imran Ansari, Aide to Leg. Anker
Maria Barbara, Aide to Leg. Cilmi
Justin Littell, Aide to Leg. D'Amaro
Greg Moran, Aide to Leg. Trotta
William Shilling, Aide to Leg. Calarco
Rick Brand, Newsday
Vincent Mezzanotte/Commission of IT
And all other interested parties

MINUTES TAKEN BY:
Diana Flesher, Court Stenographer

THE MEETING WAS CALLED TO ORDER AT 12:32 PM

CHAIRPERSON ANKER:
Welcome to the Education, Information Technology Committee meeting. Please rise for the Pledge of Allegiance led by Legislator D'Amaro.

SALUTATION

Please remain standing as we think of our military men and women that are protecting our freedom.

MOMENT OF SILENCE OBSERVED

Thank you.

Okay. Welcome to the Education/Information Technology Committee meeting. We do not have correspondence today. We do not have public comment. We will go into our presentation.

PRESENTATION

Today we have Dr. Shaun McKay, President of Suffolk County Community College and Gail Vizzini. And she is the Vice President for Business and Financial Services. And they will provide a presentation on the College Operating Budget for 2015/16. Welcome.

DR. McKAY:
Good morning and thank you. And I do want to say that on behalf of our faculty staff, our Board of Trustees, we thank you. You were there with us at our most recent college graduation ceremony, which was the largest in the history of the institution, 4,306 students. We have never seen that number. And for the record I must say this: It is the largest graduating class, but it's the largest class. And that class is more than the Adirondacks, where the Adirondack Community College has a smaller number enrolled at their institution.

Today you will hear from us. I have with me -- Dr. Jeff Pedersen will speak about a bit on the EMSI Study, which talks about the economic impact in regards to every dollar you invest in this region. You'll hear from Gail Vizzini; Gail Vizzini and also I got with her Associate Dean John Bullitt, who will speak on the budget in regards to actual numbers and where we are. And I do have my other colleagues here that I will call upon as needed.

The important thing here is this: It's to thank you for what you've done in entrusting us in regards to the service to our constituents and your residents. The most important thing is this: Every dollar that you invest, and you'll hear from Dr. Pedersen later, turns out into jobs; jobs within the community, you know. And you may mention probably later about the Capital Programs, which it's long overdue. The program has been a 10-year Capital Program, 10-year program. And we are now getting into that area. And when it comes to the costs of those programs, the cost of those programs are 10-year out, which means that there's a progression, you know, which means that we are paying a little bit more now, but the important thing is this: That the employment that is happening within the Capital Program, we're keeping jobs right here on Long Island. You got families that have -- or are sending students right here to Suffolk County Community College. You talk about tax and tax incentives and taxpayer dollars, they are paying and they're buying community goods right here in Suffolk County. So it's very important for us to notice that as well. Because the monies are staying right here. And Jeff will speak to that under the EMSI Study.

The other part of it is this: Legislator D'Amaro, when we talked the last time, we talked about growing our way out of this. And I want to say this: One of the programs that we have is the

Renewable Energy STEM Center, which focuses on nano, wind, geo, solar, cyber security, energy management. It's a brand new program for this region. And that will generate new revenue on our side, which is, again, going to be in regards to students that are coming into new programs that have not existed. Nowhere in the State of New York, any community college or state university has that program. So that's going to be a way of revenue generation.

The other side of it is, it's going to be revenue generation for the economy of the County because then no one else is doing that. If you go back to 1989 when we talked about the computer system and what we've done, no one was focusing on how we fix computers when they go broke. We move from floppy disk and we move into what we have now which is, again, today it's called Cloud. Everything is stored up, you know, in the Cloud. No one has been trained on that. We have the capability to do the same thing, to train folks on those areas. And that's where we're focusing now, to revenue generation for the County, keeping folks here, getting them trained, getting them into jobs and then placing them into corporations. That's going to be key for us. And we just saw recently with cyber security, four million individuals got compromised federally on the national stage. Well, before that occurred, we were talking about cyber security right here on Long Island. We're a high tech industry. So we've been talking about that. And now we are involved in launching that program. We have developed the curriculum already. The next step will be to hire someone that has the capability to launch this program under the academic chair Pete Maritato at the College.

On the economic development and growth, last year I know Legislator Martinez, you challenged our Presiding Officer to a badminton match.

LEG. MARTINEZ:
I think I won, too.

DR. McKAY:
(Laughter) But let me just say this: We were able to recruit from the West Coast to the East Coast a badminton tournament that's national in nature. And that is bringing in revenue again to the College. That's huge for us. When you look at what we do in auxiliary enterprise from the Home and Garden Show to the Pet Expo to -- you name it, whatever we've done, on the East Coast we talked at the last time I was here that getting the Health and Wellness Center on the East End of the Island will help the wineries, you know, and the hoteliers and everyone else who will come out to help us, you know, in regards to providing a center that they can come to and for the Southampton Police Department, so they don't have to come all the way to the Grant Campus and when they got to do training, they can train right here on the East End. Those are things that we are going to have to do.

One more important thing and I'll turn to my colleagues very next, we are a very pivotal and important complement of what the County does in regards to its programming. The County has submitted to us several applications where the County has services and has program that they -- they're run at the College and they're waivers. Those are costs that has been deferred. No cost that come to the College or go back to the County, but to the College, yes, because we provide faculty, staff or service that would defer the cost to the County. And I want to make sure that when we look at our budget, we're looking at $988,000. That's where we are right now. When you look at the investments I just spoke about, you look at what we have done in regards to the County, in regards to programs the County run at the College that we defer those costs. If we were able to tabulate those costs, I will tell you in just up to this year from December, it's $240,000 right now, from December to this point. And we are not -- we are not trying to show where there's cost avoidance here, but we are showing where there's a partnership here.

And my goal here is this today with my team is to say to you that for all the students, we raised the tuition $180,000. When you look at Upstate, New York, when you look at our enrollment, and you look at what's happening Upstate New York, it's nothing in comparison to what we are doing. We advertise. We're in the community. We're in the school systems. We've done public/private partnerships. And the most -- the most significant one is the LIU partnership that we have. We also got one with Adelphi. We got a whole number of partnerships we can talk about, but I'll defer to your questions a little bit later. But my goal here is this: And I hope that you will see the significance of the importance of approving and supporting this $988,000 going forward into our budget. The number when you hear from the EMSI study from Jeff Pederson later is going to be tenfold in regards to what you will see back into this community.

So, Madam Chair, I defer at this point. And I'll have Gail Vizzini to speak, if there's no questions for me. I'll come back a little bit later, but I'll defer to Gail Vizzini to do a presentation that she has at this point.

LEG. CILMI:
Madam Chair.

CHAIRPERSON ANKER:
Legislator Cilmi.

LEG. CILMI:
If I can just -- just quickly ask a question. So I just want to make sure I'm clear. You're asking for basically an additional million dollars over and above what the County Executive has proposed; correct?

DR. McKAY:
Absolutely.

LEG. CILMI:
Okay. Thanks.

MS. VIZZINI:
My comments pertain to the College's budget process and the recommended budget released by the County Executive last Monday. The budget before you, the Community College Budget is a $212 million budget. It's $6.5 million increase over the previous adopted budget for '14/'15. If you look in the last column over here, you see the percentage changes, again, a modest 3.1% increase. That includes what's implicit in the personal services or the permanent salary area. As you can see from here, the largest portion of our Operating Budget are salaries and benefits.

LEG. D'AMARO:
Isn't there a zoom on this?

MS. VIZZINI:
Too small? There is. Okay. Just in terms of how do we begin our budget process, some of you have heard this brief presentation before, but just to recap, we begin with looking at moving forward, where are our cost efficiencies and where are our cost escalations in terms of operating in '15/'16 as opposed to operating in '14/'15. Yeah, I can't do the zoom on these, sorry. At any rate, our budget gap analysis determined that we would be -- we would have a budget gap of $9.8 million. Approximately 6.4 million of that was variation in expenditures. The increases pertain to primarily salaries related to our contractual salary agreements, which each of our bargaining units have taken zeros going back three to four years ago; faculty zero, zero; and then with two and two. Our recent faculty agreement implicit in it has some have efficiencies which I will address in a moment, but now we have some budget certainty as far as each of our bargaining units.

We garnered some savings as the County has as well in terms of retirement. Those rates are going down. And as I have pointed out to you, the College cannot amortize and does not borrow for retirement. Unfortunately savings were eroded by projected increases in health insurance. As you know, the College is part of the same benefit package that the County shares. We have -- this budget shows a full year's operation of the William J. Lindsay Life Sciences Building. We have utilities associated with that. And similar to the County, our core letter goes out to each of the departments recommending that they adhere to zero growth unless it's absolutely essential from a accreditation point of view, from an operational point of view. And those requests were in the neighborhood of over $3 million, but we paired those down to a minimum of 1.3 million.

On the revenue side, the '14/'15 Operating Budget is authorized to use $4.3 million in reserve funds to balance the budget. We've demonstrated in '13/'14, '14/'15 and again in '15/'16 that the College is willing to use its reserves in judicious fashion. The Trustees are well aware of their fiduciary responsibilities. They're also well aware that the College reports to many entities including accreditation entities, Middle States being the premier. And their guideline for reserve funds for community colleges who are unable to borrow is anywhere from 10 to 15% of their Operating Budget.

So the use of the one-shot $4.3 million indicated a revenue shortfall of 4.3 million; fortunately for us state aid and tuition came in a little bit better than budgeted as well as revenue from our Energy Efficiency Program and, therefore, bringing the revenue side of the equation down to 3.4 million. But the 3.4 revenue plus the increase in expenditures of 6.4 is how we got to our $9.8 million gap.

This information is presented to our Trustees. My office gives them options available to them to resolve the gap. The three major sources of revenue to the Community College --

LEG. D'AMARO:
Gail --

MS. VIZZINI:
Yeah.

LEG. D'AMARO:
I'm sorry. Just through the Chair, can you just backup with the conclusion on the revenue as a contributor to the 9.8.

MS. VIZZINI:
The use of $4.3 million from the fund balance would be a one-shot that would have to be replicated or a similar revenue would have to be found for '15/'16. But in our case some of the other revenue items, particularly tuition and State aid as well as revenue from our Energy Efficiency Program came in a little better than we had in the budget. So it brought down the $4.3 million to 3.4 million in revenue shortfall.

LEG. D'AMARO:
So you had 900,000 -- you had 900,000 revenue that was unanticipated in effect because those lines came in better --

MS. VIZZINI:
Better, than in the budget.

LEG. D'AMARO:
So that -- that -- in trying to replicate what you did last year, you brought what you needed from

reserve down from 4.3 to 3.4.

DR. McKAY:
Right.

MS. VIZZINI:
We brought -- yes.

LEG. D'AMARO:
So is that the amount of reserve in the proposed budget now? Okay, I'll let you continue.

MS. VIZZINI:
That's on the very next slide. So options are presented to the Board of Trustees. And as I indicated, they're well aware of their fiduciary responsibilities to develop the necessary recurring revenue and the judicious use of the reserves if needed.

We had good news from the State, not as good as we had hoped, but we did get a $100 per full-time equivalent -- state aid, as most of you know, is based on a rate per full-time equivalent. That rate went up from 2497 to 2597. It translated into an additional $2 million for the College. It was not as much as the $250 increase that was being advocated by the Community College groups and the Presidents' groups, but it was definitely in the right direction.

The Trustees, as you know, are appointed by this body as well as the Governor and we have one Student Trustee elected by their colleagues. Their threshold for increasing tuition was at the $180 amount on an annual basis. It brought our tuition up to $4,570 annually, but it translates to $3.6 million in revenue for the College.

The Trustees then directed the College to request --

LEG. D'AMARO:
Can you just repeat that last one. I apologize.

MS. VIZZINI:
The tuition?

LEG. D'AMARO:
Yeah, the one you just did.

MS. VIZZINI:
Okay. The --

LEG. D'AMARO:
I got up to the full-time equivalent -- the plus two million. What was after that?

MS. VIZZINI:
The Trustees set the tuition. They set the tuition for an annual increase of $180. We're projecting that that will translate to revenue of $3.6 million.

LEG. D'AMARO:
Thank you.

MS. VIZZINI:
Okay.

DR. McKAY:
And if I should say before, Gail, before you move forward, last year the Trustees set tuition and fee -- tuition at $250. Our colleague at Nassau set their tuition for next year at $300 increase. So, we are trying our best here to keep tuition down, but at the same time we do have the structural imbalance that we're trying to deal with at this point. So, Gail, can you continue?

MS. VIZZINI:
Thank you, Dr. McKay.
The Trustees have directed us to request $2 million from the County and use, once again, our reserves. They've authorized us to use as much as $2.3 million. So those revenue sources taken together add up to what we projected to be the budget gap.

The Trustees are also concerned about the 10 to 15% reserve fund requirement with Middle States. So I typically project out for them. If we use all of it, as we've authorized to use it, where does that leave us in terms of percent of the Operating Budget? So --

DR. McKAY:
Could you speak on the issue of liquid cash versus accounts receivable.

MS. VIZZINI:
Surely, right. So at the end of August 31st, 2014 the College had $25 million in our reserve. If this year we do use the full allocation, the 4.3 million, it'll bring the reserve down to $20.9 million, which is -- at the lower end of the guidelines, it's 10.21% of the Operating Budget.

However, if we continue to use the reserves, which the Trustees have directed us to, it'll bring that 20 -- $21 million number down by 2.3 or $18.6 million dollars. That is hovering in the 8.8% of the $212 million Operating Budget.

Dr. McKay's point in terms of the -- what's in our reserve? Based on our financial statements, about 80% of the College's reserve is -- is cash. The other 20% is accounts receivable, which primarily constitutes unpaid tuition. And we have appropriate practices in place as required by SUNY to collect from those students who have not paid us.

This is another way of looking at the expenditures in our Operating Budget. You can see from here that a third are dedicated to instruction; 12% is plant operations. Now, that is for all three campuses including the Culinary Arts in Riverhead. This is our full -- our security operation is funded out of this, our plan operations, our repair to buildings. General administration is 4.3%. We are number seven among all community colleges in terms of our rate -- our administrative rate per FTE, which is seven from the bottom, which is pretty good considering we operate four locations. And the other large component, of course, is the employee benefits piece. This shows you that taken together, permanent salaries and employee benefits comprise 87% of the Operating Budget.

So how are we doing on enrollment? We think we're doing very well. This '15/'16 Operating Budget is predicated on enrollment being flat. This is some leveling off. What this chart shows you is head count. So you have 26,908 unduplicated heads attending all three campuses plus the Culinary Arts Center and the Sayville Downtown Center. '14/'15 is a little bit less, 26,697. We are seeing an increase in part-time students and a little bit of a leveling off in full-time students, but there still are a lot of people attending the College. We continue to exercise our recruitment and our intention efforts funding it at the same levels as we have been, and then a little bit more in order to hit our different target populations. And those of who watch cable or fly at the airport, I think the College is all over the place in terms of marketing. We are endeavoring to bring people in.

The efficiencies that Dr. McKay referenced earlier, I just want to make the point that when we put this budget together with a modest 3.1% increase over the previous year, implicit in it are numerous efficiencies. First and foremost is the restrictive hiring practice. Not every vacancy is filled or funded for that matter. And when a position or function must be filled, Dr. McKay looks at various sources of data to determine whether this is a position that can be adequately filled on a less than full-time basis. We have a judicious use of our adjunct employees as well as our part-time temporary college aids, who support the College at a very efficient basis because they -- the adjuncts come from the outside world, they bring a world of experience; our college aids, what they have in common is there's no benefits associated with it. It's basically an hourly or per credit rate.

Dr. McKay mentioned the private/public partnerships that we have with LIU, Adelphi and Delhi, all of them lease space from us. So that's a source of revenue through the Operating Budget for the space that we have.

We're constantly pursuing energy efficiencies including a judicious use of our capital funding to replace aging, inefficient equipment with more efficient equipment to mitigate the growth in energy costs and luckily fuel, oil and gasoline are both at pretty low levels at this point. That helps a lot, too. But we've embarked with Synergistics, which is an energy efficiency company. And we will be sharing with them in terms of the energy efficiencies garnered from -- changing the way the College does some things. It's a behavior modification approach.

The faculty contract was, again, adopted by this Legislature. Implicit in that was a continuation of the plus two, which succinctly allows us to maximize the number of students within the -- pushing the limits of the contract to allow for more students in each of the classes. And that saves us in terms of hiring additional adjuncts or using additional facilities to meet the demands.

As Dr. McKay mentioned, we have the HSCC Center where we hold various badminton tournaments. It's being held there. The Pet Show is held there, the Home Show. These entities rent that space from us and there is a stream of revenue from that.

DR. McKAY:
At this point I'll ask Dr. Pedersen to speak about the EMSI Study that we just completed. The EMSI Study, so you know, the State University of New York normally have this study done so we can know what the economic impact is of every college within the region. However, that was not done recently. We took it upon ourselves to make sure -- because at this body, there was a question asked about what is the economic impact of XYZ. So we went ahead and got that study done. So, Dr. Pedersen, could you speak a bit about that?

DR. PEDERSEN:
Sure. Good afternoon. We contracted with Economic Modeling Specialist Incorporation, which is the corporation that the American Association of Community Colleges uses for their Economic Impact Study; the State University of New York uses for their Economic Impact Study. It's a national corporation.

They looked at the effect of monies spent by the College on operations; monies spent in salary; money spent in Capital Projects; student and faculty spending associated with the College; and the increased earning capacity for graduates. And what they found was that for every dollar spent on the College, there is a $4.30 return for that investment. And so the rate of return that they have calculated is 10.9%. This is something that's looked at throughout the College. They use the practices that are -- that are pretty standard in the industry. And the last time we were here, we left you some information. And if you want that, I have that as well, which is the return on investment to taxpayers and the fact sheet, so.

MS. VIZZINI:
A few more comments in terms of state aid and some other factors. State aid, as you know, is predicated on a rate per FTE. From this chart you can see that in 2008/09, the rate that the State was paying per FTE was 2675. Following the recession, the State's rate per FTE decreased. And we are still even at the '15/'16 rate with the increase of $100, we are below the state aid rate that we were at in 2008/2009. So that has been a challenge for the College, all community colleges in that what was support from the State is still trying to get back to where it was at the 2008/2009 level.

The County contribution: This chart shows some increase in the County contribution, but more importantly the last -- in the last six years, only two of those years did the County increase the contribution. One was at 1% and the other more recently last year, there was a 2% increase in the County contribution. Four of those years there was no increase.

DR. McKAY:
And what's important is that there is a -- this creates a structural imbalance. The further out we go into years, where the County has not contributed to us, the College, it becomes more difficult for the County then to come up with a sustainable plan for us to then be able to recover and be able to plan forward in regards to tuition and fees. And what we've seen over the years is that we've got a budget collator that says that don't ask for anything and we've adhered to that. But it comes to a point whereby it goes too far down the road where we just can't manage the College and its budget based on unknowns. And I think part of it, what we're going to have to do here, if you look at the leveling off right here, you talk about leveling off with tuition, there's a leveling off of funding. And for every year that we have not funded the College appropriately, we are pushing that down the road where it becomes more difficult for us to be able to address that as a Legislative body. And our goal here today is to just show you simply if you look at the chart, you got one, two, three, four, five, six -- almost seven bar charts going across where there's no increase and no support, you know. And then we got a 1%, then we got a 2%. But now if we do nothing, we're going back to where we were at the beginning of the leveling off of the charts. So that's a concern for the College.

MS. VIZZINI:
Yeah. And if I may, the $100 increase in the rate per FTE translated into a 4% increase in state aid for us, or the $2 million.

This shows you how the Trustees have aligned tuition with the revenue needs of the College's Operating Budget. You can see in 2011/12 the tuition was at 3990. And now for '15/'16 is projected to be 4570.

This chart shows you that over the years the students -- next to the last column, this shows you what percentage is the County's and the State's and the student's share of net revenue. And for the past -- since 2010/2011 the students have endured more than 50% of the total net revenue. Statutorily the State should be at 40%; the County should be at 26.7 since we are an equal opportunity open enrollment college; and the student should be at 33. But this -- these are the rates at which we currently are.

DR. McKAY:
And so, you know, that when you look at the numbers that are there, when it comes to student net revenue, you look at from '08/'09 45.8%. But when you go back to look at the student percentage, the students were at that time paying about $69 million. And if you look at what's happening here, where the student's side is concerned, the student proportion has continued to increase. Look at the State amount. From $47 million and it has averaged and has not moved. But a student proportion has continued to grow.

Now, look at our sponsor percentage and our sponsor amount. The sponsor amount pretty much has just been leveling off. It has not kept up in proportionate to what its obligation should have been. And the proportionate and look at the sponsor percentage from 25.5%, and look at where we are right now, 22.7%. So we're pretty much putting this on the students in regards to meeting this obligation. And while we are working with the State to get what we have to do, the State is also looking at other obligations that they have, but we are fighting and we are working really hard. But locally here the sponsor proportion, which is this body and the County Executive's Office, when you look at the number that's there from 25%, we're going the opposite way. So we're down to 22% right now. And what we are asking is to have an equitable approach to getting us to where we need to be.

This year's request of two million, 1.988, is simply a step in the right direction. And it would show our students, our faculty and our staff and others who also have contributed and giving in in regards to their contracts and to help our students to defray the cost that we are working in the right direction. But we also need to have this body and the County Exec and the Legislature to then -- also see that that number on the sponsor revenue from 25.5 is going the opposite way. And we just want to make sure that that has been brought forward to your attention.

Now, I must say -- I must say at this point, and I'll defer to you for questions, that we thank you, we know it's a difficult situation, we know it's difficult in regards to your deliberations. And at the same time we appreciate all that you've done to assist the College and to help us to move forward where we are.
Joining us today is our Student Trustee Gardy Amilcar, who just arrived. And as you know, we're down to summer sessions and finals and everything else. And I'd like to have our Student Trustee just say a few words before we take questions and answers. Gardy?

MR. AMILCAR:
Okay. Good morning, everyone. Hi. Sorry, I wasn't -- I have to speak and I have to press that?

DR. McKAY:
Yeah. And, Gardy, how it works, you got to raise that baritone voice you got.

MR. AMILCAR:
Okay, no problem. All right. Can everyone hear me? All right. I basically -- my number one -- my number one thing is since I've been in this position over the past year is to try to create as much opportunity for others as possible. A year ago, a year-and-a-half ago, I came to Suffolk. I didn't know -- I didn't know -- I didn't know what kind of possibilities lied ahead of me. And, you know, I was paying for school with unemployment checks. I was barely getting by. I look at the current -- I look at everything from both sides now, being on an administrative level and being a student.

And I also take the time to put myself in your position and to, you know, consider all of the responsibilities that you all have to deal with. And I mean at this point I'm only -- I'm only left with the option that -- of -- of, you know -- I'm sorry. It's been pretty hard to kind of navigate over the past year. And, you know, I always want to feel as if I'm doing enough, you know, on behalf of my peers. And I'm at a point now where, you know, I see the -- what the effect of tuition increases can have on anyone, especially being I just -- I just got out of this situation, you know. I mean, I'm currently an alumni but I'm still taking summer courses. You know, I may even consider, you know -- excuse me.

If -- if we can -- if we can kind of come to a common ground as far as what the County can contribute, I think as Dr. McKay said, it is a step in the right direction. I think that the students will understand that they have the support. I mean they already do. We know that, that the County has done more than enough to assist us in creating opportunity, but I'm looking at the -- the chart and the statistics. It's -- I'm sorry, did you want to say something? Oh (laughter). It's -- it's like -- it's hard to ignore the fact that, you know, the students are incurring about 50% -- more than 50% of the tuition, the tuition responsibility. And for it to continue to -- especially with the -- the freeze, possible freeze and -- I'm sorry? I'm very nervous. I'm sorry, guys.

CHAIRPERSON ANKER:
No need to be nervous. You're amongst friends.

MR. AMILCAR:
I know, but --

CHAIRPERSON ANKER:
You have to speak from your heart.

MR. AMILCAR:
Given that there's a possible freeze, if we're limited in resources moving forward and cost -- living costs continue to rise, I mean, it's going to limit opportunity for others. And that's something that I wouldn't want to see happen. So I'm here simply to just plead with you to help.

CHAIRPERSON ANKER:
Okay. All right. Are we ready for questions? Are you wrapping -- you want to wrap up the presentation?

DR. McKAY:
Final statement. I must say that Trustee Amilcar, Nassau County resident, Tom, and is attending Suffolk County, on the Board of Trustees, we went to Albany together. We left here at two AM in the morning on several buses to head up when we advocated to, you know, to get the $100, of which we knew at that point, it was either $50 or nothing, the government proposed nothing at all. But we were able to get up to Albany. And I want to commend Trustee Amilcar on the record for his advocacy and his work on behalf of the student body. So thank you.

MR. AMILCAR:
Thank you, Dr. McKay.

CHAIRPERSON ANKER:
Questions? Okay. We're going to take questions now from the Committee. Do you have any questions?

LEG. D'AMARO:
Yeah, you want to go first? You want me to go first?

CHAIRPERSON ANKER:
Legislator D'Amaro.

LEG. D'AMARO:
Sir, I want to start off by thanking you for your testimony. It's -- it is difficult sometimes to come here and advocate for different things. And I know, as the Chair Lady said, it comes from the heart so I appreciate your comments today very much. But I do want to take the opportunity to work with Gail just a little bit so when we go into our work group sessions, at least we have a good understanding of what it is that's -- what's the College request, what's the Trustees' request, the County Executive's position and, of course, the explanations.

But I just want to preface by saying that, Dr. McKay, I appreciate your opening comments because certainly, as you always do best, you highlight the terrific advantages that the College brings to Suffolk County. And I don't think anyone would disagree. We are getting a tremendous bang for our buck and return on investment. It's second to none. In fact, there's a priority, I think, for many of us. So I appreciate all the hard work. But let's dig a little bit into the nuts and bolts because we're talking about dollars and cents now. As long as we're all on the same page, that we're going to try to do the very best that we can to fund the budget.

So the bottom line is that it's a 200 and -- what'd you say $212 million budget. It's an increase of 6.5% from last year to -- or from this year to next year.

MS. VIZZINI:
It's an increase of --

LEG. D'AMARO:
6.5 million.

MS. VIZZINI:
3.1% increase.

LEG. D'AMARO:
I'm sorry, right.

MS. VIZZINI:
$6.5 million.

LEG. D'AMARO:
And I believe, Gail, most of that was due to salary increase, I think, you had stated or roughly about -- I forgot the number that you gave, but most of it was due to salary increases.

MS. VIZZINI:
It was $3.3 million in salaries, maybe not necessarily increases, but costs; two million in health insurance.

LEG. D'AMARO:
Okay. So does the proposed budget or the recommended budget -- what do we call this one, the Trustees send it in, the recommended or the proposed -- what's the right word?

MS. VIZZINI:
The County Executive's Recommended Budget. It's the College's request.

LEG. D'AMARO:
Request.

MS. VIZZINI:
Now we're at the Recommended Budget.

LEG. D'AMARO:
Correct. The request -- rather, the Recommended Budget that the County Executive proposes is less -- or the County portion that's being funded is less than what was requested by the Trustees. The Trustees requested a 5% increase in the County contribution. The County Executive recommended a two-and-a-half percent increase; the difference being one million in actual dollars of funding; is that correct?

MS. VIZZINI:
Roughly, yes.

LEG. D'AMARO:
Right. So the difference between what the Trustees have asked for and what the County Executive's Office has recommended is one million dollars in funding.

MS. VIZZINI:
Nine hundred and eighty-eight thousand but a million dollars --

LEG. D'AMARO:
Okay. Good.

LEG. D'AMARO:
So, I guess the question is from a revenue perspective, the enrollment at the College is flat; is that accurate pretty much at this point? I know it peaked a few years back, right?

DR. McKAY:
Legislator D'Amaro, let me just say that flat is good at this point.

LEG. D'AMARO:
Right.

DR. McKAY:
When you look at what's happening Upstate with enrollment and all of my sister campuses, Nassau Community College is projecting 4% down. So we are aggressively marketing; we are aggressively out in the high schools. Our Excelsior Program, we are pressing that to get more students in the high schools, where they can get credit where they are. So it is a a good thing for the College to be where it is in regards to enrollment. So I'm glad that you recognize that point.

LEG. D'AMARO:
Okay. So -- right, the enrollment is flat, but yet we have an increase in the budget due to the reasons that we talked about. Now, is the increase in the budget due to any new positions?

MS. VIZZINI:
Yes. And my recommendation, the Operating Budget includes 11 new positions. In turn we have defunded all but 11% of our vacancies.

LEG. D'AMARO:
Well, when you defund, it's not real dollars. Under new positions it's real dollars.

DR. McKAY:
It's budget neutral in essence.

LEG. D'AMARO:
It's budget neutral, I understand.

MS. VIZZINI:
Right.

LEG. D'AMARO:
Okay. But nonetheless with the new positions coming in, you intend to fund them, I would assume.

DR. McKAY:
Right.

MS. VIZZINI:
Yeah, we have -- we don't have the full salaries in there for them but we're phasing in the --

LEG. D'AMARO:
Part year.

MS. VIZZINI:
Yes. Yeah.

LEG. D'AMARO:
So what are those positions?

DR. McKAY:
I could speak. We'll find them. There was one --

LEG. D'AMARO:
I mean, you can be general. You don't have to go line by line.

DR. McKAY:
Okay. There is a nursing position out East where -- that's based on accreditation. There was one in the Health Informatics Technology Program, where there's no full-time person in that program. And we have an accrediting body coming in. That program needs to have at least 8 full-time faculty. We do have students enrolled in that. It's been directly led by part-timers. Gail, you got it? I'm sorry.

MS. VIZZINI:
There's a day and a night custodian for the New Life Science Building. Dr. McKay, you addressed the criminal science, the health information technology. There's a clerical for culinary arts. There's only one clerical person for the whole building. You addressed the nursing. There are three positions for Information Technology. We are extremely dependent on our networking and our computer infrastructure. And that has recently come under my jurisdiction. And we are woefully understaffed there. So I asked Dr. McKay if he could give this some priority. And a professional assistant. And that rounds it out.

LEG. D'AMARO:
Okay. And so with those 11 new positions, which you've explained the need, and I don't doubt that there's a need, what is the cost of the positions for the proposed budget?

MS. VIZZINI:
The salaries come to 579,117.

DR. McKAY:
And there is one grant-funded position that was included in that number.

LEG. D'AMARO:
So we have over half a million in new positions funded for a part-year. So I would assume if those positions continue, it would be substantially more for a full-year or maybe double or whatever, I don't know what the partial time period is.

Now, I want to go back to the salaries. You talked about increase in salaries, but not necessarily new positions. We just talked about the new positions. But what about the increases, how much -- what's the dollar number on the increases and how much of that is mandated by contract?

DR. McKAY:
Let me speak to the record on that.

LEG. D'AMARO:
Sure.

DR. McKAY:
I do have with me a copy of the report that was done back in 2009.

LEG. D'AMARO:
Okay.

DR. McKAY:
And that was requested by the Board of Trustees. As you know, that we are competing in this region to -- to acquire appropriate staffing levels and to have people with the correct credentials. When you look at teaching, you must have at least a master's degree minimum, a doctorate degree preferred. And then we compete with all the other agencies in this region in regards to trying to hire individuals that have the appropriate credentials in this region. Then you look at folks that are moving from one part of the country to the other. And then when they look at what's happening on Long Island in regards to cost, in regards to where they're moving to, that becomes a competitive and restrictive situation. We have done searches where they were fail searches, where we couldn't get folks to come here because of the cost of living.

The other side of it is that when we look at the -- in 2009, I was part of that review committee, we looked at comparable salaries, comparable positions. And we look at institutions across this region. And what we found is that we were woefully not in comparable to other institutions. When you look at, for example, Nassau Community College, the adjunct faculty at Nassau Community College is making much more than the adjunct faculty at Suffolk Community College. So why would anyone want to come to Suffolk Community College, you know.

So those are the kind of things we are looking at. We negotiated that in our contracts. When you look at the faculty salary, our faculty salaries were not in comparison to other institutions that we were competing against. So those are the kind of things that we had to look at back in '09.

Then the Board adopted a proposal that we gave the Board of Trustees back in '09 based upon a salary format that would try to help us to get to a position. Now, that salary format had a step system, step and cost-of-living. And that's what everybody else does, step and cost-of-living. Now, if you've been at the College for many years, you will not get step and cost-of-living regardless. So step and cost-of-living, and it goes, you know. So part of what you're looking at when it comes to salary, it was a proposal that we adopted back in 2009; but at the same time it was not a proposal that paid based upon the academic credential, even though that that was a key part of the hiring of those individuals. So what you're seeing now is folks that have been here for five or ten years that have gone step and cost-of-living.

LEG. D'AMARO:
Well, I have no doubt that you want to pay people what they're worth and you have to be competitive.

DR. McKAY:
Sure.

LEG. D'AMARO:
There's no question about that. That's how you get the right qualified professors to teach. But my question is looking at it budgetarily, we threw some numbers out about the increase from last year over this year, some of that is attributable to health insurance; some of that's attributable to salaries. My question is for the part that's attributable to increases in salary, how much of that is contractually mandated and how much is not?

MS. VIZZINI:
2.2 million for full-time and 1.1 million for part-time.

LEG. D'AMARO:
So, Gail, can you explain that? Is part of that then contract and part of it's not contract or recommended by the Trustees? How does that work?

MS. VIZZINI:
The College has four bargaining units: Faculty, guild, and AME blue and white collar and exempt employees not represented by bargaining units. All the faculty guild and AME agreements are approved by the Board of Trustees and the Legislature. So implicit in those agreements are for '15/'16 certain percentage increases with the exception of AME. College employees, we have no contract as yet with AME.

So the assumptions in the budget are based upon the percentage increases for whoever was on the payroll when we put the budget together, we assumed a percentage increase. And in most cases steps, very similar to the way the County budget is put together.

LEG. D'AMARO:
You mean based on the contracts?

MS. VIZZINI:
Yes.

LEG. D'AMARO:
Okay. But is there any portion of the salary increase that is not based on the contract? Are there employees that are not covered by one of those four contracts?

DR. McKAY:
That is in the exempt management category.

LEG. D'AMARO:
Okay.

DR. McKAY:
And what we intend to do, Legislator D'Amaro, is that we tend to mirror the contracts of our other bargaining units. While it is not required for us to do that, for example, as President, I have given back any increases that I received from the Board. And my exempts have done the same. So we've done zero, zero, two, two. We've done the same thing. So while they are not under contract, they tend to mirror, most often, the faculty bargaining unit.

LEG. D'AMARO:
Okay. I appreciate that. But is there a dollar number ascribed to that increase? Or corresponding to that increase?

MS. VIZZINI:
There's about 23 exempts, but we don't -- we don't have the backup data with us.

LEG. D'AMARO:
I do. And I want to give you an opportunity to tell me if it's accurate or not. Just to give you an example, I see that from 2013 to '14 as compared to '14 to '15, for example, the Associate Vice President for Academic Affairs received a 17.05 percent increase. Is that accurate?

DR. McKAY:
The Associate Vice President at that time served in multiple capacities. Associate Vice President at that time we did not have a Vice President of Academic Affairs. And then at the same time we did not have a dean of the campus; on the East End campus.

LEG. D'AMARO:
Okay.

DR. McKAY:
So what we did was to, you know, put a stipend in place. Now, I have to tell you, if you were to look at a full-time salary for a dean, a full-time salary for a vice president, full-time salary for associate vice president, it would trump that number that you just shared, Legislator D'Amaro. So what we did was, and we tried to find a way while we were doing the search to compensate this Associate Vice President to do three jobs all in one.

LEG. D'AMARO:
Okay. I appreciate that explanation. Just another example or two, I have an Executive Director that went up 13 -- almost 13.1% in that same time period. I have about four or five salaries that went up between 10 and 18%. And I have most of the others going up roughly 9 to 9-and-a-half percent.

DR. McKAY:
Okay.

LEG. D'AMARO:
In one year.

DR. McKAY:
I could -- I could speak to each one if you can tell me what the titles were and I could speak --

LEG. D'AMARO:
Okay. Well, for example -- I'll give you another one. And I appreciate the explanation because I am not making a conclusion here, but I want to at least know if the information I have is accurate and then we can go from there.

DR. McKAY:
Sure.

LEG. D'AMARO:
The College General Counsel received an 18 -- almost an 18-and-a-half percent increase in that one year.

DR. McKAY:
Right. The College General Counsel, as you know, when we hired at that point in time, we had an Executive Vice President. We don't have an Executive Vice President. When you look at the duties

and responsibilities that were shifted, it was shifted from the Executive Vice President to General Counsel. In the past that position was Executive Vice President/General Counsel. So he has taken on much more responsibility there. And we don't have an Executive Vice President. That position was $211,000.

LEG. D'AMARO:
So the increase saved us money.

DR. McKAY:
Oh, absolutely.

LEG. D'AMARO:
Okay, that's what I need to know.

DR. McKAY:
What we did in-house was to find someone who had General Municipal Law background and to be able to understand Executive Vice President's responsibility. And that individual will fill in for me when I'm out, you know, in the field doing other responsibilities. So, yeah, it does save us a lot of money right there.

LEG. D'AMARO:
And I guess the same is true for the Deputy General Counsel's nine and a quarter percent increase.

DR. McKAY:
Absolutely. It's the same thing. As you move the responsibilities along, you gotta backfill. And instead of backfilling, we just shifted some of the responsibilities.

LEG. D'AMARO:
Okay. Okay. All right. And so you're -- what you're representing, then, generally speaking, then, is the increases in the exempts that I'm looking at. Although on paper they're going up and they're going up significantly, you know, 10%, 18%, 17%, nine-and-a-half percent, this is part of a decision to eliminate other positions and shift responsibility. And along with the shift comes a slight -- you know, an increase of whatever percentage, but not necessarily the full salary. You're saving the full salary.

DR. McKAY:
Well, absolutely. I mean -- and then also within the exempt category, we have something where if we have an individual that falls within this category, that we'll -- let's say, for example, relocate from another state, you got to pay moving and reallocation costs, you got all those things. When you have someone that's really in place right now that understands the system, that understands the region, and then, you know, we are able to not fill a position full-time --

LEG. D'AMARO:
I understand.

DR. McKAY:
We are able to defer and not be able to --

LEG. D'AMARO:
Let me ask you one more thing. Of the 23 exempts that you had last year, or that's proposed this year -- Gail, which one was that, the 23?

DR. McKAY:
It is actually less than what we've had. We were --

LEG. D'AMARO:
No, I just wanted to -- just to get back to my point, the 2013/'14 as opposed to '14/'15, how did the exempt number of positions funded, you know, real bodies change? Was it decreased, was it increased?

DR. McKAY:
It went down from 27 to 23.

LEG. D'AMARO:
Okay. And going into now what we're talking about for next year, you know, the next fiscal year, is that number remaining the same or is it going down?

DR. McKAY:
It's going to remain the same. I have reclassified some of the positions into exempt categories so then we have more flexibility for evaluation. There's one or two positions that are reclassified. There are a couple in the foundation. And I have to tell you that what we've seen is that we have maintained a level of exempts and management positions and is flat. But what we've done was to sort of like cascade the vacant positions instead of filling them into existing positions.

LEG. D'AMARO:
Well, okay, that's fair enough. I appreciate that. You know, you do see these large increases in some of these exempt positions. And they're substantial. And it's at a time when, you know, we're trying to squeeze another million dollars somewhere and it just kind of catches your eye. You know, if we were talking about $50 million, it's -- you're not going to make a dent. But when you're talking about 17 and 18% increases in exempt salaries from one year to the next, based upon the base salaries, it adds up. It's a significant number.

DR. McKAY:
Right. But I think, Legislator D'Amaro, I think that the point should be also known that not having the 17 or so percent, and we hire bodies that you come in, you look at health and the insurances and that you look at the salaries and all of that on top of what we have right now, it trumps what you're seeing right now before you.

LEG. D'AMARO:
Okay, I don't -- I appreciate that. And the only thing I would say is we would have to do some kind of analysis to confirm that.

DR. McKAY:
Sure.

LEG. D'AMARO:
And I haven't seen that analysis, so. Let me just move on because I know I'm taking up a lot of time here. All right. So we had these increases. We had the 579,000 for new positions, 11 now positions in the budget. And I think there's also an increase of nearly a million for supplies, Gail; is that accurate?

MS. VIZZINI:
Seven hundred and forty-nine thousand, right. Instructional supplies primarily is in this category.

LEG. D'AMARO:
Okay. Why would that go up from one year to the next?

MS. VIZZINI:
Well, we do have a new building.

LEG. D'AMARO:
Okay.

MS. VIZZINI:
We do have -- you know, this is where we replenish a lot of our salt and sand and product. In small cases some of the costs have gone up, but that's -- that's what's in this category.

DR. McKAY:
And, Legislator D'Amaro, over the last two years we were very stringent in regards to deploying expenditures in that area. And we can only defer and push it back so far. And it impacts all departments; it impacts the academic areas; it impacts the campuses. And what we have to do -- at some point, we're going to have to address this issue. There's only so far you can push this down the road. So part of it is, again -- you know, most of what you here, and Gail will come back in a minute on -- there's a $250,000 item that's in there. So, Gail could you --

LEG. D'AMARO:
Of the 980 or the seven and change?

MS. VIZZINI:
Instructional software. It's the -- you know, the computer learning environment. It's the new software so that our students are current in terms of the versions of the different software that they're using and learning from.

LEG. D'AMARO:
Okay. All right. My last point I have information that -- and I know that when you put together the budget and the Trustees look at it, you have to weigh the use of a reserve fund against how it'll be viewed by accreditation agencies or whomever you feel would be looking at that and what analysis it would impact. But is it accurate to say that despite -- what was the reserve contribution for the current year; 4.3 was it?

MS. VIZZINI:
Correct.

LEG. D'AMARO:
All right. Is it accurate to say that despite that use of 4.3 in the reserve fund for this year, that the reserve fund actually went up?

DR. McKAY:
The reserve fund, so you know -- the difficulty I have as President is to manage a budget throughout the year, to make sure I come up with a balanced budget. Part of it you include turnover savings; part of it you include restrictive spending; part of it you look at your hiring.

LEG. D'AMARO:
We do the same thing on this side. (Laughter)

DR. McKAY:
You look at all those things.

LEG. D'AMARO:
I can totally relate.

DR. McKAY:
And on the one side, you know, you want to come in on budget. On the other side, you do too much of a good job and you come in really, really well on budget. The difficulty we have is this: As we face the difficulty of maintaining the mission and vision of the College, you got Middle States, you got ACEN for the nursing, you got all these different accrediting bodies. And then we have not filled positions as we should have done over time. What we find ourselves in is that there are times we may come in a little bit over budget, which is good, on the good side. Not, you know, spending over but we try to make sure we stay within budget. The harder spot is this: That when you close out the budget year and the budget cycle, you gotta come in August 31st September 1 at budget. So we're constantly looking at the numbers as we approach that date. The harder spot is we don't know. The campuses are continually spending. The departments are running; the classes are running. A and B Biology one and two, Chemistry, they're buying and they're procuring goods. And it's difficult to know where they may end up, you know. So part of it for us is that we're going to try to be on the conservative side, but then we may come in a little bit better sometimes. Now I must say this: Going forward, that's going to be extremely difficult. Because then it's almost as though we don't know where we will come in at the end of the year. So for me as President, I'm always trying to come in on the conservative side, trying to save -- I want to make sure that I don't overspend my budget.

LEG. D'AMARO:
But I want to understand that the contribution proposed this year requested was 2.3; right, Gail?

MS. VIZZINI:
Yes.

LEG. D'AMARO:
Last year it was 4.3.

MS. VIZZINI:
Correct.

LEG. D'AMARO:
And the State gave you two million more going into this year, so I can see where you might reduce the use of the reserve by that two million. I don't know if that's a wash or if that's what the thinking was, maybe not. But my point is this: That the Trustees reduced the use of the reserve fund by $2 million. The reserve fund did not go down, but you're asking the County to contribute more; is that accurate?

MS. VIZZINI:
No. If you look -- I don't know what you have in front of you, but if you look at page 9 or even page 10 of the Recommended Budget --

LEG. D'AMARO:
This here? (Indicating)

MS. VIZZINI:
Yeah. Let's go to page 9. You see that in the '13/'14 actual column, the balance held in reserve is 25.3 million, very last line on that page.

LEG. D'AMARO:
Yes, I see that.

MS. VIZZINI:
And then for '14/'15, the estimated column, the adopted has a $19.4 million number. But let's go to the '14/'15 estimated. The reserve is down to 20.5 million. And then if we -- if we use that full 2.3 million, that brings you over to -- well, what they've done here is they've assumed that we'll makeup up the one million by using more reserve. But if you go to the College request, the reserve is down from twenty-five three to 20.6. You said something about the reserve going up. What year were you talking about?

LEG. D'AMARO:
College request is predicated on the County contribution of the 5%, right?

DR. McKAY:
You're looking at baseline; maintaining baseline, yes.

LEG. D'AMARO:
U-huh. I don't want to cloud it too much. I just want to -- I appreciate that. So what you're representing is that the -- the reserve fund use went down by two million from what's in place to what's requested now -- or what's -- yeah, what's requested. It went from 4.3 to 2.3, right?

DR. McKAY:
Right.

LEG. D'AMARO:
So you're using less of your reserve fund, right? But that your reserve fund has -- after you used 4.3 last year, your reserve fund did not go up, or it stayed flat or did it --

MS. VIZZINI:
It went down.

LEG. D'AMARO:
All right. By how much?

MS. VIZZINI:
Well, let's use the budget. It went from twenty-five three to 20.6.

LEG. D'AMARO:
So today's it's 20.6.

DR. McKAY:
Prior to -- prior to this budget approval, and then also --

LEG. D'AMARO:
No, no. Is that accurate, though? Is it prior to this budget --

MS. VIZZINI:
When we finished the '14/'15 fiscal year --

LEG. D'AMARO:
Right, the current year.

MS. VIZZINI:
-- we'll know whether we used the full 4.3.

DR. McKAY:
Right.

LEG. D'AMARO:
Okay. Okay. All right. My last question: The one million, what does -- let's say the County enacts, you know, two-and-a-half percent and not 5% as requested, and by no means are we there yet, I just want to get the facts straight, what would that mean in terms of additional tuition? Because you're not going back to the State. The County set its number. What does that extrapolate -- the students right now, if we enact what you've requested, would be $180 increase per full-time student; is that correct?

DR. McKAY:
Yes.

LEG. D'AMARO:
What would be the difference with that million?

MS. VIZZINI:
Fifty dollars.

LEG. D'AMARO:
Fifty dollars per full-time student.

MS. VIZZINI:
Correct.

LEG. D'AMARO:
For next year.

MS. VIZZINI:
Right. It would bring the total tuition increase to 230 annually.

LEG. D'AMARO:
All right. And the County -- you know, Dr. McKay, just -- the balance for us, just like you have, is, you know, we have to balance, you know delivering the educational, you know, meeting the mission with, of course, what's fiscally prudent and it's not do we want to, it's but can we afford, you know, what can we afford to do. So I completely relate to that. So we're talking about a $50 increase if the County stayed with what the County Executive recommended of 2.5% or one million dollar increase.

DR. McKAY:
Sure.

LEG. D'AMARO:
Okay. I thank all of you for answering my questions. Very informative. Madam Chair, thank you.

CHAIRPERSON ANKER:
You're welcome. Legislator Martinez.

LEG. MARTINEZ:
Thank you and welcome all. Always good to see you here. Pretty much Legislator D'Amaro hit almost everything that I also had in mind and how things were going through my head. Now I know new positions have been established, but is there any way in terms of getting from you maybe the duties and responsibility of each new staff member and what their duties entail? And do you have a job description of each new hire? Is that something that you can give us?

DR. McKAY:
The duties and responsibilities of those positions remain within the portfolio and oversight of the Board of Trustees and the State University of New York. Those positions, there are some that are within the Civil Service Unit. And there are some within the bargaining unit in regards to the faculty association. And those have already been established. So those are not descriptions that can be modified or changed outside of the areas by which the oversight is included, but those are public documents. So, yes, sure, you can see those.

LEG. MARTINEZ:
Can you provide that for us?

DR. McKAY:
Okay.

LEG. MARTINEZ:
Okay. Also in terms of the admin cost, and our student Trustee said it best, in that the County and the College has to work together to come to an amicable agreement. And I appreciate that, because what we want is to make sure that the students have everything that they need and it is affordable and we keep it affordable. And you said it right, we'd like to work together to come to an agreement where we're all going to be very happy at the end. So my question to you is, is it a possibility and are you willing to go back at your admin costs and see if there's a probability of cutting or trimming some down?

MS. VIZZINI:
We would have to bring it to the Trustees in terms of -- really, the way this works is once we have a sense in terms of the level of support from our sponsor, it's up to the Trustees whether any shortfall translates into -- and what action it translates it.

DR. McKAY:
You were speaking about administrative cost to the institution?

LEG. MARTINEZ:
Well, salaries, excuse me; in terms of administrative salaries.

DR. McKAY:
So you know that we -- of the 30 community colleges, of the 30, with 1 being high and 30 being low, we are like 34th, 35th in regards to administrative cost to the institution and in our budget. Okay. So we are nowhere close to being at the top level of cost of administration in regards to the budget.

LEG. MARTINEZ:
I'm writing.

DR. McKAY:
I'm sorry, I was corrected. I defer -- I was told seven lowest with one being the highest and 30 being the lowest, we are the seventh. So we are the seventh lowest in the entire State of New

York.

LEG. MARTINEZ:
So I guess my answer is no, you're not willing to look at the cost and salaries to trim down a possibility?

DR. McKAY:
No. When I spoke to Legislator D'Amaro earlier, when we talked about -- when he mentioned the percentage increase in salary, you look at also the number of positions that are not filled. And the number of positions that would have been filled along with healthcare and everything else, and that number would have increased. So at this point in time while -- I'm not saying we're going to abolish those positions, but you have to compensate folks that are going to be taking on added duties and added responsibilities. Now, still while we were fifth, now we are seventh lowest, we're still not where other institutions are. So we will continue to evaluate that. Over time that will change, yes, because we're going to fill positions.

I have a new Vice President of Academic Affairs coming in, which has some local roots and was a part of the SUNY system, coming back from the West Coast, you know, to the East Coast here. We just hired a new Executive Dean. Now, the former Executive Dean was a retiree that came back in the system that has now gone back on retirement and we're going to have that person coming in. So what you're going to see is that you're going to see those positions getting filled, but we're not going to fill several positions still within the system. And we're going to continue to evaluate. Because we're going to try to find a way to do more with less. And we understand the County's position. We understand the legislative position, but we also need your help here because then -- and I said before, we can't cut our way out of this. We got to grow our way out this. And growing our way out of this is by bringing in new programs, the cyber security, energy management, you know, all those things that we are doing to get more students into those programs and getting them into jobs so they can stay here, pay taxes and then get, you know, a residency here.

LEG. MARTINEZ:
Okay. And I appreciate that, Dr. McKay, and I know that you will evaluate and, you know, we will -- we will find common ground that we're all content with. You know, when I said in terms of responsibility, look, I'm an educator. I know -- I know what it takes to find an effective teacher, to make sure that our kids move forward. I get it that's the educator's perspective. But we also have to look at the budgetary perspective as well. And, you know, in terms of all the Capital Projects that are in hand and are about to go forth, you know, we do have to work. And how many -- just one last question. How many new positions were created last year, if any?

DR. McKAY:
There were no new positions created last year, none at all.

LEG. MARTINEZ:
And this year you have 11 or 10? Ten?

DR. McKAY:
And these are all mission-based and these are all based on what we know. We have all the accrediting bodies coming in this year. We have programs that had no full-timers in them. For example, the Health Information Technology Program, no full-time faculty. You got an accrediting body come in, and they know, you gotta have a full-timer in there to be either a coordinator or to oversee the program. There was nobody full-time there. They were adjuncts. So, for example, the Culinary Arts Center, we had one secretary there. And if she gets ill, there's nobody there to run, you know, to operate the location. That doesn't work because that's an auxiliary enterprise bringing in revenue.

So what we are trying to do here -- the William J. Lindsay Life Sciences Building, that building came up and it required more workers. And we were able to sort of merge and do some part-time, full-time synergy situation to help that out. So could we have expended more? Yeah, but we didn't. So what we're asking is just the bare bones in regards to keeping the operation running.

MS. VIZZINI:
To give you some perspective, other than a grant-funded position which comes to you in the form of a resolution, based on our collective recollection, the College hasn't created new positions in more than five years. We're also holding the equivalent of about $5.4 million in vacant positions. We're not funding those.

The presentation was more to be transparent, that this is where the needs are. The College -- the direction the College is going is to fund these positions rather than the other vacancies and rather than take an existing vacancy and turn it into something far removed from what it is, take a clerk typist and make it an Information Technology Professor, it distorts the bargaining units, it distorts the position control. So, again, it was my -- at my recommendation that we make this transparent representation.

LEG. MARTINEZ:
And trust me, we appreciate transparency. That's something that we do. Now what's the average on the new positions established, the estimated annual salary for the -- for, let's say, a plant maintenance and operations, a custodian. What would be considered the average salary for a person in that position?

MS. VIZZINI:
Well, it's $579,000 worth of salaries divided by ten positions. So roughly, you know, on average these -- the custodians --

DR. McKAY:
Roughly around 26, $27,000 a year.

MS. VIZZINI:
Right. And that's based on -- that's AME so it's based on the AME salary schedule for the College, which is 2012 rates.

LEG. MARTINEZ:
Okay. That's pretty much all the questions I had. Thank you.

CHAIRPERSON ANKER:
Legislator Cilmi.

LEG. CILMI:
Thanks, Madam Chair. Hi guys. Couple of questions for you. First of all, at a very basic level, we're at -- what was it 22 point whatever percent of the share of revenue? And statutorily, Gail, we're expected --

MS. VIZZINI:
Twenty-six point seven.

LEG. CILMI:
Twenty-six point seven. What would the --

MS. VIZZINI:
Seven million dollars.

LEG. CILMI:
Seven million dollars is what it would cost to bring it up to that level. What would be the cost associated with the State bringing their contribution up to the appropriate level?

MS. VIZZINI:
Twenty-seven million.

LEG. CILMI:
How many enrollees do you have in your health plan for the whole College?

DR. McKAY:
All the health information and -- the health --

LEG. CILMI:
No, no, no. In other words, your health benefit; your health benefit; employees enrolled in your health benefit plan. I'm sorry.

DR. McKAY:
We'll get you the number but it's within -- it's within the board report we give out every month, but I believe with both retirees and active, it's around 2711.

LEG. CILMI:
Okay. And, Gail, you mentioned that of the cost -- of the total cost of operating the college, a significant portion of that is personal services which includes payroll and health benefits; correct?

MS. VIZZINI:
(Nodding in the affirmative)

LEG. CILMI:
What exactly, if you have it handy, is the health benefit portion of that? Not in terms of percentages, but in terms of dollars?

MS. VIZZINI:
The employee benefits portion is 27%. However, that includes retirement and benefit fund. We pay the County $30.5 million. We pay EMHP $30.5 million for healthcare. That's our healthcare premium.

LEG. CILMI:
Okay.

MS. VIZZINI:
Each -- you know, each board meeting, the board approves at least $2.3 million in sponsor service payment toward the EMHP Program.

LEG. CILMI:
Okay. So the reductions that the County was supposed to see in health insurance costs associated with prescription drug coverage, have we -- has the College seen any of that yet? Or the result of any of that yet?

MS. VIZZINI:
Not to my knowledge, but I understand that the actuaries are -- will be, you know, analyzing that. But that's as much as I know.

LEG. CILMI:
Do you know -- do you know whether or not, and maybe this is not a question for you certainly but you have quite a bit of experience with, you know, in the County as a whole as opposed to just the College, but have we been impacted -- has the County been impacted and, therefore, the College been impact at all by the Affordable Care Act in terms of cost? Maybe that's a question for current Budget Review as opposed to previous Budget Review. (Laughter)

MS. VIZZINI:
I would defer to my colleagues in terms of, you know, assessing that. And, you know, I don't know how many years of data we would need to really give you an answer.

LEG. CILMI:
A-huh.

MR. PERNICE:
Yeah, I don't know that we could attribute -- you know, we see increases every year, but I don't know that we could attribute a certain percentage of it to that.

LEG. CILMI:
Okay. One of the things I noticed here and you had said, Dr. McKay, that you're investing quite a bit of resources on advertising; or Gail mentioned it, one of you mentioned that. And I'm looking in the budget. I don't know whether or not I'm looking at the right budget line, but it's on page 47 of the budget that I'm looking. And there's a line item for advertising which says requested 2015/16 $756,000, almost $757,000. Am I looking in the right place?

MS. VIZZINI:
Yeah.

LEG. CILMI:
Okay. Is that necessary?

MS. VIZZINI:
We believe so, yes. A very small part of that is the advertising that we have to do for our public hearings and for our bids and things like that, but the larger portion of that is for our --

LEG. CILMI:
Marketing for the College --

MS. VIZZINI:
Yes.

LEG. CILMI:
-- to perspective students.

MS. VIZZINI:
And retention.

DR. McKAY:
Well, not only that. I think regionally we have to have a market presence. The privates are

currently on the enrolled. And they're in the same market that we are in to attract students to come to us. And what we are seeing now are the privates working closely now coming to us because more of the students are coming to us because of the branding, the messaging, the stories that we've been telling. And what we have done with our faculty in the discipline -- if you notice there's a tee shirt advertisement. Now, we went onto the faculty to say *I went to this institution but now I'm here at Suffolk. I went to Suffolk and now I'm here.* And what we are seeing is that that's resonating with the students as well. And now that's resonating. So we've won a number of awards for that.

I think part of the messaging for the institution is that we can no longer wait until someone comes to the door and say we want to come to Suffolk Community College. We gotta go out and tell the students why they should come to us. And that's happening. And I think statewide we've been recognized for that. We just graduated 4,306 students. I mentioned it in the beginning of my presentation. That's a large number, larger than Adirondack Community College and others that are Upstate much larger.

LEG. CILMI:
Right. But I'm wondering how much of that is relative to advertising and how much of it is relative to economics, relative to the different investments that the County has made in college infrastructure, relative to, you know, the nature of students' indecision when it comes to what their majors are going to be and whether or not they're going to invest, you know, $20,000 or $30,000 or $50,000 a year when they don't know what they want to do with themselves when they graduate; as opposed to investing four or $5,000 a year to, you know, get the foundation of their prerequisite courses before they transfer to another college.

DR. McKAY:
Part of it is this: It's not just $4,000. What the student's going to have to realize it's the value of the education experience they're going to get. That's the messaging. That's the branding. That's different from just $4,000. So what we're doing now is if you remember, in the past, you know, they were talking about 13 grade and everything else, and I don't want to use that word, but the thing about it for us is this: What's unique about Suffolk and why should you come to Suffolk County Community College? We're going to have to tell that story and tell it over and over again.

You go to the Islip Airport, MacArthur Airport. You see the ad that says "Soar." And you go to the malls and you see things that are out there. Those things are generating interest and they're bringing folks to us to say, *ha,* and parents are very important. *Maybe you might want to go to Suffolk.*

Now, the Stay On Long Island scholarship, where we got students that are coming in that are now going to move on to get their final two years at no cost. You look at the partnership with Long Island University. We have one application, two institutions. And then they're going to get scholarships to then seamlessly migrate across to LIU. Adelphi wants the same thing. Long Island -- St. Joseph's want the same thing. Stony Brook wants the same thing. So I think part of it in branding and messaging is for us to really say it: We are a player in this game.

LEG. CILMI:
Do you know off the top of your head, and forgive me if I'm getting too much in the weeds, but do you know off the top of your head how much your advertising budget goes to creative and how much of your advertising budget goes to actual media, whether it be a sign at an airport or a television ad or a radio commercial?

DR. McKAY:
We have it. We don't have it right now.

LEG. CILMI:
Okay.

DR. McKAY:
But I'll provide that to you. We do. Because we do both radio, ad, print and everything else so we do have that. I'll provide it to you.

LEG. CILMI:
Right. Okay. And the last question, and this maybe the trickiest to answer, is you indicated that with the addition of the Lindsay Building, that carried with it some additional operating expenses. And I think that's, you know, we have to be -- we all, the College and the County Legislature, the County Executive, all of us have to be cognizant of the fact that when you're making these investments in infrastructure, especially in terms of buildings, that there are carrying costs associated with those investments. Whether that means additional employees with additional health benefits, whether that means additional heat, light and power, equipment, etcetera, etcetera all on down the line.

So I make that statement as a preface to the question, you know, in next year's Capital Budget and in the following year's Capital Program, there are a number of projects that relate to new buildings for the school or improved buildings for the school, at least. So the question is have you anticipated additional operating costs associated with those new buildings? And what should we anticipate in terms of your future budget requests associated with those improvements? And what, if any, can you identify specifically in next year's budget that's allocatable to those additional costs?

DR. McKAY:
Legislator Cilmi, let me just say this, that -- you know, your point is prefaced by us saying that when we look at a brand new building, what we do we move positions around the College. Gail mentioned earlier that we very rarely create new positions. We have not created any before this current year. What we do we repurpose positions. So instead of asking for a new position and try to find ways to get funding within the budget, what we try to do is to move folks around and how can we do more with less? You know, and that's what we've been doing quite a bit over the past several years.

And I believe for the new building, for example, the Lindsay Building, we will do the absolute best that we can to repurpose positions and move folks around. The only time we're going to create a position is when we have no other way in regards to not fulfilling a position.

LEG. CILMI:
So would you say, then, Dr. McKay, that the additional costs associated with some of the anticipated -- or some of the recent additions to your inventory of buildings and some of the anticipated additions to your inventory of buildings, would you say that the additional cost is -- from an operating point of view is somewhat insignificant because of your ability to manage your payroll specifically and --

DR. McKAY:
Well, the thing, again, you know, we're repurposing all the time. It may come to a point where we're going to have to say, okay, we can't repurpose any more, because then we're moving people around all over the campuses. And right now when it comes to where we are, we're doing good but for the 11 that we've put into the budget. But, yes, that's what we do. And you're correct.

I think what we have to continue to do is to find ways to continue to repurpose. And then at the same time meet the mission and vision of the institution in essence. And we give you a budget and we request positions in that budget that we're absolutely certain that there was no way that we could have then performed that purpose, that the positions is required. And I could tell you this: That from where we are, but for those 11, we are good.

LEG. CILMI:
Okay. Thank you.

CHAIRPERSON ANKER:
Legislator Martinez.

LEG. MARTINEZ:
I'm actually going to defer to Legislator D'Amaro. We had a couple of conversations going so I'll let him lead this one.

LEG. D'AMARO:
Thank you. But, Legislator Martinez, I'd be happy to defer to you.

LEG. MARTINEZ:
We can go back and forth.

LEG. D'AMARO:
I just want to clarify one more point before -- because, you know, we have a budget working group coming up and we want to bring the right information in. So, Gail, to go back to that page 9 of the Recommended Budget from the County Executive's Office, I see that the College requested -- we're talking about the reserve fund -- the College had requested 20.6 or almost 20.7 million as the reserve and the County recommended 19. Right? Am I reading that right for the '15/'16 fiscal year or school year?

MS. VIZZINI:
Just to balance the numbers, the County Executive's Office assumed that we would make up the difference by using reserves, but it's just --

LEG. D'AMARO:
Oh, so that's minus the extra million, the nineteen?

MS. VIZZINI:
Yes.

LEG. D'AMARO:
All right, so -- okay, so that would pretty much balance out then; if the one million was not included, they'd both be at 20.

MS. VIZZINI:
Yeah.

LEG. D'AMARO:
So here's my -- this is what's prompting my questioning. If you go to page three of the narrative at the front of the book, it says -- there's a chart there and there's some explanation with respect to the figures on the chart. But the heading above it says that the College reserve fund is estimated to increase to 23 million as of 8/31/15 despite budgeting the use of 4.6 million last year. So although that would not -- you're right, that would not be an increase, it would still nonetheless be $3 million more than what's being projected.

DR. McKAY:
The budget document you're looking at is a static document. We have not ended the fiscal --

LEG. D'AMARO:
Right, I agree. But what the County Executive is saying, projecting is 2.3 million; isn't it a fact that the reserve fund always -- actual always comes in higher than what has been projected or adopted or estimated?

DR. McKAY:
We don't know that yet.

LEG. D'AMARO:
I understand.

DR. McKAY:
No, we don't know that yet. Because, again, we're not even at the end of the fiscal period. And the closeout normally runs beyond August 31st.

LEG. D'AMARO:
Right.

DR. McKAY:
Now, as I mentioned before in my testimony is that maybe at times I try to be too fiscally conservative as President, but what we try to do is to make sure we don't come in where the budget is not balanced. And that is a statement that's static based on the moment in time when it was created, but we don't know that just yet, but we are trending --

LEG. D'AMARO:
-- but you're striving to do that.

DR. McKAY:
We are.

LEG. D'AMARO:
Of course, right, because we always want to come in spending less than, you know -- you know, it's kind of like you're hoisting on your own success in a way. I mean, if that -- the County Executive's narrative is saying that reserve fund's going to be at 23 million on September 1. That's what the narrative says. And so I would assume that you've made a similar projection. And is that what the -- you know, is that your requested number; is that where you believe it will land? Because I think historically wherever the College is landing as far as recommended -- not recommended, as far as requested, estimated and adopted, historically you've come in less than what the actual turned out to be, which is not a bad thing.

DR. McKAY:
And it's not.

LEG. D'AMARO:
Right.

DR. McKAY:
And I must say I commend my colleagues. And I commend the Legislative body for acknowledging the work that we are doing at the College in trying to make sure that we remain fiscally prudent in all that we do. The harder spot is you're at the smalls of the good work that you do, which is, in

essence, we are trying to -- and as Legislator D'Amaro said that it's not a bad thing. Well, it's a good thing that we are very conservative in regards to expending the funds and resources --

LEG. D'AMARO:
Right. But my point is that when we're talking about this extra million dollars, do we put it over to students; do we put it over to County taxpayers; do we put it -- if the reserve fund is going to come in a million higher than what we anticipate anyway, there's your million.

DR. McKAY:
No, no, no. It's a one-shot.

LEG. D'AMARO:
I understand that. That's a different issue. I -- the BRO report, Dr. McKay, supports you a hundred percent.

DR. McKAY:
Sure.

LEG. D'AMARO:
Because, you know, what it says in here is that -- you know, the reliance on the one-shots, as Gail schooled me for 9 years or 8 years that she was here, creates structural imbalance and I understand that. We don't want to rely on one-shots.

DR. McKAY:
Sure.

LEG. D'AMARO:
But nevertheless we have to balance all of the considerations here. And it's -- if historically that reserve fund is coming in more than what it was estimated to be, the actual is coming in higher, that could get us through another year.

Now, in deference to your position, the BRO report also says that you would be below the Middle States recommendation; however -- however, I don't know which number BRO is using. Are they using 19, 20, 23? I don't know what number they're talking about.

DR. McKAY:
If I can speak on that for minute, when you look at the numbers that are projected, we're in the middle of the academic year. There are vacancies and turnovers that are happening in the middle.

LEG. D'AMARO:
Right.

DR. McKAY:
Those numbers that we reflect, reflect positions that were vacant at a moment in time that will be filled in regards to faculty teaching in the fall.

LEG. D'AMARO:
Okay.

DR. McKAY:
So there are some cost savings that are happening in the middle of that process.

LEG. D'AMARO:
Right.

DR. McKAY:
Again, my goal in being really strict and fiscally prudent is to look at where can we find some savings in this budget? So then we don't having to go forward and then look to a deficit in the past. And then at the same time, three years in a row we've used reserves. And those are one-shots. And we haven't recovered from those one-shots yet. So if we go forward and look at tuition and fees and we say we are flat, you will never recover from that. If you look at what's happening with the County in its funding in regards to support, and the State in regards to support, if no one gives an increase, you're back to students again. And that number for both the County and the State is going to go down the other side.

So I hear what you're saying, Legislator D'Amaro --

LEG. D'AMARO:
Right.

DR. McKAY:
But, again, remember now, we -- what we are trying to do is we are seeing the reality that we're dealing with here in the County and the State. And we are trying to simply balance the budget. When it comes to '07,'08,'09 with Middle States they've told us literally -- at that we had $4 million in the budget --

LEG. D'AMARO:
Okay.

DR. McKAY:
-- in regards to reserves. And they said it's nowhere comfortable to your size of the institution. And now last year they cited us in a positive way to say that *you have made significant strides to get to where you are.* So we don't want to make that not a point of reckoning where we say that we've made significant strides, but at the same time look at that as though you're doing pretty well on that side at all. Because then that's how the accrediting body had looked at that.

LEG. D'AMARO:
Okay. I understand that. And not to belabor the point, but, again, there's three sets of numbers here. There's our Budget Office; there's the College; and there's the County Executive. And I just don't understand -- you know, again, if we were talking about $20 million, it would be a long discussion. But over the one million where historically the reserve fund comes in higher, actual, as opposed to what was recommended, requested, adopted, suggested, it just seems to me that it may be more prudent to look to that at this point than going to taxpayers or to students. That's my point. If you can just respond to that, it would be helpful.

MR. PERNICE:
Do you want me to explain how BRO did the calculation?

LEG. D'AMARO:
If you can do it clearly, yes.

MR. PERNICE:
Yeah, I will try. It is confusing. And the charts were attempting to do it clearly. That didn't exactly happen. So what you're looking at on page five where it says -- it has the reserve fund -- page five, I'm sorry, of the BRO memo --

LEG. D'AMARO:
Right.

MR. PERNICE:
The numbers there are beginning fund balances. So essentially the end of -- so how 2015/2016 is projected to end is actually the 2016/2017 number of 18.3. Because that's -- the beginning fund balance would be the same as the ending fund balance for the previous year. So when we say the percentages, it'll be below the 10% threshold that's based on 10% of their budget --

LEG. D'AMARO:
But let me understand that. 18.387 would be the beginning of the '15/'16.

MR. PERNICE:
No, the end of the '15/'16.

LEG. D'AMARO:
Oh, right. Okay, the end of the '15/'16. The end of the '15/'16, right.

MR. PERNICE:
By the end of '15/'16 would be 18 point --

LEG. D'AMARO:
What is the BRO number for the -- as off August 31st of '15? 2015?

MR. PERNICE:
Twenty six nine two and that just comes from the budget. We didn't independently do any numbers.

LEG. D'AMARO:
Oh. What budget does it come from?

MR. PERNICE:
The Recommended Budget.

LEG. D'AMARO:
Recommended Budget. The County Executive makes the point that the College reserve fund is estimated to increase to 23 million as of August 31st, 2015. Do you agree with that number or disagree with that number?

MR. PERNICE:
It seems inconsistent with what they have on page 9 of the same document.

LEG. D'AMARO:
I agree with you. I do agree with that. It does seem inconsistent but that wasn't my question. My question is do you agree with the 23 million? Or have you not done an analysis of it?

MR. PERNICE:
No, we did but the actual budget is the one that's in the page -- page 9. The narrative -- it's just that it's narrative so we base the analysis on --

LEG. D'AMARO:
Look, I'm not interested in -- I'm not interested in what's on page 9 right now. What I'm -- you know, page 9 is always going to take a conservative view, but the narrative is telling me it's going to

be somewhat higher, like $4 million higher. Do you agree with that or disagree -- does the Budget Office, not you personally, but does the Budget Office agree or disagree with that?

MR. PERNICE:
The better analysis we got was from the College. They gave us where they're estimating --

LEG. D'AMARO:
I want your analysis.

MR. PERNICE:
I'm getting there.

LEG. D'AMARO:
Okay.

MR. PERNICE:
And so based on that, the numbers that they provided us made sense whereas we're not exactly sure why the County Executive has the number that he has in his narrative.

LEG. D'AMARO:
Okay, so you don't track and do an independent analysis.

MR. PERNICE:
It's hard. The College is autonomous. We don't have a lot data that --

LEG. D'AMARO:
I understand. I'm just -- for the record it's very difficult for BRO to make an independent analysis --

MR. PERNICE:
Correct. What we try to do is give you the information and the recommended --

LEG. D'AMARO:
Tell me why the College number is, like, kind of hitting you right and the County Executive's estimate's not.

MR. PERNICE:
Well, again, looking -- when I'm looking at that chart, the numbers don't disagree. I understand what you're saying and I think that there's probably -- it's just I'm also confused by the chart in the front. But when you look at page 9, the numbers do agree.

LEG. D'AMARO:
See, look at the little box on the chart. It says *the College estimated a lower reserve fund balance for both 2013 and '14 than was actually achieved; therefore, the 8/31/15 projected fund balance is higher than anticipated.* That just goes to my point that it's okay to be conservative in your projections and your estimates and your recommended's; but what's happening is the actuals are coming in, to Dr. McKay's and the College's credit, is coming in healthier.

MR. PERNICE:
That -- I think that was exactly the case. That was the '13/'14 year. I believe the adopted budget budgeted a use of about three point something million dollars. And the College actually, in effect, did not use that.

LEG. D'AMARO:
Right, that's exactly --

MR. PERNICE:
But that wasn't this year.

LEG. D'AMARO:
But that's exactly my point. So --okay.

DR. McKAY:
But to that point --

LEG. D'AMARO:
Well, that explains a lot of what you're --

DR. McKAY:
Legislator D'Amaro, to that point, remember now we were coming off of one of the highest enrollment periods at the College.

LEG. D'AMARO:
Okay.

DR. McKAY:
You had a downtown turn in the economy. We had a high enrollment period. And then you have that one year lag in regards to FTE contributions back from the State to the College and all of that. So there was some confluence there of -- congruence, I'm sorry -- of things that are happening there simultaneously. And while we try to come in on budget and come in good, then you got that whole enrollment boost that happened that we were getting contributions from the prior year.

So there are several things that are happening there. And I think for the one part with BRO being conservative in regards to the projections, we were conservative in regards to our management fiscally. And I think simultaneously you got a couple things happening there, which we came into the good from the high enrollment numbers.

LEG. D'AMARO:
Okay. Okay. All right, I don't think I -- again, my only point is that the 23 million as of 8/31/15 is the number before we apply the budget for '15/'16. And it seems to me that that funding is -- if that is a real number as opposed to what's being estimated, that that would provide the extra funds without going to taxpayers and without going to students. But that's a big if. Gail, do you want to chime in?

MS. VIZZINI:
Just to -- I guess to close the discussion, the beauty of '13/'14 is that the fiscal year is over and we're not estimating or guessing.

LEG. D'AMARO:
Uh-huh.

MS. VIZZINI:
And when I mentioned earlier that the College reports to a number of higher entities, one of whom is the Board of Trustees. And they've asked us to be very judicious. And often, you know, once they authorize the use of the reserves comes the question, you know, how much of it can you put back? Which I think is what you're talking about.

So in '13/'14 it was the first in a long period where we had not resorted to using our reserves. And as you say, to our credit, there was sufficient fiscal management -- prudent fiscal management and belt tightening where in that particular year, we did not have to resort to using what we were authorized to use. And as a matter of fact, we ended the year to the good.

'14/'15 is a different animal. The number to balance the budget when it was put together is larger. We're still exercising fiscal prudent management and belt tightening, but we also have some very legitimate and necessary expenditures. We will know better over the next couple of months where we will end -- where we will end August 31st, 2015.

LEG. D'AMARO:
Gail, I apologize for interrupting you, but I think I kind of have an epiphany on this page 9 finally. And I just want to run that by you. Okay. The -- if you start with the assumption, the County Executive's assumption that 23 million as of 8/31/15, then you go to page 9, what they're recommending is 19.7, that's after the 4.3 hit to the reserve fund. Your number, the College requested the 20.692 is after a $2 million hit. So what's happening here, the reason why those numbers don't match up is that the County Executive Recommended is starting with a higher reserve fund number than what the College is starting with.

So the question really becomes what is going to be the actual ending number in August?

MS. VIZZINI:
When you said epiphany, you got me all excited there. (Laughter) I'm not sure that I -- this is a switch -- I'm not sure that I followed your logic this time.

LEG. D'AMARO:
I have a layman's epiphany. I never have an autonomous epiphany. (Laughter)

MS. VIZZINI:
Which is good. I think on page 9 what they're assuming is, you know, we start at 25, we use --

LEG. D'AMARO:
Why start at --

MS. VIZZINI:
Because, you know, the College doesn't carry over, but that's a terminology for the County. '13/'14 we're at -- we're at 20.6 by using most of the authorized reserve, the 4.3. And then if we were to use another million, the reserve would be down to the nineteen seven.

LEG. D'AMARO:
Does the College Requested in 2015/16 on the right-hand side of the page, assume a 23 million in reserve? Because it may just be that both right-hand columns, the Requested and the Recommended, although the County Executive ends with a slightly -- well, not a slightly, but a $900,000 difference, or whatever, million dollar difference, you may both be starting from the 23 million in reserves actual, even though we don't know it yet. And then the College is taking less than what the County recommends. Okay.

I don't want to take up too much more time, but I get the sense that it's -- it's really based upon what is in August, what is going to be the actual 2015 number. If we could magically look into the future, maybe we would have a way not to impact taxpayers, not to impact students, but continue with a structural imbalance. I understand, in all fairness to you, you know, so that's part of the decision that we have to make, so. You know, we have to really sit and talk about, you know, which number do we start with and how much do we want to impact that reserve fund at this point.

And I think to Legislator Martinez' point, Dr. McKay, I appreciate very much that you talked about the salaries. Because, again, the information that I'm looking at, there are some very substantial increases, but I appreciate the explanation that, you know, numbers can be deceiving. There's a story behind the numbers. And the story here is that, yeah, you may have given a significant increase, but then, again, we might have eliminated the whole position and shifted responsibility in some cases. And you had some other explanation so I appreciate that. That's all I have for today. Thank you.

CHAIRPERSON ANKER:
Yeah, we've been at this for about two hours. So, we have actually -- Committee meeting actually should have started at two o'clock so I'm going to try to wrap this up a bit. Legislator Martinez, did you have a quick question? Or did you want to wait until we -- go through this a little bit more? All right, one last quick question.

LEG. MARTINEZ:
Quick question. Just, again, the conversations that are being done on this side, I know that the end result will come in in August. Is there -- I'm not sure if we already missed or I didn't hear, but has there -- is there an indication of where we're going with the 4.3 that have been used or not used? Do we have some sort of ballpark of what has been used thus far with the tapping into the reserve funds?

DR. McKAY:
Go ahead.

MS. VIZZINI:
Yeah, pretty much consistent with the -- our narrative, you know, we do -- we monitor our expenditures and our revenue daily and submit monthly expenditure and revenue reports to the Board and all of you are copied on that. So right now we are trending to the positive and we are trending a little bit less than $2 million to the positive. However, we still have, you know, June, July, and August to get through, a payroll to make and other things, which we could -- which we take into consideration. So we are doing our very best to end the year in a positive.

CHAIRPERSON ANKER:
Okay. Okay, I think we're good to go for today. Dr. McKay, did you want to --

DR. McKAY:
I just want to thank our Legislators. I know this is a very difficult period. But as I've always said to my faculty and staff and students that through education comes transformation and economic empowerment. I certainly believe that we are good public stewards of your trust. And for $988,000 that we are looking at in regards to not either increasing tuition or looking at other alternative measures, I believe when you heard earlier from my colleague, Dr. Pedersen, on the EMSI study as to the value of the dollar invested and the return upon that investment, it's very significant. And I think from Legislator Cilmi and others who have asked some questions, we were able to respond to the questions that you've asked and that you have our trust in regards to making sure that we are good stewards of your trust and of the public at the same time.

So we thank you for this hearing and we hope that we will garner your vote and your support as we go forward towards the full legislative body. So thank you.

CHAIRPERSON ANKER:
Thank you, Dr. McKay. And your, I guess to your -- I know with the $212 million budget, the difference is that, you know, the $988,000 question is can you -- Suffolk Community College -- find a way to include that in your budget? You know, we're also doing everything we can because we

have to take a fiscally-conservative stance with the situation with our budget, our debt. And we also are very supportive of the Community College as you've seen with the Capital Budget.

And I just wanted to put this idea out there for an upcoming presentation. Legislator Cilmi also brought up the issue -- the idea what will we be spending, what will the College be spending once the Capital Projects are completed, you know, that will entail, you know, maybe additional employees and expenses, equipment. But maybe you could provide a presentation in the upcoming future giving us some -- an understanding of what's involved. Because if we're -- if we're here debating, you know, a million dollars, you know, right now, what will the future bring us? And, again, just have an understanding of, you know, we are investing in the Community College. We are very proud to do that. But we would like to know, I think, more details of what that expense will be in the upcoming future.

DR. McKAY:
And we are grateful. And for every capital program, we do have positions that are outlined for every program. And we repurpose those programs and those positions as well. So if there is -- and you're correct. So far we've repurposed every single position for those buildings that are coming onboard and we've moved them around the campuses. So there's no position that is singularly attached to one single building or one single campus. There are college positions and we move them around. So you're correct.

And I look forward to talking to you, Legislator Cilmi, on that moving forward.

CHAIRPERSON ANKER:
Very good. Thank you so much, again, for coming here with your presentation. You're very welcome.

INTRODUCTORY RESOLUTIONS

Okay, we will -- we will move forward with our Committee meeting. We have some resolutions. We do not have Tabled Resolutions, but we do have some Introductory Resolutions.

We have IR 1470, Amending the 2015 Capital Budget and Program in connection -- oh, excuse me for just a minute. We got to get our Clerk in, please. Go ahead. Good? Okay, we're good to go. All right, we have **Introductory Resolution 1470, amending the 2015 Capital Budget and Program in connection with the acquisition of Globally Managed Network Protection and Security, CP 1807 (Co. Exec.)** I'll make a motion to approve.

LEG. MARTINEZ:
Second.

CHAIRPERSON ANKER:
Legislator Martinez seconds this. And on the motion, could we have our IT Department come up to the tables, please? Welcome. We have our IT Commissioner. Welcome.

COMMISSIONER MEZZANOTTE:
Thank you.

CHAIRPERSON ANKER:
So we have actually three resolutions regarding additional equipment and technology upgrades. Could you just give us a brief description of Introductory Resolution 1470?

COMMISSIONER MEZZANOTTE:
These three Introductory Resolutions represent really three very interrelated projects that are critical towards maintaining the County's IT infrastructure in a state of good repair; and to minimize risk associated with service delivery, network performance, cyber security and overall IT resiliency.

The infrastructure projects that we're referring to include a scope of work that involved replacing the core and edge network devices that currently monitor and route traffic both internal and external to the County network. It involves replacing and upgrading our servers and storage devices that house the applications and the data for both internal and external consumption by employees as well as our constituents. And it also addresses network firewall replacements that really monitor network traffic primarily external to the County network to make sure that there's no unintentional or malicious exploits occurring.

One of my highest priorities in terms of being Commissioner of IT is to really make sure our network is capable of meeting the performance demands of the County, which means they need to be reliable, highly secure, highly resilient and perform to the expectation of the County. To this end we've spent a significant amount of time during my first two months really analyzing and understanding the state of the IT infrastructure. And I'm pleased to say that the staff within IT has done an exceptional job of not only establishing two data centers and a network infrastructure that are extremely robust and resilient, but planning for the future. However with that, it requires funding and adequate funding to maintain the network and keep it current.

So as an example, over the next five years, we have over 200 critical network devices that will become end-of-life. And what that means is those products are no longer supported by the manufacturers of the hardware. We don't receive any further updates to those devices, security patches, critical upgrades that are essential for the network to operate reliably, effectively and securely. So in order to avoid any risk in terms of performance, it's important that we continue to replace and upgrade equipment as they become end-of-life.

There's also equipment that's reached its capacity in terms of processing power. The firewalls that monitor the perimeter of our network are running right now at about 80% of capacity, which is dangerously high. Just to give you a perspective of what happens on a daily basis, there's about -- there's over 30 million web page requests that take place on an average day here within the County. That's 30 million attempts to either come in to access information or for us to go out to access information. The firewalls are here to monitor that activity, to make sure that it's all legitimate and that we're not exposed to any kind of malicious or unintentional attack.

So I really close by saying that the funding request that's incorporated within these three projects is really essential for us to maintain the network infrastructure at a level that it can meet the demands of the County and also secure it.

So at this point I would welcome any questions that you might have.

CHAIRPERSON ANKER:
Thank you, Commissioner Mezzanotte. I appreciate all your explanations with this. Do we have questions from our Committee? We have Legislator Cilmi.

LEG. CILMI:
Thanks, Madam Chair. How are you doing, Commissioner?

COMMISSIONER MEZZANOTTE:
Good.

LEG. CILMI:
So you mentioned that these three projects that we're going to be voted on here are related.

COMMISSIONER MEZZANOTTE:
Right.

LEG. CILMI:
Together they amount to about $1.43 million it looks like. Without asking you to go into a tremendous amount of detail in terms of exactly what each project offers, I'll ask you just a general question.

COMMISSIONER MEZZANOTTE:
Yeah.

LEG. CILMI:
We've already budgeted for this, I would imagine. It's in this year's Capital Budget. Is the amount that we're being asked to appropriate the same as what's budgeted?

COMMISSIONER MEZZANOTTE:
The amount that we're asking to appropriate out of the Capital Fund, is -- yes, what's -- exactly what's budgeted.

LEG. CILMI:
Okay. Is there a way you could do these three things for less?

COMMISSIONER MEZZANOTTE:
So I'll start by saying the original ask on these three projects was somewhere in the neighborhood of $2.7 million.

LEG. CILMI:
The Department's original ask?

COMMISSIONER MEZZANOTTE:
Yes.

LEG. CILMI:
Okay.

COMMISSIONER MEZZANOTTE:
We were able to do two things. We were able to scale back the scope significantly with some price reductions.

LEG. CILMI:
How were you able to do that?

COMMISSIONER MEZZANOTTE:
Better pricing through the supplier of the equipment. And we also worked very closely with the County Executive's Office to fund some of it out of our Operating Budget. So it was a combination of those two things that allowed for the reduction and also for some of the equipment that may not be at full capacity or end-of-life. We were able to defer it to later years.

LEG. CILMI:
Why did you undertake that exercise of scaling back?

COMMISSIONER MEZZANOTTE:
Just to be financially, you know, prudent. I mean we recognize --

LEG. CILMI:
Did somebody ask you to or --

COMMISSIONER MEZZANOTTE:
No. One of the first exercises that I had was to look at the Capital Budget closely with IT staff. And it was actually before I even started as Commissioner. And I originally thought, yeah, well, there's opportunity here to cut. But in reality, the plan that was in place was pretty solid except there was some opportunities, again, as I said to reduce costs over better pricing and defer out to the outer years and then fund the difference through our Operating Budget.

LEG. CILMI:
How intimately familiar are you with each of these projects such that you could -- you could answer the question specifically as to whether or not we can cut any additional cost out of these projects?

COMMISSIONER MEZZANOTTE:
I feel pretty comfortable -- very comfortable with what's in these budgets and these projects. And quite honestly I would be extremely reluctant to reduce it any further. You know, as a Commissioner, my primary role is to make sure that we secure this network. And if you look at some of the previous issues that have occurred with security hacks and breaches, in most cases it's because they did not invest in maintaining a network infrastructure that was current. And I think it's extremely important for me to emphasize the need to continue to maintain this network so that we can deliver reliable and secure service.

LEG. CILMI:
So let me ask the question a different way. If we said to you cut $100,000 out of this money total for all three projects, where would you do it or how would you do it?

COMMISSIONER MEZZANOTTE:
I mean, we've already gone through that exercise of how we can cut, but I would say if we absolutely had to, we would reduce the amount of storage, which would really present some problems within the next year as we grow and look to store more data as it relates to video surveillance and different types of applications --

LEG. CILMI:
Which of the three projects is that?

COMMISSIONER MEZZANOTTE:
That would be in the disaster -- the 1729 project, disaster recovery. There's $120,000 within that budget for storage, which is critical. I'm not -- I really would not advocate that we --

LEG. CILMI:
Right.

COMMISSIONER MEZZANOTTE:
-- cut it. But there is a $120,000 allocated within that project for storage. We'd have to really look to the departments to see if there were other ways to support that. You know, these projects really are countywide. This isn't supporting any one project or IT specifically. It's ranging from every department within the County including Public Service.

LEG. CILMI:
Just forgive for a second. I'm looking for that in my agenda here.

COMMISSIONER MEZZANOTTE:
So project CP 1729 is --

LEG. CILMI:
Oh, oh, I'm sorry. I'm looking at the IR numbers. Okay, so I found it. CP 1729. So that specifically asks for an appropriation of $500,000 for disaster recovery. Phase I of the project purchased hardware and software to protect application. So that's already done; phase I is already done?

COMMISSIONER MEZZANOTTE:
Yeah.

LEG. CILMI:
This is -- what you're asking for is phase II?

COMMISSIONER MEZZANOTTE:
Yeah, I don't -- I'm not really familiar with how it was broken down in term of phases, but this is what we would need to do this year in order to meet the demands that are expected within the next 6 to 12 months.

LEG. CILMI:
So it looks like here, and I'm just reading some narrative that was provided to us, it say phase II requires additional equipment to be purchased for the upgrade of the Riverhead DR power room processing and storage capacities to support the migration of DOIT federated agencies into our Hauppauge and Riverhead disaster recovery datacenter; software licenses, upgrades of UPS units, replacement of UPS batteries and additional electric for other County agencies.

COMMISSIONER MEZZANOTTE:
Most of the power work has been completed. We're talking about here this year is servers and storage and power. Power in terms of the actual installation, but not the power protection.

LEG. CILMI:
U-hum. It says additional phases will provide the expansion to populate other departments' applications and data servers into the disaster recovery centers as well as create infrastructure to support the disaster recovery of virtual desktop clients. So how much of -- how much of all of this -- I guess all of this funding relates to purchasing of equipment and/or software; right?

COMMISSIONER MEZZANOTTE:
Correct.

LEG. CILMI:
And your representation here today is that at this point the money that is being requested, the $1.43 million cannot -- there's nowhere to save additional money out of that?

COMMISSIONER MEZZANOTTE:
No. And I could assure you that wherever we had opportunities to reduce, we have reduced. I'm being honest and totally transparent with you on that. There's -- this is not discretionary-type spending from my perspective. This is really critical in order to ensure the integrity of this network.

LEG. CILMI:
Okay. Thank you.

CHAIRPERSON ANKER:
And, also, you know, the four million government workers that have been compromised with their computer, you know, with the Federal government IT networking, I'm just curious -- has that affected Suffolk County or is that -- you know, how --

COMMISSIONER MEZZANOTTE:
No, there's been no effect, but if you really do some research on those, you'll see that a big part of the problem was that they did not keep their equipment current. And as soon as it's not current, it's open to exposure.

CHAIRPERSON ANKER:
Okay, we're good? Do you have more questions? Okay. And as far as just security in general, we're pretty good with our security situations? These are the upgrades; this should take care of us for the upcoming year?

COMMISSIONER MEZZANOTTE:
Yeah, I think the security model is very sound from both the perimeter as well as the device in desktop level.

CHAIRPERSON ANKER:
Okay. We thank you.

LEG. TROTTA:
One quick question.

CHAIRPERSON ANKER:
Legislator Trotta.

LEG. TROTTA:
Could we put this off another year?

COMMISSIONER MEZZANOTTE:
Absolutely not; not from my point of view. We have equipment that becomes end-of-life this year. So, I'd have a hard time sleeping at night not -- knowing that equipment is not current. I'm not trying to be overdramatic, but it's really -- I'm being honest.

CHAIRPERSON ANKER:
Well, we --

LEG. CILMI:
We want you to be well-rested.

COMMISSIONER MEZZANOTTE:
(Laughter) Well, I mean, there's one -- there's an exposure here from the day-to-day operation. But it also presents challenges, I think, in terms of just visibility and to --

LEG. CILMI:
If you aren't sleeping at night, I can assure you we wouldn't be sleeping at night either.

COMMISSIONER MEZZANOTTE:
(Laughter)

CHAIRPERSON ANKER:
Okay. Give us just two more minutes and we will -- hopefully one more minute and we will get back with you. We're waiting on a Legislator. So now how do you like your new job? (Laughter) Let's fill the air space.

COMMISSIONER MEZZANOTTE:
It's good. Everything's going well.

CHAIRPERSON ANKER:
Good. It's very impressive to hear that you are hands-on getting involved in the whole technology of Suffolk County. And it also is nice to hear that, you know, you're one head of step of Legislator Cilmi by really looking -- you know, you're given a budget and you took that budget and you chiseled away. So we really appreciate that, you know, to the extent that that's safe and creating a situation here in the County that provides adequate safety with our technology. So thank you very much. Okay, we will continue. A motion has been made; has been seconded. All in favor? Opposed? Abstention? Motion carries. **(VOTE: 5-0-0-0)**

COMMISSIONER MEZZANOTTE:
Thank you.

CHAIRPERSON ANKER:
Thank you.
We have **IR 1471, Amending the 2015 Capital Budget and Program in connection with Fiber Cabling Network and WAN Technology Upgrades (CP 1726). (Co. Exec.)** I'll make a motion. Do we have a second? Second. All in favor? Opposed? Abstention? Motion carries. **(VOTE: 5-0-0-0)** I'm sorry, are we good, Clerk? Okay.

IR 1472, Amending the 2015 Capital Budget and Program in connection with Suffolk County Disaster Recovery (CP 1729). (Co. Exec.) I'll make a motion. Do we have a second?

LEG. D'AMARO:
Second.

CHAIRPERSON ANKER:
We have a second. All in favor? Opposed? Abstention? Motion carries. **(VOTE: 5-0-0-0)** Actually I think Legislator Martinez had seconded all the resolutions.

I see no further business, this Committee is adjourned.

THE MEETING CONCLUDED AT 2:54 PM
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