



NASSAU COUNTY LEGISLATURE
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Inter-Departmental Memo

To: Hon. Richard Nicoletto, Presiding Officer
Hon. Kevan Abrahams, Minority Leader
All Members of the Nassau County Legislature

From: Maurice Chalmers, Director
Office of Legislative Budget Review 

Date: June 25, 2021

Re: Proposed FY 2021-2022 Nassau Community College Budget

Attached is the Office of Legislative Budget Review's (OLBR) report on the Proposed Nassau Community College (NCC) FY 2021-2022 budget. As with many institutions, the College has been negatively impacted by the coronavirus pandemic. The College struggles with enrolling and retaining students, which is reflected in the significant enrollment decline of 16.6% in FY 2020-2021. As a result, enrollment sensitive revenues such as tuition, service fees, state aid and revenue in lieu of sponsor share have all been negatively impacted. The proposed FY 2021-2022 budget includes \$12.1 million in fund balance appropriation to be offset by the transfer of Higher Education Emergency Relief Funds (HEERF) grant funds. These funds will be used to offset expenses and the declining revenue sources.

The College has been able to manage with the cash injection of \$44.9 million in Higher HEERF grants (which includes \$2.0 million from Town of Hempstead) to reimburse losses in FY 2020 through FY 2023. In addition, \$31.4 million in funds were also received from HEERF for student grants to be dispersed without obligation to any student that qualifies based on state criteria.

As the College plans for multiple scenarios for Fall 2021, the current outlook still remains critically uncertain. However, with the assistance of the grant funds, the College has done a good job managing the budget with the struggling enrollment. Going forward, the

College will need to formulate a plan in order to remain sustainable past the expiration of the HEERF grants.

This report details for the Legislature both expense and revenue variances with explanations. The following are highlights of the Proposed Budget:

- Expenses are budgeted to increase by 5.5%, or \$10.0 million, compared to the Adopted FY 2020-2021 Budget.
- The expense increase is primarily driven by an \$11.0 million rise in salaries and fringe benefits, when compared to the Adopted FY 2020-2021 Budget. In total there are \$1.4 million in salary adjustments, some of which includes \$1.1 million in negative salary adjustments (ZZ5). The savings is based on preliminary projected salaries and anticipates decrease in staff level due to voluntary attrition.
- Termination pay is increasing by \$1.3 million to \$3.0 million, budget to budget. According to the College, this difference is mostly an adjustment to the FY 2020-2021 budget that was understated as an Early Retirement Incentive Program (ERIP) was done and had many retirements outside the planned ERIP.
- The increases are partially offset by decreases in equipment, general expenses, and county scholarships.
- The property tax levy supporting the College, is budgeted at \$52.2 million, which has stayed constant for over a decade.
- The student revenue budget is dropping by 6.0%, or \$4.2 million when compared to the prior year. Student enrollment in FY 2021-2022 is budgeted at the same level as the FY 2020-2021 projection of 10,444 Full-Time Student Equivalent (FTE). Enrollment has declined over 5.0% since FY 2015-2016.
- New York State contribution FTE rose by \$50. State aid is declining to \$38.4 million, or \$146,550 less than the prior year's adopted budget. In comparison to the FY 2020-2021 projection, state aid is up 3.2%, or \$1.2 million, in FY 2021-2022. State aid in FY 2020-2021 was cut 5.0% due to the COVID-19 pandemic.
- Tuition is set to remain unchanged at \$2,900 per semester or \$5,800 a year in the proposed budget. The tuition rate is higher than both Suffolk and Westchester Community Colleges.
- In total, the College is set to receive a \$76.3 million from HEERF grants. Of which \$44.9 are institutional funds and \$31.4 million are to be distributed to students.
- The Proposed FY 2021-2022 Budget includes \$12.1 million in fund balance usage to be offset by the transfer of HEERF funds. Current projections for FY 2020-2021 no longer include a replenishment to the fund balance, instead \$10.3 million will be used to offset expenses.
- At the end of FY 2021-2022, the fund balance would sit at approximately \$22.1 million, or 12.2% of FY 2020-2021 operating budget. The College by policy has to maintain fund balance of no less than 4.0% of the prior year's budget. The fund balance would remain threshold compliant if FY 2020-2021 and FY 2021-2022 results proceed as projected.

OLBR would like to thank the College for their continued cooperation in providing the necessary budget explanations and clarifications in preparing this memo for the Legislature.

If you should have any further questions, do not hesitate to contact the Office.

cc: Julio Izquierdo, Vice President of Finance, NCC
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| | Historical | | 2021 | | 2022 | 2022 vs. 2021 | | Projected vs. 2022 | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|-------------|--------------------|-------------|
| | 2019 | 2020 | Adopted Budget | OLBR Projected | Proposed Budget | Variance | Percent | Variance | Percent |
| Full-time Headcount | 974 | 964 | 965 | 866 | 868 | (97) | -10.1% | 2 | 0.2% |
| Salaries | \$118,604,788 | \$117,410,418 | \$104,704,761 | \$110,236,545 | \$111,095,507 | \$6,390,746 | 6.1% | \$858,962 | 0.8% |
| Fringe Benefits | 57,572,256 | 56,248,623 | 51,747,500 | 53,599,825 | 56,317,288 | \$4,569,788 | 8.8% | 2,717,463 | 5.1% |
| Equipment | 1,604,868 | 1,163,094 | 2,092,891 | 2,092,891 | 1,956,466 | (\$136,425) | -6.5% | (136,425) | -6.5% |
| General Expenses | 6,988,690 | 6,285,628 | 7,622,304 | 7,622,303 | 6,713,315 | (\$908,989) | -11.9% | (908,988) | -11.9% |
| Contractual Services | 7,951,374 | 6,533,474 | 8,257,473 | 8,257,473 | 8,373,916 | \$116,443 | 1.4% | 116,443 | 1.4% |
| Utility Cost | 5,028,142 | 3,464,537 | 3,631,185 | 2,931,185 | 3,654,000 | \$22,815 | 0.6% | 722,815 | 24.7% |
| Debt Service | 1,153,638 | 1,442,416 | 1,085,011 | 1,085,011 | 1,085,011 | \$0 | 0.0% | 0 | 0.0% |
| Interfund Charges | 2,608,796 | 2,050,069 | 2,423,786 | 2,423,786 | 2,423,786 | \$0 | 0.0% | 0 | 0.0% |
| County Scholarships | 25,800 | 26,800 | 555,000 | 555,000 | 535,000 | (\$20,000) | -3.6% | (20,000) | -3.6% |
| Total | \$201,538,352 | \$194,625,059 | \$182,119,911 | \$188,804,019 | \$192,154,289 | \$10,034,378 | 5.5% | \$3,350,270 | 1.8% |

Expenses

- Expenses are budgeted to increase by 5.5%, or \$10.0 million, compared to the Adopted FY 2020-2021 Budget. Increases in salaries, fringe benefits, contractual services, and utility costs contribute the bulk of this rise in the expense budget.
- Salaries in the FY 2021-2022 Proposed Budget are increasing by \$0.9 million or 0.8%, when compared to the FY 2020-2021 salary projection, and are increasing by 6.1%, or \$6.4 million when comparing budget to budget. Salaries make up 57.8% of the FY 2021-2022 expense budget. FY 2021-2022 budgeted full-time headcount is decreasing by 97, budget to budget, and growing by 2 when compared to FY 2020-2021 projected numbers, prior to salary savings built into the budget.
- In total there are \$1.4 million in salary adjustments, some of which includes \$1.1 million in negative salary adjustments (ZZ5). The savings is based on preliminary projected salaries and anticipates decrease in staff level due to voluntary attrition.
 - The salary adjustments consist of \$1.9 million for additional pooled part-time lines and adjuncts. This budget may be used if enrollment is higher than expected.
 - Approximately, \$0.6 million in adjustments has been budgeted for unforeseeable comp time used during the pandemic just in case the College is not reimbursed by Federal Emergency Management Agency (FEMA) or Higher Education Emergency Relief Fund (HEERF) grant funds.

Expenses, Cont.

- The College has budgeted a 2.0% general increase for CSEA, NCC Administrators Association (NCCAA), and Ordinance employees. The 2.0% reflects both a Cost of Living Adjustment (COLA) and step adjustment.
 - The CSEA contract expired December 31, 2017.
 - The NCCAA was formed in 2018 and a contract still needs to be negotiated.
 - The Nassau Community College Federation of Teachers (NCCFT) contract was recently renewed for a two-year term and expires on August 31, 2022. A COLA of 1.0%, step increase of 1.0%, and a 0.5% promotion increase was budgeted for a total amount of \$1,276,816 including FICA.
 - According to the College, the Adjunct Faculty Association (AFA) members have a 2.35% COLA worth approximately \$402,943 including FICA in the salary adjustment line. This is based on the current agreement that is in place until September 30, 2022.
- Termination pay is increasing by \$1.3 million to \$3.0 million, budget to budget. Typically, the College budgets approximately \$1.7 million for termination pay to fund normal attrition from retirements. According to the College, this difference is mostly an adjustment to the FY 2020-2021 budget that was understated as an Early Retirement Incentive Program (ERIP) was done and had many retirements outside the ERIP.
 - Fringe benefits are increasing by \$4.6 million or 8.8%, when comparing budget to budget, which is the associated fringe benefit savings from the salary reductions that were not achieved, followed by smaller increases in state retirement, teachers retirement, social security, Medicare reimbursement, health insurance for retirees, and MTA mobility tax.
 - General expenses are declining by \$0.9 million or 11.9%, when compared to FY 2020-2021. The decrease is due to more efficient processes as the College transitions to more paperless activities and adds some automated procedures.
 - Contractual services are increasing by \$0.1 million to \$8.4 million compared to FY 2020-2021. According to the College, the budget has been revised to be more in line with last year.
 - Equipment expenses are decreasing by \$0.1 million in the Proposed Budget. Approximately, \$1.2 million of the \$2.0 million is allocated for technology expenses.
 - County scholarships and other scholarships are decreasing by \$20,000 in the Proposed Budget for enrollment and retention initiatives.
 - Other Than Personal Services (OTPS) are decreasing in the Proposed Budget. Equipment, general expenses, and scholarships are declining budget to budget. More detail is provided under the OTPS section.

Fringe Benefits

| Nassau Community College Fringe Benefit Expenses | | | | | | | |
|--|---------------------|---------------------|----------------------|--------------------------------|-------------|-----------------------------------|-------------|
| | 2021 Adopted Budget | OLBR Projection | Proposed 2022 Budget | 2022 Proposed vs. 2021 Adopted | Percent | 2022 Proposed vs. 2021 Projection | Percent |
| State Retirement | \$5,387,949 | 5,247,127 | \$5,753,037 | 365,088 | 6.8% | 505,910 | 9.6% |
| Teachers Retirement | \$1,984,427 | 1,815,751 | \$2,011,997 | 27,570 | 1.4% | 196,246 | 10.8% |
| Social Security | \$7,643,448 | 7,790,809 | \$7,905,265 | 261,817 | 3.4% | 114,456 | 1.5% |
| Health Insurance | \$22,587,672 | 19,699,304 | \$20,871,854 | (1,715,818) | -7.6% | 1,172,550 | 6.0% |
| TIAA CREF | \$5,785,942 | 5,080,057 | \$5,184,566 | (601,376) | -10.4% | 104,509 | 2.1% |
| Optical Plan | \$110,000 | 95,270 | \$110,000 | 0 | 0.0% | 14,730 | 15.5% |
| Unemployment | \$100,000 | 100,000 | \$100,000 | 0 | 0.0% | 0 | 0.0% |
| Dental Insurance | \$554,271 | 535,935 | \$520,000 | (34,271) | -6.2% | (15,935) | -3.0% |
| Medicare Reimbursement | \$2,500,000 | 2,600,000 | \$2,600,000 | 100,000 | 4.0% | 0 | 0.0% |
| Health Insurance Retirees | \$9,883,145 | 9,599,796 | \$10,219,477 | 336,332 | 3.4% | 619,681 | 6.5% |
| Retirees Optical | \$13,000 | 13,000 | \$13,000 | 0 | 0.0% | 0 | 0.0% |
| MTA Mobility Tax | \$355,996 | 362,860 | \$368,592 | 12,596 | 3.5% | 5,732 | 1.6% |
| CSEA Legal Fund | \$55,000 | 52,500 | \$52,500 | (2,500) | -4.5% | 0 | 0.0% |
| Workers Compensation | \$607,417 | 607,417 | \$607,000 | (417) | -0.1% | (417) | -0.1% |
| Savings to Budget | (5,820,767) | - | \$0 | 5,820,767 | **** | 0 | **** |
| Total | \$51,747,500 | \$53,599,825 | \$56,317,288 | \$4,569,788 | 8.8% | \$2,717,463 | 5.1% |

- The FY 2021-2022 Proposed Budget for fringe benefits is \$56.3 million, which represents 29.3% of the operating budget. The budget is increasing by \$4.6 million, or 8.8%, budget to budget, and by \$2.7 million, or 5.1%, compared to the projection.
- The growth is mostly attributed to the elimination of savings to budget that was included in the prior year's budget. The College anticipated fringe benefit savings that correspond to salary reductions related to retirement incentives, reduced headcount, released time savings, overtime, as well as part-time and adjunct reductions; however, these savings didn't fully come to fruition.
- The Adopted Budget for health insurance for active and retirees is decreasing by \$1.4 million, budget to budget, however it is increasing by approximately \$1.8 million compared to the projection. The decline in the Proposed Budget is due to some retirements and attrition without back filling positions.
 - The variance compared to the projection is due to increased salaries and from inflating the health insurance rate by 5.0%.
 - The 5.0% growth rate appears reasonable based on the past five-year historical average NYSHIP rates of 4.9% for individual and 5.1% for the family plan.

Fringe Benefits, Cont.

- The TIAA CREF budget for FY 2021-2022 is declining by \$601,376 or 10.4% compared to the prior year and rising by \$104,509 compared to the current projection. According to the College the budget reduction is due to an ERIP that was offered to NCC full-time staff in FY 2021 and expect the reduction of contribution based on the ERIP.
- The FY 2021–2022 State Retirement System’s budget of \$5.8 million is increasing by \$365,088 budget to budget and \$505,910 compared to the prior year. The contribution rate in the retirement plan that represents most College employees is projected to be 18.3%, which is a rise from the 16.2% in the current bill.
- Social Security expenses are growing by \$261,817 in the FY 2021–2022 Proposed Budget and \$114,456 compared to projections. Social Security costs are a direct correlation to the increase in salary expenses.
- The budget for the New York State Teacher’s Retirement System (NYSTRS) of roughly \$2.0 million is increasing nominally by \$27,570, or 1.4%, budget to budget, but is increasing by \$196,246 compared to the current projection. According to the college, the budget is based on the FY 2021-2022 NYSTRS Employer Contribution Rate (ECR) of 9.80%, an increase of 2.83% compared to last year. This retirement cost is a function of the salaries that are subject to the ECR.
- The Medicare Reimbursement budget is increasing by \$100,000 to \$2.6 million, which is consistent with the current’s year projection.

Headcount

| FULL-TIME HEADCOUNT | | | | | | | | | |
|---------------------|--------------------|---------------------|--------------------|---------------------|------------|-----------------|-------------|--------------|--|
| Union | On Board June 2021 | | Proposed 2021-2022 | | Difference | | | Salary % | |
| | F/T | Pers. Svcs | F/T | Pers. Svcs | F/T | Pers. Svcs | HC % Chg | Chg | |
| NCCFT | 487 | \$46,892,435 | 487 | \$47,114,085 | 0 | \$221,650 | 0.0% | 0.5% | |
| CSEA | 313 | 18,583,246 | 315 | 18,960,275 | 2 | \$377,029 | 0.6% | 2.0% | |
| ORD | 66 | 7,066,666 | 66 | 6,383,020 | 0 | (683,646) | 0.0% | -9.7% | |
| TOTAL | 866 | \$72,542,347 | 868 | \$72,457,380 | 2 | (84,967) | 0.2% | -0.1% | |

- The chart above illustrates **full-time** headcounts for College employees. It compares current on-board to the Proposed FY 2021-2022 headcounts. The full-time headcount has increased by 2 when compared to the current on-board while the salary line is decreasing by \$84,967, prior to any reductions brought about by incentives, retirements, attrition or other reductions. The ZZ5 savings that are anticipated are not reflected in the chart above because they are assigned to a **special payroll** category and not rolled in the F/T (Full-Time) summary.

Headcount, Cont.

- There are currently 487 NCCFT employees on board and the NCCFT headcount in the Proposed Budget will remain constant to match the needs of the institution.
- The Proposed Budget has 315 CSEA employees, two more than the current on board.
- There are currently 66 Ordinance employees on board and the Ordinance headcount in the Proposed Budget will remain constant to match the needs of the institution.

Other Than Personal Services

- OTPS spending in FY 2021–2022 will be about \$0.9 million, or 3.6%, less than that of the FY 2020-2021 Modified Budget. The following chart details the OTPS spending from the 2020 actual to the current Proposed Budget:

| Nassau Community College OTPS Budget Comparison FY 2020 - 2022 | | | | | | |
|--|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| | <u>2020</u> | <u>2021</u> | <u>2021</u> | <u>2022</u> | | |
| | <u>Operating</u> | <u>Modified</u> | <u>Projected</u> | <u>Proposed</u> | Variance | Variance |
| | <u>Results</u> | <u>Budget</u> | <u>Oper. Results</u> | <u>Budget</u> | <u>Mod 2021/2022</u> | <u>Proj/Bud</u> |
| Equipment | \$1,163,094 | \$2,092,891 | \$2,092,891 | \$1,956,466 | (\$136,425) | (\$136,425) |
| General Expenses | 6,285,628 | 7,622,304 | 7,622,303 | 6,713,315 | (908,989) | (908,988) |
| Contractual Services | 6,533,474 | 8,257,473 | 8,257,473 | 8,373,916 | 116,443 | 116,443 |
| Utility Costs | 3,464,537 | 3,631,185 | 2,931,185 | 3,654,000 | 22,815 | 722,815 |
| Debt Service | 1,442,416 | 1,085,011 | 1,085,011 | 1,085,011 | 0 | 0 |
| Interfund Charges | 2,050,069 | 2,423,786 | 2,423,786 | 2,423,786 | 0 | 0 |
| Scholarships | 26,800 | 555,000 | 555,000 | 535,000 | (20,000) | (20,000) |
| | \$20,966,018 | \$25,667,650 | \$24,967,649 | \$24,741,494 | (\$926,156) | (\$226,155) |

- Historically, the College has adjusted spending for OTPS on an as needed basis. Sometimes OTPS spending shifts at year’s end due to surpluses in other areas of the budget to fund expenses. The total budgeted expense bottom line, however, remains the same.
- The overall decrease in OTPS spending in the Proposed Budget is driven mostly by the \$0.1 million reduction in equipment, the \$0.9 million decline in general expenses, and the \$20,000 decrease in scholarships, offset by increases in contractual services and utility costs.

Other Than Personal Services, Cont.

- The FY 2021-2022 debt service budget includes \$1.1 million from the debt related to the termination costs associated with the prior borrowing for the retirement incentives that were offered to CSEA and NCCFT members.
- General expenses are decreasing by \$0.9 million due to more efficient processes as the College transitions to more paperless activities and adds some automated procedures.
- The College expects to increase contractual services by \$0.1 million compared to the FY 2020-2021 Modified Budget. The budget has been revised to include marketing expenses.
- Equipment expenses are decreasing by \$0.1 million compared to the FY 2020-2021 Modified Budget.

Expense Recap

- The Proposed FY 2021-2022 expense budget represents a \$10.0 million budget to budget increase in expenses as a result of increases in salary expenses, fringe benefits, contractual services, and utility cost. These increases are partially offset by decreases in equipment, general expenses, and county scholarships.

Expense Risks

- With the CSEA contract expired since December 31, 2017, there could be a potential risk of salary increases from a new negotiated contract and the specifics of the agreement.
- The budget includes initiatives of \$1.1 million in anticipated salary adjustment savings which are based on decreased staff due to voluntary attrition in addition to retirement incentives. The inclusion of these savings will need to be managed by the College to ensure they are realized in order to offset any decreases in revenue.

| | Historical | | 2021 | | 2022 | 2021 vs. 2022 | | Projected vs. 2021 | |
|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|-------------|--------------------|-------------|
| | 2019 | 2020 | Adopted Budget | OLBR Projected | Proposed Budget | Variance | Percent | Variance | Percent |
| Student Revenues | \$77,350,468 | \$76,521,793 | \$70,848,444 | \$66,612,379 | \$66,612,379 | (\$4,236,065) | -6.0% | \$0 | 0.0% |
| Property Tax | 52,206,883 | 52,193,814 | 52,206,883 | 52,206,883 | 52,206,883 | 0 | 0.0% | 0 | 0.0% |
| State Aid | 44,036,001 | 42,928,062 | 38,568,732 | 37,236,705 | 38,422,182 | (146,550) | -0.4% | 1,185,477 | 3.2% |
| Rev. Lieu Spons. Share | 13,660,752 | 13,751,939 | 11,504,979 | 11,504,979 | 11,504,979 | 0 | 0.0% | 0 | 0.0% |
| Rev. Offset To Expense | 3,159,171 | 2,781,797 | 3,698,847 | 3,698,847 | 4,068,732 | 369,885 | 10.0% | 369,885 | 10.0% |
| Service Fees | 7,821,139 | 7,258,574 | 6,809,557 | 6,099,310 | 6,099,310 | (710,247) | -10.4% | 0 | 0.0% |
| Rents & Recoveries | 1,847,279 | 658,598 | 852,923 | 852,923 | 852,923 | 0 | 0.0% | 0 | 0.0% |
| Investment Income | 434,769 | 335,528 | 300,000 | 300,000 | 300,000 | 0 | 0.0% | 0 | 0.0% |
| Fund Balance Appropriated | 1,021,890 | (1,805,046) | (2,670,454) | 10,328,016 | 12,086,901 | 14,757,355 | -552.6% | 1,758,885 | 17.0% |
| Total | \$201,538,352 | \$194,625,059 | \$182,119,911 | \$188,840,042 | \$192,154,289 | \$10,034,378 | 5.5% | \$3,314,247 | 1.8% |

Revenues

- Overall, the Proposed FY 2021-2022 Budget includes 5.5%, or \$10.0 million, more revenue than the Adopted FY 2020-2021 Budget due to fund balance appropriation, which more than offsets the revenue sources negatively impacted by the coronavirus pandemic. In comparison to the FY 2020-2021 projection, revenue is up 1.8%, or \$3.3 million, in FY 2021-2022.
- The College received Federal grants that will reimburse the loss of revenue due to the pandemic, in turn reducing the negative operating results on the fund balance. These funds are recorded in the unreserved fund balance. A detailed breakdown of the grants and fund balance can be found later in this report.
- The student revenue budget is dropping by 6.0%, or \$4.2 million when compared to the prior year. Student enrollment in FY 2021-2022 is budgeted at the same level as the FY 2020-2021 projection of 10,444. Enrollment continues to decline as the College experienced an 8.7% drop in FY 2018-2019, 5.6% in FY 2019-2020 and projects a 16.6% decline in FY 2020-2021.
- State aid is declining to \$38.4 million, or \$146,550 less than the prior year’s adopted budget. In comparison to the FY 2020-2021 projection, state aid is up 3.2%, or \$1.2 million, in FY 2021-2022. State aid in FY 2020-2021 was cut 5.0% due to the COVID-19 pandemic.
- The County’s share of College revenue, the property tax levy, remains at \$52.2 million in FY 2021-2022. The property tax levy has remained at this level since FY 2008-2009.
- The proposed service fees budget is decreasing by \$710,247, to \$6.1 million, when compared to the Adopted FY 2020-2021 Budget, solely from a decline in enrollment.

- The Proposed FY 2021-2022 Budget includes \$12.1 million in fund balance usage to be offset by the transfer of HEERF funds. Current projections for FY 2020-2021 no longer include a replenishment to the fund balance, instead \$10.3 million will be used to offset expenses.

Grant Funding

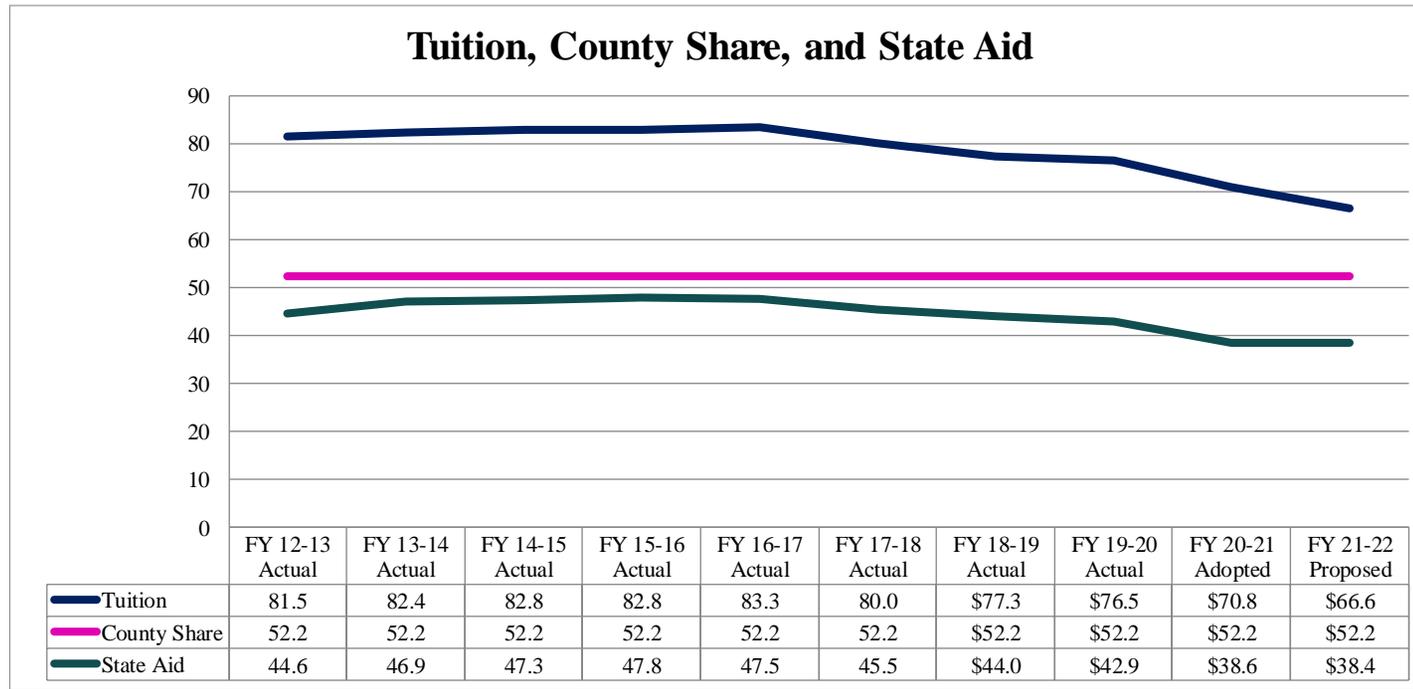
- The following chart details the amount of funds that will be received by year.

| Higher Education Emergency Relief Fund (HEERF) | | | | | |
|--|----------------------------------|------------------------|-----------------------------|---|----------------------|
| Grant Year | Institutional Funds | | Total Institutional funding | Student Funds Distribution to Students | Total Grant Award |
| | Loss of Revenue to be reimbursed | Non-Operating Expenses | | | |
| 2019-2020 | \$ - | \$ 800,000 | \$ 800,000 | \$ 1,971,900 | \$ 2,771,900 |
| 2020-2021 | \$ 10,076,554 | *\$3,200,000 | \$ 13,276,554 | \$ 20,461,478 | \$ 33,738,032 |
| 2021-2022 | \$ 12,000,000 | \$ 3,000,000 | \$ 15,000,000 | \$ 8,939,107 | \$ 23,939,107 |
| 2022-2023 | \$ 12,000,000 | \$ 3,840,878 | \$ 15,840,878 | \$ - | \$ 15,840,878 |
| Total Grant Award | \$ 34,076,554 | *\$10,840,878 | \$ 44,917,432 | \$ 31,372,485 | \$ 76,289,917 |

* FY 2020-2021 includes \$2.0 million in grants from the Town of Hempstead.

- In total, the College is set to receive a \$76.3 million from Higher Education Emergency Relief Fund (HEERF) grants.
- Grants from HEERF totaling \$44.9 million will be used to reimburse losses in FY 2020 through FY 2023.
- Of the \$44.9 million, \$34.2 million reimburses loss of revenue from state aid, tuition and fees, while \$10.8 million cover non-operating expenses.
- Funds were also received from HEERF for student grants to be disbursed without obligation, to all students that qualified based on criteria set by HEERF and SUNY. These grants totaling \$31.4 million are not included in the proposed FY 2021-2022 operating budget.
- The College is set to receive \$15.8 million (\$12.0 million operating and \$3.8 million non-operating expenses) in FY 2022-2023.

FY 2013 Actual – 2022 Proposed
(\$ in millions)



- State aid is \$38.4 million in the Proposed FY 2021-2022 Budget, about 20.0% of the overall revenue budget. State aid has been trending downward since FY 2016-2017 as enrollment decreases at the College.
- The County share is \$52.2 million in FY 2021-2022, accounting for approximately 27.2% of total revenue. The County share is the College’s most stable revenue source, it’s immune not only to changes in student enrollment but also shifting priorities in Albany. Although the funding has been stable, it has been over a decade since the County share was last increased.
- Student revenues are \$66.6 million, or 34.7% of FY 2021-2022 revenue. Although the rate has steadily increased, the revenue source has been declining since FY 2016-2017.

Tuition

- The tuition budget is down about \$4.2 million from the level Adopted for FY 2020-2021. Tuition is a function of student enrollment and tuition rates. The tuition rate is one of the few revenue sources wholly controlled by the College.
- The enrollment and tuition figures can be found in the table to the right. As the table illustrates, enrollment at the College has declined over 5.0% since FY 2015-2016. The pandemic has negatively impacted enrollment in FY 2020-2021 with enrollment decreasing significantly by 16.6%.
- Student enrollment for FY 2021-2022 is projected to remain at the previous year’s projected level of 10,444 Full Time Equivalentents (FTEs).

| Year | FTE Count | % Change | Tuition | % Change |
|-----------|-----------|----------|---------|----------|
| FY 09-10 | 19,392 | 5.24% | 3,622 | 1.97% |
| FY 10-11 | 19,691 | 1.54% | 3,732 | 3.04% |
| FY 11-12 | 19,274 | -2.12% | 3,990 | 6.91% |
| FY 12-13 | 18,756 | -2.69% | 3,990 | 0.00% |
| FY 13-14 | 18,382 | -1.99% | 4,088 | 2.46% |
| FY 14-15 | 17,862 | -2.83% | 4,234 | 3.57% |
| FY 15-16 | 16,725 | -6.37% | 4,534 | 7.09% |
| FY 16-17 | 15,521 | -7.20% | 4,868 | 7.37% |
| FY 17-18 | 14,517 | -6.47% | 5,102 | 4.81% |
| FY 18-19 | 13,256 | -8.69% | 5,350 | 4.86% |
| FY 19-20 | 12,515 | -5.59% | 5,600 | 4.67% |
| FY 20-21* | 10,444 | -16.55% | 5,800 | 3.57% |
| FY 21-22* | 10,444 | 0.00% | 5,800 | 0.00% |

*Projected FTEs in FY 20-21 and FY 21-22

- Tuition is set to remain unchanged at \$2,900 per semester or \$5,800 a year in the proposed budget. As the table below demonstrates, Nassau’s tuition rate is higher than both Suffolk’s and Westchester’s rates.

| FY 2021-2022 Yearly Tuition Comparison | | | | |
|---|---------|--------------------------|----------|---------------------|
| | Current | FY 2021-2022 Proposed | Increase | Diff from Nassau |
| Nassau | \$5,800 | \$5,800 | \$0 | - |
| Suffolk | 5,470 | 5,470 | 0 | -330 |
| Westchester | 4,730 | 4,780 | 50 | -1,020 |

Property Tax Levy

- The property tax levy remains flat at \$52.2 million in the Proposed FY 2021-2022 Budget.
- The County's contribution represents approximately 27.2% of total revenue.

State Aid

- Compared to the Adopted FY 2020-2021 Budget, state aid declines by \$146,550, or 0.4% in FY 2021-2022.
- In comparison to the FY 2020-2021 projection, state aid is up 3.2%, or \$1.2 million, in FY 2021-2022. The increase is a result of the reinstatement of the 98% floor method.
- The FTE reimbursement rate rose from \$2,947 to \$2,997.

Revenue in Lieu of Sponsor Share

- This revenue stream has remained unchanged at \$11.5 million, budget to budget. The decline in student enrollment is offset by an increase in the chargeback rate to other counties of \$5,960, or 6.6%.
- Revenue in lieu of sponsor share is an assortment of collections, including tuition from international students, students from out of state, and students from New York State without a certificate of residency from their home county. The bulk of this revenue source comes from charging back other counties for the cost of educating their residents at Nassau Community College (NCC).
- The charge back rate for non-resident FTEs is a function of Nassau's property tax contribution, and FTE levels.
 - Individual non-resident students pay tuition. The County collects the chargeback rate from the non-resident student's home county.
 - In the event a student cannot produce a certificate of residency from their home county, the student is charged double tuition.

Revenue Offset to Expenses

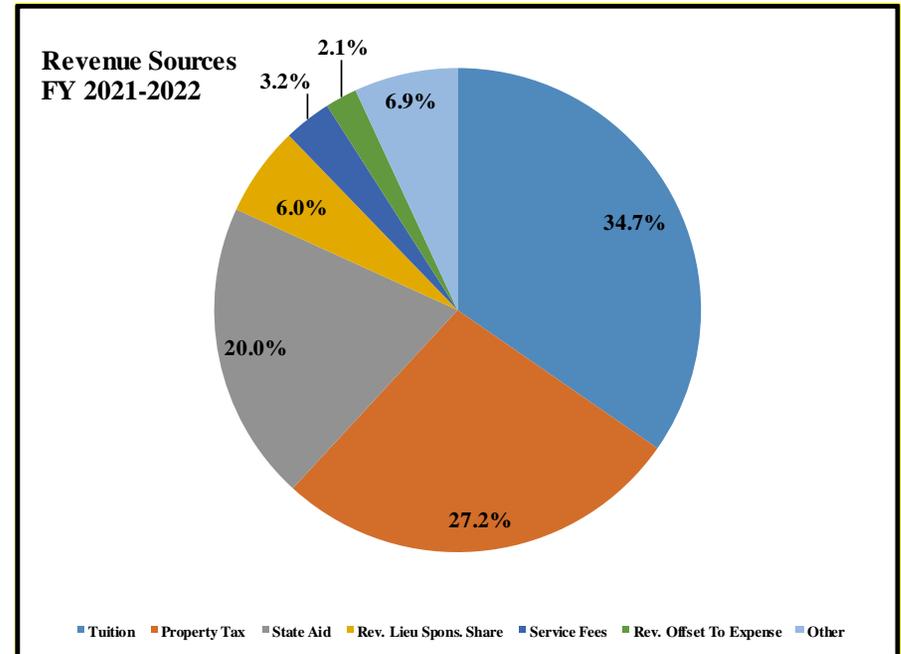
- This revenue source is comprised of commissions, contracts, and fees to cover special course offerings. These special offerings include continuing education, corporate education, and English as a Second Language (ESL), among other courses.
- The FY 2021-2022 revenue offset to expense budget is \$4.1 million, or 10.0% greater than the prior year due to an increase in continuing education. According to the College, the increase in student population is based on workforce development needs arising from economic factors affecting the area.

Rents and Recoveries

- This revenue is mainly generated as a result of liquidating prior year encumbrances. Budget to budget and compared to the FY 2020-2021 academic projection, rents and recoveries are expected to remain unchanged.

Investment Income

- The College Treasurer manages several interest-bearing accounts. Additionally, the County Treasurer handles some of this revenue on the College’s behalf. Investments are by their very nature directly affected by market interest rates.
 - Investment income remains flat at \$0.3 million compared to the proposed budget and current year projections.



Service Fees

- The Proposed FY 2021-2022 service fee budget is about \$0.7 million or 10.4% less than the Adopted FY 2020-2021 service fee budget.
- All of the services fees remain unchanged in the proposed budget. However, the overall service fee budget is declining as a result of lower student enrollment than the Adopted FY 2020-2021 Budget.

| Adopted FY 2021 vs. Proposed FY 2022 | | | | | | |
|--------------------------------------|-------|--------------------|-------|--------------------|-----|------------------|
| Service Fee: Source | Fee | FY 2020-2021 | | FY 2021-2022 | | Variance |
| | | Adopted Budget | Fee | Proposed Budget | Fee | Revenue |
| Technology | \$250 | \$3,423,283 | \$250 | \$3,066,230 | \$0 | (357,053) |
| Student Lab | 100 | 999,517 | 100 | 895,267 | 0 | (104,250) |
| Application | 55 | 527,828 | 55 | 472,775 | 0 | (55,053) |
| NG Check | 20 | 7,000 | 20 | 6,270 | 0 | (730) |
| Academic Transcript Fees | 30 | 0 | 30 | 0 | 0 | - |
| Late Registration | 30 | 139,162 | 30 | 124,647 | 0 | (14,515) |
| Nursing Evaluation | 75 | 351 | 75 | 314 | 0 | (37) |
| Tuition Pay Plan | 40 | 274,044 | 40 | 245,461 | 0 | (28,583) |
| Change of Program | 25 | 1,099 | 25 | 984 | 0 | (115) |
| Consolidated Fee | 30 | 598,146 | 30 | 535,758 | 0 | (62,388) |
| Convenience Fee | 18 | 206,576 | 18 | 185,030 | 0 | (21,546) |
| Vehicle Registration | 55 | 488,628 | 55 | 437,663 | 0 | (50,965) |
| Immunization Transcript Fees | 5 | 5,252 | 5 | 4,704 | 0 | (548) |
| Late Payment- Tuition | 25 | 28,684 | 25 | 25,692 | 0 | (2,992) |
| Late Paymnt- Tuit Paymnt Plan | 25 | 109,987 | 25 | 98,515 | 0 | (11,472) |
| Totals | | \$6,809,557 | | \$6,099,310 | | (710,247) |

Fund Balance

- The Board of Trustees established a fund balance policy which states that “an unreserved, unrestricted fund balance of no less than 4.0% of the prior year’s operating budget” must be maintained.
 - The minimum fund balance required for FY 2021-2022 is \$7.3 million. At the end of FY 2021-2022, the fund balance would sit at approximately \$22.1 million, or 12.2% of FY 2020-2021 operating budget.
 - The fund balance would remain threshold compliant if FY 2020-2021 and FY 2021-2022 results proceed as projected. However, if the HEERF grants are not received as expected the unreserved fund balance may be underfunded. According to the College, they will receive \$10.1 million in FY 2020-2021, \$12.0 million in FY 2021-2022 and \$12.0 million in FY 2022-2023 through HEERF grants.
 - NCC relies on the fund balance to cover shortfalls caused by a worse than expected decline in enrollment, including deficits in tuition, service fees, payroll contract negotiations, and state aid revenue shortfall.

| Fund Balance Reconciliation | |
|--|---------------------|
| FY 2019-2020 Unappropriated Fund Balance | \$19,983,426 |
| FY 2020-2021 Projected Operating Results | (10,328,016) |
| Reserved Fund to Unreserved Fund Transfer | 2,500,000 |
| Projected HEERF Grant | 10,076,554 |
| Projected FY 2020-2021 Unappropriated Fund Balance | 22,231,964 |
| FY 2021-2022 Projected Operating Results | (12,086,901) |
| Projected HEERF Grant | 12,000,000 |
| Projected FY 2021-2022 Unappropriated Fund Balance | \$22,145,063 |

Fund Balance, Cont.

- In the Fiscal Year ending August 31, 2020, New York State Community Colleges held on average 15.1% of budgeted expenditures in an unreserved fund balance.
- At 10.9%, Nassau Community College ranked 19th out of 30 among Community Colleges in terms of fund balance as a percentage of expenditures.
- Nassau ranked higher than Suffolk but lower than the average and Westchester, who ranked #1 at 46.4%.
- These rankings are calculated on the \$22.1 million Fund Balance the College reported in its NYS Annual Report for the Fiscal Year ending August 31, 2020. The State requires only actual expenditures in this report.
- These rankings evaluate the College’s performance as of two years ago. They do not reflect the College’s current climate.

| Community College Fund Balance Comparison As of Fiscal Year Ending August 31, 2020 | | | | |
|---|---------------------|-------------------------|---------------------|-------------------------------------|
| Rank | Community College | Unreserved Fund Balance | Total Expenditures* | Percent Fund Balance to Expenditure |
| 1 | Westchester | 54,089,646 | 116,651,573 | 46.37% |
| 2 | Herkimer | 7,932,713 | 23,146,407 | 34.27% |
| 3 | F-I-T | 75,320,461 | 226,244,402 | 33.29% |
| 4 | Niagara | 14,299,535 | 47,428,820 | 30.15% |
| 5 | North Country | 4,283,578 | 15,154,295 | 28.27% |
| 6 | Genesee | 10,970,901 | 40,157,000 | 27.32% |
| 7 | Onondaga | 17,512,966 | 69,570,394 | 25.17% |
| 8 | Corning | 5,959,402 | 27,940,081 | 21.33% |
| 9 | Columbia-Greene | 3,592,001 | 17,249,925 | 20.82% |
| 10 | Hudson Valley | 16,470,601 | 98,141,024 | 16.78% |
| 11 | Jamestown | 5,540,983 | 33,600,250 | 16.49% |
| 12 | Schenectady | 4,476,005 | 29,260,618 | 15.30% |
| 13 | Cayuga | 4,471,721 | 29,780,256 | 15.02% |
| 14 | Ulster | 3,513,308 | 24,942,674 | 14.09% |
| 15 | Fulton-Montgomery | 2,334,400 | 17,195,818 | 13.58% |
| 16 | Finger Lakes | 5,953,133 | 46,325,825 | 12.85% |
| 17 | Jefferson | 3,371,902 | 28,617,980 | 11.78% |
| 18 | Adirondack | 3,734,413 | 32,097,599 | 11.63% |
| 19 | Nassau | 22,143,797 | 204,115,813 | 10.85% |
| 20 | Broome | 5,701,525 | 56,310,955 | 10.13% |
| 21 | Monroe | 12,095,365 | 121,800,000 | 9.93% |
| 22 | Suffolk | 20,810,539 | 221,471,667 | 9.40% |
| 23 | Mohawk Valley | 4,550,459 | 50,806,187 | 8.96% |
| 24 | Orange County | 4,691,101 | 62,069,302 | 7.56% |
| 25 | Erie | 7,615,525 | 105,921,281 | 7.19% |
| 26 | Dutchess | 3,688,804 | 64,603,829 | 5.71% |
| 27 | Tompkins - Cortland | 1,942,401 | 35,695,519 | 5.44% |
| 28 | Rockland | 3,175,352 | 67,683,835 | 4.69% |
| 29 | Clinton | 366,297 | 12,485,268 | 2.93% |
| 30 | Sullivan | (3,866,982) | 16,303,020 | -23.72% |

* Expenditures do not include unexpended encumbrances at year end
Community Colleges report actual expenses only in their NYS Annual Report

Opportunities & Risks

- Enrollment sensitive revenues such as tuition, service fees, state aid and revenue in lieu of sponsor share could miss target if enrollment declines more than expected; the College built its budget on the assumption that enrollment will remain unchanged at the projected FY 2020-2021 level.
- A risk to the budget would materialize if FTEs continue to decline after HEERF funding ends. The College must formulate a plan in order to remain sustainable past the HEERF cash injection.
- There is a risk that the College won't receive the budgeted level of grant revenue.