



# **NASSAU COUNTY LEGISLATURE**

---

**Office of Legislative Budget Review**

**Review of the  
Proposed FY 2008-09  
Nassau Community  
College Budget**

**Eric C. Naughton, Director**

---



OFFICE OF LEGISLATIVE  
BUDGET REVIEW

**NASSAU COUNTY LEGISLATURE**

ONE WEST STREET  
MINEOLA, NEW YORK 11501  
516-571-6292

**Inter-Departmental Memo**

To: Hon. Diane Yatauro, Presiding Officer  
Hon. Peter Schmitt, Minority Leader  
All Members of the Nassau County Legislature

From: Eric C. Naughton, Director,   
Office of Legislative Budget Review

Date: June 11, 2008

Re: Proposed Nassau Community College FY2008-2009 Budget

Pursuant to §183 of the Nassau County Charter, the Office of Legislative Budget Review has prepared a report on the Nassau Community College's proposed operating budget for Fiscal Year 2008-2009. As always, my staff and I remain ready to provide whatever assistance the Legislature may require. This document will be available to your constituents online at <http://www.nassaucountyny.gov/agencies/OLBR/reports.html>.

**NASSAU COMMUNITY COLLEGE**

---

**TABLE OF CONTENTS**

(1) Executive Summary ..... 1

(2) Expense Budget..... 6

(3) Revenue Budget ..... 18

(4) Appendix

    (a) FY 2007-08 Initiatives ..... 24

    (b) Charts & Graphs..... 27

## **Executive Summary**

### **The Strategic Plan**

Nassau Community College has developed a strategic plan to guide its future development. The plan was approved by the Academic Senate November 15, 2007 and adopted by the Board of Trustees at its December 6, 2007 meeting. The plan utilizes a framework of seven Strategic Drivers:

1. Academic Direction
2. Image and Reputation, Market Position and Institutional Competitiveness
3. Access, Diversity, and Community Outreach
4. Student Life and Student Academic Success
5. Campus Environment, Infrastructure, Health and Safety
6. Communication, Organizational Development and Strategic Planning
7. Nassau Financial Stability, Sustainability and Future Fundraising and Friend-Raising

Goals, work objectives, and tasks have been established within each driver. These include the following:

- ❖ Create a professional marketing plan to widely recruit students and promote all existing Liberal Arts and specialized programs, as well as various modes of education available at Nassau
- ❖ Assess and improve student support services and activities
- ❖ Increase international student recruitment
- ❖ Increase student enrollment, persistence, course completion, retention and graduation rates while promoting goal of academic excellence and intellectual growth
- ❖ Strengthen commitment to maintain and, where necessary, to repair or upgrade existing facilities
- ❖ Find additional classroom space and resources for existing programs that are expanding
- ❖ Address campus infrastructure to promote health, safety and an improved working and learning environment
- ❖ Increase new alternative revenue streams, gifts, grants and contracts and develop long range expenditure forecasting to decrease tuition, state and county dependency over the next five years without sacrificing academic freedom and integrity

The use of salary and fringe benefit surpluses in FY 2007-08 and spending priorities in the proposed FY 2008-09 budget are guided by the vision laid out in the College's Plan.

### **Projected FY 2007-08 Operating Results**

- ❖ Although enrollment is up, tuition revenue is projected to come in under budget by \$1.2 million due to write-offs of uncollected payments from anticipated student financial aid and installment payments that have not materialized.
- ❖ Salary surplus of \$3.3 million due to retirement savings and unfilled positions.
- ❖ Fringe benefits surplus of \$1.3 million results from lower than anticipated health insurance and pension rates, Medicare part D reimbursement, and lower salary costs.

## REVIEW OF PROPOSED FY 2008-09 NCC BUDGET

- ❖ The College intends to utilize \$4.2 million of the anticipated salary and fringe surpluses of to fund additional OTPS spending on various campus improvements, including \$800,000 for the Public Safety modular building.

### The College's Goals for the FY 2008-09 Budget

- ❖ Integrate and carry forward FY 08 initiatives
- ❖ Allocate new resources and reallocate old resources in support of the Strategic Plan
- ❖ Integrate all revenue to advance Strategic Plan
- ❖ Forge a multi-disciplinary approach to implementing Plan and budget priorities
- ❖ Strategically address long-term deficit projections
- ❖ Develop measurable indicators of Plan progress

### Proposed FY 2008-09 Budget

The County Executive Recommended FY 2008-09 budget for Nassau Community College, as approved by the Board of Trustees on May 13, totals \$196.4 million, an increase of 3.8%, or \$7.3 million, over the current year's projected spending.

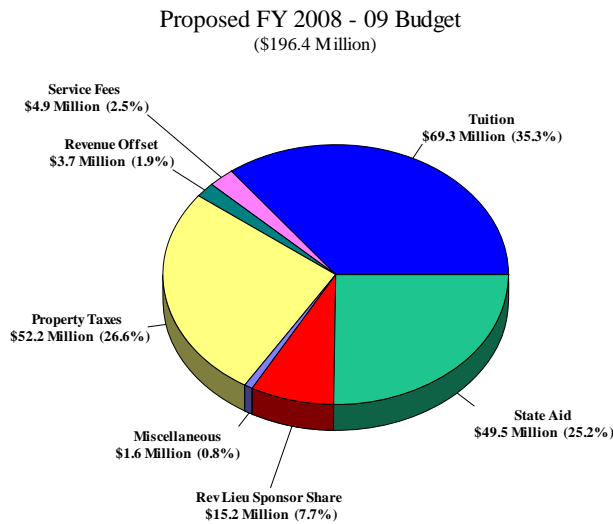
#### Expense

	2008		2009	Prop. vs. Adopted		Prop. vs. Projected	
	Adopted Budget	OLBR Projected	Proposed Budget	Variance	Percent	Variance	Percent
Full-time Headcount	1,227	1,200	1,242	15	1.2%	42	3.5%
Salaries	\$121,261,401	\$118,000,358	\$125,902,298	\$4,640,897	3.8%	\$7,901,940	6.7%
Fringe Benefits	42,638,017	41,290,596	42,828,225	190,208	0.4%	1,537,629	3.7%
Equipment	1,939,006	2,884,860	2,000,000	60,994	3.1%	(884,860)	-30.7%
General Expenses	6,457,825	7,636,453	9,077,098	2,619,273	40.6%	1,440,645	18.9%
Contractual Services	7,644,415	9,799,933	6,652,415	(992,000)	-13.0%	(3,147,518)	-32.1%
Utility Cost (Tel. & Other)	1,201,000	1,201,000	1,231,025	30,025	2.5%	30,025	2.5%
Utility Cost (LIPA)	4,389,000	4,389,000	4,608,450	219,450	5.0%	219,450	5.0%
Interfund Charges	3,861,888	3,861,888	4,054,982	193,094	5.0%	193,094	5.0%
Other	80,000	80,000	55,000	(25,000)	-31.3%	(25,000)	-31.3%
<b>Total</b>	<b>\$189,472,552</b>	<b>\$189,144,088</b>	<b>\$196,409,493</b>	<b>\$6,936,941</b>	<b>3.7%</b>	<b>\$7,265,405</b>	<b>3.8%</b>

#### Revenue

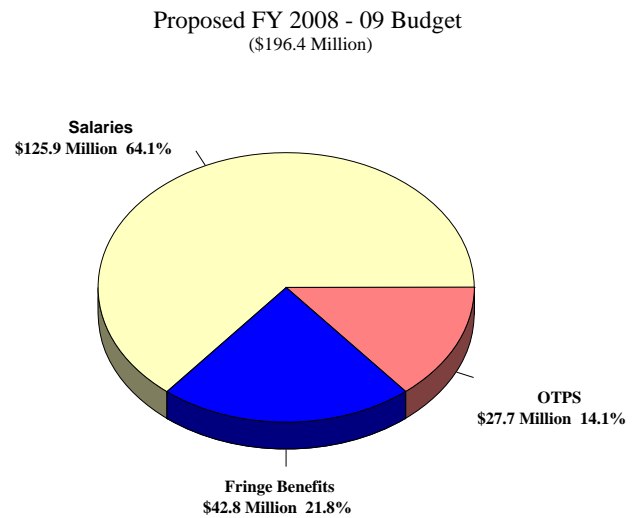
	2008		2009	Prop. vs. Adopted		Prop. vs. Projected	
	Adopted Budget	OLBR Projected	Proposed Budget	Variance	Percent	Variance	Percent
Tuition	\$66,689,203	\$65,496,178	\$69,290,803	\$2,601,600	3.9%	\$3,794,625	5.8%
Property Tax	50,247,241	50,247,241	52,206,883	1,959,642	3.9%	1,959,642	3.9%
State Aid	48,410,675	48,539,260	49,489,028	1,078,353	2.2%	949,768	2.0%
Rev. Lieu Spons. Share	13,982,043	14,824,682	15,187,779	1,205,736	8.6%	363,097	2.4%
Rev. Offset To Expense	3,660,000	3,653,341	3,725,000	65,000	1.8%	71,659	2.0%
Service Fees	4,908,390	4,966,500	4,910,000	1,610	0.0%	(56,500)	-1.1%
Rents & Recoveries	800,000	800,000	700,000	(100,000)	-12.5%	(100,000)	-12.5%
Investment Income	525,000	750,000	650,000	125,000	23.8%	(100,000)	-13.3%
Federal Aid	250,000	350,000	250,000	0	0.0%	(100,000)	-28.6%
<b>Total</b>	<b>\$189,472,552</b>	<b>\$189,627,202</b>	<b>\$196,409,493</b>	<b>\$6,936,941</b>	<b>3.7%</b>	<b>\$6,782,291</b>	<b>3.6%</b>

**Major Revenue Sources**



- ❖ Tuition revenue is increasing by \$3.8 million from the FY 2007-08 projected amount of \$65.5 million to the proposed budget of \$69.3 million.
- ❖ Tuition rate is increasing by 3.4% or \$118 (\$4 per credit) to \$3,552, worth \$2.3 million.
- ❖ Enrollment is anticipated to increase by 2.2%, generated by new strategic task items, for additional tuition revenue of \$1.5 million.
- ❖ Enrollment from other NY counties is assumed to continue at the current level. The chargeback rate, now at \$3,590 per non-resident FTE, is estimated to increase by approximately 3.9%, in proportion to the County's property tax contribution.
- ❖ Property tax rate of growth is 3.9%, which is an increase of \$2.0 million, or \$3.85 per average household.
- ❖ The State aid rate has remained flat at \$2,675 per FTE, but an additional \$420,000 will be received due to the higher enrollment in the current year, upon which the aid is based.
- ❖ Additional State aid of approximately \$400,000 will be received for 50% reimbursement of the lease costs of the building on Endo Blvd.

**Major Expense Categories**



- ❖ Planned FY 2008-09 new expenses include:
  - \$1.0 million for lease of new building. Net of State aid reimbursement, the cost will be \$600,000 for nine months.
  - Unfunded State mandated employer contribution of \$414,000 for pension costs.
  - \$700,000 for maintenance for Banner student information system.
- ❖ Salaries in the proposed budget are increasing by 6.7%, or \$7.9 million, when compared to the OLBR's FY 2007-08 salary projection.
- ❖ The NCCFT contract will expire on August 31, 2008, and the CSEA contract has been expired since December 31, 2007. The proposed budget includes funding for wage increases consistent with the parameters of NCC's negotiating position.
- ❖ The entire pension liability reserve of \$1.3 million will be utilized in FY 2008-09 to pay NY State retirement costs.
- ❖ Proposed OTPS budget is \$2.2 million less than projected spending for FY 2007-08, due to transfer of salary and fringe surplus in current year to fund additional OTPS spending on various campus improvements.

**Strategic Tasks**

- ❖ The FY 2007-08 budget included funding for 21 strategic tasks, or initiatives, that are intended to generate future revenue while addressing necessary operational and safety needs.
- ❖ The implementation of some of the projects was delayed due to the uncertainty of funding. A more detailed discussion of the strategic tasks can be found in the expense section of this report.

**Opportunities & Risks**

- ❖ The proposed budget includes approximately \$1.7 million in funding for 35 currently vacant positions.
- ❖ Energy costs may be understated in FY 2008-09.
- ❖ Due to the status of the labor contracts there is an opportunity and risk.
  1. NCCFT expires August 31, 2008. The budget for NCCFT in FY 2008-09 is \$60.1 million so a 1% variance would cost or save about \$601,000.
  2. CSEA expired December 31, 2007. The budget for this union in FY 2008-09 is \$23.9 million so a 1% variance would cost or save about \$239,000.
- ❖ Health insurance rates for calendar year 2009 are still unknown, so there is an opportunity and risk.

**Fund Balance**

- ❖ The College began FY 2007-08 with an unreserved fund balance of \$8.3 million.
- ❖ Based on current projections the unreserved fund balance will grow by \$483,114.

**Multi-Year Plan**

- ❖ The College's Fiscal 2008 – 2011 Multi-Year Financial Plan, updated on March 19, 2008, assumed property tax growth continuing at 3.9%, tuition increases of 5% and additional state aid of \$100 per FTE in 2010 and 2011.
- ❖ Even with those revenue increases, out-year gaps were projected. Among the gap-closing measures for 2010 and 2011 were an appeal to Sponsor (County) for additional 1% property tax contribution and an appeal to NY State for an additional \$90 in base aid.
- ❖ Since both the property tax contribution and the level of aid provided by New York State are outside the control of the College, the inclusion of additional revenues from these sources in the MYP has to be considered a risk.
- ❖ An updated plan will be included with the County's MYP for 2009 – 2012 that will be adopted in the fall.
- ❖ OLBR recommends that the College submit its updated MYP prior to submitting the NCCFT contract for approval by the Legislature.

### Conclusion

Facing the looming prospect of limitations on revenue growth, OLBR recommends that the College formulate and adopt a written fund balance and reserve policy. As stated in the County's policy, this would provide "a framework for the accumulation of unreserved fund balance, the constitution of reserve funds, and the policy purposes for which the [College] ought to use these financial resources."

Also, an important reason for developing such a policy is to provide the taxpayers with an explanation of why financial resources have been set aside and the conditions under which such resources will be expended.<sup>1</sup> GFOA recommends that general purpose governments, regardless of size, maintain unreserved fund balance in their general fund of no less than 5 to 15 percent of regular general fund operating revenues, or no less than one to two months of regular general fund operating expenditures.<sup>2</sup> However, instead of a rigidly defined standard that dictates what level of financial resources local governments should maintain for contingencies, it is more appropriate for those governments to make their own decisions about whether to set aside more or less resources based on their assessment of the uncertainty that they face.<sup>3</sup> Furthermore, because of its relationship with the County, the College does not have to be concerned with cash flow and it does not issue debt, so the College does not have to impress rating agencies by having a large fund balance.

While the health of the economy has a major effect on the County, other forms of uncertainty must be considered by the College:

- Unanticipated changes in the tax and spending policies of the County and the State.
- The imposition of mandates by the State and to a lesser degree the Federal government.
- The financial impact of labor agreements.
- Unforeseen increases in energy costs, health insurance, and termination pay, etc.
- Unexpected repair and maintenance expenditures.

The FY 2008-09 County Executive Recommended Budget provides adequate funding to meet the College's operational needs and the revenue estimates appear to be achievable. Despite the fact that the State did not increase its aid per FTE, the College was able to propose a budget that funds new initiatives, an unfunded State mandate, while maintaining the recent growth rates in property taxes and a tuition rate increase below the HEPI benchmark. The College was able to accomplish this by accelerating the funding of some of its needs out of surpluses it is generating in the current fiscal year and using all of its pension reserve. Unfortunately, these funds will not be available in the out-years when the College will have to fund the full year costs for the Endo lease, maintenance for Phase 2 of Banner, additional mandated pension expense, and increased labor costs without knowing the level of aid from the State or the County.

---

<sup>1</sup> Ian J. Allan, "Unreserved Fund Balance and Local government Finance," Research Bulletin: *Research and Analysis on Current Issues* (Chicago, Illinois: Government Finance Officers Association, November 1190), p. 5.

<sup>2</sup> *Appropriate Level of Unreserved Fund balance in the General Fund* (2002), GFOA Recommended Practice.

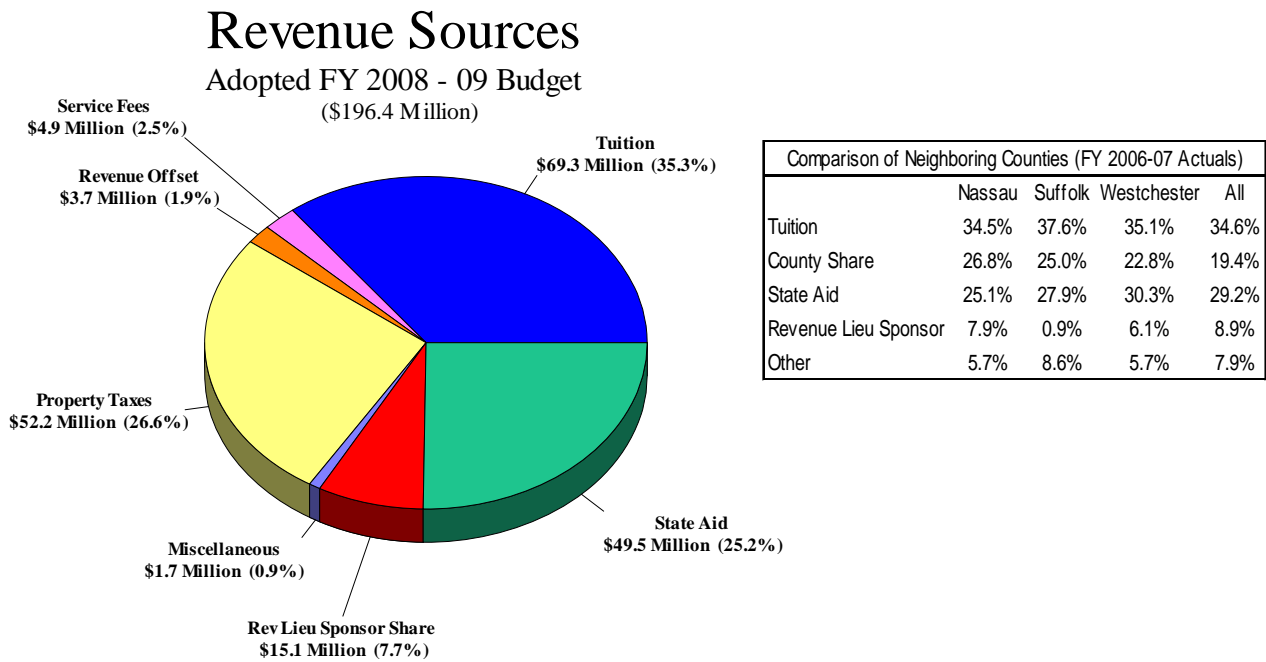
<sup>3</sup> Ian J. Allan, "Unreserved Fund Balance and Local government Finance," Research Bulletin: *Research and Analysis on Current Issues* (Chicago, Illinois: Government Finance Officers Association, November 1190), p. 10.

---

**REVENUE BUDGET**

In New York State, every high school graduate is guaranteed admission to his or her local community college. The college is funded through a partnership of student tuition, the State and the County, with Nassau’s local share being provided by way of a dedicated property tax levy.

The largest revenue source for the College is tuition, with a proposed FY 2008-09 budget of \$69.3 million. The other major sources of revenue are property taxes (\$52.2 million), state aid (\$49.5 million), and revenue lieu sponsor share (\$15.2 million). The remaining \$10.2 million consists of revenue offset to expenses (\$3.7 million), service fees (\$4.9 million), and miscellaneous (\$1.6 million), which is made up of rents & recoveries (\$700,000), investment income (650,000), and federal aid (\$250,000).



When compared to actual FY 2006-2007 revenues of neighboring counties as a percent of recognized revenue, state aid and tuition for NCC were below Suffolk and Westchester community colleges. County share was greatest for NCC (26.8%), followed by Suffolk Community College (25.0%) and Westchester Community College (22.8%). Average county share of all New York State Community Colleges, excluding NCC was 19.4%. Revenue lieu sponsor share was 7.9% of budget at NCC, higher than both neighboring community colleges, but lower than the overall state average.

- ❖ The proposed FY 2008-09 operating budget of \$196.4 million represents an increase of \$6.9 million, or 3.7% over the current year adopted budget.
- ❖ Compared to the projected revenues that will be collected this year, the increase is \$6.8 million, or 3.6%.
- ❖ Annual tuition is increasing by 3.4% or \$118 (\$4 per credit increase) to \$3,552.
- ❖ Property tax rate of growth is assumed to remain at 3.9%, which is an increase of \$2.0 million.

## REVIEW OF PROPOSED FY 2008-09 NCC BUDGET

- ❖ State aid has remained at the current FY 2007-08 rate of \$2,675 per FTE.

	Historical		2008		2009	Prop. vs. Adopted		Prop. vs. Projected	
	2006	2007	Adopted Budget	OLBR Projected	Proposed Budget	Variance	Percent	Variance	Percent
Tuition	\$59,082,976	\$62,300,461	\$66,689,203	\$65,496,178	\$69,290,803	\$2,601,600	3.9%	\$3,794,625	5.8%
Property Tax	\$46,545,867	\$48,361,156	\$50,247,241	\$50,247,241	\$52,206,883	\$1,959,642	3.9%	\$1,959,642	3.9%
State Aid	42,865,210	45,296,092	48,410,675	48,539,260	49,489,028	1,078,353	2.2%	949,768	2.0%
Rev. Lieu Spons. Share	12,835,683	14,216,297	13,982,043	14,824,682	15,187,779	1,205,736	8.6%	363,097	2.4%
Rev. Offset To Expense	3,369,267	3,760,270	3,660,000	3,653,341	3,725,000	65,000	1.8%	71,659	2.0%
Service Fees	4,166,460	4,930,586	4,908,390	4,966,500	4,910,000	1,610	0.0%	(56,500)	-1.1%
Rents & Recoveries	1,124,849	448,215	800,000	800,000	700,000	(100,000)	-12.5%	(100,000)	-12.5%
Investment Income	537,186	714,624	525,000	750,000	650,000	125,000	23.8%	(100,000)	-13.3%
Federal Aid	257,114	358,899	250,000	350,000	250,000	0	0.0%	(100,000)	-28.6%
Fund Balance Appropriated	0	161,500	0	0	0	0	0.0%	0	0.0%
<b>Total</b>	<b>\$170,784,612</b>	<b>\$180,548,100</b>	<b>\$189,472,552</b>	<b>\$189,627,202</b>	<b>\$196,409,493</b>	<b>\$6,936,941</b>	<b>3.7%</b>	<b>\$6,782,291</b>	<b>3.6%</b>

### **Tuition (\$69,290,803)**

The College's proposed \$69.3 million budget for tuition, or student revenues, was based on an annual tuition increase of \$118 from \$3,476 to \$3,552, or 3.4% above the current year rate. The proposed percentage tuition change remains below the preliminary 2008 HEPI growth index forecast (as of April 16, 2008) at 3.9%, translating into \$16 less than the \$134 increase as per HEPI.<sup>1</sup>

- ❖ Tuition revenue is increasing by \$3.8 million from the FY 2007-08 projected amount of \$65.5 million to the proposed budget of \$69.3 million.
- ❖ \$1.5 million of additional student revenues are expected to be generated by the new initiatives, which would be a 2.2 % increase in enrollment.
- ❖ With summer classes not yet completed, enrollment for FY 2007-2008 is projected to come in approximately 1.3% greater than in FY 2006. The FY 2007-2008 enrollment drives the current year's tuition revenues and will determine the FY 2008-2009 State Aid.

<sup>1</sup> HEPI, The Higher Education Price Index, is a measure of the inflation rate applicable to United States higher education. The index is calculated on a fiscal year basis ending June 30, by the Commonfund Institute, a branch of Commonfund, a non-profit organization devoted to the management of college and university endowments. HEPI measures the average relative level of prices in a fixed basket of goods and services purchased by colleges and universities each year through current fund educational and general expenditures, excluding research. HEPI is compiled from data reported and published by government and economic agencies. The eight categories cover current operational costs of colleges and universities. These include salaries for faculty, administrative employees, clerical employees, and service employees, fringe benefits, utilities, supplies and materials, and miscellaneous services. HEPI has been calculated every year since 1983 and includes inflation data going back to 1961.

## REVIEW OF PROPOSED FY 2008-09 NCC BUDGET

Nassau Community College Students Receiving Aid in 2006-2007 As of June 3, 2008		
Program	Number of Recipients	Funds
Pell Grant	5,262	\$11,820,469
Tuition Assistance program	4,157	7,695,523
Stafford Direct Loans Subsidized	1,824	4,217,445
Stafford Direct Loans Unsubsidized	1,544	3,868,272
FSEOG (Federal Supp Educational Opp Grant)	2,269	505,867
Federal Work Study	298	455,790
APTS (Aid to Part Time Students)	500	577,666
ACG (Academic Competitiveness Grant)	106	78,475
Federal Perkins Loans	20	<u>32,750</u>
		<u>\$29,252,257</u>

Recipients of financial are for one semester for semester based awards (Pell, TAP, APTS, FSEOG & ACG) and per individual recipient for the awards that are not semester based (loans). The funded amounts are annual. Most recipients receive multiple awards. It is estimated that the number of students receiving at least 1 award in a 12-month period would be between 8,000 and 9,000 students.

### **Property Taxes (\$52,206,883)**

- ❖ For the seventh consecutive year, the proposed budget is based on a 3.9% increase or \$2.0 million in the tax levy dedicated to the College.
- ❖ Nassau County's share of \$52.2 million represents 26.6% of the proposed total budget.
- ❖ The statewide average of County share ("Sponsor's Contribution") as a percentage of operating revenues for all community colleges in FY 2006-07 was 19.4%.
- ❖ Based on current rates, the \$2.0 million incremental in the proposed budget as compared to the FY 2007-08 adopted budget, will cost the average Nassau homeowner an additional \$3.85, for a total contribution to the College of \$103 per Nassau County household.

### **State Aid (\$49,489,028)**

State aid is received for each full-time equivalent student (FTE), based on the prior year's enrollment. An FTE is equal to 30 credits annually. Although the state aid rate has remained the same as the current FY 2007-08 rate of \$2,675 per FTE, state aid is increasing because:

1. The College will receive 50% reimbursement for lease of new building worth approximately \$400,000 in FY 2008-09.
2. Due to the enrollment increase in the current fiscal year (FY 2007-08) aid in FY 2008-09 will increase by approximately \$420,000.

### **Revenue Lieu Sponsor Share - Charges Other Counties (\$12,658,134) and Non-Residents (\$2,529,645)**

The College is entitled by State regulations to a chargeback payment from the home county of residence for each non-Nassau resident with a certificate of residence attending Nassau Community College. The amount charged, calculated by the State, is based upon County expenditures for Nassau residents attending the College.

Of the 21,483 total enrolled students as of the spring 2008 semester, 77.9% were from Nassau County, 11.8% came from Queens, and 8.5% were from Suffolk County. The remaining 1.8% enrollment came

## REVIEW OF PROPOSED FY 2008-09 NCC BUDGET

from elsewhere in New York State, or out of state. Of the 16,741 total Nassau County resident students enrolled, 50.0% are residents of the Town of Hempstead, nearly 10.0% of the students live in the Town of North Hempstead, and 14.3% reside in the Town of Oyster Bay. The remaining Nassau County students are residents of the City of Glen Cove (1.6%) and the City of Long Beach (1.8%). New York City residents comprise 13.1% of enrollment at the College.

The current FY 2007-08 chargeback rate is \$3,590 per non-resident FTE. Generally, the rate gets higher as the County's property tax contribution increases. Prior year adjustments and number of Nassau residents attending the college also affect the chargeback rate. The college assumes out of County enrollment will continue at the FY 2007-08 level.

In addition to the revenue received from other counties, the College is able to charge double the tuition rate to non-Nassau County residents without a certificate of residence and to out of state residents. The anticipated revenue from these students in the proposed FY 2008-09 budget year is \$2.5 million, representing approximately \$2.4 million anticipated from international students and students from a New York State county who do not hold a certificate of residency and \$131,500 from non-New York State students.

### **Revenue Offset to Expenses (\$3,725,000)**

This revenue source consists of commissions, contract education for various subjects and special course fees that are charged to pay for the costs associated with some courses and programs, such as classes in adult education, corporate training, and English as a second language. A surplus of \$65,000 is expected in this revenue category over the current year's budget of \$3.6 million. The proposed FY 2008-09 budget of \$3.7 million is greater than the FY 2007-08 projection by \$71,659. This is an area in which the College's marketing and enrollment management efforts can contribute.

### **Service Fees (\$4,910,000)**

The majority of income for service fees comes from student lab and technology fees and student lab fees. The proposed budget for service fees is increasing by 0.03%, or \$1,610 over the FY 2007-08 budget. The chart below outlines the difference in service fees and revenues from proposed FY 2008-09 amounts to FY 2007-08.

<b>Service Fees</b>						
<b>Proposed FY 2009 vs. Adopted FY 2008</b>						
Service Fee: Source	Fee	FY 07-08		FY 08-09		Variance Fee Revenue
		Adopted Budget	Fee	Proposed Budget	Fee	
Technology Fee	\$40	\$1,444,000	\$40	\$1,410,000	\$0	(34,000)
Student Lab Fees Day	100	1,544,890	100	1,519,200	0	(25,690)
Application	30	461,000	40	450,000	10	(11,000)
NG Check Fee	20	15,000	20	15,000	0	0
Transcript Fees	5	210,000	5	210,000	0	0
Late Registration	25	478,000	25	540,000	0	62,000
Nursing Evaluation	75	1,500	75	1,800	0	300
Tuition Pay Plan	25	260,000	25	260,000	0	0
Change of Program	25	80,000	25	65,000	0	(15,000)
Int'l Student Insurance	1,000	15,000	1,000	15,000	0	0
Convenience Fee	18	75,000	18	100,000	0	25,000
Vehicle Registration	45	324,000	45	324,000	0	0
<b>Totals</b>		<b>\$4,908,390</b>		<b>\$4,910,000</b>		<b>\$1,610</b>

### **Investment Income (\$650,000)**

The County Treasurer manages investment activity for the College. The amount credited to the College is a function of the interest rate and allocation by the County Treasurer. The expectation is that cash

## REVIEW OF PROPOSED FY 2008-09 NCC BUDGET

balances will increase on average by a few percentage points and that interest rate will remain in the same or slightly lower range. OLBR is projecting this revenue source to exceed budget by \$225,000 in the current year, reflecting interest earned on higher cash balances. However, the FY 2008-2009 budget proposes investment income will actually decrease from this year's projected actuals by \$100,000 or \$125,000 greater than this year's adopted budget.

### **Fund Balance**

Of the top ten Community Colleges in New York State (ranked by size of operating budget), NCC's fund balance is 4.63% of budgeted expenditures, which is less than the 6.94% on average, but greater than both Suffolk and Westchester Counties.

<b>Community College Fund Balance Comparison</b>			
<b>As of Fiscal Year Ending August 31, 2007</b>			
Community College	Unreserved Fund Balance	Total Expenditures	Percent of Fund Balance to Expenditures
Adirondack	\$2,299,287	\$21,450,000	10.72%
Broome	3,508,287	42,710,685	8.21%
Cayuga County	1,934,558	24,419,067	7.92%
Clinton	1,212,851	12,634,681	9.60%
Columbia-Greene	927,758	13,300,000	6.98%
Corning	5,817,338	29,265,791	19.88%
Dutchess	1,686,284	48,758,306	3.46%
Erie	3,230,791	85,147,062	3.79%
Fashion Institute	35,583,803	132,378,480	26.88%
Finger Lakes	1,796,805	28,394,032	6.33%
Fulton-Montgomery	1,019,488	14,342,707	7.11%
Genesee Community Cc	4,529,046	27,450,000	16.50%
Herkimer County	1,004,809	21,006,294	4.78%
Hudson Valley	4,968,527	71,319,765	6.97%
Jamestown	930,135	27,599,000	3.37%
Jefferson	2,209,628	19,914,412	11.10%
Mohawk Valley	4,676,914	38,881,707	12.03%
Monroe	14,671,472	103,650,000	14.15%
<b>NCC</b>	<b>8,329,907</b>	<b>179,773,146</b>	<b>4.63%</b>
Niagara County	3,394,918	39,944,920	8.50%
North Country Communi	(925,344)	12,179,101	-7.60%
Onondaga	2,966,726	52,388,000	5.66%
Orange County	(952,893)	45,516,544	-2.09%
Rockland	(2,728,848)	51,777,764	-5.27%
Schenectady County	2,537,527	20,361,100	12.46%
<b>Suffolk County</b>	<b>6,002,330</b>	<b>152,247,069</b>	<b>3.94%</b>
Sullivan County	371,508	14,689,092	2.53%
Tompkins-Cortland	253,991	27,749,250	0.92%
Ulster County	630,717	20,998,489	3.00%
<b>Westchester</b>	<b>1,447,624</b>	<b>89,636,268</b>	<b>1.61%</b>

According to the GFOA, in considering the appropriate level of unreserved fund balance, each local government needs to evaluate the degree of risk that it faces on an annual basis and determine the level of financial resources that is necessary to retain for contingencies.

### **Other (\$950,000)**

The majority of this category, \$700,000, is an accounting entry for recovery of prior year appropriations. When an obligation ceases in a prior year, the funds can be disencumbered, and recognized as revenue in the current year. The remaining \$250,000 is for federal aid the College receives for expenses associated with its work-study program, 75% of which is reimbursed by this revenue.

**Exhibit 1**

**Statistical snapshot: Student body as of Spring 2008 semester:<sup>2</sup>**

- 20,026 students were enrolled in more than 30 academic departments, of which 62% were full time students. Of the 12,489 full time students, 86.2% attended day classes.
- Specifically, full time day and evening student enrollments have increased by 175 (1.65%) and 139 (8.8%) students respectively. On a part-time basis, there were 54 more day students enrolled (1.3%), offset by a 3.74% decrease in evening students, or a total drop 79 part time students (1.0%) from the spring 2006-07 semester.
- As of the spring 2008, excluding those of unknown origin, 46.6% of the students were members of ethnic minorities, up by 2.47% from last spring semester. African American students accounted for 20.6% of total enrollment, 13.7% of students were of Hispanic origin, 6.8% were of Asian descent, and 0.3% of students were American Indian.
- 5.3% of students enrolled were non-U.S. citizens,
- Since fall 2001, Hispanic, Asian and Afro-American student body increased by 14.3%, 33.6% and 19.21% respectively, while white enrollment decreased by 9.2%.
- Overall, from spring 2001 to spring 2008 semester the College's minority enrollment has increased by 34.0%.
- Approximately 19%-20% of the college-bound graduates from Nassau County high schools attend Nassau Community College.

---

<sup>2</sup> Data provided by Nassau Community College Office of Institutional Research

APPENDIX I

**FY 2007-08 Initiatives**

**Health and Safety Related:**

*Fire Alarm and Public Address System:* \$300,000. The purpose of this project is to modernize the campus's aged fire alarm systems and to install a campus wide public address system, which could be used to alert the campus community of dangerous situations. The new code compliant systems will incorporate the current requirements of the Nassau County Fire Prevention Ordinance, the ADA and the State Building Code. Existing systems range in age from 20 to 60 years, and all are considered obsolete and out of manufacture.

*Background Security Checks:* \$40,000. Background screening of College employees is designed to remove potential risks to students and staff at the College. In addition, it provides a safeguard to the College in terms of liability because the College will have demonstrated its "due diligence" in the hiring process.

*Public Safety Overtime:* \$100,000. Currently, the Public Safety Department does not have the full complement of personnel needed to perform routine patrol duties and to support the recently implemented public safety programs. This shortage of personnel necessitates overtime tours for public safety officers. In addition, Public Safety is charged with the overtime to cover the security requirements for both College and non-College events that take place on campus.

*Peace Officers, new and upgraded personnel:* \$350,000. The College will enhance its security measures by upgrading some personnel and hiring other personnel who will have "Peace Officer" status. This process will expedite the arrival of Peace Officers on campus. The enhanced powers associated with peace officer status include the power to make arrests and to conduct radar monitoring of speeding on campus. The Peace Officer program has become a necessity as the College enhances its ability to be a law enforcement entity capable of fulfilling the College's public safety and security needs.

**Educational Enhancements That Are Also Revenue Generating Related**

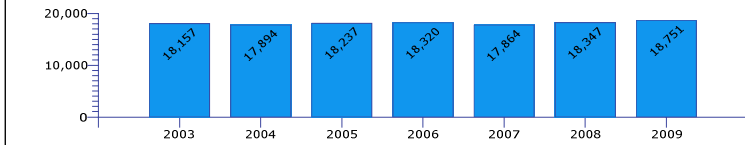
*Establish VP for Advancement/External Affairs/Marketing Initiative:* \$715,000. The College seeks to better coordinate and focus its publications, public relations and community relations activities through a) an administrative reorganization and b) increasing the resources directed towards advertising and other means of increasing the visibility and brand of NCC. Other colleges in the Long Island area spend several times the amount that NCC does for these purposes. The effect of these enhanced efforts and additional resources will be seen in additional revenue generated through greater enrollment and through increased financial support to the College via private donations and other funding streams. This initiative also calls for the hiring of a College counsel, whose responsibilities will solely be related to legal issues affecting the College, thereby enhancing the College's capacity to handle legal related issues "in-house." In addition, this initiative includes funding for an additional grants writer. At the same time, the Vice President for Legal and External Affairs would be replaced with a Vice President for Advancement and Community Affairs, who would be able to focus his/her efforts on the expanded responsibilities of that office without being encumbered with the legal issues that the new College counsel will now handle.





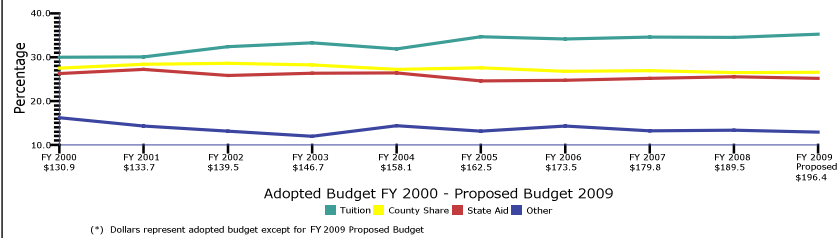


### Nassau Community College Full Time Equivalent Students (FTE's)



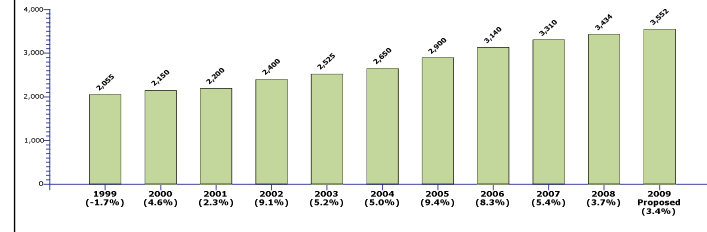
- Starting in 2003, the methodology used by NY State for determining the number of FTE's was changed from counting the number of students attending class three weeks into the semester, to counting the number who registered. This led to a sharp increase in the tally.
- With summer classes not yet completed, enrollment for FY 2007-08 is projected to come in approximately 1.3% greater than in FY 2006-07.
- The FY 2007-08 enrollment drives the current year's tuition revenues and will determine the FY 2008-09 State Aid.
- The College anticipates enrollment to increase by 2.2% assuming continuing of strategic tasks (i.e. retention and marketing).

### Tuition, County Share and State Aid Percentage of Adopted Budget



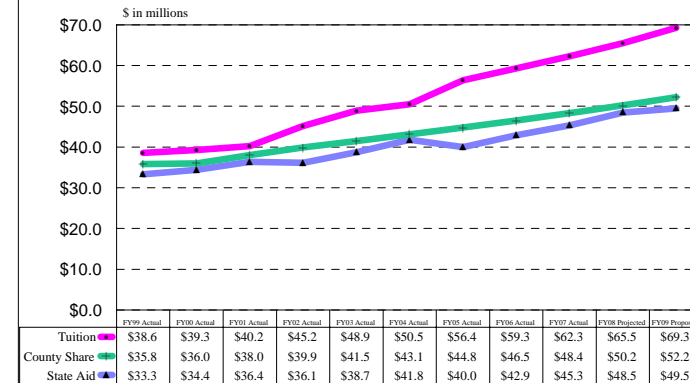
- Since FY 2000, revenues from tuition has increased as a portion of the adopted budget by more than State Aid and County Share.

### Nassau Community College Tuition History (Tuition in Dollars)

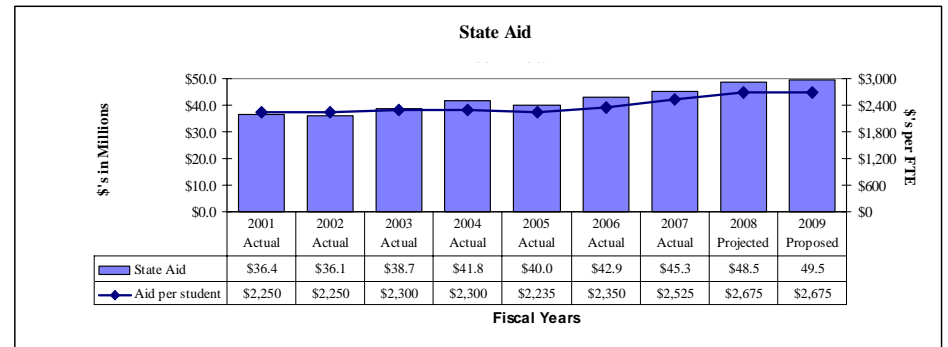
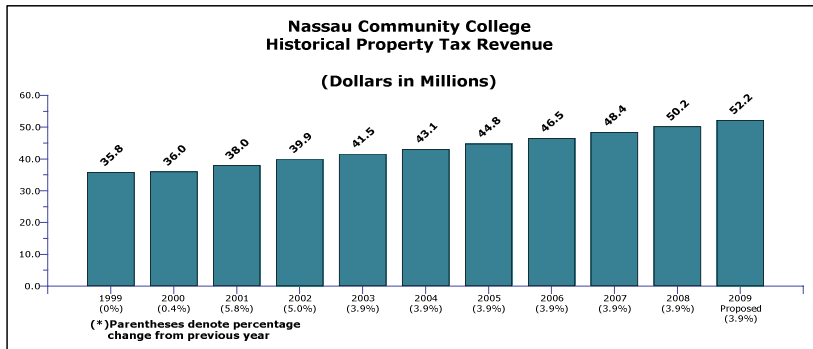


- Tuition at NCC has risen steadily over the past 10 years with slight reductions in FY 1997-98 and FY 1998-99.
- The proposed increase is the lowest dollar amount and percentage increase since FY 2000-01.
- The proposed rate for FY 2008-09 brings the ten-year average annual increase to 5.6%.
- The proposed tuition increase of \$118, represents a \$4 per credit increase to \$148 in FY 2008-09.

### Tuition, County Share, and State Aid

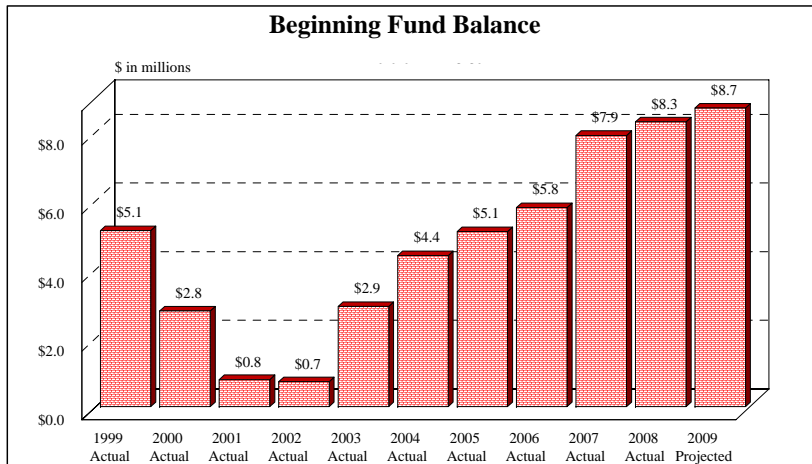


- In FY 1999-00, Tuition made up 35.8% of the \$107.7 million total of the College's three main revenue sources. In the proposed FY 2008-09 budget, it would make up 40.5% of the \$171.0 million total.
- In FY 1999-00, County Share, or Property Tax, made up 33.2% of the \$107.7 million total of the College's three main revenue sources. In the proposed FY 2008-09 budget, it would make up 30.5% of the \$171.0 million total.
- In FY 1999-00, State Aid made up 30.9% of the \$107.7 million total of the College's three main revenue sources. In the proposed FY 2008-09 budget, it would make up 28.9% of the \$171.0 million total.

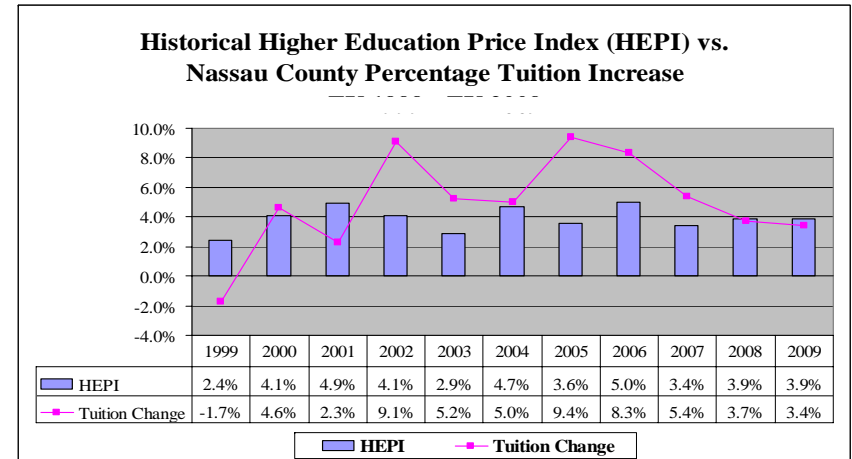


- Property tax rate of growth continues for the seventh consecutive year at 3.9%.
- The proposed total county share amounts to \$52.2 million, or approximately \$103 per Nassau County household.
- The budgetary increase of \$2.0 million will add \$3.85 to the average home owner's tax bill.

- State Aid per FTE has grown by 18.9% since 2001.
- No increase in State Aid rate in 2009.



- Fund Balance is the accumulated unreserved cash balance resulting from prior years' operations.
- The College's policy has been to utilize fund balance to pay for one-time or emergency expenses.
- A projected surplus of \$355,499 in FY 08 will increase opening FY 2008-09 Fund Balance to \$8.7 million, an amount equal to 4.4% of the proposed operating budget.



- 2009 HEPI based on current FY 2007-2008 projection.
- The Higher Education Price Index (HEPI) is a measure of the inflation rate applicable to United States higher education. The index is calculated on a fiscal year basis ending each June 30, by the Commonfund Institute, a branch of Commonfund, a non-profit organization devoted to the management of college and university endowments.
- Proposed percentage tuition change remains below the HEPI growth index currently at 3.9% translating into \$16 less than the \$134 increase as per the HEPI.