




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 12, 2018

Re: Proposed FY 2018-2019 Nassau Community College Budget

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Attached is the Office of Legislative Budget Review's (OLBR) report on the proposed Nassau Community College (NCC) FY 2018-2019 budget. The College continues to face decreasing enrollment, a flat property tax revenue and has had to rely more on their fund balance to mitigate budget challenges. The 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 0.3%, or \$0.7 million, compared to the Adopted FY 2017-2018 Budget.
- The expense increase is primarily driven by a \$2.2 million rise in general expenses and contractual services, when compared to the Adopted FY 2017-2018 Budget.
- The increases are partially offset by reductions in debt service and utility costs.
- The property tax levy supporting the College, is budgeted at \$52.2 million, which has stayed constant for over a decade.
- The budget is built on an expected 6.0% enrollment decline. Enrollment has declined 2% or more each year since FY 2011-2012.

- New York State increased its contribution \$100 per Full-Time Student Equivalent (FTE). Although the reimbursement rate is up, the projected decrease in enrollment will drive the net state aid down by about \$1.6 million.
- The College plans to raise the annual tuition rate \$248 or 4.9% to \$5,350. The tuition rate is higher than both Suffolk and Westchester Community Colleges.
- The College has appropriated \$5.5 million from fund balance, more than double the previous fund balance in FY 2017-2018. The College is ranked 20<sup>th</sup> of 30 among New York State Community Colleges in terms of fund balance as a percentage of expenditures.
- While the planned use of fund balance will not cause the balance to fall below the minimum set by the College Board policy, any continued usage that could arise from higher than budgeted shortfalls would be concerning.

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.

Inna Reznik, Vice President of Finance, NCC  
Kathleen P. Murray, Vice President, Institutional Advancement  
Mark Page, Deputy County Executive for Finance  
Andrew Persich, Budget Director, OMB  
Dan McCloy, Director of Law, Finance & Operations  
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Peter Clines, Minority Counsel  
Michele Darcy, Minority Finance Director  
Michael Pulitzer, Clerk of the Legislature

	Historical		2018		2019	2019 vs. 2018		Proj vs. 2019	
	2016	2017	Adopted Budget	OLBR Projected	Proposed Budget	Variance	Percent	Variance	Percent
Full-time Headcount	1,024	1,017	1,025	1,012	1,038	13	1.3%	26	2.6%
Salaries	\$125,015,226	\$122,533,020	\$122,797,454	\$122,687,463	\$122,875,166	\$77,712	0.1%	187,703	0.2%
Fringe Benefits	56,431,734	55,891,350	59,708,000	57,455,689	60,241,000	\$533,000	0.9%	2,785,311	4.8%
Equipment	1,894,281	1,770,095	2,075,054	2,075,054	1,912,774	(\$162,280)	-7.8%	(162,280)	-7.8%
General Expenses	7,148,056	9,258,749	6,995,371	6,995,371	8,095,650	\$1,100,279	15.7%	1,100,279	15.7%
Contractual Services	8,105,839	7,860,517	7,766,553	7,766,553	8,828,609	\$1,062,056	13.7%	1,062,056	13.7%
Utility Cost	4,716,602	4,224,962	4,393,827	4,393,827	4,077,000	(\$316,827)	-7.2%	(316,827)	-7.2%
Debt Service	453,601	400,875	2,717,350	1,085,903	1,088,799	(\$1,628,551)	-59.9%	2,896	0.3%
Interfund Charges	1,815,734	2,345,495	2,640,000	2,640,000	2,648,000	\$8,000	0.3%	8,000	0.3%
County Scholarships	47,012	48,852	55,000	55,000	55,000	\$0	0.0%	0	0.0%
<b>Total</b>	<b>\$205,628,085</b>	<b>\$204,333,915</b>	<b>\$209,148,609</b>	<b>\$205,154,860</b>	<b>\$209,821,998</b>	<b>\$673,389</b>	<b>0.3%</b>	<b>\$4,667,138</b>	<b>2.3%</b>

\*Unaudited

**Expenses**

- Expenses are budgeted to increase by 0.3%, or \$0.7 million, compared to the Adopted 2017-2018 Budget. As is customary with the College during the fiscal year, there had been some adjustments made to the FY 2017-2018 Adopted Budget to reallocate expense lines, however, the bottom line approved by the Legislature remained unchanged.
- Salaries in the proposed budget are increasing by \$0.2 million or 0.2%, when compared to the FY 2017-2018 salary projection, and are increasing by 0.1%, or \$0.1 million when comparing budget to budget. Salaries make up 58.6% of the FY 2018-2019 expense budget. FY 2018-2019 budgeted headcount is increasing by 13, budget to budget and growing by 26 when compared to FY 2017-2018 projected numbers.
- The salary budget incorporates \$3.0 million in salary savings. This is a result of natural attrition and the Administration negotiating with bargain units to either encourage additional attrition with limited backfill and/or other strategies for salary savings.

**Expenses, Cont.**

- A new Nassau Community College Federation of Teachers (NCCFT) contract was negotiated, awarded and approved by the Nassau County Legislature in September 2017. NCCFT employees are receiving a 1.25% Cost of Living Adjustment (COLA) in FY 2018-2019. This has been included in the budget.
  - The Adjunct Faculty Association (AFA) members do not have a COLA budgeted for them since their contract expires September 30, 2018. If a new contract is negotiated and a COLA is included, the College will have to find a way to fund it.
  - The CSEA contract expired December 31, 2017 and, no COLAs have been included in the Proposed Budget. According to the College, a 1.0% COLA increase would cost roughly \$250,000.
- The proposed budget for termination pay of \$1.7 million is in line with the current year adopted budget. Typically, the College budgets approximately \$1.7 million for termination pay to fund normal attrition from retirements. This would cover projections for known retirees taking multi-year payouts and make provisions for anticipated new retirees and terminations.
- Fringe benefits are increasing by \$0.5 million or 0.9%, when comparing budget to budget, which is mostly a result of rises in health insurance, New York State Teacher's Retirement System and TIAA-CREF expenditures.
- Debt service, utility costs, and equipment costs are declining budget to budget, while all Other Than Personal Services (OTPS) are rising in the Proposed Budget. More detail is provided under the OTPS section.

**Headcount**

FULL-TIME HEADCOUNT									
Union	On Board May 2018		Proposed 18-19		Difference			Salary %	
	F/T	Pers. Svcs	F/T	Pers. Svcs	F/T	Pers. Svcs	HC % Chg	Chg	
NCCFT	595	\$54,378,773	598	57,723,163	3	\$3,344,390	0.5%	6.2%	
CSEA	340	20,274,647	357	21,219,788	17	\$945,141	5.0%	4.7%	
ORD	77	8,096,316	83	8,178,402	6	82,086	7.8%	1.0%	
<b>TOTAL</b>	<b>1,012</b>	<b>\$82,749,736</b>	<b>1,038</b>	<b>\$87,121,354</b>	<b>26</b>	<b>4,371,618</b>	<b>2.6%</b>	<b>5.3%</b>	

- The chart above illustrates full-time headcounts for College employees. It compares current on-board to the FY 2018-2019 headcounts. The full-time headcount has increased by 26 when compared to the current on-board, along with the salary increasing by \$4.4 million. The rise in budgeted salaries for full-time positions is being covered by reductions in areas such as overtime and part-time salaries, along with the \$3.0 million reduction in anticipated salary savings.
- There are currently 77 Ordinance employees on board and the headcount in the proposed budget will increase by six to match the needs of the institution.

**Fringe Benefits**

Nassau Community College Fringe Benefit Expenses							
	2018 Adopted Budget	OLBR Projection	Proposed 2019 Budget	2019 Proposed vs. 2018 Adopted	Percent	2019 Proposed vs. 2018 Projection	Percent
State Retirement	\$6,610,000	5,285,864	\$5,551,000	(1,059,000)	-16.0%	\$265,136	5.0%
Teachers Retirement	2,330,000	2,434,746	\$2,674,000	344,000	14.8%	239,254	9.8%
Social Security	9,206,000	8,956,185	\$9,165,000	(41,000)	-0.4%	208,815	2.3%
Health Insurance	21,870,000	21,069,816	\$22,522,000	652,000	3.0%	1,452,184	6.9%
TIAA CREF	5,900,000	6,062,789	\$6,139,000	239,000	4.1%	76,211	1.3%
Optical Plan	115,000	110,000	\$110,000	(5,000)	-4.3%	0	0.0%
Unemployment	100,000	100,000	\$100,000	0	0.0%	0	0.0%
Dental Insurance	585,000	570,000	\$570,000	(15,000)	-2.6%	0	0.0%
Medicare Reimbursement	1,630,000	1,630,000	\$1,630,000	0	0.0%	0	0.0%
Health Insurance Retirees	9,560,000	9,660,614	\$10,377,000	817,000	8.5%	716,386	7.4%
Retirees Optical	13,000	12,500	\$13,000	0	0.0%	500	4.0%
MTA Mobility Tax	429,000	417,137	\$427,000	(2,000)	-0.5%	9,863	2.4%
CSEA Legal Fund	60,000	58,250	\$59,000	(1,000)	-1.7%	750	1.3%
Workers Compensation	1,300,000	1,025,000	\$904,000	(396,000)	-30.5%	(121,000)	-11.8%
Miscellaneous	0	62,788	\$0	0	****	(62,788)	-100.0%
<b>Total</b>	<b>\$59,708,000</b>	<b>\$57,455,689</b>	<b>\$60,241,000</b>	<b>\$533,000</b>	<b>0.9%</b>	<b>\$2,785,311</b>	<b>4.8%</b>

- The FY 2018-2019 Proposed Budget for fringe benefits is \$60.2 million, which represents 28.7% of the operating budget. The budget is increasing by \$0.5 million, or 0.9%, compared to the FY 2017-2018 Adopted Budget, but is increasing by \$2.8 million, or 4.8%, compared to the current projection.
  - The majority of the budgeted growth is attributed to rises in health insurance, the New York State Teacher’s Retirement System and TIAA-CREF expenditures, which is partially offset by reductions in New York State Local Retirement System pension costs and workers compensation expenses. The FY 2017-2018 Adopted Budget for fringe benefits was overfunded, and as a result there is a projected surplus of \$2.3 million in the current year.
- The Proposed Budget for health insurance for active employees and retirees is increasing by a total \$1.5 million budget to budget and \$2.2 million compared to the current projection. The college budget assumes a health insurance growth rate of 7.1%. The

**Fringe Benefits, Cont.**

growth rate appears reasonable and in line with the best estimate assumptions in the latest New York State's Quarterly Experience Report.

- Based on the current full-time staffing level, the health insurance budget seems realistic, however, if staffing rises to the full-time budgeted headcount of 1,038, the health insurance budget could be at risk by \$0.5 million.
- The FY 2018–2019 State Retirement System's budget of \$5.6 million is decreasing by \$1.1 million budget to budget. The Proposed Budget is more aligned with the current projection.
  - The contribution rate in the retirement plan that represents most College employees dropped from 16.1% to 15.9%. The budget is based on the 2019 New York State & Local Retirement System projected pension bill that is provided by the New York State Comptroller.
- The New York State Teacher's Retirement System (NYSTRS) budget of \$2.7 million is rising by \$0.3 million, or 14.8%, budget to budget and \$0.2 million compared to the current projection. The NYSTRS Employer Contribution Rate (ECR) is increasing from 9.8% in FY 2017–2018 to 10.6% in FY 2018-2019. The retirement cost is a function of the salaries that are subject to the ECR.
  - According to NYSTRS Administrative Bulletin, "recent returns have been favorable, however the conventional wisdom among investment advisors is that long-term investment returns will be lower in the future than they have been in the past. Therefore, NYSTRS like many other retirement systems throughout the country, is being conservative and lowering the long-term assumption."
- The TIAA–CREF FY 2018-2019 budget is increasing by \$0.2 million to \$6.1 million budget to budget but is consistent with the current projection. The budgeted increase can be attributed to a rise in salaries, which includes a 1.25% COLA for NCCFT salaries.
- The social security budget of \$9.2 million is increasing by \$0.2 million compared to the current projection. The social security budget appears realistic since costs are a function of salaries, and FY 2018-2019 salaries are budgeted to increase.
- The worker's compensation budget for FY 2018-2019 is decreasing by \$0.4 million, or 30.5%, budget to budget, which is based on actual averages from FY 2014 through FY 2017.

**Other Than Personal Services**

- OTPS spending in FY 2018–2019 will be about \$0.06 million, or 0.2%, more than that of the FY 2017-2018 Modified Budget. The following chart details the OTPS spending from the 2017 actual to the current Proposed Budget:

Nassau Community College OTPS Budget Comparison FY 2017 - 2019						
	<u>2017</u> <u>Operating</u> <u>Results</u>	<u>2018</u> <u>Modified</u> <u>Budget</u>	<u>2018</u> <u>Projected</u> <u>Oper. Results</u>	<u>2019</u> <u>Proposed</u> <u>Budget</u>	Variance <u>Mod 2018/2019</u>	Variance <u>Proj/Bud</u>
Equipment	\$1,770,095	\$2,065,384	\$2,075,054	\$1,912,774	(\$152,610)	(\$162,280)
General Expenses	9,258,749	7,248,531	6,995,371	8,095,650	847,119	1,100,279
Contractual Services	7,860,517	7,516,353	7,766,553	8,828,609	1,312,256	1,062,056
Utility Costs	4,224,962	4,401,537	4,393,827	4,077,000	(324,537)	(316,827)
Debt Service	400,875	2,717,350	1,085,903	1,088,799	(1,628,551)	2,896
Interfund Charges	2,345,495	2,640,000	2,640,000	2,648,000	8,000	8,000
Scholarships	48,852	55,000	55,000	55,000	0	0
	<u>\$25,909,545</u>	<u>\$26,644,155</u>	<u>\$25,011,708</u>	<u>\$26,705,832</u>	<u>\$61,677</u>	<u>\$1,694,124</u>

- 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 needed expenses. The total budgeted expense bottom line however, remains the same.
- The overall increase in OTPS spending in the Proposed Budget is driven mostly by the \$2.2 million growth in general and contractual expenses, offset by the reduction in equipment costs, utility costs, and debt service. The FY 2018-2019 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. The decline is due to the renegotiation of the debt agreements with the College and the County.
- General expenses are increasing by \$0.8 million due to budget requests from various departments being approved in the FY 2018-2019 Proposed budget and the addition of an Educational Opportunity Program which included a \$0.2 million OTPS budget.
- Contractual services are increasing by \$1.3 million compared to the Modified Budget due to Facilities & Maintenance costs of over \$0.5 million from escalation clauses built into their contracts, and an increase in Marketing of \$0.3 million as well as other various departmental requests.



**Expense Recap**

- The proposed FY 2018-2019 expense budget represents a \$0.7 million budget to budget increase in expenses as a result of increases in salary expenses and fringe benefits, along with general and contractual expenses. These increases are partially offset by decreases in equipment, utility costs, and debt service costs.

**Expense Risks**

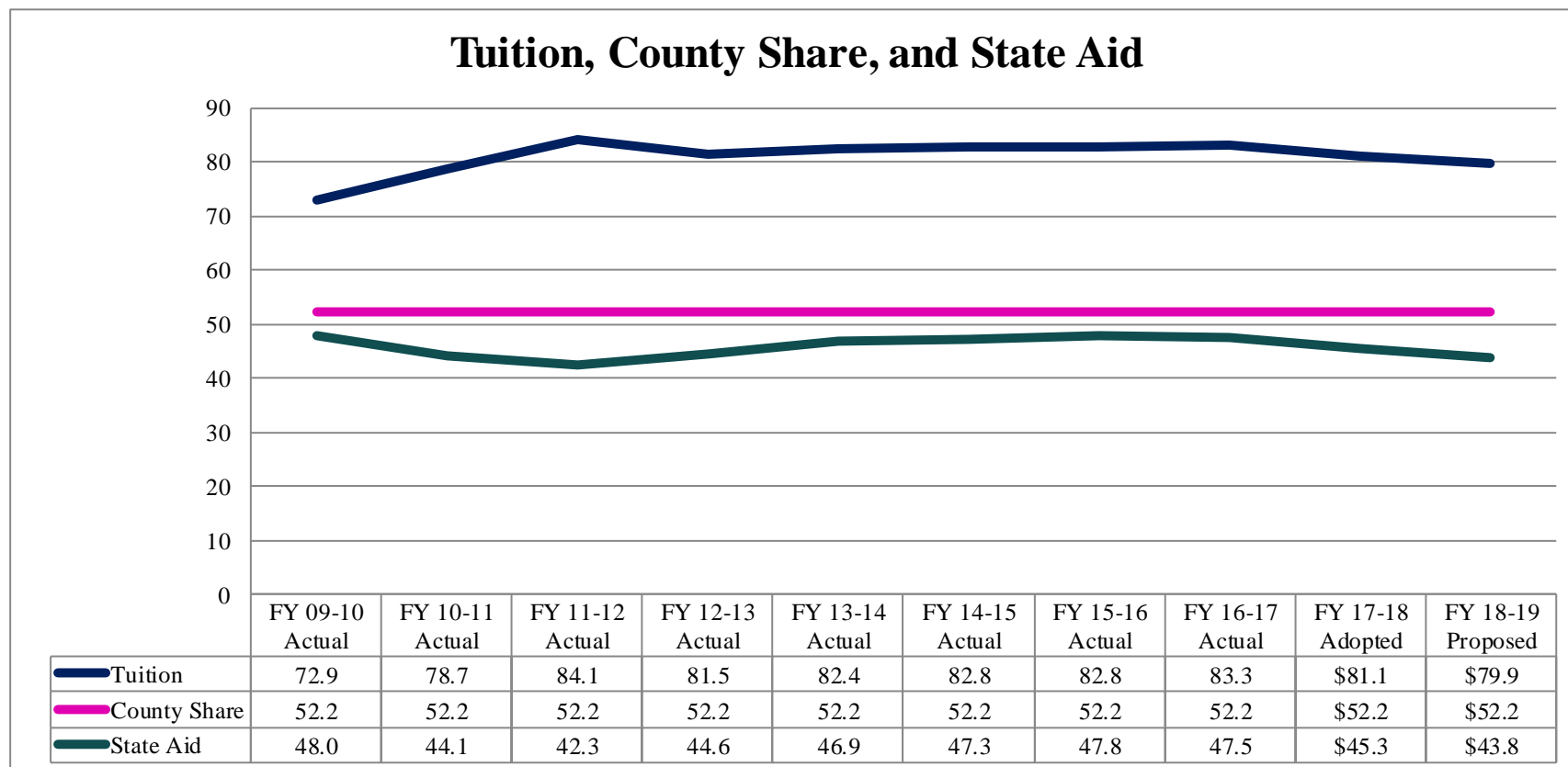
- With the CSEA contract expired and the AFA term expiring on September 30, 2018, there could be a potential risk to the salary budget from any new negotiated contract that may occur with these two unions.
- There is \$3.0 million in anticipated salary adjustment savings. The Administration must find a way to reach this goal or any shortfalls will negatively impact the budget.
- Health insurance could include a risk up to \$0.5 million if the current staffing level rises to the budgeted headcount amount.

	Historical		2018		2019	2018 vs. 2019		Projected vs. 2019	
	2016	2017	Adopted Budget	OLBR Projected	Proposed Budget	Variance	Percent	Variance	Percent
Student Revenues	\$82,829,292	\$83,304,372	\$81,162,678	\$81,106,363	\$79,945,884	(\$1,216,794)	-1.5%	(\$1,160,479)	-1.4%
Property Tax	52,206,883	52,206,883	52,206,883	52,206,883	52,206,883	0	0.0%	0	0.0%
State Aid	47,810,987	47,450,986	45,323,590	45,361,373	43,750,916	(1,572,674)	-3.5%	(1,610,457)	-3.6%
Rev. Lieu Spons. Share	14,189,837	13,871,235	12,700,287	12,560,082	14,700,000	1,999,713	15.7%	2,139,918	17.0%
Rev. Offset To Expense	3,942,119	3,931,364	6,162,364	4,562,364	4,592,250	(1,570,114)	-25.5%	29,886	0.7%
Service Fees	6,914,734	7,330,887	8,531,487	8,437,304	7,931,065	(600,422)	-7.0%	(506,239)	-6.0%
Rents & Recoveries	624,882	614,174	990,000	990,000	990,000	0	0.0%	0	0.0%
Investment Income	81,628	129,530	65,000	150,000	205,000	140,000	215.4%	55,000	36.7%
Federal Aid	0	0	0	0	0	0	0.0%	0	0.0%
Fund Balance Appropriated	0	0	2,006,320	2,006,320	5,500,000	3,493,680	174.1%	3,493,680	174.1%
<b>Total</b>	<b>\$208,600,362</b>	<b>\$208,839,431</b>	<b>\$209,148,609</b>	<b>\$207,380,689</b>	<b>\$209,821,998</b>	<b>\$673,389</b>	<b>0.3%</b>	<b>\$2,441,309</b>	<b>1.2%</b>

**Revenues**

- Overall, the Proposed FY 2018-2019 Budget includes 0.3%, or \$0.7 million, more revenue than the Adopted FY 2017-2018 Budget. In comparison, to the FY 2017-2018 projection, revenue is up 1.2%, or \$2.4 million, in FY 2018-2019.
- The College faces another substantial enrollment decline in FY 2018-2019 of 6.0%. The College experienced a 6.4% drop in FY 2015-2016, 7.2% in FY 2016-2017, and projects a 7.1% decline in FY 2017-2018. The Proposed budget increases the tuition rate and appropriates \$5.5 million from the fund balance.
  - Even with the tuition hike, the student revenues/tuition budget is 1.4%, or \$1.2 million, less than the current projection.
- The State increased its assistance per Full-Time Student Equivalent (FTE) by \$100 in the FY 2018-2019 budget. This increase sets the rate at \$2,847 per FTE. However, this positive development is more than offset by the expected decline in enrollment, and the College reduced state aid revenue by \$1.6 million compared to the current academic year projection.
- The County’s share of College revenue, the property tax levy, remains \$52.2 million in FY 2018-2019. The property tax levy has been set at \$52.2 million since FY 2008-2009.
- Revenue in lieu of sponsor share is up \$2.0 million budget to budget and \$2.1 million compared to the latest academic year projection. The increase is due to increasing the chargeback rate to other counties and non-residents.

**FY 2010 Actual – 2019 Proposed**  
(\$ in millions)



- State aid is \$43.8 million in the Proposed FY 2018-2019 Budget, about 20.9% of the overall revenue budget. State aid has been trending downward since FY 2015-2016 as enrollment decreased at the College.
- The County share is \$52.2 million in FY 2018-2019, accounting for approximately 25.0% 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 \$79.9 million, or 38.1% of FY 2018-2019 revenue. The College has steadily increased its tuition rate since FY 2012-2013, offsetting the flat property tax levy, variable State support, and declining enrollment.

**Tuition**

- The tuition budget is down about \$1.2 million from the level Adopted for FY 2017-2018. 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 about two percent or more each year since FY 2011-2012.

Year	FTE Count	% Change	Tuition	% Change
FY 08-09	18,427	0.77%	\$3,552	3.44%
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*	14,418	-7.10%	5,102	4.81%
FY 18-19*	13,553	-6.00%	\$5,350	4.86%

\*Projected FTEs in FY 17-18 and FY 18-19

- The College instituted a \$248, or 4.9%, tuition increase to stave off the revenue loss from the 6.0% enrollment decline expected in FY 2018-2019. As the table below demonstrates, Nassau’s tuition rate is higher than both Suffolk’s and Westchester’s rates.

FY 2018-2019				
Yearly Tuition Comparison				
	Current	FY2018-2019 Proposed	Increase	Diff From Nassau
Nassau	\$5,102	\$5,350	\$248	-
Suffolk	4,870	5,220	350	-130
Westchester	4,280	4,430	150	-920

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### **Property Tax Levy**

- The property tax levy remains flat at \$52.2 million in the Proposed FY 2018-2019 Budget.
- The County's contribution represents approximately 25.0% of total revenue.

### **State Aid**

- Compared to the Adopted FY 2017-2018 Budget, state aid dips 3.5% to \$43.8 million in FY 2018-2019.
- Even though the state increased its FTE reimbursement rate by \$100, up to \$2,847 per FTE in FY 2018-2019, the projected decrease in enrollment will drive net state aid down about \$1.6 million.
  - The State has imposed midyear cuts in the past. Further stress would be put on the budget should midyear cuts occur in FY 2018-2019.

### **Revenue in Lieu of Sponsor Share**

- This revenue stream has increased \$2.0 million to \$14.7 million, or 15.7%, budget to budget. The increase is due to the chargeback rate to other counties increasing from \$4,530 to \$5,320 or a 15.5% increase. In addition, the tuition rate of non-residents not eligible for chargeback amounts increased from \$5,102 to \$5,300.
- 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 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**

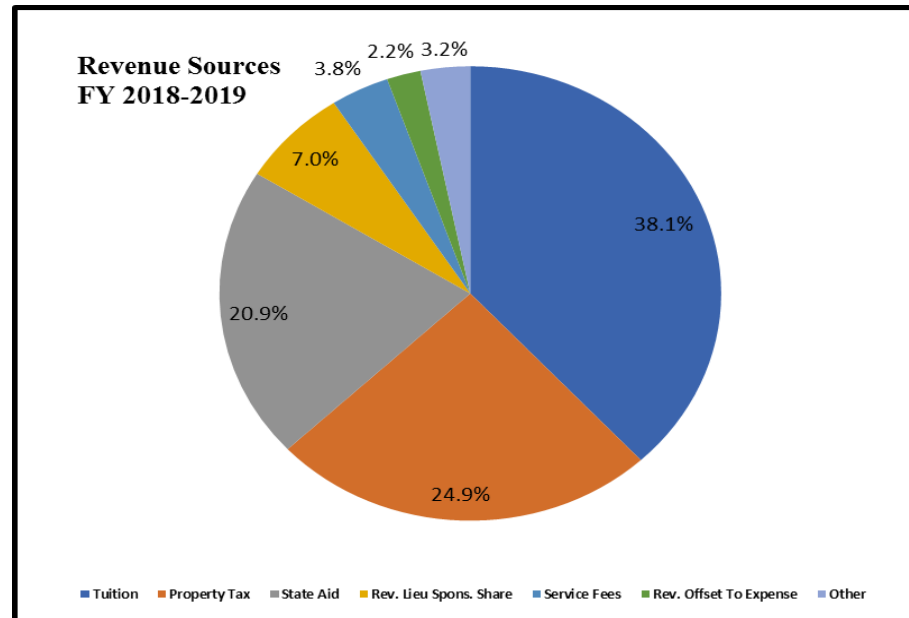
- This revenue source is comprised of commissions, contracts, and fees to cover special course offerings. These special offerings include continuing education, corporate education, and English as a Second Language (ESL), among other courses.
- The FY 2018-2019 revenue offset to expense budget is \$4.6 million, which is in line with current projections, and about \$1.6 million less than the Adopted FY 2017-2018 Budget.

**Rents and Recoveries**

- Most of this revenue is generated as a result of liquidating prior year encumbrances. Compared to both the current academic year projection and the Adopted FY 2017-2018 Budget, rents and recoveries is flat at \$1.0 million in FY 2018-2019.

**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 has increased \$0.1 million or 215.4% budget to budget.



**Service Fees**

- The Proposed service fee budget is about \$0.6 million or 7.0%, less than the Adopted FY 2017-2018 service fee budget.
- Revenues from service fees are affected by declining enrollment. There are no fee increases in the FY 2018-2019 budget.

Adopted FY 2018 vs. Proposed FY 2019						
Service Fee: Source	Fee	FY 2017-2018		FY 2018-2019		Variance
		Adopted Budget	Fee	Proposed Budget	Fee	Revenue
Technology	\$250	\$4,381,641	\$250	\$4,073,173	\$0	(308,468)
Student Lab	100	1,262,409	100	1,173,536	0	(88,874)
Application	50	675,522	50	628,033	0	(47,489)
NG Check	20	8,960	20	8,329	0	(631)
Academic Transcript Fees	30	16,926	30	15,735	0	(1,192)
Late Registration	25	178,121	25	165,581	0	(12,540)
Nursing Evaluation	75	463	75	417	0	(46)
Tuition Pay Plan	40	350,764	40	326,070	0	(24,694)
Change of Program	25	1,407	25	1,308	0	(99)
Consolidated Fee	30	765,516	30	711,700	0	(53,816)
Convenience Fee	18	264,408	18	245,793	0	(18,614)
Vehicle Registration	55	625,353	55	581,391	0	(43,962)
<b>Totals</b>		<b>\$8,531,488</b>		<b>\$7,931,065</b>		<b>(600,423)</b>

**Fund Balance**

- The Board of Trustees established a fund balance policy which states that “an unreserved fund balance of no less than 4.0% of the prior year’s operating budget” must be maintained. The FY 2018-2019 budget appropriates \$5.5 million from the fund balance, more than double FY 2017-2018.
  - The fund balance would remain threshold compliant if FY 2017-2018 and FY 2018-2019 results proceed as planned. At the end of FY 2018-2019, the fund balance would sit at approximately \$11.3 million.
  - NCC would rely 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 2016-2017 Unappropriated Fund Balance	\$16,615,142
Adopted FY 2017-2018 Fund Balance Appropriation	(2,006,320)
FY 2017-2018 Projected Operating Results	2,225,827
Projected FY 2017-2018 Unappropriated Fund Balance	16,834,649
Proposed FY 2018-2019 Fund Balance Appropriation	(5,500,000)
Projected FY 2018-2019 Unappropriated Fund Balance	\$11,334,649



**Fund Balance, Cont.**

- In the Fiscal Year ending August 31, 2017, New York State Community Colleges held on average 13.2% of budgeted expenditures in an unreserved fund balance.
- At 8.2%, Nassau Community College ranked 20<sup>th</sup> out of 30 among Community Colleges in terms of fund balance as a percentage of expenditures.
- Not only did Nassau rank worse than average, but it also ranked below both Suffolk and Westchester. However, it did increase from rank 25 from the previous year’s report.
- These rankings are calculated on the \$16.6 million Fund Balance the College reported in its NYS Annual Report for the Fiscal Year ending August 31, 2017. The State requires only actual expenditures in this report.

Community College Fund Balance Comparison				
As of Fiscal Year Ending August 31, 2017				
Rank	Community College	Unreserved Fund Balance	Total Expenditures*	Percent Fund Balance to Expenditure
1	Niagara	\$15,268,704	\$44,147,999	34.59%
2	North Country	4,104,897	12,755,717	32.18%
3	F-I-T	61,536,006	212,868,381	28.91%
4	Herkimer	6,214,394	21,745,451	28.58%
5	Corning	7,505,284	27,499,851	27.29%
6	Schenectady	5,504,102	28,374,202	19.40%
7	Genesee	7,376,576	39,627,070	18.61%
8	Jamestown	5,375,731	31,712,641	16.95%
9	Erie	16,452,390	103,963,353	15.83%
10	Westchester	17,041,348	112,638,083	15.13%
11	Onondaga	11,085,080	76,394,920	14.51%
12	Cayuga	3,712,284	27,849,497	13.33%
13	Finger Lakes	5,320,737	44,603,724	11.93%
14	Monroe	13,462,237	120,503,525	11.17%
15	Suffolk	22,204,321	211,458,607	10.50%
16	Fulton-Montgomery	1,892,138	18,112,369	10.45%
17	Jefferson	2,810,143	27,957,743	10.05%
18	Columbia-Greene	1,516,873	15,767,349	9.62%
19	Mohawk Valley	4,438,548	49,120,585	9.04%
20	Nassau	16,615,142	202,810,861	8.19%
21	Dutchess	5,011,790	64,334,105	7.79%
22	Adirondack	2,246,311	28,846,253	7.79%
23	Orange County	4,055,556	59,945,749	6.77%
24	Broome	3,454,697	53,855,054	6.41%
25	Ulster	1,393,656	23,566,527	5.91%
26	Rockland	2,794,955	64,045,914	4.36%
27	Tompkins - Cortland	1,468,842	40,590,537	3.62%
28	Clinton	175,672	13,710,723	1.28%
29	Hudson Valley	-	92,556,965	0.00%
30	Sullivan	(1,959,347)	15,363,823	-12.75%

\*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, and state aid would miss target if enrollment declines more than expected; the College built its budget on the assumption that enrollment would decline 6.0% in FY 2018-2019.
- A risk to the budget would materialize should the State slash the reimbursement rate mid-year, an action the State last took in FY 2009-2010.
- Continued usage of fund balance could become a future problem, and other revenues sources would become necessary.