

**EDUCATION AND ECONOMIC DEVELOPMENT COMMITTEE
MINUTES**

**(REMOTELY)
MONDAY, MAY 18, 2020
4:00 P.M.**

PRESENT: Paul Ruskiewicz, Chairman
Barry Cheney, Joseph J. Minuta, James O'Donnell,
Rob Sassi, Joel Sierra, Kathy Stegenga, Laurie R. Tautel

ALSO

PRESENT: L. Stephen Brescia, Chairman
Katie Bonelli, Majority Leader
Thomas Faggione, Legislator
Janet Sutherland, Legislator
James Kulisek, Legislator
John S. Vero, Legislator
Antoinette Reed, Legislative Counsel
Bill Fioravanti, Director, Economic Development
Dr. Kristine Young, President, Orange County Community College
Mary Ellen Rogulski, Chairwoman, Industrial Development Agency
Laurie Villasuso, Chief Operating Officer/Exec. VP, Industrial Development Agency
Vinnie Cozzolino, Managing Director, Industrial Development Agency
Deborah Slesinski, Budget Director
Deanna Crawford, Budget Analyst
Gretchen Riordan, Budget Analyst

Chairman Ruskiewicz opened the committee meeting at 4:51 p.m. with a moment of silence and to remember former Legislator Ruth Kassel who passed away, followed by the Pledge of Allegiance. All committee members were present.

Dr. Young presented the Orange County Community College 2020-2021 proposed budget. She explained that due to COVID-19, there has been mass disruption. They are anticipating significant cuts to their budget by the state. They received news from SUNY at the end of April that they will likely cut 30% or 50% from the budget that was approved on April 2nd. There is a lot of advocacy being done at the federal level to drive unrestricted dollars to the state to help fill in the money to localities. Unfortunately, the news they keep hearing is 30% to 50% cuts. If it a 50% cut from the state to Orange County Community College which would result in a \$6.5 to \$7 million cut to their budget. They still are waiting on confirmation on the size of the cut. She added that these are not normal times. Last week the Board of Trustees planned to pass the budget for 2020-2021. She sought advice and guidance from Chairman Ruskiewicz, County Executive Neuhaus as well as other leaders in the county, which was a suggestion to delay adopting the budget until their next and last scheduled meeting which is June 3, 2020. She was unsure what they will know by June 3rd, but that is the last possible date for the Trustees to pass the budget in order to have a budget intact to start the fiscal year on September 1st.

Mr. Ruskiewicz stated that the funding structure of the college is the county, the state and tuition, the county has the funding in place and are legally obligated to provide the same level of

funding as they did the previous year. Giving the situation that the county is in, it will not be feasible to provide anymore than that.

Dr. Young understood what Mr. Ruskiewicz stated. She reviewed the highlights of the proposed budget by stating they had the usual challenges which has been that the state funding has never been at one-third of its share. There was a challenge with enrollment with a typical 18-year traditional student continues to be on decline in New York and the northeast. Their salaries are under control, it is the health insurance that is skyrocketing on them. The Board of Trustees did pass tuition and fees at their April meeting so the budget has \$192.00 tuition increase for a full time student for the full academic year. They are trying to find savings and there is not much left. It is usually during times of a recession that community colleges see increases in enrollment, but they have never had a recession with a worldwide pandemic. Another assumption is a decrease in state aid. Some may recall the April 2nd state budget they did not memorialize the floor, meaning, they cannot go below a certain amount so it reverted to the volume based formula so that would move SUNY Orange backwards a little over \$400k. There is another assumption of a 2% increase in county aid which would be \$381k increase. They need the county's support more than ever, but she heard what Mr. Ruskiewicz stated earlier and she understands. There is an increase of \$13k in chargeback revenues from other counties and an increase in revenue of \$565k from an increase from student fees. They switched banks and found one that will generate interest on their cash balance that will add \$110k to their revenue side. They were projecting for 2020-2021 their percentage of revenue to be at 31% from the county, 21% from New York State and 37% in student tuition plus the 5% in student fees, so students will be at 42% now, and the remaining 6% is mostly chargebacks. She added that 86% to 87% is salaries and benefits. They did settle with Staff and Chair Association and they expect a 6% health insurance increase in January 2021. When the board approved the tuition increase and fee increase in April, there was still a \$1.4 million gap between projected expenses and projected revenues. They worked hard but were able to close that gap. The overall balanced proposed budget for the college came in at \$62.4 million. She appreciates the support from the county. There is going to be a lot of work for the college as they react to these cuts. The cuts from the state are devastating and she was unsure how they will move forward.

Mr. Ruskiewicz confirmed that the \$62.4 million is pre-COVID-19 and they are still unsure what the impact will be, Dr. Young confirmed he was correct.

Mr. Minuta stated with COVID-19 and so many people on unemployment, many businesses, big and small will go back to business as usual. Some people might need to develop skills and he asked if the college thought about that. That could change some of the financial situations and downturn in education they have been seeing.

Dr. Young stated that they discussed that before but questioned if the federal government will provide the programs to help the individuals who just lost their jobs to invest in higher education.

Mr. Ruskiewicz thanked Dr. Young for the update on the budget and hopefully they can all work through it together.

Next on the agenda was Mr. Fioravanti with a monthly update on Economic Development (see original minutes).

Last on the agenda was an update on the IDA loan programs and other programs available to businesses. Ms. Rogulski stated that they have been very active with various companies,

especially since COVID-19 hit. They went on to the Business Outreach Response Program and met with many companies to assist them with applying for the CARES Act money and the Paycheck Protective Program (PPP) money. They dedicated a section of their website for COVID-19 information and job information. Many of their Accelerator clients got involved in Personal Protective Equipment (PPE) manufacturing. They were able to assist many businesses stop what they were doing and take a turn in different direction to use the resources they have available to do other things such as PPE manufacturing. Their webinars have been very well attended. There is uncertainty about the grant funding or the forgiveness of the loans which is a big concern for businesses. They rolled out the Orange County Funding Corporation (OCFC) Loan Program which was half a million dollars. They were able to develop an application, get a policy and put together a process for processing payments and getting loan documents together. They did this all within around 30 days. They had 172 apply for pre-screening and of those they ended up with 50 completed applications in two to three days of the rollout and approved almost all of them. The "Mom and Pop" businesses are the ones who will really benefit. They helped 190 plus companies retain existing jobs through these programs and they deployed the half a million dollars in loans which they are proud of.

Chairman Brescia thanked Ms. Rogulski, Ms. Villasuso and Mr. Cozzolino for the fantastic job they did with the loan program. They worked many hours, held many meetings and hosted the webinars throughout this crisis. He thanked them all for their hard work.

On the motion of Mr. Cheney, seconded by Mr. Minuta, the meeting adjourned at 5:42 p.m.