

**JOINT
EDUCATION AND ECONOMIC DEVELOPMENT COMMITTEE
AND WAYS AND MEANS COMMITTEE
MINUTES**

**TUESDAY, JULY 23, 2019
2:00 P.M.**

PRESENT: Paul Ruskiewicz, Chairman (Education and Economic Development)
Barry J. Cheney, James D. O'Donnell, Joseph J. Minuta, Joel Sierra

Leigh J. Benton, Chairman (Ways and Means)
Mike Anagnostakis, Katie Bonelli, Kevin W. Hines, James M. Kulisek,
Joseph J. Minuta, Michael D. Paduch

ALSO

PRESENT: L. Stephen Brescia, Chairman
Thomas Faggione, Legislator
Antoinette Reed, Legislative Counsel
Steven M. Neuhaus, County Executive
Harold J. Porr III, Deputy County Executive
Langdon Chapman, County Attorney
Matthew Nothnagle, Chief Asst. County Attorney
Susan Whalan, Senior Assistant County Attorney
Karin Hablow, Commissioner, Finance
Kerry Gallagher, Deputy Commissioner, Finance
Deborah Slesinski, Budget Analyst
Deanna Crawford, Budget Analyst
Dr. Kristine Young, President, Orange County Community College
Agnes Wagner, SUNY Orange Comptroller
Fred Watson, Chair, Board of Trustees, OCCC
Ralph Martucci, Jr., Board of Trustees Member, OCCC
Florence Hannes, Board of Trustee Member, OCCC
Nicholas DeSantis, Partner, O'Connor Davies LLP
Chris Kopf, Partner, O'Connor Davies LLP

Chairmen Benton and Ruskiewicz opened the committee meeting at 2:03 p.m. by asking everyone to stand for the Pledge of Allegiance. All Education and Economic Development committee members were present with the exception of Legislators Sassi, Stegenga and Tautel who were absent and Legislator O'Donnell who arrived at 2:14 p.m. All Ways and Means committee members were present with the exception of Ms. Sutherland who was absent.

Mr. Paduch (Ways and Means) moved the request to review the proposed Orange County Community College Budget for 2019-2020, seconded by Mr. Kulisek.

There was no quorum for Education and Economic Development Committee.

Mr. DeSantis reviewed the 2019-2020 proposed Budget of Orange County Community College (see original minutes) which is proposed at \$62,704,282.00. The county contribution is \$19,237,862.00 which is an increase over the current academic contribution of \$739,918.00 which is approximately a 4% increase. A \$100.00 increase in state aid per FTE and a tuition increase for full time program attendance of \$208.00. In the report there are charts regarding high school enrollment, the amount of tuition and tuition charged by surrounding community colleges. The proposed budget made a provision for expiring contract for faculty and staff. Their projection is \$590,000.00 which indicates a shortfall, evenly split between revenues and suggested appropriations for the year.

Mr. Kopf noted that the tuition is aggressive and on the expense side they felt the college was a little short which is all based on FTE and current trends. The decrease of students in local high school makes up the majority of the enrollment.

Mr. DeSantis pointed out that the FTE has been on the decline since 2011-12. That becomes the challenge for the college to maintain its mission for residents and neighboring counties, to still function academically within the resources that are provided. There is a \$348,400.00 shortfall on the revenue side. The biggest item on the expense side is on the shortfall which they felt was on the part-time salaries based upon the projected enrollment. The total variance for that is \$242,000.00. In the summary of total findings with both the revenues and the expenses which show a projected shortfall of \$590,400.00. The college is not proposing to use any fund balance. In conclusion, he noted that the college has capital cost chargebacks, \$742,069.00. The college proposed spending \$225,000.00 for equipment. If they were to draw on that pool of money, \$742,069.00, it could help offset the expense by \$112,500.00.

Dr. Young stated that she was confident that they can manage the \$590,000.00 shortfall. They have been able to do it in the past when confronted by figures like that. Their enrollment has historically been driven by high school graduation numbers and that is a reality. They put a lot of energy into retention.

Mr. Ruskiewicz asked about the staff and chair staffing increase.

Dr. Young explained that they had grant employees and the Staff and Chair Union argued that the job type that they have, those employees should be incorporated into Staff and Chair Union. If this grant goes away, the position goes away too.

Mr. Benton mentioned that the auditors never received a report, nor did the Legislature, on the Excelsior Scholarship Program.

Dr. Young explained that is through the financial aid office. There is a lot of reporting that needs to take place with the state so she was sure there are records on that which they will inquire them.

Mr. Benton stated that it should not take long to get the report because it has been in existence for a few years and noted his disappointment that they did not have any reporting on it.

Ms. Bonelli asked about the status of the self-sustaining courses and how to improve them.

Dr. Young explained that they are discussing restructuring that unit so the personnel is almost exclusively focused towards workforce.

Mr. Ruskiewicz mentioned that the two most popular programs at the college, nursing and engineering, have a waiting list. Is the college doing anything to expand the program to allow more students to come in.

Dr. Young pointed out that the nursing program is a very expensive program to offer even when it is fully enrolled and running efficiently as possible because the cost of the equipment, the cost of the labs and you need to meet a certain ratio. That will not save the college financially. To help with retention when there is a waiting list for example with the nursing program, they offer other programs such as public health so they get a feel from the student if it is strictly nursing they are interested in or helping people.

Mr. Benton thought that the waiting list issue was handled under the previous county executive. He noted that when Dr. Richards was president they were told the waiting list was no longer.

Dr. Young stated that was the first she ever heard that. When they added the Newburgh program it provided 50 additional seats so that probably helped the waiting list. They have not had a serious conversation about expanding the nursing program. They are working on finding out the true cost of the program which they will figure out within the next year and then at that time she will know if adding 50 more seats to the program is foolish or helpful.

Mr. Sierra asked if the college considered pairing up with Touro College or Orange Regional Medical Center. He clarified that the big issue was the equipment.

Dr. Young explained that it is the entire package when it comes to nursing. You need to have labs on the campus. They need mannequins that have heartbeats, that bleed and even vomit, they cost \$100,000.00 a piece. When they say a nursing lab, it is not a small investment. When you are in a clinical situation and lets say a student is at St. Luke's Hospital as part of their schooling, they need to have a faculty member present because it is required to have 8 to 1 ratio which costs money for the staff.

Mr. Sierra asked if there was something they could work out with Valley View, maybe set up a lab there or do something since there is such a high demand. Tuition is going up and enrollment is going down. If they could partner up with an organization that is already doing this and maybe even get a discounted rate.

Mr. Paduch asked why enrollment is down and asked if other colleges have better courses offered or are they less expensive.

Dr. Young stated that it was more geography oriented so they tend to lose more students that are in Tuxedo and Monroe area. There may be a handful of programs that students will leave for. They do pick up quite a few students from Ulster County and Sullivan County. There is a chunk of Orange County students that end up at Rockland Community College.

Mr. Minuta asked what is the most profitable program offered at the college and Dr. Young replied the humanity programs.

Mr. Kulisek asked about the 8 to 1 requirement for staffing and if that was for all colleges or state schools.

Dr. Young explained that it was the clinical requirement.

Mr. Kulisek stated that if they had a multi-year plan four years ago, they would know that the nursing trend was increasing.

Dr. Young mentioned that Ms. Dauer is very interested in something like this. They need the tools to do it. Unfortunately, the system that could help them draw the numbers and do the projecting are not where they need to be. They are on the path to get a sophisticated projection system. Ms. Dauer does the projecting now but it is a lot of paper and pencil and work. They would really like to get a five-year forecast that they can rely on.

Mr. Kulisek noted that they should not put it off or they will continue to be behind the eight ball. He suggested that the Education and Economic Development Committee urge the college to provide a report a few times a year on their progress.

Chairman Brescia stated that they met with the County Executive, the Finance Department, Leadership and the auditors, the consensus seemed to be for the Legislature to approve a budget no more than either 2% or 3% over OCCC budget from last year. This budget is 3.8% increase. Every year it seems to be getting worse and they are absorbing the portion that state should be providing. The county has a 2% tax cap that they need to adhere to because of the state. They are supposed to adopt the budget today and hold a public hearing on August 1st and vote at the full session after. If they give OCCC over 2% then they are taking away from another office. They are sympathetic, more than the state, but they need to adhere to the state's mandates. The 3.8% increase is a heavy request and he was not alone in stating that. OCCC will need to do more with less like the county has. He did not think they should approve a 3.8% increase.

County Executive Neuhaus commented that he knows times are different. They have a 4% increase for this year, will it be 4% next year. Many people love the nursing program and it is so successful. He suggested that the Budget Office, the Finance Department, the Legislature and himself, all need to meet with the college regularly to help them. The IDA gives out incentives work with them to get something back as a benefit with the training. The college needs help with public private partnerships and maybe the county can help open some doors for them. The county has a 2% tax cap which is the highest they can go and they are being crucified by the state. The enrollment at the college is down by 18.4% which is big. Community colleges across the state are having the same issue. He concurred with Chairman Brescia on this and it looked more like a 3% increase instead of a 4%. Like Chairman Brescia mentioned, that additional increase would be taking away from one of our county departments to make up for that gap.

Dr. Young stressed the appreciation and is willing and happy to accept the help. The Board of Trustees were not pleased with the increase. She noted that the college has had conversations with the Education and Economic Development Committee and the budget reset. One of the things they are resetting from is three and four years ago, they did not request any money from the county. They asked for zero and received zero. There was wisdom in that at the time. Now it seems they are doing catch up. She added that no one is pleased and no one took this lightly. The state is hopefully moving in a direction of changing their funding models of community colleges so they are not guessing every year. That is why there is the big ask this year.

Mr. Cheney asked if there were contracts in negotiation that will have a retroactive payment.

Dr. Young responded that there are two contracts that are opened and unsettled. She did not know if they would be retroactive or not.

Mr. Minuta left the meeting at 3:05 p.m.

Mr. Cheney stated that he has a hard time telling the college that they can only give them 2% when they already set the bar higher. The salary is a greater percentage of the total college budget than they are of the county budget. That is something they need to keep at the forefront when they consider how we respond to the request.

Ms. Wagner pointed out that if you look at prior years and compare the salary and benefits to what this budget is, it is flatline. They did not increase their volume dollars, the only part they increase is what the possible contracts can be.

Dr. Young pointed out healthcare has gone up 59% and the salaries only went up 1%.

Mr. Anagnostakis asked if the surrounding community colleges have waiting lists for their nursing program.

Dr. Young was not aware if there were waiting lists, she would imagine so but did not know for a fact.

Mr. Anagnostakis asked if different prices could be associated with different courses.

Dr. Young responded no. They are prohibited from having differential tuition. They can charge lab fees and course fees.

Mr. Anagnostakis asked if the costs can be increased to such an extent it could absorb the costs that would need to go into the program.

Dr. Young replied that would not work.

Mr. Hines asked if there was any analysis as to how much money was saved when the college offered the \$1 million buyout.

Mr. Kopf commented that overall on the budget line for payroll was about \$600,000.00 so they were able to absorb that and save \$600,000.00 more than they had in the budget.

Mr. Hines asked if there was any money in the budget for the buildings in Newburgh.

Dr. Young responded no and added that there was never operational dollars in the budget for that work.

Mr. Hines stated that he read in the newspaper, which he was disappointed to hear, the college is walking away from these buildings; there was mention of additional programming opportunities somewhere else.

Dr. Young noted that was correct.

Mr. Hines was very bitter, as a Legislator, to have found out that the college is walking away from the three buildings in Newburgh by reading about it in the newspapers. He does not only speak for himself but many of his fellow Legislators are extremely disappointed. It was very unprofessional.

Dr. Young stated that efforts were made to notify the key people of the decision in advance and apologized that it did not get to him.

Mr. Hines asked Chairman Brescia if he was notified and he responded that they did have a meeting and it was indicated to him but not to that extent.

Mr. Watson interjected and noted that the Board of Trustees took a vote to make the decision to move away from the buildings off Grand Street and that did not happen until they had long discussions with individual Legislators. At some point they were told that their plan for those buildings were not going to be considered. It ended up that part of that plan was not going to happen which in the estimation of the trustees made the overall project one that they did not support. If the three buildings were considered as they started originally, they would have proceeded. At some point the Legislature came to them and said that is not going to happen and the particular building that was taken out of the plan to the overall success to the project so the trustees considered it, went into executive session, there were real estate issues, it was decided that because the college was not going to be able to do the entire project, they needed to move away. They were basically given those instructions in a roundabout way, from the Legislature.

Mr. Hines informed Mr. Watson that the Legislature never voted on that and it takes eleven of them to approve anything.

Mr. Watson added that the trustees are put in an uncomfortable position when they are told by members of the Legislature what they are going to do and how they should handle things. At that time they took the entire vote of the trustees and decided not to proceed.

There was further discussion regarding the Newburgh buildings.

Mr. Benton announced the conversation shifted away from the budget and wanted to get back on track discussing the OCCC budget.

Mr. O'Donnell wanted to make a correction to a previous statement that was made. They said that they would buy them and build them a new building once they were successful with phase one and phase two. He did not know what happened in executive session.

Chairman Brescia explained that they told them that they wanted to look at a hybrid approach for the middle building and in previous discussions that they had, there was no lynch pin ideology about the middle building. When they met in his office, they said they wanted the college to move ahead with the two buildings, the American Legion and the Masonic Lodge but the OCCC Foundation was not interested in doing that. Mr. O'Donnell was there for the meeting and he did tell them that if they are successful with the two buildings, they would consider building a building on the site of the YMCA.

Mr. Benton stated that they will have further discussion on this going forward.

Mr. Ruskiewicz mentioned that considering all that has been reported on the status of the college, decline in enrollment, 2% is not enough and 4% is asking a lot. He suggested 3% and asked how the college would make up for it.

Dr. Young stated that they will need to get an assessment of what that means. They used vacancy factors to help manage things like this in the past. They have not had to do layoffs but they did cut their staff.

Mr. DeSantis clarified that the sponsor contribution which is the county contribution, is being requested at 4%, \$739,000.00.

Mr. Benton noted that 1% is \$184,750.00.

Mr. Ruskiewicz asked if they approve 3%, they cannot give less than that next year.

Mr. DeSantis confirmed he was correct.

Mr. Ruskiewicz asked if at the end of the year the shortfall is unexpected, does that count towards 4%.

Mr. DeSantis was unsure. It was his understanding that when the budget is proposed and adopted. It was a legal question.

Ms. Reed suggested that they hold off on voting for the budget and set a meeting with the auditors, Chairman Brescia and the County Executive to come up with a budget that works for everyone. It was suggested to have the meeting prior to the public hearing on August 1st.

Ms. Hannes stated that on a number of occasions the Legislature said to go back to the board and the board should have taken a greater role. The board has four new members and they have taken on a very active role. This is the first time they are going through the budget process. They are asking intense questions and are looking at everything. She pointed out that she was the one who stood up and voiced opposition to the two buildings in Newburgh after the YMCA building was removed. The reason was because she felt they needed to have more fiscal responsibility. There was a lot of work that needed to be done on the two historic buildings opposed to the YMCA building, which is what drove their decision. There is a change in the structure of the board and she was happy that she attended the meeting today to hear the concerns that the Legislature has.

Chairman Brescia mentioned that the college should come in and give monthly financials like they do with Valley View.

Mr. Ruskiewicz stated that County Executive Neuhaus had a great idea to start working on the budget for the college earlier on.

On the motion of Mr. Paduch, seconded by Mr. Cheney, the meeting adjourned at 3:38 p.m.