

NOTICE OF PUBLIC HEARING ON TENTATIVE BUDGET FOR ORANGE COUNTY COMMUNITY COLLEGE

The Public Hearing was called to order at 3:20 p.m. by Paul Ruszkiewicz, Chairman of the Education and Economic Development Committee.

The Clerk read the Notice of Public Hearing:

NOTICE IS HEREBY GIVEN, that the Orange County Legislature will meet at the Chambers of the Orange County Legislature, in the Orange County Government Center, 255 Main Street, Goshen, New York or due to the COVID-19 pandemic, the meeting will be held remotely via videoconference, at 3:15 p.m. (EDST) on the 6th day of August, 2020, for the purpose of holding a public hearing on the tentative budget for Orange County Community College for the fiscal year beginning September 1, 2020 and ending August 31, 2021.

NOTICE IS FURTHER GIVEN that all documents referenced in this Notice are available on the Orange County Legislature's website. The public may view the public hearing via livestreaming. Please go to Orange County website at www.orangecountygov.com/Legislature/legislative_calendar for the link.

NOTICE IS FURTHER GIVEN that due to the COVID-19 pandemic, members of the public are invited to participate via teleconference by calling the telephone number and access code listed on the Orange County website under "Important Links - Notice of Public Hearing." Please call in at 3:00 p.m. on the day of the public hearing to register to speak or send written comments to the Clerk of the Legislature at JRamppen@orangecountygov.com

FURTHER NOTICE IS HEREBY GIVEN, that copies of said tentative budget are available at the Office of the Clerk of said County Legislature, 255 Main Street, 2nd Floor, in the Orange County Government Center, Goshen, New York, where they may be inspected or procured by any interested person during usual business hours, and on the Orange County website: www.orangecountygov.com.

The Notice was published in the July 29th issues of the Hudson Valley Press, the Times Community Newspapers (Wallkill Valley and Mid-Hudson Times), and the Warwick Valley Dispatch; the July 31st issues of the Orange County Post, Straus Newspapers (Warwick Advertiser, Monroe Photo News, The Chronicle), News of the Highlands-Cornwall Local, and The Gazette.

Chairman Ruszkiewicz called on Paul Martland, Vice President of Administration and Finance for Orange County Community College to provide an overview of the college's proposed budget.

Mr. Martland stated that before discussing the College's budget for FY21, he wanted to thank the Legislature and the citizens of Orange County for their on-going support of the college. For over fifty years Orange County has been a reliable and enthusiastic partner in their efforts to improve educational, economic, and cultural life in the County. He wanted to acknowledge the warm welcome and assistance he received from County Legislators and staff members since he joined the college eleven weeks ago.

He addressed the budget that was approved by the College's Board of Trustees on June 3, 2020. As you are all aware, this has been a highly unusual budget preparation cycle. The College prepared the budget prior to the impact of the COVID-19 epidemic when state and county finances were known. Since the budget was originally prepared, it has become clear that the state will, in all likelihood, be reducing its level of support for the College very significantly. However, the magnitude

of the actual reduction is not known. Rumors abound, but facts are scarce. Upon the advice of the SUNY System, the State DOB, and our auditors we decided to submit a budget based only on known facts as contained in the originally approved State budget.

At the same time, we are modeling the impact of reductions in state support of various sizes and creating adjusted spending plans to meet possible new revenue targets. The state has already reduced payments to the College in the 4th quarter of FY2020 by 20%. Therefore, we are using a 20% in state support as the most likely scenario in our modeling. Whatever the final cut in state support turns out to be, the College recognizes our obligation to cut our spending plan to meet the revised revenue target. We also recognize that our pre-COVID assumptions concerning enrollment also need to be adjusted. In our modeling we have incorporated a 10% reduction in enrollment as opposed to the flat enrollment projection contained in the base budget.

Mr. Martland reviewed the highlights of the College's Pre-Covid, **\$62,417,280** base budget that is before you today. On the Revenue side they have four categories of revenue:

State Support (21%): (per April NY Budget): \$12,989,240 (down slightly from FY2020 due to FTE enrollment drop)

Tuition (37%): \$22,936,805: (reflects a Board Approved Tuition hike of \$192 per year for a FT student)

Other Revenue (11%): \$7,057,295 (primarily chargebacks from other counties, service fees, and N/C)

County Support (31%): Initially requested: \$19,433,940 (a 2% incr. v. current year, \$381,058) (31%).

The request for a 2% increase in county support was made before the impact of COVID-19 on county finances was understood. In preliminary meetings with county officials and two legislative committees it became clear that an increase in county support this year was not realistic. At the request of the Education and Economic Development and Ways & Means committees, we submitted a revised budget reflecting a level of county support equal to the current year (**\$19,052,882**, a reduction of \$381,058 from the original submission). The revised total budget figure is **\$62,036,222**. Appropriate line items on the expense side were adjusted to show reductions totaling \$381,058. Assuming this revised budget is approved today, the College's Board of Trustees will meet next week to approve the same revision.

He continued to state that the expense side, like all community colleges, personnel costs are by far the largest component of our expenses. At SUNY Orange, salaries and benefits account for 86% of our expenses.

They have successfully concluded contract negotiations with two of our three bargaining units in the last 18 months. Salaries and other contractual compensation items are reflected in the salary and fringe benefits components of the proposed budget. An assumption of a 6% increase in health insurance premiums in January, 2021, is built into the budget, as is the employee's share of health insurance premium costs.

The budget totals for our four major expense categories (after adjustment for the 2%) are:
Personnel Services: \$34,617,977 (Incr. of \$193,372 v. last year 0.6%, after contractual raises)
Employee Benefits: \$18,797,362 (Decr. of \$188,639 v. last year, 1.0%)
Contractual Services: \$8,620,883 (Decr. \$262,813 v. last year, 2.9%) (\$110k Foundation MOA)
Capital Equipment: \$ 0. (Decr. of \$225,000 v. last year 100%) (possible use of chargeback Capital funds) (Note regarding earlier inquiry about student computers: 600 Chromebooks donated by SUNY, 50 by the Foundation.

In conclusion, this budget was prepared based on the facts known at the time. We are aware that this base budget does not reflect the reality we are likely to encounter as FY2021 unfolds. We will keep you informed of new facts as they become available, particularly with regard to actual state support and actual Fall enrollment. We are prepared to implement spending cuts in all areas of our budget to match final expenditures with actual revenues.

The students, faculty, staff, and trustees of Orange County Community College greatly appreciate the continued support received from the leaders and citizens of Orange County, particularly during these unique times in which we live.

With no members of the public wishing to speak, Chairman Ruszkiewicz declared the public hearing closed at 3:35 p.m.