

# WARREN COUNTY BOARD OF SUPERVISORS

## COMMITTEE: COMMUNITY COLLEGE

**DATE: JULY 6, 2010**

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**COMMITTEE MEMBERS PRESENT:**

SUPERVISORS CHAMPAGNE  
STEC  
TAYLOR  
PITKIN

**COMMITTEE MEMBER ABSENT:**

SUPERVISOR CONOVER

**OTHERS PRESENT:**

REPRESENTING ADIRONDACK COMMUNITY COLLEGE:

DR. RONALD HEACOCK, PRESIDENT  
WILLIAM LONG, VICE PRESIDENT OF ADMINISTRATIVE SERVICES  
KEVIN RIELLY, CHIEF FINANCIAL OFFICER  
ANN MARIE SOMMA, DIRECTOR OF BUSINESS AFFAIRS  
KAREN MOSHER, ADMINISTRATIVE ASSISTANT

PAUL DUSEK, COUNTY ADMINISTRATOR/ATTORNEY

FREDERICK MONROE, CHAIRMAN

JOAN SADY, CLERK OF THE BOARD

REPRESENTING WASHINGTON COUNTY:

KEVIN HAYES, ADMINISTRATOR

DEBRA PREHODA, CLERK OF THE BOARD

MEMBERS OF THE BOARD OF SUPERVISORS

JOANNE COLLINS, LEGISLATIVE OFFICE SPECIALIST

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The joint meeting of Warren and Washington Counties Community College Committees was called to order at 1:35 p.m. in the Bishop Community Conference Center (BCCC).

Agendas were distributed to all Committee members, a copy of which is on file with the minutes.

Commencing the agenda review, Dr. Ronald Heacock, Adirondack Community College (ACC) President, stated that the ACC Board of Trustees met recently and approved the proposed 2010 - 2011 Operating Budget, a copy of which is included with the Agenda. He stated that it was imperative to complete the budget in order to establish tuition rates and compute student financial aid. The budget, he said, was derived from judicious figures based on legislative indicators at that time. Subsequent to Board approval, Dr. Heacock informed, it became evident that the proposed State funding would not be received; thereby necessitating the need for additional budgetary adjustments and the ACC Board would meet again on July 22, 2010. The Governor's recommendation, he said, would reduce base funding for Community College's by approximately \$40 million; and reduce the State University of New York (SUNY) funding by approximately \$170 million, with possible further reductions. State Aid, he reported, could be reduced significantly and final notice was expected this month. ACC's Budget adjustments, according to Dr. Heacock, would include removing items which had been added into the Budget, determining further tuition increases and utilization of the fund balance in consideration of the Chargeback rate.

Summarizing the 2010 - 2011 Operating Budget, Dr. Heacock noted that grant funding was removed (net of grants) from the Total Operating Budget Comparison figures. He compared the approved 2009 - 2010 Operating Budget of \$22,707,595 with the estimated Actual Budget for the same year at \$23,736,852, due to enrollment growth. He reported the 2010 - 2011 Proposed Operating Budget to be \$24,355,092 which was 2.6% over the estimated Actual Budget for the prior year's estimated budget. Dr. Heacock pointed out that a significant portion of the additional revenue generated from increased enrollment was paid to the State.

Continuing with the Budget review, Dr. Heacock stated that Significant Changes for 2010 - 2011 included Personnel (39% of increase), Health and Dental Insurance (34%), Social

Security/Medicare/Retirements (18%), and Uncollectible Receivables (9%). Kevin Reilly, Chief Financial Officer, noted that Uncollectible Receivables would now be reflected in the budget.

With regard to the expenditure of Federal Stimulus funds received last year, Dr. Heacock stated that a detailed account of expenditures was required. As a precaution for the future, he informed that some Stimulus funds were used to pay a portion of the amount due for computer systems thereby reducing the annual bond payments.

In response to an inquiry from Mr. Pitkin regarding next year's budget, Dr. Heacock stated that the fund balance would be used next year and that future Full Time Enrollment (FTE) figures could not be projected. Dr. Heacock felt that enrollment had peaked and noted the lack of sufficient classroom space and faculty, coupled with the decreasing trend for high school graduates in Warren and Washington Counties. He added that the new Hudson Valley Community College (HVCC) Center located in Malta (Tech Valley) would potentially attract many students from Saratoga County. In terms of enrollment for ACC, Dr. Heacock apprised that the lack of jobs in the area could boost ACC's enrollment, as well as a possible influx of students who had found enrollment in four year college's to be prohibitive. He reported enrollment for the 2009 -2010 Estimated Actual Budget was 2,865 which reflected a 14.9% projected increase.

A discussion ensued relative to cost containment and Dr. Heacock explained that registrations were allowed to exceed the typical classroom capacity in anticipation of schedule changes which resulted in a reduction in class sizes early in the semester. The only instance in which the College was obligated to allow small class sizes, he stated, was for those courses required for degree programs. Pertaining to online courses, Dr. Heacock apprised that he aspired to see growth in that area; however, he stated, in addition to the necessary faculty, an agreement with the faculty union regarding compensation would be necessary. He further stated that online courses had not generated more revenue than traditional classes, and required a significant amount of additional work and vigilance on the part of the instructor.

The next item reported by Dr. Heacock was the Sponsors' Contribution which was \$1,825,330 and \$1,234,930 for Warren and Washington County respectively, which reflected a 3% increase.

Dr. Heacock summarized the list of Personnel expenses and noted that additional staff was required in order to handle the increased enrollment. He further noted that vacant positions were left unfilled as often as possible. He summarized the line items for Benefits, Equipment & Software, and Other expenses.

Pertaining to the reports included in the Operating Budget, Dr. Heacock noted for Budget Expenditures compared to the prior year, Personnel costs had increased by 5.19% and Benefits by 20.79%, Equipment & Software was down by 4.16% and Unrestricted Operating Expenditures had increased by 4.32%. He pointed out the report included Expenditures by Object and Functional Area.

With regard to Budget Revenues, Dr. Heacock stated that aggressive activity relative to the pursuit of Federally-funded college opportunity programs such as TRIO were underway. He reported State Revenues to be anticipated at 29.41%. He reiterated that ACC students had paid approximately 42% of their education which was expected to rise.

Dr. Heacock reviewed the Unreserved Fund Balance Sheet and noted that the expectation was to place monies from the current year back into the fund. He stated that he anticipated the 2011 - 2012 fiscal year to be the most challenging yet.

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Dr. Heacock stated that it was premature to request a resolution from the Counties at this time and would do so following the July 22, 2010 meeting of the ACC Board of Trustees.

Mr. Taylor acknowledged that growth caused an increase in expenses and Dr. Heacock concurred. Dr. Heacock asserted that sweeping budget reductions and the increased expense of faculty and health insurance costs greatly impacted the budget. Furthermore, he stated, the Government claimed a larger portion of the revenue which resulted from the growth. In spite of the Government's share, he stated, the unprecedented enrollment growth this year contributed greatly to the College's ability to sustain operations.

Chairman Monroe pointed out that ACC's Fund Balance was 6.24% of the 2010 - 2011 Budget while Warren County's had been reduced to 2%. He apprised that all Warren County Departments were required to present a zero budget and Warren County Supervisors agreed to a 5% salary decrease. Therefore, he stated, the expectation was that ACC would take any increase in the budget from the fund balance this year. Dr. Heacock stated that without the availability of capital funds, the College expended funds in a fiscally prudent manner for necessary items relative to health, safety and minor renovations and upgrades.

Mr. Hayes asked the timeline for passing the budget and Mr. Long stated that it was typically passed by September 1<sup>st</sup> and ACC was moving forward as quickly as possible. Mr. Long stated that he had anticipated hearing from the State this week and the ACC Board of Trustees would meet on July 22, 2010. Dr. Heacock stated that the tuition rate would also need to be finalized with SUNY.

In closing, Dr. Heacock informed that a strategic enrollment management plan was underway to study methods by which ACC could attract students from other areas.

As there was no further business to come before the Community College Committee, on motion made by Mr. Taylor and seconded by Mr. Stec, Mr. Champagne adjourned the meeting at 2:45 p.m.

Respectfully submitted,

Joanne Collins, Legislative Office Specialist