

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: COMMUNITY COLLEGE

DATE: MARCH 14, 2013

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COMMITTEE MEMBERS PRESENT:

SUPERVISORS STRAINER  
MCDEVITT  
MONTESI

COMMITTEE MEMBERS ABSENT:

SUPERVISOR DICKINSON  
WESTCOTT

OTHERS PRESENT:

REPRESENTING SUNY ADIRONDACK:

RONALD HEACOCK, PRESIDENT  
WILLIAM LONG, VICE PRESIDENT FOR ADMINISTRATIVE SERVICES  
BRIAN DURANT, VICE PRESIDENT FOR ACADEMIC & STUDENT AFFAIRS  
KAREN MOSHER, ADMINISTRATIVE ASSISTANT TO THE PRESIDENT  
RACHEL PATTEN, EXECUTIVE DIRECTOR, SUNY ADIRONDACK FOUNDATION  
PAUL DUSEK, WARREN COUNTY ADMINISTRATOR  
JOAN SADY, WARREN COUNTY CLERK OF THE BOARD  
FRANK E. THOMAS, WARREN COUNTY BUDGET OFFICER  
KEVIN HAYES, WASHINGTON COUNTY ADMINISTRATOR  
DEB PREHODA, WASHINGTON COUNTY CLERK OF THE BOARD  
GEORGE ARMSTRONG, SUPERVISOR, TOWN OF WHITEHALL, WASHINGTON COUNTY  
DANA HAFF, SUPERVISOR, TOWN OF HARTFORD, WASHINGTON COUNTY  
AMANDA ALLEN, WARREN COUNTY DEPUTY CLERK OF THE BOARD

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The joint meeting of the Warren and Washington County Community College Committees was called to order at 9:05 a.m. in the Bishop Community Conference Center (BCCC).

Copies of the meeting agenda were distributed to the Committee members and a copy of same is on file with the meeting minutes.

Dr. Ronald Heacock, SUNY Adirondack President, advised the purpose of the meeting was to provide both Committees with an update on the process currently being undertaken to establish the SUNY Adirondack 2013-2014 Operating Budget, as well as to inform of State funding related issues. He said they had met with the SUNY Adirondack Board of Trustees in February to obtain guidance and direction in establishing the parameters used to develop the Budget, which included the following:

- Requesting a 2% contribution increase from the Counties (*total of \$62,000 from the Counties*);
- Limiting tuition increases to 2%; and
- Refraining from appropriating any of the Fund Balance.

With respect to State funding, Dr. Heacock advised that initially, the breakdown of funding to Community Colleges had included a State Share of 40%, a Local Share of 26.7%, and a Student contribution of 33.3%; however, he said, the State had since decreased their Share to a figure in the lower twentieth percentile, causing the Student contribution to increase to an amount in the 50% range, while the Local Share had remained primarily consistent. Dr. Heacock noted that these decreases were not typical, impacting SUNY Adirondack more dramatically than some other Community Colleges. In response to these decreases, he said SUNY Adirondack had submitted a request to the State of New York to implement a five-year plan which would provide a \$205 per student per year increase to bring SUNY Adirondack back to the funding level it had previously received. Dr. Heacock advised that the State Senate and Assembly continued to negotiate the request and he believed they would be receiving a \$150 per student increase.

Dr. Heacock advised that the SUNY Adirondack Board of Trustees had indicated that they should refrain from using any of their Fund Balance monies as they were concerned with the level it had fallen to. He reminded the Committees that the monies from the Fund Balance had been used in recent years to balance the SUNY Adirondack Budget and as they began the next fiscal year, they anticipated it would be in the range of \$2.1 - \$2.3 million, depending on whether allocations were used. The concern of the Board of Trustees was two fold, he said, with the first being that SUNY Adirondack carried a high

deductible insurance program which required maintenance of an appropriate reserve, and secondly, the Budget was primarily dependent upon enrollment levels. Dr. Heacock pointed out that SUNY Adirondack was contractually obligated to its faculty to provide at least one year's notice for staff reductions and they would have to maintain a means to bridge the gap for that period of time, which they looked to the Fund Balance to address. He further noted that enrollment levels had decreased precipitously for many Community Colleges in accordance with school district enrollments and the number of graduates, which had also decreased dramatically. Dr. Heacock advised that while SUNY Adirondack seemed to be maintaining consistent enrollment levels, they would have to carefully monitor the situation to detect anticipated enrollment decreases. If they were able to adopt a budget including all three of the previously cited parameters, he said the 2013-2014 SUNY Adirondack Operating Budget would include an increase of approximately 1.75%, or \$450,000 new dollars to expend. Dr. Heacock cautioned that although this was the direction of the Board of Trustees, he was unsure whether they would be able to maintain the specified level due to the number of cost increases for mandatory expenses, such as retirement costs which were anticipated to increase by 12-16%, as well as health insurance costs which were anticipated to increase by 12%, assuming agreements could be reached with collective bargaining units, or higher if they could not be reached. With respect to salaries, Dr. Heacock stated that regardless of how the current faculty contract negotiations proceeded, by contract, the staff were guaranteed a 1.8% salary increase and he said similar minimum salary increases would also be provided to SUNY Adirondack's support staff. He concluded that although they were attempting to review the Operating Budget to reduce costs in as many areas as possible, there were many increasing mandatory costs that had to be addressed.

Mr. Montesi questioned what percentage of the health insurance coverage SUNY Adirondack staff were responsible for and Dr. Heacock replied that a person with family coverage paid 25%, while a person with individual coverage paid closer to 20%. He noted that when he had assumed the position of President of SUNY Adirondack, staff had been responsible for paying 50% of the health insurance costs, which was unaffordable for many staff members; he added that while the decision to reduce the staff contribution amount many not have been fiscally prudent, it was the right thing to do. In association with the contribution reduction, Dr. Heacock advised they had incorporated higher opt-out incentives to entice staff to gain coverage elsewhere, incorporated a high deductible coverage plan and implemented a self-insured prescription program to reduce health insurance costs.

Dr. Heacock advised that many counties had become concerned with the amount paid in chargebacks for residents who attended Community Colleges outside of their home county, causing a group of Community College presidents to begin meeting over a year ago to try and figure out how to approach this issue. He said that while many counties had attempted to work out an agreement with the Community Colleges in an effort to lower their chargeback rate, the Community Colleges were prevented from doing so by the State Law used to determine the chargeback amounts. Another issue expressed by various counties, Dr. Heacock stated, was the amount paid to the Fashion Institute of Technology (FIT); in comparison, he pointed out that the anticipated 2013-2014 chargeback amount for SUNY Adirondack was \$1,690 per enrollment, while the FIT chargeback was \$10,000 per enrollment. He said that a second county complaint was with regard to the fact that because FIT offered a four-year Bachelor's Degree, the chargeback amount had to be paid for all four years, rather than for two, and he noted that some counties located outside of New York City had refused to pay the FIT chargeback amount based on the fact that the State was supposed to pay the higher share amount.

Dr. Heacock stated that the formula used to determine the chargeback amount was very convoluted and did not provide the counties with a cost until after their annual budgets were already set, causing funding issues at the Local level. He continued that two proposals had been made to alleviate these issues which the New York State Senate was in support of and had suggested progressing. Dr. Heacock advised that these proposals included the State resuming responsibility for payment of the upper division of the FIT chargeback amounts; developing a common method of determining chargeback

amounts so that counties would have the cost information in advance of preparing their annual budgets and eliminating the need for true ups in the event of underestimated chargebacks. Dr. Heacock further advised a much simpler formula was being proposed to determine the chargeback amount which would divide the county share by the number of full time enrollments for that specific county; he added that the figure would be calculated using enrollment statistics from two years prior so that the counties would have exact chargeback figures to include in their annual budgets.

Mr. Montesi questioned how the enrollment chargeback figure would differ based on the old and new formulas and Dr. Heacock replied it would increase by approximately \$100, from \$1,700 to \$1,800. Dr. Heacock continued that the proposed formula was much simpler to implement and made much more sense than the current formula; however, he stated, although the change in the chargeback rate would be minimal for SUNY Adirondack, other Community Colleges would suffer much more dramatic changes. For instance, Dr. Heacock cited that the chargeback rate for Hudson Valley Community College would decrease by approximately \$900, which would be detrimental to their operating budget. He stated, that if adopted, the new formula would be introduced in 2014 and implemented over a five-year term to assist those Community Colleges that would be most affected by the change in the chargeback amount.

A discussion ensued with respect to the chargeback issue, during which Dr. Heacock advised of other State and Federal funding reductions, which he said he would keep the Committees apprised of through the budget development process.

In developing the 2013-2014 Operating Budget, Dr. Heacock said they would meet as a management team to look over the budget, line by line, to remove non-mandatory items, making their expenditures as frugal as possible in order to reach the given target. He stated that there would be new expenses to SUNY Adirondack which had not been important in prior years, such as advertisement of the new student housing center, to better market the facility and draw more enrollments. Additionally, Dr. Heacock advised there would be new/increased costs related to the new housing facility, such as those for expanded security and student services. He concluded that they would be able to more accurately determine the budgetary situation once the State Budget was officially adopted in the coming weeks.

Referring to the "SUNY Adirondack - Status of Existing Capital Projects" document included in the agenda packet, Dana Haff, Washington County Supervisor (*Town of Hartford*), questioned an expenditure of \$200,000 for Signage. Dr. Heacock advised that funding for this capital project had been budgeted when the College had changed its name from Adirondack Community College to SUNY Adirondack; however, he added, due to the many projects ongoing at the College and the small maintenance staff, they continued to use the old signs with overlays displaying the new College name. Dr. Heacock explained the bulk of the funding identified would be used to purchase and install a new electronic sign at the College's main entrance to advertise events, replacing the old style sign that required letters to be changed by staff for each event. He further explained that additional signage would be purchased and erected to correctly direct visitors and students around the outside of the campus as the current signage was completely inaccurate. Dr. Heacock advised that although the Board of Trustees had approved this expenditure almost two years ago, the small maintenance staff had been unable to completely address the signage needs due to the plethora of other housing and renovation projects currently ongoing. In response to a second question posed by Mr. Haff regarding the project funding, Dr. Heacock explained that all of the monies attributed to this, and all other Capital Projects, were funded by 50% State monies and 50% capital chargebacks to Saratoga County, with no local contribution.

William Long, Suny Adirondack Vice President for Administration Services, spoke on the student housing construction which he said had changed the face of the campus and increased its size. He noted that the construction was on target to be completed within the estimated budget and in time for

the fall semester. Brian Durant, SUNY Adirondack Vice President for Academic & Student Affairs, advised they had employed a new recruitment strategy working with school districts to increase enrollment admissions and he noted that approximately 40% of the students applying for on-campus housing resided 40 minutes or more from the campus. Mr. Durant said they had been holding open houses and tours of the housing facility which had received great response and he noted they had already received 150 housing enrollments, prior to the main college decision making season which they considered to be in May, when numbers were anticipated to increase.

Mr. Long proceeded to review the "SUNY Adirondack - Status of Existing Capital Projects" document included in the agenda packet. He noted that all of the projects included in the list were approved by both Counties within the past seven years; he added that because it had been some time since capital projects were approved, they would be seeking to develop new capital projects/renovations for the future. When asked what new construction the College would seek, Mr. Long replied they would like to include a STEM (Science, Technology, Engineering & Math) Building on campus and Dr. Heacock advised a building of this nature was estimated to cost between \$25 and \$30 million to construct.

A discussion ensued with respect to the need for expanded programming and education to attract residents and industry to the region.

Mr. Montesi left the meeting at 10:15 a.m. Upon Mr. Montesi's departure, there was no longer a quorum of the Committee.

In relation to Dr. Heacock's decision to leave his position as SUNY Adirondack President, George Armstrong, Washington County Supervisor (*Town of Whitehall*), stated his appreciation for all of the accomplishments SUNY Adirondack had made under Dr. Heacock's leadership, noting that he had set the bar very high for his predecessor; he added that he believed that they would all look back very fondly on the years of Dr. Heacock's administration. Dr. Heacock thanked Mr. Armstrong for his kind words and credited his colleagues and staff, as well as the support received from the community, with the successes achieved during his tenure. Dr. Heacock encouraged the Committees to look towards the future and determine ways in which they could harness the opportunities around them and enhance the region and re-develop the economic driver of the area.

There being no further business to come before the Committee, the meeting adjourned at 10:29 a.m.

Respectfully submitted,  
Amanda Allen, Deputy Clerk of the Board