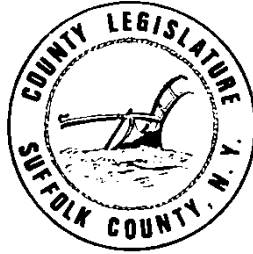


SUFFOLK COUNTY LEGISLATURE



Lance Reinheimer
Director

BUDGET REVIEW OFFICE

June 5, 2020

To: Robert Calarco, Presiding Officer and
All Suffolk County Legislators

From: Lance Reinheimer, Director
Budget Review Office

Subject: **Review of the Suffolk County Community College 2020-2021 Requested and Recommended Operating Budget**

The Community College operating budget process is codified in Suffolk County Code Section A4-3 F, which specifies that the Legislature shall hold at least two public hearings on the Community College's operating budget request prior to approving an operating budget total and County Contribution by August 15th¹. Since the County makes a substantial fiscal commitment to the College, the Budget Review Office continues to provide information to the Legislature as to the College's expenditures and revenues. No specific recommendations for line item changes are made since the Legislature does not have the authority to make such changes. Pursuant to the Suffolk County Charter, the Legislature may (1) approve or disapprove the budget total, (2) change the County Contribution, or (3) approve the recommended amounts for both. Any of these actions requires that the Community College balance their budget once the County Contribution and budget total are approved.

Overview

Suffolk County Community College requested a 2020-2021 operating budget of \$216.9 million (including grants), which is \$1.9 million less than the amount the College estimates it will spend this year and \$8.2 million or 3.6% less than adopted for 2019-2020. The request includes an \$895,589

¹ If the Legislature does not adopt an operating budget total and County contribution by August 15, the budget total and County contribution recommended by the County Executive shall be deemed adopted as submitted. If the County Executive disapproves the operating budget total and County Contribution, he or she shall return the disapproved resolution to the County Legislature no later than 10 days after such resolution was submitted by the Legislature to the Office of the County Executive. The County Legislature may override the County Executive's disapproval by an affirmative vote of 2/3 of the total membership within 15 days after it was returned to it, but in no event later than August 31.

(two percent) increase in the County Contribution and no increase in annual tuition. The County Executive recommended no increase in the County Contribution, which if adopted, will require the College to adjust its budget accordingly.

If the Legislature provides the requested two percent increase in County Contribution, there would be an additional \$895,589 impact to the General Fund in the County's 2021 operating budget. Should the Legislature increase the County Contribution above the requested level, only the College Board of Trustees can determine the impact this increase would have on tuition or any other line item in the College budget. Each one percent increase in the County Contribution above the requested amount equates to approximately \$460,000.

The effects of the global pandemic are impacting every institution in the country including SCCC. The trajectory of the virus is still unknown, as are its potential consequences for enrollment and state aid. The economic downturn in 2008 resulted in unprecedented growth in enrollment as students leaving high school opted for a more affordable education and displaced workers pursued schooling to equip themselves for new careers. It remains to be seen if a similar trend will result from the current economic crisis; the college budget assumes that it will not.

According to the College, federal funds are expected in the forms of direct student aid and reimbursement of college expenditures directly related to Covid-19. At this time, it does not appear that federal assistance will provide any relief from potential cuts in state aid.

Ultimately, college finances will be determined by two variables in 2020-2021. The first is enrollment. The number of students determines the amount of revenue from tuition, fees, and state aid. Enrollment for the College is analogous to sales tax for the County. When it increases, budgeting becomes routine. When it decreases, it's difficult to identify acceptable increases to alternative revenues or decreases to services in the magnitudes necessary to offset the impact. SCCC is expecting enrollment to decline by seven percent, the seventh consecutive annual decrease and the largest in recent years, resulting in an estimated shortfall of approximately \$7 million.

The second variable is state aid. Currently, New York State is keeping the rate per Full-Time Equivalent (FTE) student flat in 2020-2021, which will result in a \$2.4 million decrease in revenue based on enrollment projections. However, the State has warned local governments and educational institutions to expect cuts in aid if the State does not receive federal relief to combat the devastating economic effects of the Covid-19 pandemic.

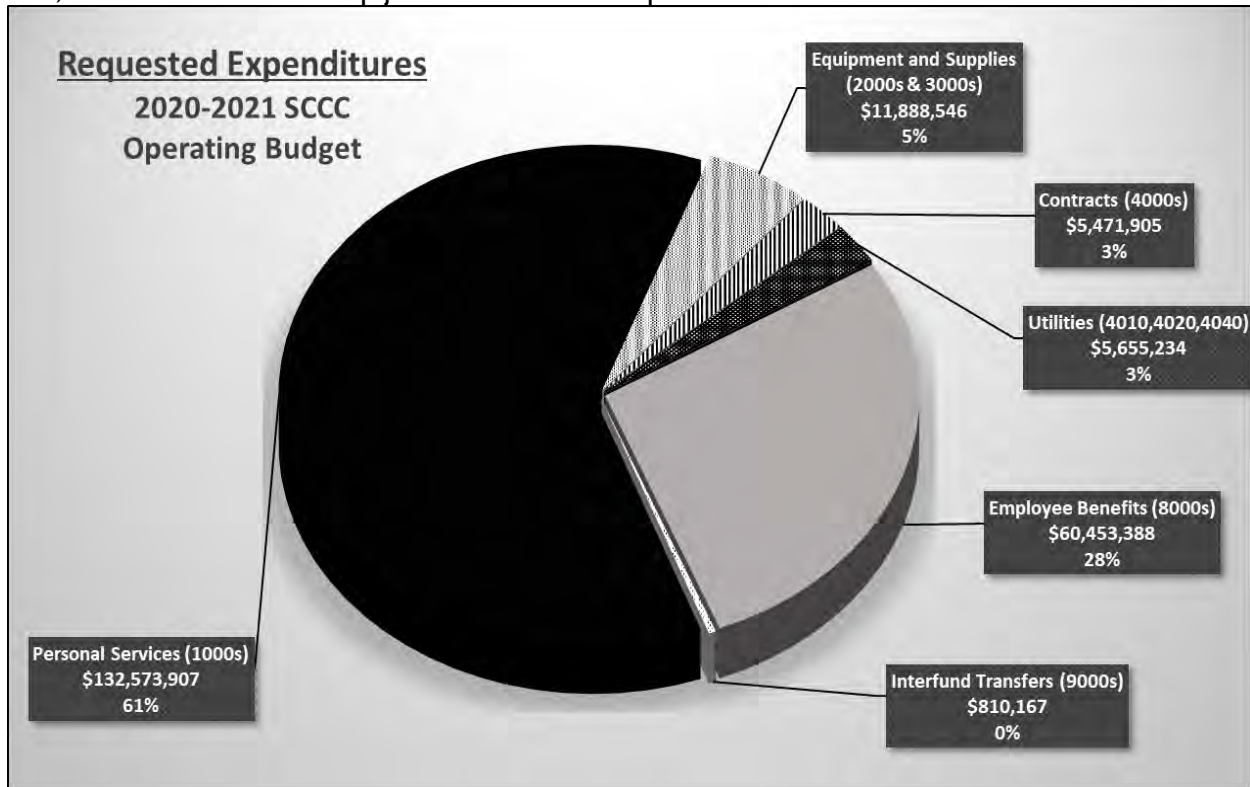
Compared to the 2019-2020 estimate, the College projects a revenue shortfall of \$9.6 million, which is offset by reducing expenditures, increasing the County Contribution, and accessing the reserve fund. The following chart shows the value of each solution in addressing the deficit.

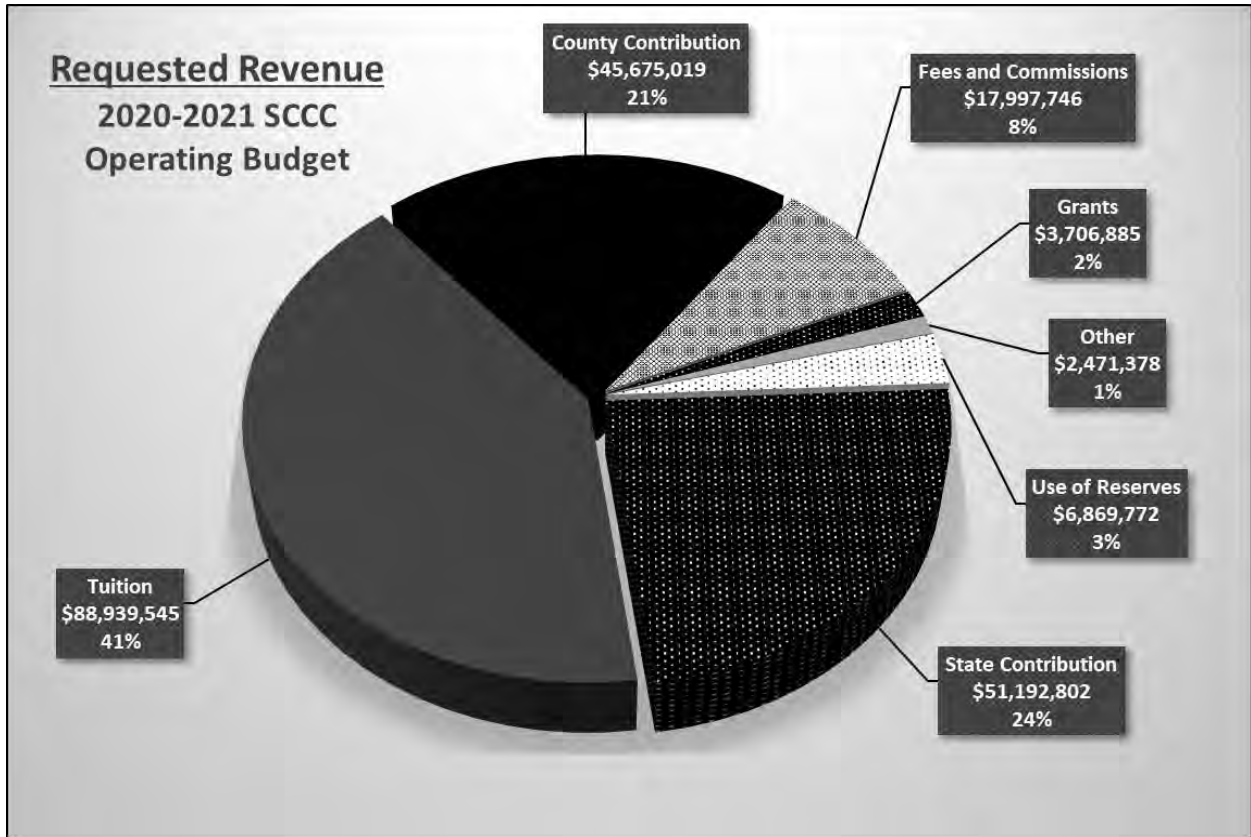
Projected Deficit and Solutions	
Revenue Deficit	-\$9,641,259
Use of Reserves	\$6,869,772
Reduction in Expenditures	\$1,875,898
Increase in County Contribution	\$895,589
Solutions Total	\$9,641,259

The next table shows the total SCCC expenditure budget with and without grants from 2014-2015 to the 2020-2021 request. Expenditures are requested at their lowest level since 2016-2017.

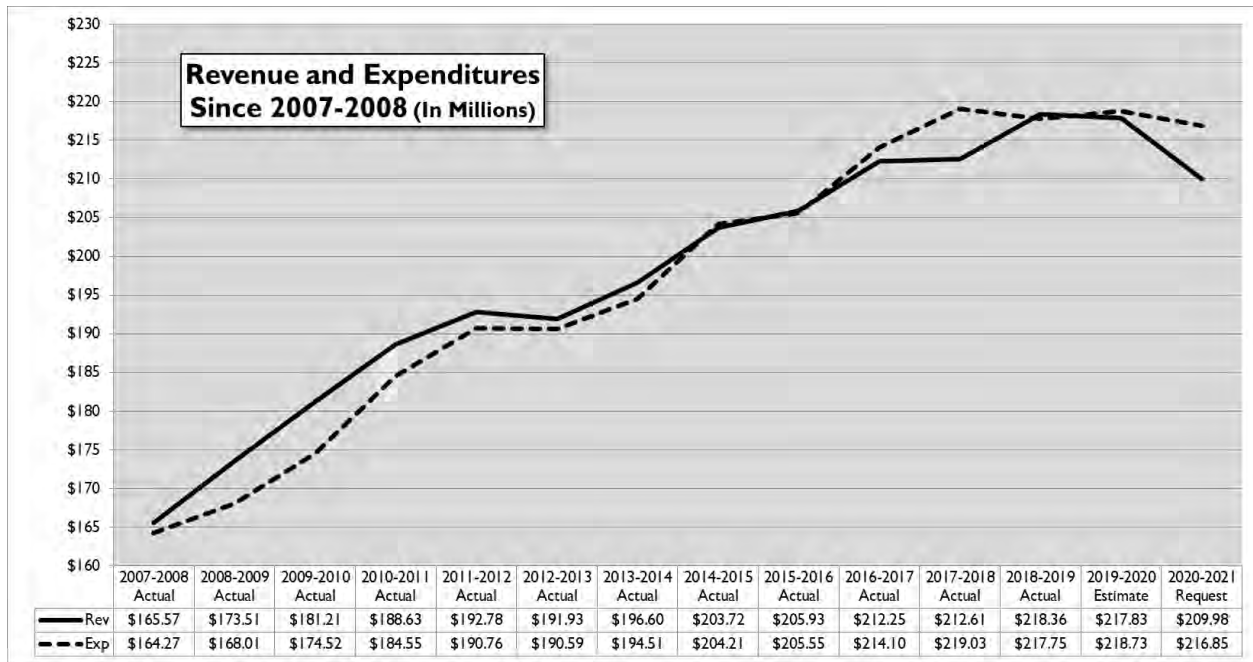
Suffolk County Community College Operating Budget							
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	Actual	Actual	Actual	Actual	Actual	Estimate	Request
Without Grants	\$200,903,259	\$202,161,531	\$210,116,903	\$214,771,106	\$213,250,999	\$215,109,693	\$213,301,826
Grants	\$3,302,524	\$3,390,189	\$3,979,420	\$4,257,645	\$4,497,812	\$3,619,352	\$3,551,321
Total	\$204,205,783	\$205,551,720	\$214,096,323	\$219,028,751	\$217,748,811	\$218,729,045	\$216,853,147

The following charts detail the allocation of the College's requested expenditures and revenues for 2020-2021; salaries and benefits account for over 89% of all requested expenditures. On the revenue side, tuition and fees make up just under 50% of requested revenues.





The next chart shows the annual relationship between expenditures and revenue from 2007-2008 through the 2020-2021 request. The College is estimating a deficit of \$896,081 in 2019-2020 and projecting a deficit of \$6.9 million in 2020-2021. With the exceptions of 2015-2016 and 2018-2019, the College has had to rely on its reserve fund to balance its budget each year since 2014-2015.



The following table shows the allocation of SCCC revenue as defined by SUNY methodology, which differs somewhat from the categories shown in the College’s operating budget. For the purposes of calculating county, state, and student shares, SUNY excludes grants and offset revenue (certain fees, commissions, and miscellaneous items). SCCC is a full opportunity college, meaning it accepts all eligible applicants. Accordingly, the local sponsor share should be 26.7% instead of 33.33% as is required for local sponsors of community colleges that are not full opportunity. The requested budget for 2020-2021 includes a county share of 27.3%. Assuming the College uses its reserves to offset no increase in the County Contribution, the percentage would be unchanged because under the SUNY formula the use of the SCCC Reserve Fund is part of the County Share.

Revenue Shares per SUNY Formula								
Revenue	2018-2019		2019-2020		2019-2020		2020-2021	
	Actual	%	Adopted	%	Estimated	%	Requested	%
County	\$45,004,623	22.7%	\$50,409,125	24.4%	\$46,244,665	23.2%	\$54,050,005	27.3%
State	\$53,555,877	27.0%	\$53,931,833	26.1%	\$53,594,295	26.8%	\$51,192,802	25.8%
Student	\$99,966,773	50.4%	\$102,206,197	49.5%	\$99,793,606	50.0%	\$92,808,053	46.9%
Total	\$198,527,273	100%	\$206,547,155	100%	\$199,632,566	100%	\$198,050,860	100%

Community College Budget Committee

Resolution No. 920-2015 established a Community College Budget Committee comprised of legislative, executive, and college appointees to develop a five-year non-binding budget plan with the goal of strengthening the College’s financial position, maintaining educational standards, and stabilizing tuition costs for students. The Committee issued a report on April 19, 2017, which recommended a 1.5% increase in the County Contribution in each of the next five years, which considered both the College’s desire for additional predictable revenue from the County and the County’s ability to pay.

To assist the Committee in its deliberations, the Suffolk Community College Department of Business and Financial Affairs and Legislative Office of Budget Review worked concurrently, with input from the County Executive's Budget Office, to develop a five-year budget model capable of adapting to a variety of revenue and expenditure assumptions. The base scenario assumed an average annual increase in expenditures of 3.2% through 2020-2021. On the revenue side, it assumed an annual increase in state aid per FTE of \$100, an annual increase in tuition of \$200, and an annual increase in the County Contribution of 1.5%.

Through the first four years of the plan, tuition and the County Contribution increased at a greater rate compared to the base scenario while state aid has been less than projected. However, the most significant difference between the model and actual experience has been enrollment. Revenue from tuition, fees, and state aid is tied to enrollment. When enrollment declines, revenue declines. The base scenario included an increase in enrollment each year starting in 2017-2018; enrollment has decreased each year and is projected to continue to decline. Through 2020-2021, the County Contribution is the only revenue assumption to meet or exceed the target. The following table shows the difference between the assumptions in the five-year model and the actual/estimated amounts (The County Contribution shown is what is recommended by the Executive in 2020-2021).

Five-Year Budget Plan Compared to Actual/Estimated Amounts								
Category		2016-2017	2017-2018	2018-2019	2019-2020	2021-2022	5 yr. total, not compounded	5 yr. difference, not compounded
Change in Enrollment	Projected	-1.50%	0.10%	1.01%	2.73%	0.65%	2.99%	-22.26%
	Actual/Est.	-1.11%	-1.88%	-5.17%	-4.11%	-7.00%	-19.27%	
Change in Tuition	Projected	\$200	\$200	\$200	\$200	\$200	\$1,000	-\$100
	Actual/Est.	\$200	\$100	\$350	\$250	\$0	\$900	
Change in County Contribution	Projected	2.50%	1.50%	1.50%	1.50%	1.50%	8.50%	1.00%
	Actual/Est.	2.50%	1.50%	2.50%	3.00%	0.00%	9.50%	
Change in State Aid per FTE	Projected	\$100	\$100	\$100	\$100	\$100	\$500	-\$150
	Actual/Est.	\$100	\$50	\$100	\$100	\$0	\$350	

The next table shows the net effect of the differences between what was projected and what the actual experience has been. Despite large differences in projected versus received revenue, the College's fiscal management has resulted in an estimated use of reserves that is consistent with the 5-year model's projections through 2019-2020 (\$8.5 million vs \$8.4 million). Nevertheless, pessimistic enrollment projections, no increase in state aid per FTE, and the decision not to raise tuition will necessitate the largest use of reserves to date, resulting in a five year decrease in fund balance that is more than double the amount projected in the model.

Five Year Budget Plan Use of Reserves Compared to Actual/Estimated Use of Reserves						
Use of Reserves		2016-2017	2017-2018	2018-2019	2019-2020	2021-2022
Annual	Projected	-\$2,314,618	-\$2,901,527	-\$2,763,554	-\$372,315	\$947,385
	Actual/Est.	-\$1,841,763	-\$6,418,249	\$613,500	-\$896,081	-\$6,869,772
Cumulative	Projected	-\$2,314,618	-\$5,216,145	-\$7,979,699	-\$8,352,014	-\$7,404,629
	Actual/Est.	-\$1,841,763	-\$8,260,012	-\$7,646,512	-\$8,542,593	-\$15,412,365

Expenditures

The College requested increases of less than one percent for equipment and supplies (2000s & 3000s) and employee benefits (8000s). All other expenditure categories were requested at a net decrease compared to the 2019-2020 estimate. The following table summarizes the College budget request by major category.

Suffolk County Community College Expenditures by Object (With Grants)						
Category	2018/2019 Actual	2019/2020 Adopted	2019/2020 Estimated	Change from		
				Actual to Estimated	2020/2021 Requested	Change from Estimated to Requested
Personal Services (1000s)	\$133,260,507	\$137,211,275	\$133,519,264	0.2%	\$132,573,907	-0.7%
Equipment and Supplies (2000s & 3000s)	\$11,027,447	\$13,257,853	\$11,804,725	7.0%	\$11,888,546	0.7%
Contracts (4000s)	\$5,582,825	\$6,408,438	\$6,209,453	11.2%	\$5,471,905	-11.9%
Utilities (4010,4020,4040)	\$6,263,792	\$6,275,353	\$5,987,225	-4.4%	\$5,655,234	-5.5%
Employee benefits (8000s)	\$60,765,019	\$61,099,875	\$60,322,784	-0.7%	\$60,453,388	0.2%
Interfund transfers (9000s)	\$849,221	\$810,167	\$885,594	4.3%	\$810,167	-8.5%
Total	\$217,748,811	\$225,062,961	\$218,729,045	0.5%	\$216,853,147	-0.9%

Personnel expenses include collectively bargained increases as well as employee step increases. However, due to declining enrollment, fewer classes will be offered resulting in a net decrease in personnel expenditures compared to 2019-2020. The following table shows salary costs for the College.

Personal Services (1000s)						
Category	2018-2019 Actual	2019-2020 Adopted	2019-2020 Estimate	2020-2021 Requested	Change from	
					Est to Req	Est to Req
Permanent Salaries	\$90,980,371	\$95,332,801	\$93,434,002	\$93,560,528	\$126,526	0.1%
Terminal Pay	\$3,075,115	\$1,735,000	\$1,893,249	\$1,735,000	-\$158,249	-8.4%
Longevity	\$1,280,300	\$1,250,650	\$1,250,650	\$1,248,500	-\$2,150	-0.2%
Temp & PT Salaries	\$28,482,980	\$29,203,478	\$27,517,534	\$27,323,009	-\$194,525	-0.7%
Other	\$757,801	\$776,574	\$660,885	\$737,075	\$76,190	11.5%
Overtime and Overload	\$8,683,940	\$8,912,772	\$8,762,944	\$7,969,795	-\$793,149	-9.1%
Total	\$133,260,507	\$137,211,275	\$133,519,264	\$132,573,907	-\$945,357	-0.7%

Requested expenditures for Equipment and Supplies are relatively flat compared to the 2019-2020 estimate. The largest increase in terms of dollars and percentage is for computer software, the largest decrease is for office machines and computer hardware. The next table shows the College's request for equipment and supplies.

Equipment and Supplies (2000s and 3000s)						
Category	2018-2019 Actual	2019-2020 Adopted	2019-2020 Estimate	2020-2021 Requested	Change from Est to Req	Change from Est to Req
Advertising	\$624,153	\$780,579	\$669,416	\$710,844	\$41,428	6.2%
Bank Service Charges	\$680,833	\$599,222	\$680,833	\$598,410	-\$82,423	-12.1%
Building/Grounds Repairs and Materials	\$1,131,681	\$1,368,709	\$1,117,255	\$1,245,928	\$128,673	11.5%
Computers and Office Machines	\$1,238,473	\$1,578,318	\$1,304,647	\$951,939	-\$352,708	-27.0%
Instructional Equipment & Supplies	\$1,688,805	\$2,234,453	\$1,833,795	\$1,842,900	\$9,105	0.5%
Maintenance Contracts	\$1,405,718	\$1,531,065	\$1,373,211	\$1,568,274	\$195,063	14.2%
Other	\$2,837,640	\$3,421,579	\$3,211,639	\$3,090,821	-\$120,818	-3.8%
Postage	\$399,325	\$456,038	\$439,461	\$440,000	\$539	0.1%
Software and Digital Resources	\$1,020,819	\$1,287,890	\$1,174,468	\$1,439,430	\$264,962	22.6%
Total	\$11,027,447	\$13,257,853	\$11,804,725	\$11,888,546	\$83,821	0.7%

The largest decrease compared to the 2019-2020 estimate is in the “Utilities & Contractual Costs” category. Utility expenses are reduced by 5.5% due to declining fuel prices and because it is anticipated that a large percentage of fall classes in 2020-2021 will continue to be held remotely. A 36.1% decrease in Fees for Services is the most significant savings in contractual costs. According to the College, the administration intends to reduce these expenditures by reexamining the method in which these services are procured. In addition, it is projected that there will be fewer students requiring services.

Utilities and Contractual Costs (4000s)						
Category	2018-2019 Actual	2019-2020 Adopted	2019-2020 Estimate	2020-2021 Requested	Change from Est to Req	Change from Est to Req
Computer Services	\$955,284	\$1,049,751	\$1,024,751	\$1,029,308	\$4,557	0.4%
Employee Meals, Travel, & Training	\$455,442	\$819,300	\$738,037	\$622,061	-\$115,976	-15.7%
Fees for Services, Non Employee	\$1,322,103	\$1,337,198	\$1,323,051	\$845,784	-\$477,267	-36.1%
Other	\$102,228	\$200,025	\$197,853	\$200,025	\$2,172	1.1%
Rent: Office Building	\$1,977,690	\$2,062,909	\$2,028,858	\$2,052,909	\$24,051	1.2%
Special Services	\$770,078	\$939,255	\$896,903	\$721,818	-\$175,085	-19.5%
Utilities	\$6,263,792	\$6,275,353	\$5,987,225	\$5,655,234	-\$331,991	-5.5%
Total	\$11,846,617	\$12,683,791	\$12,196,678	\$11,127,139	-\$1,069,539	-8.8%

Employee benefits are requested at a modest increase of 0.2%. Social Security, retirement, and benefit fund expenses are reduced in accordance with fewer employees. These savings are offset by projected increases in the cost of health insurance. Requested employee benefit expenditures are shown in the next table.

Employee Benefits (8000s)						
Category	2018-2019 Actual	2019-2020 Adopted	2019-2020 Estimate	2020-2021 Requested	Change from Est to Req	Change from Est to Req
Benefit Fd. Contribution	\$1,958,459	\$1,882,416	\$1,978,228	\$1,937,100	-\$41,128	-2.1%
Health Insurance	\$32,439,492	\$33,041,537	\$32,864,037	\$33,806,029	\$941,992	2.9%
Other	\$782,149	\$879,954	\$864,954	\$779,953	-\$85,001	-9.8%
Retirement	\$14,217,345	\$14,280,088	\$13,853,663	\$13,288,989	-\$564,674	-4.1%
Social Security	\$9,675,131	\$9,845,880	\$9,745,872	\$9,471,317	-\$274,555	-2.8%
Workers' Compensation	\$1,692,443	\$1,170,000	\$1,016,030	\$1,170,000	\$153,970	15.2%
Total	\$60,765,019	\$61,099,875	\$60,322,784	\$60,453,388	\$130,604	0.2%

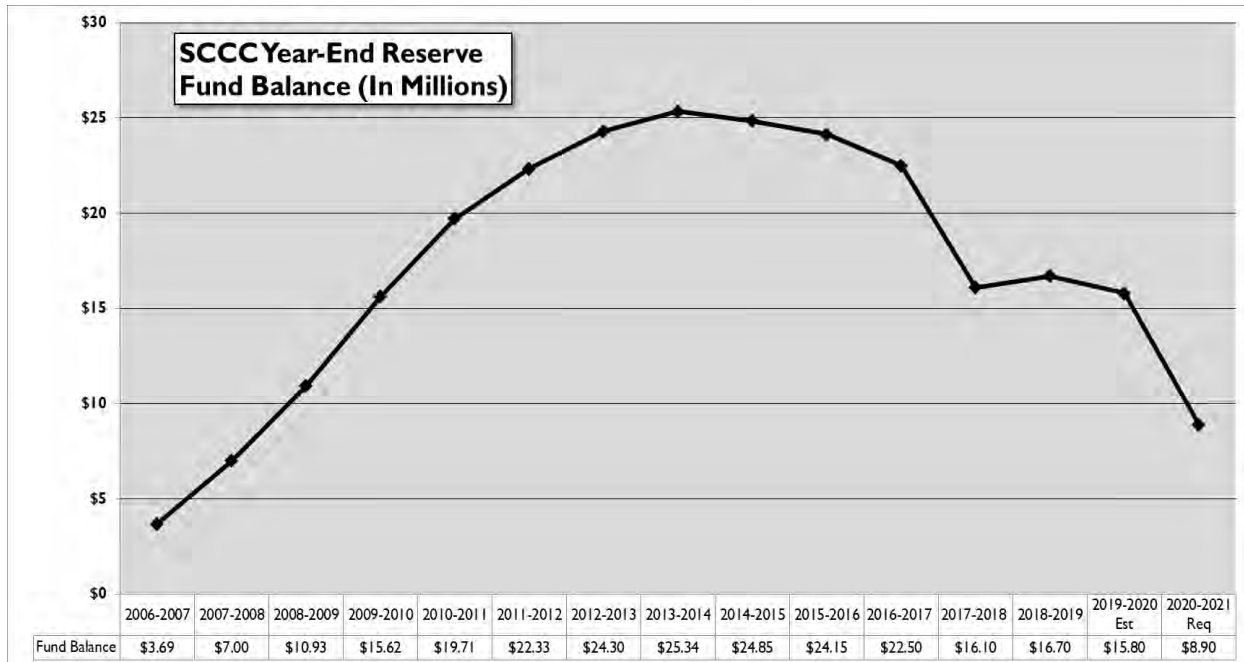
As shown in the following table, the College request for interfunds is approximately \$75,000 less than estimated in 2019-2020 due to a projected decrease in the transfer to the Self-Insurance Fund.

Interfund Transfers (9000s)						
Category	2018-2019 Actual	2019-2020 Adopted	2019-2020 Estimate	2020-2021 Requested	Change from Est to Req	Change from Est to Req
Interdepart. Oper. Fd (016)	\$25,013	\$25,000	\$25,000	\$25,000	\$0	0.0%
Self Insurance Fd (038)	\$824,208	\$785,167	\$860,594	\$785,167	-\$75,427	-8.8%
Total	\$849,221	\$810,167	\$885,594	\$810,167	-\$75,427	-8.5%

Fund Balance

The reserve fund grew from a year-end balance of \$3.69 million in 2006-2007 to a year-end balance of \$25.3 million in 2013-2014. During many of these years, higher than anticipated enrollment resulted in tuition revenue that exceeded budgeted expenditures. Despite authorizations to utilize reserves several times during those years, the reserve fund balance increased. Since then, fund balance has decreased most years due primarily to operating deficits, but also negative audit adjustments for unpaid, uncollectable tuition debts.

The Adopted 2019-2020 Community College Budget authorized the use of almost \$4 million from the reserve fund; however, the College estimates that it will need less than \$1 million. The College's requested budget includes the use of an additional \$6.9 million in 2020-2021. Assuming the College uses the estimated amount in 2019-2020 and the full amount requested in 2020-2021, the reserve fund balance would decline from \$15.8 million to \$8.9 million at the end of the 2020-2021 academic year. The following chart shows the year-end fund balance of the reserve since 2006-2007.



The College's accrediting agency, Middle States, recommends that the College maintain a reserve balance equal to 10-15% of its annual operating budget. Accordingly, 10% of the College's requested 2020-2021 budget (excluding grants) would be approximately \$21.3 million and 15% would be approximately \$32 million. Estimated 2019-2020 year-end reserves as a percentage of estimated 2019-2020 expenditures are 7.4%. The College projects that by the end of the 2020-2021 academic year, its reserves will be at 4.2% or \$12.4 million below the 10% threshold. However, the College typically estimates and projects expenditures conservatively. Actual expenditures have been less than adopted and less than estimated every year since 2008-2009. On average, actual expenditures have been \$4.9 million less than adopted and \$3 million less than estimated. If this trend continues, the College will access less than estimated for 2019-2020 and projected for 2020-2021. Nevertheless, the continued use of reserves is concerning because it indicates an ongoing structural deficit.

State Aid

Each year the Governor proposes and the State Legislature adopts a funding rate per full-time equivalent (FTE) student. To arrive at the amount of basic aid to be paid to each school, this rate is applied to the number of FTE students from the immediately preceding year when there is growth and to a weighted average of FTE students for the three previous years when there is retrenchment.

Enrollment at community colleges statewide has been decreasing at such a rate that the traditional state funding formula has resulted in decreased revenue despite annual increases in FTE Aid. To assist community colleges, the State recently enacted a funding policy, which sets aid according to the traditional FTE formula or 98% of the previous year's aid level, whichever is greater. While enrollment has consistently declined at Suffolk County Community College, it has not decreased to the extent that the alternative funding formula would be implemented. Since no increase in the FTE rate is included in the state budget this year, the College would benefit from the alternative formula for the first time in 2020-2021; however, the state has repealed it for the upcoming academic year. Consequently, the College is expecting a \$2.4 million decrease in state aid for 2020-2021. The amount

of aid could increase going forward if enrollment increases, which was the case during the last economic downturn, or it could be reduced even further as the state grapples with a multibillion-dollar deficit from the Covid-19 shutdown. For 2020-2021, state aid is a significant risk factor. The following table shows the annual change in state aid since 2010-2011.

Annual Change in State Aid per FTE and Total State Revenue Since 2010-2011				
Year	Rate per FTE	Change in Rate from Previous Year	Total Revenue	Change in Total Revenue from Previous Year
2010-2011	\$2,260	NA	\$45,184,969	NA
2011-2012	\$2,122	-\$138	\$44,463,290	-\$721,679
2012-2013	\$2,272	\$150	\$46,139,162	\$1,675,872
2013-2014	\$2,422	\$150	\$48,324,386	\$2,185,224
2014-2015	\$2,497	\$75	\$49,259,584	\$935,198
2015-2016	\$2,597	\$100	\$51,172,359	\$1,912,775
2016-2017	\$2,697	\$100	\$52,433,007	\$1,260,648
2017-2018	\$2,747	\$50	\$52,622,855	\$189,848
2018-2019	\$2,847	\$100	\$53,555,877	\$933,022
2019-2020 Estimated	\$2,947	\$100	\$53,594,255	\$38,378
2020-2021 Requested	\$2,947	\$0	\$51,192,802	-\$2,401,453

Student Revenue

The College continues to face the challenge of mitigating a budget gap resulting from declining enrollment. According to the College, the decline in enrollment is mainly attributable to trends in demographics. In addition, the College has been enrolling a greater percentage of part-time students, which results in downward pressure on the FTE rate (total credits taken divided by total number of students).

In order to counteract declining enrollment, the College has been increasing tuition and fees. From 2010-2011 to 2018-2019, annual tuition and fee revenue per student [(tuition revenue + fee revenue)/FTEs] increased by \$1,723. It is estimated to increase by another \$234 in 2019-2020 and by another \$56 in 2020-2021. The increase in 2020-2021 is due to fees that are not necessarily paid by the students, such as community use of facilities like the new Health and Wellness Center on the Eastern Campus; neither tuition or student fees are being increased. The following table shows a decline in enrollment of 23.6% from 2010-2011 to 2020-2021 while tuition and fee revenue are estimated at a 7.7% increase over the same period, a 41% increase per FTE.

Annual Change in Enrollment and Annual Change in Tuition & Fee Revenue Since 2010-2011								
Academic Year	Change from Full Time Equivalents Previous Year			Change from Tuition Fee Tuition and Fees			Change from Cost per FTE Previous Year	
	(FTE)	Year	Revenue	Revenue	Fees	Year	FTE	Year
2010-2011	20,229	NA	\$83,448,668	\$15,803,532	\$99,252,200	NA	\$4,906	NA
2011-2012	19,770	-2.27%	\$85,444,615	\$17,654,927	\$103,099,542	3.88%	\$5,215	6.29%
2012-2013	19,240	-2.68%	\$84,548,520	\$17,165,994	\$101,714,514	-1.34%	\$5,287	1.37%
2013-2014	19,405	0.86%	\$87,234,787	\$17,130,016	\$104,364,803	2.61%	\$5,378	1.73%
2014-2015	19,309	-0.49%	\$92,138,889	\$17,246,180	\$109,385,069	4.81%	\$5,665	5.33%
2015-2016	18,832	-2.47%	\$92,574,681	\$16,539,180	\$109,113,861	-0.25%	\$5,794	2.28%
2016-2017	18,623	-1.11%	\$93,682,198	\$18,525,340	\$112,207,538	2.84%	\$6,025	3.99%
2017-2018	18,273	-1.88%	\$93,297,791	\$17,788,349	\$111,086,140	-1.00%	\$6,079	0.90%
2018-2019	17,328	-5.17%	\$95,569,318	\$19,307,273	\$114,876,591	3.41%	\$6,630	9.05%
2019-2020 Estimated	16,616	-4.11%	\$95,633,920	\$18,417,774	\$114,051,694	-0.72%	\$6,864	3.54%
2020-2021 Projected	15,453	-7.00%	\$88,939,545	\$17,997,746	\$106,937,291	-6.24%	\$6,920	0.82%
Change from 2010-2011 to 2020-2021	-4,776	-23.61%	\$5,490,877	\$2,194,214	\$7,685,091	7.74%	\$2,014	41.04%

The College's tuition rate for full-time and part-time students is determined based on the recommendation of the College President and the approval of the College's Board of Trustees. If the County Legislature disagrees with the Board's decision, it can request, but cannot mandate a change in tuition rates.

Current tuition for Suffolk County residents is \$2,735 per semester or \$5,470 annually for full-time students and \$228 per credit for part-time students. No increase is requested for 2020-2021. The next table shows Suffolk County Community College's tuition history for full-time and part-time students since the 2011-2012 academic year.

Suffolk County Community College Tuition History						
Academic Year	Full Time Change From			Part Time Change From		
	(per year)	Prior Year	%	(per credit)	Prior Year	%
2011-2012	\$3,990	NA	NA	\$165	NA	NA
2012-2013	\$3,990	\$0	0.0%	\$165	\$0	0.0%
2013-2014	\$4,140	\$150	3.8%	\$173	\$8	3.6%
2014-2015	\$4,390	\$250	6.0%	\$183	\$10	5.8%
2015-2016	\$4,570	\$180	4.1%	\$191	\$8	4.4%
2016-2017	\$4,770	\$200	4.4%	\$199	\$8	4.2%
2017-2018	\$4,870	\$100	2.1%	\$203	\$4	2.0%
2018-2019	\$5,220	\$350	7.2%	\$218	\$15	7.4%
2019-2020	\$5,470	\$250	4.8%	\$228	\$10	4.6%
2020-2021	\$5,470	\$0	0.0%	\$228	\$0	0.0%

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Tuition at Suffolk County Community College has increased by an average of \$185 or four percent annually from 2011-2012 to 2019-2020, which is more than the statewide average in dollars (\$146) and percentage (3.5%). In 2019-2020, tuition at Suffolk County Community College was the third highest of the 30 community colleges in New York. Nassau County had the highest tuition at \$5,600 and Dutchess County had the lowest at \$4,150. Tuition rates for other New York community colleges are not yet available for 2020-2021. Assuming all other community colleges increase tuition by the state average annual percentage since 2011-2012, the 2020-2021 tuition requested by Suffolk County Community College would remain the third highest in the State. The following chart shows Suffolk County Community College tuition in context to other community colleges in New York State.

Tuition Rates from 2011-2012 to 2019-2020 for NYS Community Colleges											
Community College	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Avg Annual	Avg Annual
										Dollar	Percentage
										Change	Change
Adirondack	\$3,556	\$3,664	\$3,774	\$3,870	\$3,984	\$4,176	\$4,392	\$4,560	\$4,800	\$156	3.8%
Broome	\$3,694	\$3,820	\$3,954	\$4,108	\$4,212	\$4,418	\$4,592	\$4,728	\$4,944	\$156	3.7%
Cayuga County	\$3,820	\$3,950	\$4,090	\$4,200	\$4,326	\$4,499	\$4,544	\$4,658	\$4,844	\$128	3.0%
Clinton	\$3,620	\$3,820	\$3,960	\$4,060	\$4,200	\$4,300	\$4,644	\$5,062	\$5,518	\$237	5.4%
Columbia-Greene	\$3,648	\$3,792	\$3,960	\$4,080	\$4,100	\$4,392	\$4,536	\$4,680	\$4,824	\$147	3.6%
Corning	\$3,870	\$3,950	\$4,070	\$4,150	\$4,230	\$4,314	\$4,518	\$4,710	\$4,874	\$126	2.9%
Dutchess	\$2,900	\$3,100	\$3,200	\$3,200	\$3,360	\$3,528	\$3,696	\$3,864	\$4,150	\$156	4.6%
Erie	\$3,600	\$3,900	\$3,995	\$4,295	\$4,595	\$4,733	\$4,900	\$4,900	\$4,900	\$163	4.0%
Fashion Institute	\$3,974	\$4,200	\$4,425	\$4,500	\$4,500	\$4,590	\$4,690	\$4,890	\$5,190	\$152	3.4%
Finger Lakes	\$3,484	\$3,654	\$3,834	\$4,022	\$4,180	\$4,368	\$4,522	\$4,584	\$4,722	\$155	3.9%
Fulton-Montgomery	\$3,394	\$3,444	\$3,598	\$3,648	\$3,900	\$4,200	\$4,450	\$4,600	\$4,900	\$188	4.7%
Genesee	\$3,400	\$3,550	\$3,700	\$3,850	\$3,900	\$3,950	\$4,050	\$4,150	\$4,350	\$119	3.1%
Herkimer County	\$3,540	\$3,640	\$3,740	\$3,840	\$3,940	\$4,270	\$4,470	\$4,670	\$4,870	\$166	4.1%
Hudson Valley	\$3,700	\$3,900	\$3,980	\$3,980	\$4,100	\$4,300	\$4,500	\$4,650	\$4,800	\$138	3.3%
Jamestown	\$3,900	\$4,050	\$4,220	\$4,220	\$4,520	\$4,630	\$4,750	\$4,870	\$5,040	\$143	3.3%
Jefferson	\$3,648	\$3,744	\$3,864	\$3,984	\$4,176	\$4,392	\$4,584	\$4,752	\$4,920	\$159	3.8%
Mohawk Valley	\$3,480	\$3,580	\$3,710	\$3,810	\$3,960	\$4,084	\$4,250	\$4,370	\$4,594	\$139	3.5%
Monroe	\$3,060	\$3,140	\$3,240	\$3,416	\$3,800	\$4,100	\$4,280	\$4,380	\$4,380	\$165	4.6%
Nassau	\$3,990	\$3,990	\$4,088	\$4,234	\$4,534	\$4,868	\$5,102	\$5,350	\$5,600	\$201	4.4%
Niagara County	\$3,624	\$3,696	\$3,792	\$3,888	\$3,960	\$4,080	\$4,224	\$4,392	\$4,560	\$117	2.9%
North Country	\$3,900	\$3,900	\$4,050	\$4,250	\$4,426	\$4,600	\$4,692	\$4,880	\$5,076	\$147	3.4%
Onondaga	\$3,930	\$4,050	\$4,172	\$4,300	\$4,430	\$4,570	\$4,570	\$4,900	\$4,990	\$133	3.0%
Orange County	\$3,900	\$4,100	\$4,400	\$4,400	\$4,486	\$4,636	\$4,776	\$4,976	\$5,184	\$161	3.6%
Rockland	\$3,815	\$4,025	\$4,175	\$4,300	\$4,300	\$4,429	\$4,586	\$4,746	\$4,912	\$137	3.2%
Schenectady County	\$3,384	\$3,384	\$3,384	\$3,456	\$3,528	\$3,720	\$3,936	\$4,176	\$4,391	\$126	3.3%
Suffolk County	\$3,990	\$3,990	\$4,140	\$4,390	\$4,570	\$4,770	\$4,870	\$5,220	\$5,470	\$185	4.0%
Sullivan County	\$4,180	\$4,474	\$4,474	\$4,474	\$4,674	\$4,674	\$4,814	\$4,814	\$5,016	\$105	2.3%
Tompkins-Cortland	\$3,950	\$4,150	\$4,300	\$4,500	\$4,650	\$4,790	\$4,950	\$4,950	\$5,100	\$144	3.3%
Ulster County	\$3,990	\$4,130	\$4,230	\$4,230	\$4,230	\$4,330	\$4,480	\$4,480	\$4,680	\$86	2.0%
Westchester	\$4,150	\$4,280	\$4,280	\$4,280	\$4,280	\$4,280	\$4,280	\$4,380	\$4,580	\$54	1.3%
Average Tuition Rates	\$3,703	\$3,836	\$3,960	\$4,065	\$4,202	\$4,366	\$4,522	\$4,678	\$4,873	\$146	3.5%

County Contribution

The County Contribution is also referred to as the “local sponsor share” or “maintenance of effort” (MOE). The County Contribution is not fixed by law since the County Legislature can approve whatever amount it deems appropriate. However, in the past the State Legislature has conditioned

aid for local community colleges by requiring that local sponsors at least match their annual subsidy from the previous school year. A reduction could jeopardize the maintenance of effort and would be inconsistent with the State Legislature’s conditions for aid to local community colleges.

The County Contribution was increased only once from 2008-2009 to 2013-2014 (one percent in 2011-2012). In an effort to be sensitive to the County’s fiscal challenges, the College requested no increase in contribution for 2012-2013 or 2013-2014. Due to declining enrollment and growth in expenditures that has outpaced growth in revenues, the College has requested an increase each year since 2014-2015. The three percent increase in 2019-2020 was the largest since 2006-2007. The College requested a two percent increase in 2020-2021, which is equal to approximately \$900,000. The County Executive recommended no increase. The following table shows the County’s annual contribution to the Community College since 1998-1999.

Annual County Contribution to SCCC					
Academic Year	County Contribution	% Change From Previous Year	Academic Year	County Contribution	% Change From Previous Year
1998 – 1999	\$28,356,138	N/A	2010 – 2011	\$38,602,957	0.0%
1999 – 2000	\$29,490,384	4.0%	2011 – 2012	\$38,988,987	1.0%
2000 – 2001	\$30,669,999	4.0%	2012 – 2013	\$38,988,987	0.0%
2001 – 2002	\$33,644,989	9.7%	2013 – 2014	\$38,988,987	0.0%
2002 – 2003	\$33,644,989	0.0%	2014 – 2015	\$39,768,766	2.0%
2003 – 2004	\$33,644,989	0.0%	2015 – 2016	\$40,768,766	2.5%
2004 – 2005	\$34,990,788	4.0%	2016 – 2017	\$41,787,985	2.5%
2005 – 2006	\$36,390,420	4.0%	2017 – 2018	\$42,414,805	1.5%
2006 – 2007	\$37,846,036	4.0%	2018 – 2019	\$43,475,175	2.5%
2007 – 2008	\$38,602,957	2.0%	2019 – 2020	\$44,779,430	3.0%
2008 – 2009	\$38,602,957	0.0%	2020 – 2021 Req	\$45,675,019	2.0%
2009 – 2010	\$38,602,957	0.0%	2021 – 2021 Rec	\$44,779,430	0.0%

It should be noted that instead of paying this expense directly, the County has the option of passing legislation to charge back the County Contribution to the towns, pursuant to New York State Education Law Article 126 Section 6304 Financing of Community Colleges. The charge back would be in proportion to the number of students from each town attending the College. The Legislature may wish to consider this as a policy option.

In addition to the County Contribution, the County also has College related expenses for:

1. **College debt service:** to pay for the local share of the College’s capital projects. The County’s debt service costs for the College can be found in the budget as the sum of the General Fund transfer to the College and the mandated portion of the college property tax. Debt service is estimated at approximately \$10.2 million in 2020 and 2021.
2. **Out-of-County tuition:** Suffolk County is required to pay the sponsor’s share of tuition for county residents who opt to attend other New York State community colleges outside of

Suffolk County. This mandated expense is budgeted and paid for from the County’s General Fund (001-MS-2490-Comm. Coll. Non Cnty Tuition-4780-Out of County Tuition). The Adopted 2020 Operating Budget included \$15.7 million for this expense. It should be noted that New York State’s Education law requires New York State to reimburse the local sponsor for half of out-of-county tuition costs for the Fashion Institute of Technology (FIT) and 1/3 the cost for other community colleges; however, the State has not included appropriations in its budget for this statutory commitment since 2001. Additional details regarding Out-of-County tuition can be found in the next section.

Out-of-County Tuition

In 2018-2019, 3,448 Suffolk County residents attended a New York State community college outside of Suffolk County. The majority of out-of-county tuition costs to Suffolk County are typically for students attending Nassau Community College and FIT. These two institutions accounted for 69% of all Suffolk residents attending community colleges outside the County and 91% of the total out-of-county tuition cost in 2018-2019. The following table shows the allocation of out-of-county tuition expenditures for 2018-2019 compared to the previous year. The overall number of students decreased for the fourth consecutive year; however, out-of-county-tuition costs increased by approximately \$200,000 because the cost per student increased by 8.9%. Cost per student is a function of state chargeback rates, tuition rates, and the number of credits taken.

	Out-of-County Tuition for Academic Year 2017-2018			Out-of-County Tuition for Academic Year 2018-2019			Change from 2017-2018 to 2018-2019		
Community College	No. Students	Amount Paid	Cost per Student	No. Students	Amount Paid	Cost per Student	No. Students	Amount Paid	Cost per Student
FIT	699	\$9,947,232	\$14,231	650	\$9,856,109	\$15,163	-49	-\$91,123	\$933
Nassau	1,945	\$4,486,335	\$2,307	1,729	\$4,759,345	\$2,753	-216	\$273,010	\$446
Other	1,064	\$1,372,276	\$1,290	1,069	\$1,389,796	\$1,300	5	\$17,519	\$10
Total	3,708	\$15,805,844	\$4,263	3,448	\$16,005,251	\$4,642	-260	\$199,407	\$379
Community College	No. Students	Amount Paid	No. Students	Amount Paid	No. Students	Amount Paid			
FIT	18.9%	62.9%	18.9%	61.6%	0.0%	-1.4%			
Nassau	52.5%	28.4%	50.1%	29.7%	-2.3%	1.4%			
Other	28.7%	8.7%	31.0%	8.7%	2.3%	0.0%			

As is the case with the County Contribution, instead of paying this expense directly, the County has the option to charge back out-of-county tuition to the towns. The County exercised this option for one year in 1994 and each year since 2012 in order to provide General Fund relief. The authorized chargebacks are for the allocable portions of the operating costs and capital costs of the other New York State Community Colleges for Suffolk County residents attending each such college as non-residents. The next table shows out-of-county tuition costs from the 2007-2008 academic year through the 2018-2019 academic year.

Out-of-County Tuition Payments from 2007-2008 to 2018-2019				
Academic Year	No. Students	Change from Previous Yr.	Amount Paid	Change from Previous Yr.
2007-2008	3,668	NA	\$9,955,502	NA
2008-2009	3,789	3.3%	\$11,098,790	11.5%
2009-2010	4,090	7.9%	\$12,169,198	9.6%
2010-2011	4,163	1.8%	\$13,099,610	7.6%
2011-2012	4,180	0.4%	\$12,872,139	-1.7%
2012-2013	4,121	-1.4%	\$13,030,590	1.2%
2013-2014	4,012	-2.6%	\$13,569,325	4.1%
2014-2015	4,124	2.8%	\$14,142,240	4.2%
2015-2016	3,955	-4.1%	\$13,807,819	-2.4%
2016-2017	3,872	-2.1%	\$14,367,082	4.1%
2017-2018	3,708	-4.2%	\$15,805,844	10.0%
2018-2019	3,448	-7.0%	\$16,005,251	1.3%

College Property Tax

The 2020-2021 recommended College property tax of \$5,250,467 is the same as the 2019-2020 adopted tax. The College property tax is further broken down into mandated and discretionary amounts.

- Of the \$10,180,477 in projected mandated college debt service, \$845,252 is paid from the property tax and the remaining \$9,335,225 is paid by the General Fund transfer to the College.
- On the discretionary side of the budget, payment of the recommended \$44,779,430 County Contribution is split up into \$4,405,215 from the non-mandated college property tax and \$40,374,215 from county General Fund appropriations.

	2019-2020 Adopted	2020-2021 Recommended
Total College Property Tax Levy	\$5,250,467	\$5,250,467
Mandated College Tax Levy	\$845,252	\$845,252
NonMandated College Tax Levy	\$4,405,215	\$4,405,215
County Contribution - Debt	\$10,203,635	\$10,180,477
Mandated College Tax Levy	\$845,252	\$845,252
Trans from General Fd for Debt Service (001-E818)	\$9,358,383	\$9,335,225
County Contribution - Appropriations	\$44,779,430	\$44,779,430
NonMandated College Tax Levy	\$4,405,215	\$4,405,215
Contribution to Community College (001-2495)	\$40,374,215	\$40,374,215

The 2020-2021 recommended college budget is the 12th consecutive budget in which the college property tax does not follow the previously prescribed methodology. That methodology was based on Resolution No. 785-1995, paragraph 3.d. and the new Type C agreement, dated February 9, 1996 and the Laws of Suffolk County §C4-6(B). Although the Type C agreement is no longer in effect, the County's Memorandum of Understanding with the College is silent on this issue. Short of an agreed upon alternative methodology, the calculation of the College property tax should follow the prescribed methodology.

Conclusion

The Budget Review Office makes no recommendations regarding the college budget. The budget total and County Contribution are policy decisions requiring the Legislature to balance the College's ability to provide an affordable education to county residents and the County's ability to increase spending in a period of fiscal crisis. This report is intended to assist the Legislature in its deliberations. We are available to answer any questions Legislators may have.