

**Review  
of  
Proposed  
Nassau Community College  
FY 2006 - 07 Budget**



**Office of Legislative Budget Review  
Nassau County Legislature**




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### **Inter-Departmental Memo**

To: Hon. Judith A. Jacobs, Presiding Officer  
Hon. Peter Schmitt, Minority Leader  
Members of the Nassau County Legislature

From:  Eric C. Naughton, Director  
Office of Legislative Budget Review

Date: July 7, 2006

Re: Review of Proposed Nassau Community College Budget for  
Fiscal Year September 1, 2006 to August 31, 2007

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Enclosed please find an analysis of the proposed FY 2006-07 budget for Nassau Community College. The budget presented by the County Executive is the same as the budget adopted by the NCC Trustees. The recommended budget of \$179.8 million represents an increase of \$6.2 million (3.6%) compared to the FY 2005-06 adopted budget.

The three major components of the revenue budget are tuition, state aid and funding from the County through property taxes. Most of the budgetary increase is comprised of \$1.5 million in tuition, \$2.0 million in state aid and \$1.8 million in property taxes. The additional tuition revenue is expected to be generated entirely as a result of a \$170 annual tuition increase, from \$3,140 to \$3,310, with a small decrease in enrollment compared to FY 2004-05. By comparison, Suffolk Community College's tuition is proposed to increase by \$110 to \$3,100.

Salaries and fringe benefits make up 87% of the expense budget. This portion of the budget is increasing by 3.8%, which is related to health insurance costs and contractual raises. The Nassau Community College Federation of Teachers' (NCCFT) contract includes a COLA increase of 2.35% on September 1, 2006. When additional benefits are included, such as the step increment, the total salary expenditure increases by 4.2% over the FY 2005-06 actual. The Adjunct Faculty Association's contract provides for a COLA increase of 3.9% with additional benefits bringing

the total cost up by 5.2%. In addition, 5.3% increases are included for members of the Civil Service Employees Association (CSEA), which will fund step increases and an estimated 3.5% COLA increase.

There is some risk in the proposed budget due to an unanticipated decrease in enrollment since the budget was approved by the NCC Trustees. Based on the current enrollment level there would be a shortfall of \$550,000 in tuition revenue and \$390,000 in state aid, for a total shortfall of \$940,000. However, since enrollment is an unknown, critical element, the College has prudently included a contingency budget of \$1.76 million in the FY 2006-07 expense budget. If there is not a revenue shortfall in FY 2006-07 and no other risks emerge then the contingency funds will be utilized. The College Administration plans to spend the OTPS portion (\$1.35 million) as outlined in Table 8 of our analysis. The salary portion (\$410,000) will be spent on part-time salaries in the instruction and student services areas.

If my office can be of any further assistance, please let me know.

cc: Dr. Sean Fanelli, President, CEO  
Alan Gurien, Vice President Finance  
Hon. Howard Weitzman, County Comptroller  
Richard Luke, Executive Director, NIFA  
Tom Stokes, Deputy County Executive  
Mark Young, Director, Office of Management and Budget

## FY 06 – 07 Proposed Budget

### EXPENSE BUDGET

The proposed expense budget for Nassau Community College (NCC) for the fiscal year September 1, 2006 through August 31, 2007 totals \$179.8 million, an increase of \$6.2 million, or 3.6% over the current year's appropriation and an increase of \$10.4 million, or 6.1% over the current year's projection.

**Table 1**

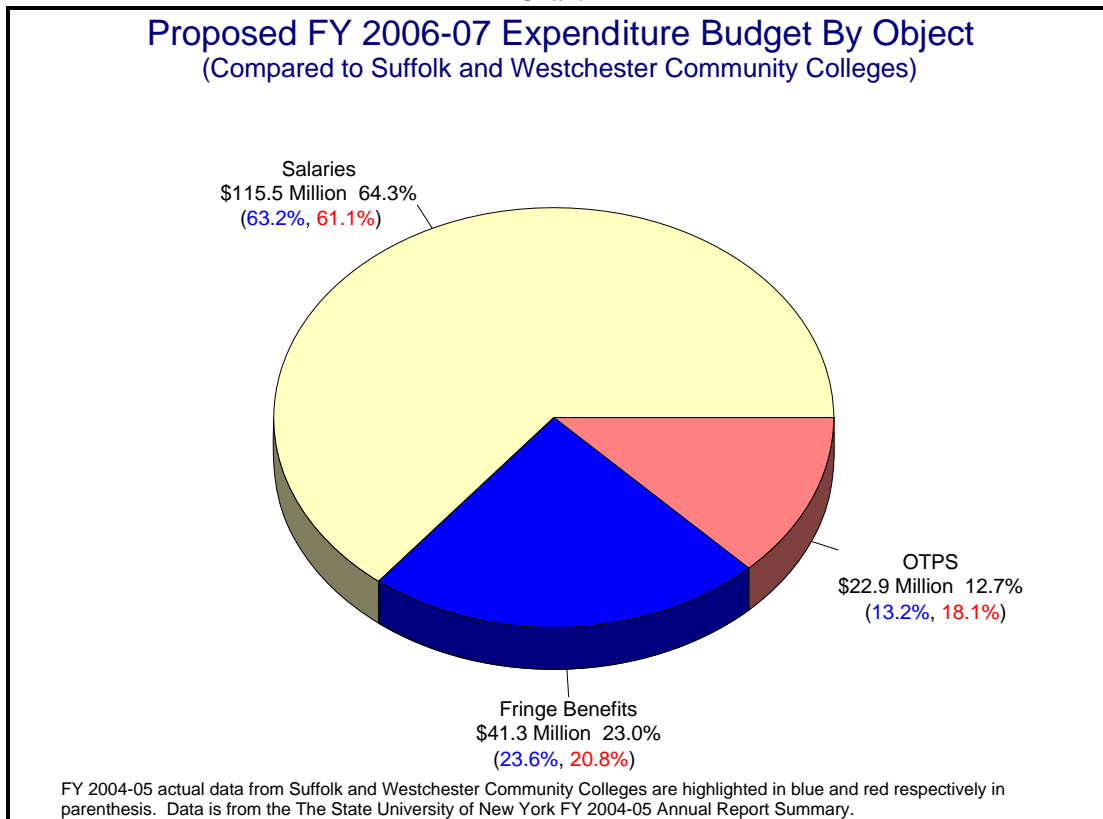
Personal Services	Adopted FY 05 - 06	Proposed FY 06 - 07	Proposed vs.		Projected FY 05 - 06	Proposed vs.	
			Adopted FY 05 - 06	% Change		Projected	% Change
Salaries, Wages & Fees	\$110,105,147	\$115,519,130	\$5,413,983	4.9%	\$110,619,399	\$4,899,731	4.4%
Fringe Benefits	40,955,000	41,329,841	374,841	0.9%	37,413,100	3,916,741	10.5%
Subtotal	\$151,060,147	\$156,848,971	\$5,788,824	3.8%	\$148,032,499	\$8,816,472	6.0%
<b>OTPS</b>							
Equipment	\$2,000,000	\$1,984,006	(\$15,994)	-0.8%	\$1,983,900	\$106	0.0%
Materials & Supplies	1,525,000	0	(1,525,000)	-100.0%	1,235,457	(1,235,457)	-100.0%
General Expenses	4,800,000	6,219,754	1,419,754	29.6%	4,524,908	1,694,846	37.5%
Contractual Services	6,225,285	6,489,415	264,130	4.2%	5,517,303	972,112	17.6%
Utility Costs	1,100,000	1,150,000	50,000	4.5%	978,729	171,271	17.5%
Interfund Charges	6,700,000	7,051,000	351,000	5.2%	7,058,036	(7,036)	-0.1%
Other Expenses	115,000	30,000	(85,000)	-73.9%	30,000	0	0.0%
Subtotal	\$22,465,285	\$22,924,175	\$458,890	2.0%	\$21,328,333	\$1,595,842	7.5%
<b>Total Expenses</b>	<b>\$173,525,432</b>	<b>\$179,773,146</b>	<b>\$6,247,714</b>	<b>3.6%</b>	<b>\$169,360,832</b>	<b>\$10,412,314</b>	<b>6.1%</b>

Although the College projects their expenses to be on budget in FY 2005-06, OLBR does not anticipate that the College will spend as much of the remaining OTPS budget as its Administration expects to. Our projections are based on historical percentages of June year-to-date actual expenditures compared to the annual actual expenditures.

Due to the lower than expected enrollment in FY 2005-06 and the uncertainty of enrollment for FY 2006-07, the College has included a contingency budget of \$1.76 million in the FY 2006-07 budget. Of this, \$410,000 is in salaries, \$250,000 is in equipment, \$500,000 is in general expenses, and \$600,000 is in contractual services. The college will not release these funds if enrollment is less than 1% up from the Fall of 2005 or there are any other risks to the expense or revenue budget.

## FY 06 – 07 Proposed Budget

**Chart 1**



As illustrated in Chart 1, the College’s expenditures are made up of 64.3% salaries and 23.0% fringe benefits. As a basis for comparison, the corresponding average percentages for Suffolk and Westchester community colleges for FY 2004-05, the most recent year for which statewide figures are available, are noted in parentheses. Other Than Personal Services (OTPS) makes up 12.8% of the total proposed budget. In comparison Suffolk spent 13.2% and Westchester spent 18.8% in FY 2004-05. NCC plans to spend 87.3% of total costs on salaries and fringe benefits in FY 206-07. In FY 2004-05 Suffolk and Westchester spent 86.8% and 81.9% respectively on these costs. In FY 2004-05 Nassau Community College had a net operating expenditure per FTE student of \$8,420, while Suffolk spent \$7,777 and Westchester spent \$7,001. The student/faculty ratio at Nassau was 16.9 to 1, compared to Suffolk with a 22.9 to 1 ratio and Westchester with a 17.5 to 1 ratio. In FY 2006-07, the college projects the expenditure per FTE student to go up to \$9,509 and the student/faculty ratio to stay at about 16.9 to 1. The increase in expenditure per FTE is due to increased costs and a reduced enrollment.

Table 2 shows a comparison of average salaries from the year FY 2004-05.

## FY 06 – 07 Proposed Budget

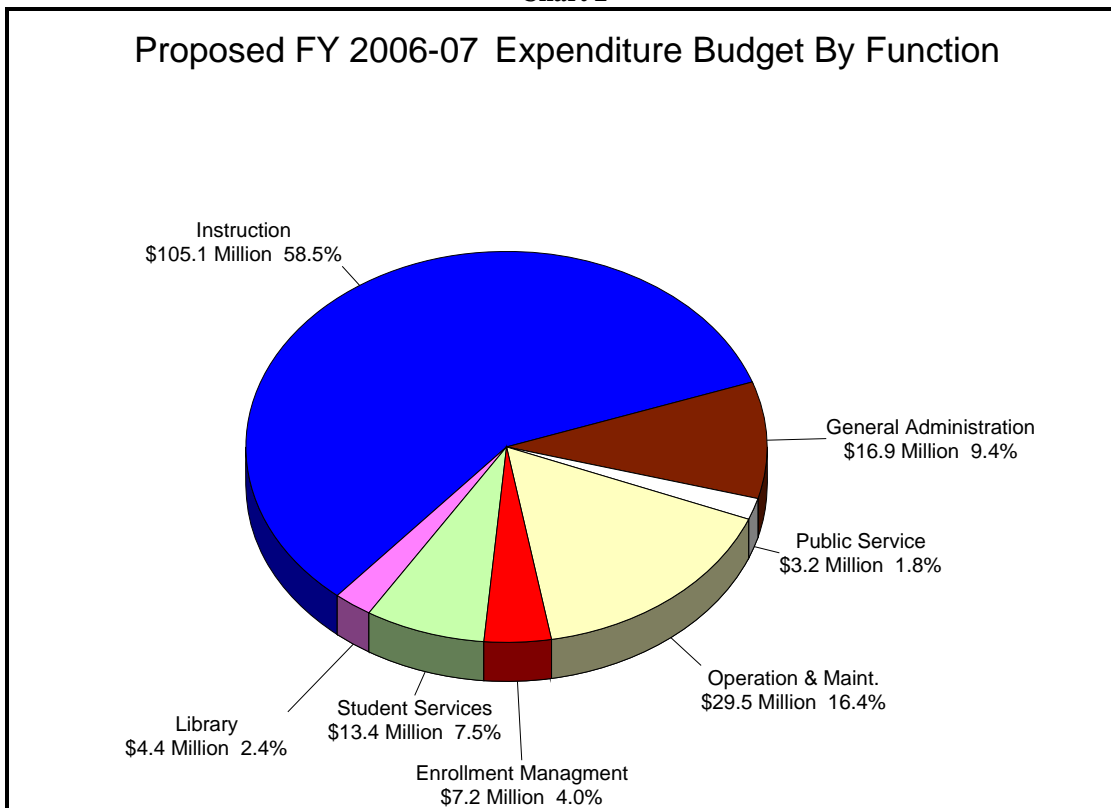
**Table 2**

<u>FY 2004-05 Comparative Salaries</u>				
<u>Institution</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Instructor</u>
Nassau Community College	94,100	76,900	64,900	51,900
Suffolk Community College	83,200	64,700	55,000	45,800
Westchester	97,300	84,100	69,600	N/A

Source: The Chronicle of Higher Education. Facts & Figures, AAUP Faculty Salary Survey

Chart 2 shows the breakout of proposed budget expenses by function. The largest category is instruction which utilizes 58.5% of the budget. Operation and maintenance of plant consumes 16.4% of the budget and includes many projects that would be included in the capital budget if funds were available. General administration expenses take up 9.4% and student services uses 7.4%. Enrollment management has 4.0% of the proposed budget and the library has 2.4%.

**Chart 2**



### **Salaries & Wages**

Salaries and wages makes up approximately 64.3% of the total budget and is increasing by 4.9% over the FY 2005-06 budget and 4.4% over the FY 2005-06 projected actual. The Nassau Community College Federation of Teachers' (NCCFT) contract includes a COLA increase of 2.35% on September

## FY 06 – 07 Proposed Budget

1, 2006. When additional benefits are included, such as the step increment, the total salary expenditure increases by 4.2% over the FY 2005-06 actual. The Adjunct Faculty Association’s contract provides for a COLA increase of 3.9% with additional benefits bringing the total cost up by 5.2%. These additional contract changes include a promotional movement increase. In addition, 5.3% increases are included for members of the Civil Service Employees Association (CSEA), which will fund step increases and a 3.5% COLA increase.

Tables 3 and 4 show the distribution of full-time and part-time staff by budgetary control center.

**Table 3**

<b>FULL-TIME HEADCOUNT</b>										
<b>Control Center</b>	<b>Adopted 05 - 06</b>		<b>Proposed 06 - 07</b>		<b>Difference</b>			<b>Difference</b>		
	F/T	Pers. Svcs	F/T	Pers. Svcs	F/T	Pers. Svcs	% Chg	June 06 Act. F/T	<b>Prop. vs. Act.</b>	
									F/T	% Chg
General Administration	115	\$6,514,096	121	\$7,036,713	6	522,617	8.0%	110	11	10.0%
Instruction	706	49,811,544	698	51,808,100	(8)	1,996,556	4.0%	703	(5)	-0.7%
Extension & Public Service	15	954,246	13	875,136	(2)	(79,110)	-8.3%	13	0	0.0%
Library	37	2,040,951	38	2,161,167	1	120,216	5.9%	38	0	0.0%
Student Services	119	6,941,713	123	7,432,990	4	491,277	7.1%	113	10	8.8%
Enrollment Management	65	3,654,114	66	3,857,333	1	203,219	5.6%	64	2	0.0%
Maint & Op. of Plants	144	7,642,434	146	7,952,799	2	310,365	4.1%	143	3	2.1%
<b>Grand Total</b>	<b>1,201</b>	<b>\$77,559,098</b>	<b>1,205</b>	<b>\$81,124,238</b>	<b>4</b>	<b>3,565,140</b>	<b>4.6%</b>	<b>1,184</b>	<b>21</b>	<b>1.8%</b>

**Table 4**

<b>PART-TIME HEADCOUNT</b>								
<b>Control Center</b>	<b>Adopted 05 - 06</b>		<b>Proposed 06 - 07</b>		<b>Difference</b>			
	P/T	Pers. Svcs	P/T	Pers. Svcs	P/T	Pers. Svcs	% Chg	
General Administration	69	\$602,413	62	\$577,477	(7)	(\$24,936)	-4.1%	
Instruction	1,367	22,952,720	1,349	24,239,751	(18)	1,287,031	5.6%	
Extension & Public Service	174	1,618,785	169	1,482,803	(5)	(135,982)	-8.4%	
Library	68	429,305	68	543,625	0	114,320	26.6%	
Student Services	187	878,196	188	1,272,295	1	394,099	44.9%	
Enrollment Management	121	1,327,444	115	1,426,713	(6)	99,269	7.5%	
Maint & Operation of Plants	57	525,450	56	445,967	(1)	(79,483)	-15.1%	
<b>Grand Total</b>	<b>2,043</b>	<b>\$28,334,313</b>	<b>2,007</b>	<b>\$29,988,631</b>	<b>(36)</b>	<b>\$1,654,318</b>	<b>5.8%</b>	

The FY 2006-07 proposed budget of 1,205 full-time positions is 4 more than the current year’s budget and 21 more than the June 1<sup>st</sup> actual. The increase from the FY 2005-06 budget in General Administration is for two positions to be utilized in fund raising, two positions for strategic planning, one Graphic Designer for web site design and marketing, and one Accountant to address increased reporting demands. Instruction is decreasing by 8 due to declining enrollment, a change in policy to utilize more adjuncts, an increase in expected sabbaticals and the transfer of four positions to student services. The variance from the June 1<sup>st</sup> actual reflects vacancies, teachers on sabbatical, a lower spring headcount than fall headcount and the additions previously mentioned. Funding for part-time staffing is budgeted to increase by \$1.7 million or 5.8% to cover contractual increases. If the \$410,000 in salaries

## FY 06 – 07 Proposed Budget

reserve is released, the College Administration plans to use the funds for part-time help, primarily in the instructional and student services areas.

### **Fringe Benefits**

The proposed budget for fringe benefits is detailed in Table 5.

**Table 5**

Object of Expense	Adopted FY 05 - 06	Proposed FY 06 - 07	Proposed		Projected FY 05 - 06	Proposed vs. Projected	
			vs. Adopted FY 05-06	% Change		Projected	% Change
Social Security Contribution	\$8,320,000	\$8,370,000	50,000	0.6%	\$7,900,000	\$470,000	5.9%
Health Insurance	12,860,000	14,012,000	1,152,000	9.0%	12,433,900	1,578,100	12.7%
TIAA CREF (Retirement)	5,900,000	6,052,000	152,000	2.6%	5,818,000	234,000	4.0%
Health Insurance Retirees	6,297,000	5,999,000	(298,000)	-4.7%	5,108,600	890,400	17.4%
Teachers Retirement	1,246,592	1,569,000	322,408	25.9%	1,390,000	179,000	12.9%
Medicare Reimbursement	780,000	860,000	80,000	10.3%	844,000	16,000	1.9%
Workers' Compensation	726,000	750,000	24,000	3.3%	464,300	285,700	61.5%
Dental	720,000	720,000	0	0.0%	697,100	22,900	3.3%
State Retirement	3,735,408	2,627,841	(1,107,567)	-29.7%	2,531,800	96,041	3.8%
Optical Plan	140,000	140,000	0	0.0%	131,000	9,000	6.9%
Unemployment	230,000	230,000	0	0.0%	94,400	135,600	143.6%
	<b>\$40,955,000</b>	<b>\$41,329,841</b>	<b>\$374,841</b>	<b>0.9%</b>	<b>\$37,413,100</b>	<b>\$3,916,741</b>	<b>10.5%</b>

Although fringe benefits appear to be increasing by \$374,841 or 0.9% from the adopted FY 2005-06 budget, the increase is actually significantly higher due to additional money budgeted in the prior year's fringe benefits for contractual increases. There is a \$3.9 million or 10.5% increase from the FY 2005-06 projected actual. This is primarily due to increases in health insurance which the college projects at 13.0%. This is a conservative estimate since a recent best estimate provided by the State projects the increase at 10.3% for active employees. For retirees, the State's estimate is about 12.4%. There is a savings of \$445,592 in state retirement for FY 2006-07 due to the drawing down from a retirement contribution reserve fund. Similar to the County, a liability account was created when the deferment allowed in FY 04 resulted in a one time savings of \$1.3 million which was used last year and will be used in the next two years to offset the future pension cost. Teachers retirement is increasing by \$322,408 or 25.9% from the FY 2005-06 budget and by \$179,000 or 12.9% from the FY 2005-06 projected. The current year's budget was based on a lower than actual rate of salaries. The next year's estimated bill from the Teachers Retirement System contains an 8% rate increase and a salary increase. Medicare reimbursements are increasing from the FY 2005-06 budget by 10.3% due to federal changes in the Medicare program.



## FY 06 – 07 Proposed Budget

### Other Than Personal Services (OTPS)

The College's proposed OTPS budget, made up of all expenses other than payroll and fringe benefits, includes an increase of \$458,890 or 2% from the FY 2005-06 budget and \$1.6 million or 7.5% from the FY 2005-06 projected actual. The distribution of these costs by function can be seen in Table 6.

**Table 6**

Control Center	Adopted FY 05 - 06	Proposed FY 06 - 07	Proposed vs.		Projected FY 05 - 06	Proposed vs.	
			Adopted FY 05 - 06	% Change		Projected	% Change
General Administration	\$2,122,692	\$3,106,682	\$983,990	46.4%	\$1,789,419	\$1,317,263	73.6%
Instruction	2,975,695	2,376,659	(599,036)	-20.1%	2,878,306	(501,647)	-17.4%
Extension & Public Serv.	322,000	230,942	(91,058)	-28.3%	212,169	18,773	8.8%
Library	471,905	524,455	52,550	11.1%	518,059	6,396	1.2%
Student Services	334,064	388,400	54,336	16.3%	296,903	91,497	30.8%
Enrollment Management	226,105	359,232	133,127	58.9%	123,989	235,243	189.7%
Maint & Op. of Plant	16,012,824	15,937,805	(75,019)	-0.5%	15,509,488	428,317	2.8%
	<u>\$22,465,285</u>	<u>\$22,924,175</u>	<u>\$458,890</u>	<u>2.0%</u>	<u>\$21,328,333</u>	<u>\$1,595,842</u>	<u>7.5%</u>

As previously mentioned, the College projects expenses to be on budget, but OLBR does not anticipate this to happen since current spending is significantly below budget. Regardless of whether or not the College spends up to budget, the FY 2006-07 budget was based not on the current year's projected actual but the FY 2004-05 actual. Next year's OTPS budget was calculated by taking the actual FY 2004-05 expenses, which totaled \$19.3 million, and adding the reserve and certain increases as detailed below. Table 7 outlines the variance between these years by control center and provides a brief description of the increases.

**Table 7**

Control Center	FY 04 - 05 Actual	FY 06 - 07 Proposed	Proposed vs. Actual	% Change	Variance Explanations
General Administration	\$1,613,681	\$3,106,682	\$1,493,001	92.5%	\$1.35 million reserve
Instruction	2,482,224	2,376,659	(105,565)	-4.3%	Reduced enrollment
Extension & Public Serv.	225,894	230,942	5,048	2.2%	
Library	459,504	524,455	64,951	14.1%	Increasing cost of library contracts
Student Services	310,681	388,400	77,719	25.0%	Vehicle registration expenditures
Enrollment Management	0	359,232	359,232	-	Enrollment development initiative
Maint & Op. of Plant	14,202,405	15,937,805	1,735,400	12.2%	CUP charges, utility cost, add'l maint. projects
	<u>\$19,294,389</u>	<u>\$22,924,175</u>	<u>\$3,629,786</u>	<u>18.8%</u>	

The total variance is \$3.63 million with \$2.28 million of increases and \$1.35 million in the reserve fund. The unavoidable increases includes a \$769,166 increase in Central Utility Plant (CUP) charges which are being charged to Maintenance and Operation of Plant. These costs are for energy and chilled water expenses passed on by Trigen Energy to the College, Medical Center, Coliseum and Marriott and is also reflected in the Interfund charges as shown separately in Table 1. Also within this cost center are increases for utilities (\$249,380), contract increases and necessary maintenance projects. This includes \$200,000 for appropriations from the dedicated parking fee revenue which will be used for parking lot

## FY 06 – 07 Proposed Budget

maintenance. The remaining \$125,000 from this revenue source is budgeted in Student Services and will be spent on the stickers which will be given to the students and security in the parking lots. Enrollment Management was a department developed last year to better identify and coordinate enrollment efforts. Library costs are increasing for the library's database subscription contracts. In addition to the reserve, General Administration charges are increasing for credit card fee charges which are generated when a student pays for tuition with a credit card and legal fees.

If the \$1.35 million in OTPS contingency funds are released, the College administration plans to utilize about \$1.0 million for special projects, most of which would be capital projects. The list of possible projects exceeds the \$1.0 million so an assessment will have to be made as to what takes priority when the funds are made available. Table 8 is a list of possible projects.

**Table 8**

<u>Projects Planned for FY 2006-07 with Reserve Funds</u>	
<u>Project</u>	<u>Estimated Cost</u>
Installation of Perkins and other grant items	\$30,000
Software installation and implementation College-wide inventory system	30,000
Modification of Art Gallery & public safety buildings	195,000
Asphalt and concrete repair	300,000
Graphics for various directories	175,000
Conversion of various educational facilities to meet evolving curricular programs	150,000
Continuation of NIOSH remediation in various College locations	200,000
Security & Surveillance	185,000
Vertical and horizontal re-caulking of the library	190,000
Perimeter road lighting	100,000
Conversion of military property	225,000
	<u>\$1,780,000</u>

The other \$350,000 will go toward instruction equipment, which would be primarily for technology improvements in classrooms. This is in addition to the student technology fee appropriations.

## FY 2006 – 07 PROPOSED BUDGET

### REVENUE BUDGET

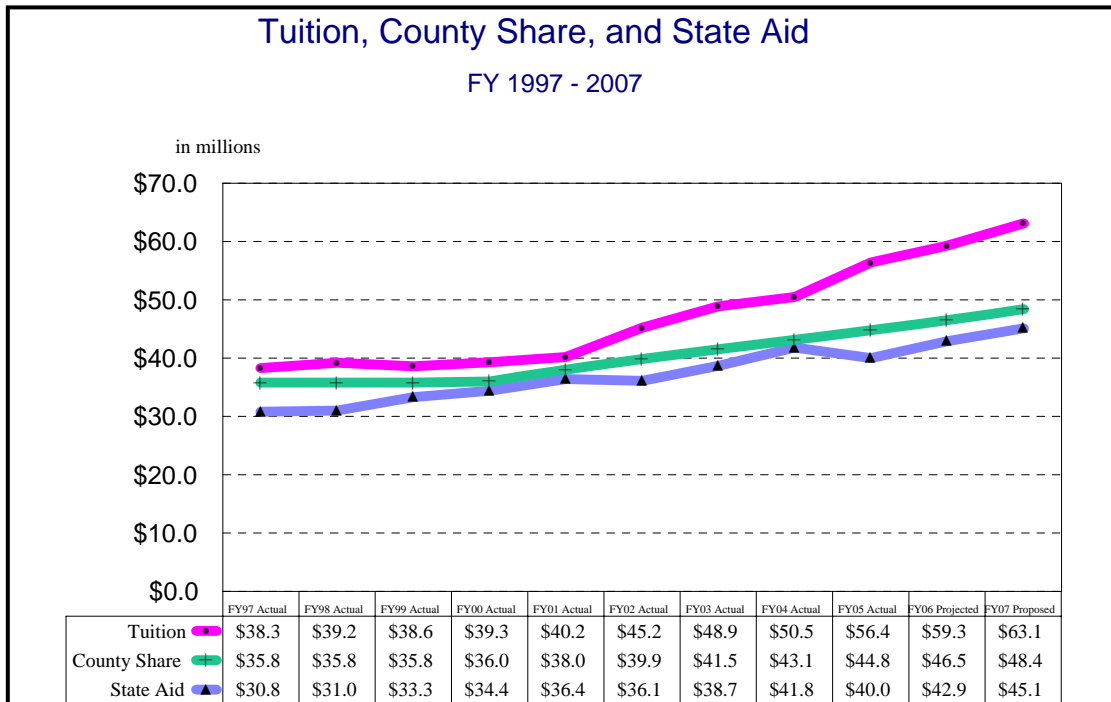
The County Executive has submitted to the Legislature a Nassau Community College FY 2006 - 07 operating budget of \$179.8 million. This represents an increase of \$6.2 million, or 3.6%, over the current year's adopted budget. Compared to the projected revenues that will be collected this year, the increase is \$9.0 million, or 5.3%. This budget was unanimously approved on May 18, 2006 by the College's Board of Trustees.

Table 9

Revenue Source	Adopted FY 2005 - 2006	Proposed FY 2006 - 2007	Proposed vs. Adopted FY 06	% Change	Projected FY 2005 - 2006	Proposed vs. Projected	% Change
Tuition	\$61,558,934	\$63,064,728	\$1,505,794	2.4%	\$59,304,993	\$3,759,735	6.3%
Property Taxes	46,545,867	48,361,156	1,815,289	3.9%	46,545,867	1,815,289	3.9%
State Aid	43,077,850	45,106,906	2,029,056	4.7%	42,859,300	2,247,606	5.2%
Rev. Lieu Spons. Share	13,124,781	13,344,695	219,914	1.7%	12,843,787	500,908	3.9%
Rev. Offset To Expense	3,900,000	3,400,000	(500,000)	-12.8%	3,037,658	362,342	11.9%
Service Fees	3,705,000	4,845,661	1,140,661	30.8%	4,223,000	622,661	14.7%
Rents & Recoveries	1,122,000	900,000	(222,000)	-19.8%	1,122,000	(222,000)	-19.8%
Investment Income	250,000	500,000	250,000	100.0%	550,000	(50,000)	-9.1%
Federal Aid	241,000	250,000	9,000	3.7%	260,000	(10,000)	-3.8%
<b>Total Revenues</b>	<b>\$173,525,432</b>	<b>\$179,773,146</b>	<b>\$6,247,714</b>	<b>3.6%</b>	<b>\$170,746,605</b>	<b>\$9,026,541</b>	<b>5.3%</b>

Every New York State high school graduate is guaranteed admission to his or her local community college, which is funded through a partnership of the students, who pay tuition, the state, and the county. Nassau's local share is provided by way of a dedicated property tax levy.

Chart 3

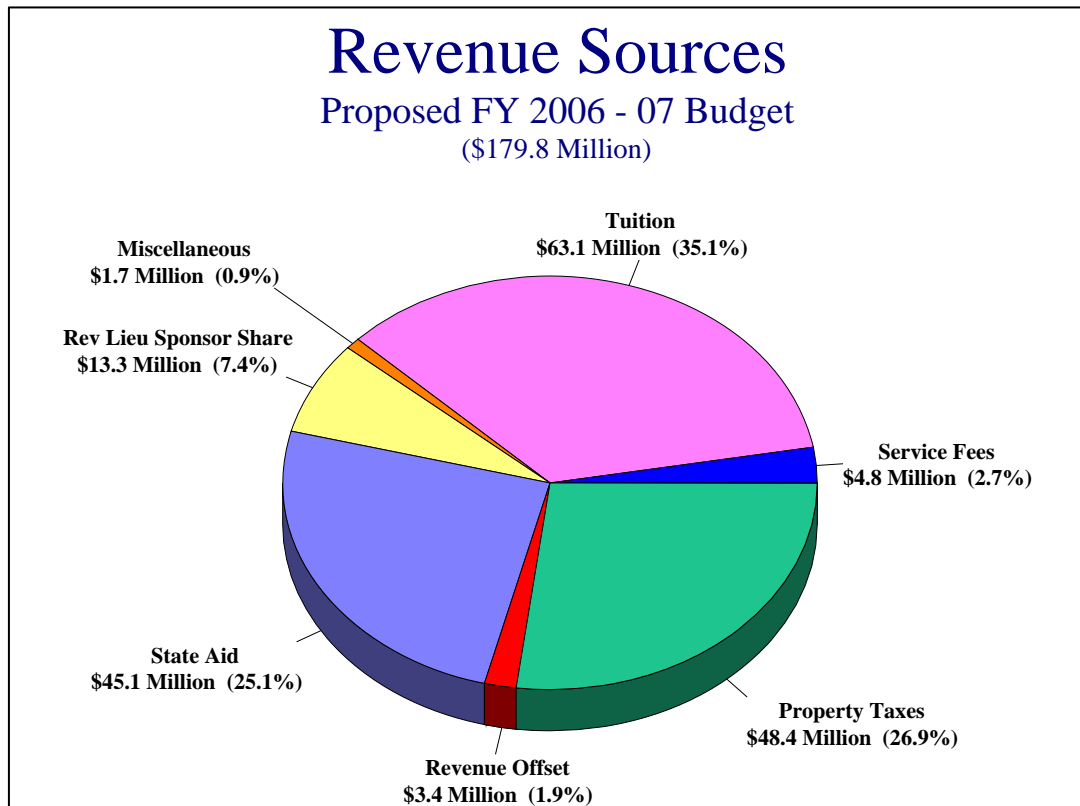


## FY 2006 – 07 PROPOSED BUDGET

From the 1997 actuals to the 2007 proposed amounts, annual tuition receipts will have risen 64.7%, state aid 46.4%, and County share 35.0%. This represents an increase of \$51.6 million dollars, of which tuition accounts for \$24.8 million, state aid \$14.3 million, and County share \$12.5 million. At the proposed 2007 levels, the annual tuition rate will have risen 56.1% since 1997, while the state aid per FTE grew by 36.5%.

The largest revenue source for the College is tuition, with a budget of \$63.1 million. The other major sources of revenue are property taxes (\$48.4 million), state aid (\$45.1 million), and revenue lieu sponsor share (\$13.3 million). The remaining \$9.9 million consists of revenue offset to expenses (\$3.4 million), service fees (\$4.8 million), and rents & recoveries, investment income, and federal aid (\$1.7 million).

Chart 4



### **Tuition (\$63,064,728)**

The College's proposed \$63.1 million budget for tuition, or student revenues, was based on an annual tuition increase of \$170 applied to flat enrollment growth. With the second summer session having just begun, the College is projecting that enrollment for the current academic year will be 2.9% less than 2005. However, at the time the proposed budget was formulated the projected enrollment for FY 2005 – 2006 was anticipated to decrease by only 2.2%. Based on the more recent estimate, if enrollment remains constant, tuition revenue for FY 2006 - 2007 will total \$62.5 million or approximately \$550,000 less than has been proposed. An increase in full-time enrollment of 166 students would eliminate this potential revenue risk.

Tuition is proposed to increase by \$170, from \$3,140 to \$3,310, or 5.41% above the current year rate. The 2006 full-time student average tuition rate for community colleges in New York State is \$2,951.

## FY 2006 – 07 PROPOSED BUDGET

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Tuition at NCC has risen steadily since slight reductions in fiscal years 1998 and 1999. The proposed rate for FY 2006 - 07 would result in a 5.4% increase over the current year, bringing the average annual increase since 2000 to 6.2%. The average change in tuition rates for New York State community colleges as of June 1, 2006 equals \$98.26, ranging from a \$25 to \$300 increase, with no change by nearly 20% of the community colleges. See Exhibit II: Proposed Full-Time Tuition Rates for Community Colleges FY 2006-07.

The following is a statistical snapshot of the student body at NCC during the Fall 2005 semester:<sup>1</sup>

- 20,979 students were enrolled in more than 30 academic departments, of which 64% were full-time students. Of the 13,528 full time students, 89% attended day classes.
- Overall, enrollment for FY 2005-2006 has decreased by 2.9% from the prior year. According to the New York State Office of Higher Education, undergraduate enrollment decreased by 0.7% in two-year colleges across the state during the same time period.
- Specifically, both full time day and evening student enrollments have declined by 247 students, or 2.0% and 13 students or 0.9%, respectively. On a part-time basis, there were 308 fewer or 7.8% less evening students enrolled when compared to fall 2004, offsetting the 2.7% or 101 increase in part-time day student enrollment.
- Excluding those of unknown origin, for the fall 2005 semester, 45.6% of the students were members of ethnic minorities, up from 44.6% last year. African American students accounted for 20.5% of total enrollment, 13.1% of students were of Hispanic origin, 6.0% were of Asian descent, 5.7% were non-U.S. citizens, and 0.3% of students were American Indian. This is the first year that the college has seen a decline in all minority student groups, excluding African Americans, although as a percentage of total enrollment, all minority categories have increased marginally. Since fall 1995 Hispanic, Asian and Non-resident alien student body increased by 42.0%, 64.9% and 166.4% respectively. During the same period, enrollment of Black students has increased by 56.4%. Overall, including a 17.8% decrease in American Indian students, the college's minority enrollment has increased by 60.2% over the past decade.
- Approximately 60-65% of Nassau's graduates continue their education at a four-year institution.
- Approximately 19%-20% of the college-bound graduates from Nassau County high schools attend Nassau Community College.
- Demographic factors point towards the College having the opportunity to draw upon a growing population of potential students through 2009, according to the latest projections of New York State high school graduates reported by the New York State Education Department.

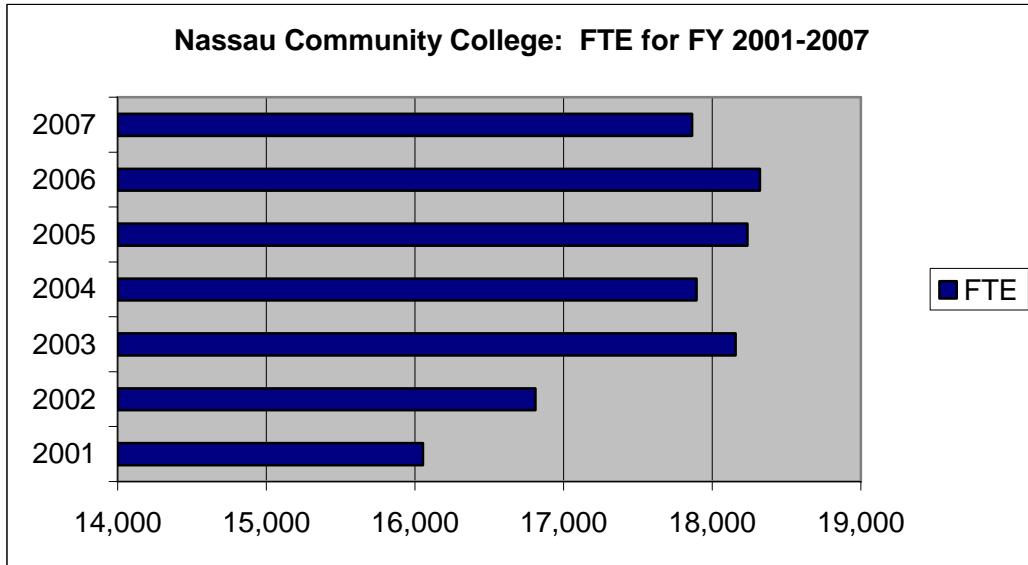
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<sup>1</sup> Data provided by Nassau Community College Office of Institutional Research

## FY 2006 – 07 PROPOSED BUDGET

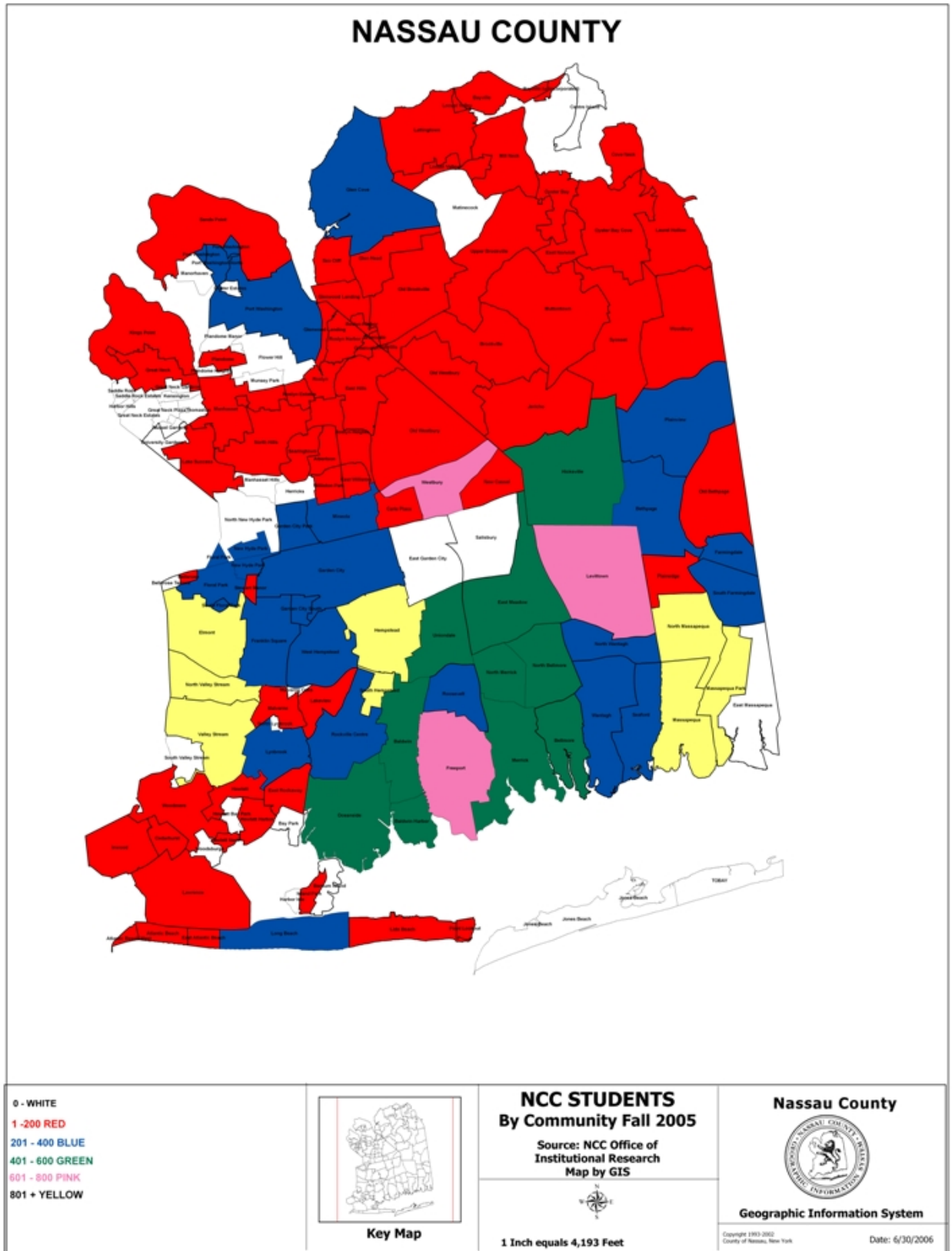
- As computed in the following chart, the college's FTE's have averaged 17,619 students over the past years, ranging from 16,053 in 2001, to 18,320 budgeted in 2006. The proposed FTE's for 2007 total 17,864, a 2.6% decline or 456 less FTE's since last year.

Chart 5



- Of the 20,979 total enrolled students, 78.1% of the students were from Nassau County, 12% came from Queens, and 7.8% were from Suffolk County. The remaining 1.7% enrollment came from elsewhere in New York State or from out of state. The following map illustrates Nassau students, by community, enrolled at the College. See also Exhibit I for a listing of student enrollment by community in Nassau County.

FY 2006 – 07 PROPOSED BUDGET

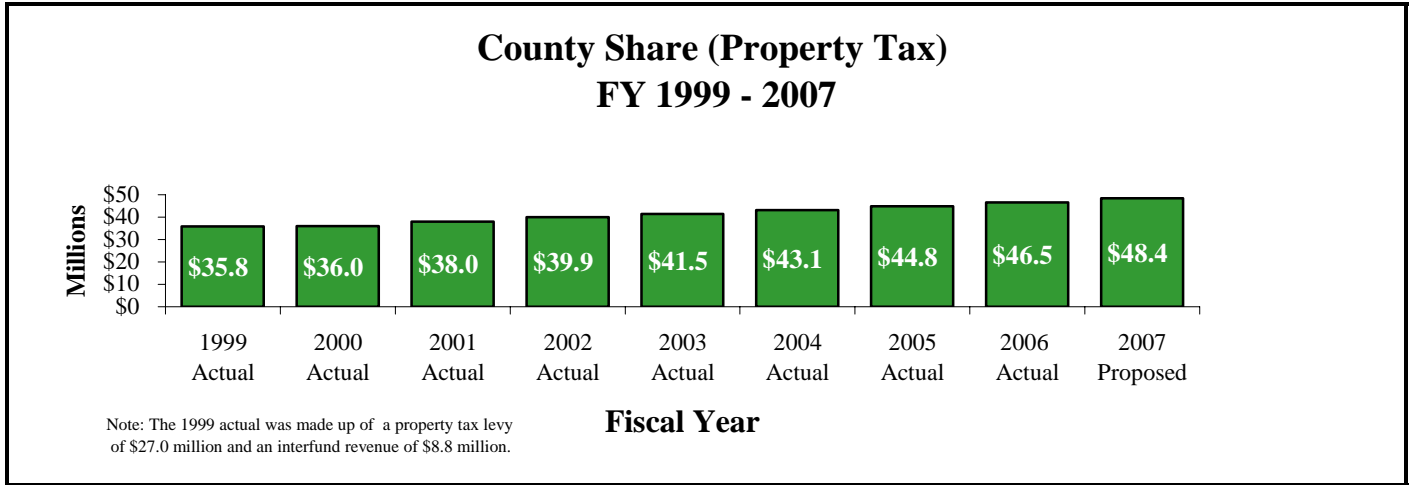


## FY 2006 – 07 PROPOSED BUDGET

### **Property Taxes (\$48,361,156)**

County share is made up of a dedicated property tax levy. The proposed amount represents an increase of 35.0% since years FY 95 through FY 99 when the County contribution remained constant at \$35.8 million.

Chart 6

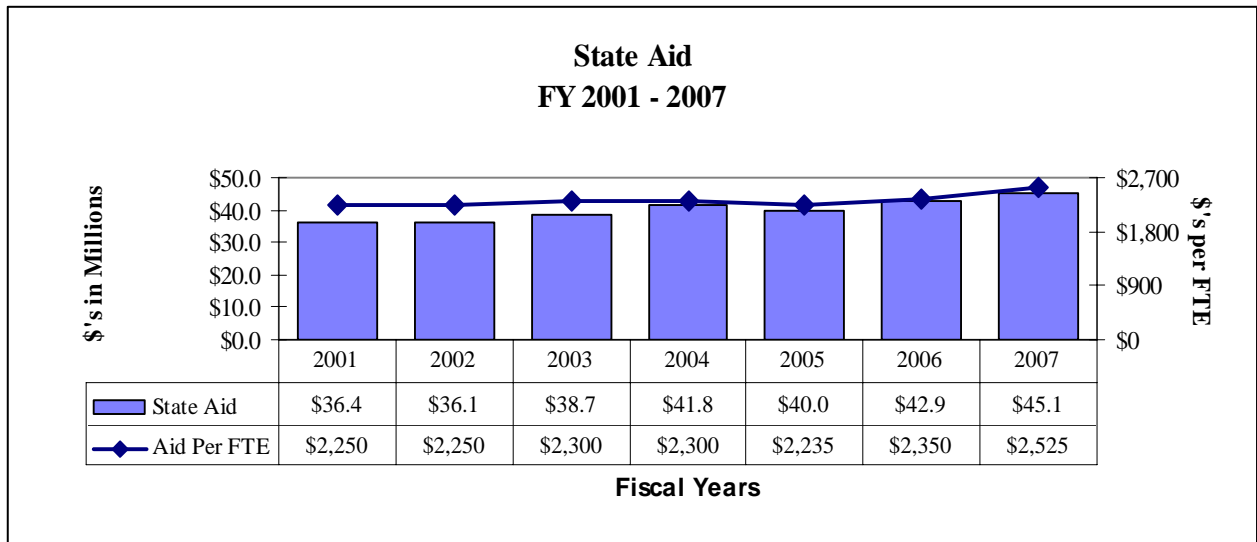


This would be the fifth consecutive year of a 3.9% increase. Based on current rates, the \$1.8 million in the proposed budget will cost the average Nassau homeowner an additional \$3.52, for a total contribution to the College of \$94.11. The statewide average of County share (“Sponsor’s Contribution”) as a percentage of operating revenues for all community colleges in FY 2004-2005 was 20.9%. Nassau County’s share, in the proposed budget, is 26.9%.

### **State Aid (\$45,106,906)**

State aid is received for each full-time equivalent student (FTE), based on the prior year’s enrollment.

Chart 7





## FY 2006 – 07 PROPOSED BUDGET

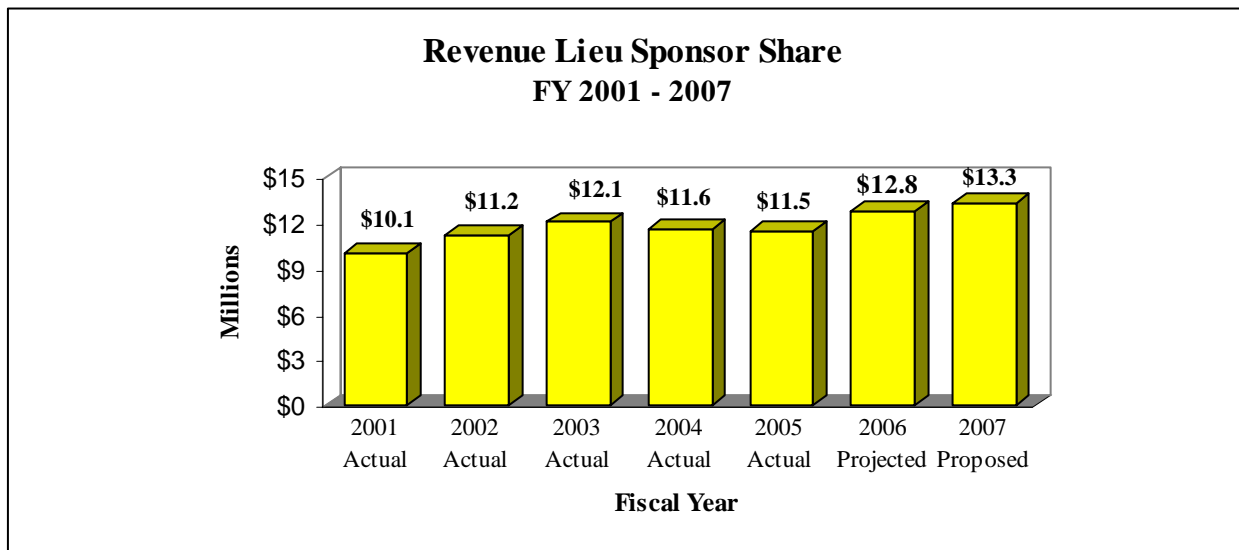
An FTE is equal to 30 credits annually. For the current fiscal year, the State is providing \$2,350 per FTE. This will increase by \$175 to \$2,525 in FY 2006 - 2007.

The most recent projection provided by the College for enrollment in the current year, with the summer semester not yet completed, represents a decrease of approximately 2.9% compared to FY 2004 - 2005. As was previously mentioned regarding tuition, the proposed FY 2006 - 2007 budget was based on an earlier estimate that anticipated a 2.2% enrollment reduction in FY 2005 - 2006. The lower enrollment projection would result in 155 fewer FTE's, and produce a budget deficit of approximately \$390,000.

### **Revenue Lieu Sponsor Share - Charges Other Counties (\$11,234,063) and Non-Residents (\$2,110,632)**

The College is entitled by State regulations to a chargeback payment from the home county of residence for each non-Nassau resident with a certificate of residence attending Nassau Community College. The amount charged, calculated by the State, is based upon County expenditure for Nassau residents attending the College. As of the fall 2005 semester, the College receives chargeback revenues for 1,431 full-time and 941 part-time students who reside in Queens, resulting in a total decrease of approximately 9.2% (238 students) from the previous fall. Residents of Queens account for over 10% of total NCC enrollment. Suffolk County students, representing 5.8% of all students, experienced a similar overall decrease from last year of approximately 3.6% (43 students), comprised of 855 full-time and 308 part-time students registered for the fall 2005 semester.

Chart 8



The current FY 2006 chargeback rate is \$3,220 per non-resident FTE. The FY 2007 rate will increase to \$3,470 or 7.8% more than last year. Generally, the rate gets higher as the County's property tax contribution increases. Prior year adjustments and number of Nassau residents attending the college also affect the chargeback rate. The FY 07 proposed budgeted amount of \$13.3 million for this revenue source represents a 3.9% increase from chargeback revenues projected in 2006, corresponding to the 3.9% increase in the County's property tax contribution. A one-time negative adjustment in the FY 05 chargeback rate accounts for the apparently large growth of \$1.3 million in FY 06, despite the decrease in enrollment of non-Nassau county residents. The college assumes out of County enrollment will continue at the FY 2006 level.

## FY 2006 – 07 PROPOSED BUDGET

In addition to the revenue received from other counties, the College is able to charge a higher tuition rate to non-Nassau County residents without a certificate of residence and to out of state residents. The anticipated revenue from these students in the proposed 2007 budget year is \$2.1 million. When compared to last year's budget, out of county residents without a resident certificate equal 238 less than last year. This decrease, however, is greater than the drop off in county residents who attend NCC.

### **Revenue Offset to Expenses (\$3,400,000)**

This revenue source consists of commissions, contract education for various subjects and special course fees that are charged to pay for the costs associated with some courses and programs, such as classes in adult education, corporate training, and English as a second language. The current year's budget of \$3.9 million for this revenue source is projected to fall short by approximately \$900,000. College administrators attribute this deficit to increased competition in providing these types of programs, particularly for corporate training. The proposed budget of \$3.4 million is greater than the \$3.0 million anticipated for FY 2005-2006 and the \$3.3 million received in FY 2004-2005, but less than the \$3.7 million booked in FY 2002-2003 and FY 2003-2004. This is another area in which the College's marketing and enrollment management efforts can contribute.

### **Service Fees (\$4,845,661)**

The majority of income for service fees comes from student lab and technology fees, late registration and application fees, and transcript fees. The proposed budget for service fees is increasing by \$1.1 million, or 30.8% over the FY 2005-2006 budget, and \$623,000, or 14.7% over the projected actuals for the current year. The anticipated growth is related to an increase in student lab fees, which was implemented during the spring semester. A new student fee for vehicle registration is expected to raise \$324,000. Table 10 outlines the difference in service fees and revenues from projected FY 06 amounts to FY 07.

**Table 10**

<b>Service Fees</b>							
<b>Projected FY 2006 vs. Proposed FY 2007</b>							
Service Fee: Source	Fee	FY 05-06		FY 06-07		Variance	
		Projected Revenue	Fee	Proposed Budget	Fee	Revenue	
Technology Fee	\$40	\$1,435,000	\$40	\$1,450,000	\$0	\$15,000	
Student Lab Fees Day	100	1,200,000	100	1,531,661	0	331,661	
Application	30	450,000	30	440,000	0	(10,000)	
NG Check Fee	20	14,000	20	18,000	0	4,000	
Transcript Fees	5	220,000	5	200,000	0	(20,000)	
Late Registration	25	465,000	25	450,000	0	(15,000)	
Nursing Evaluation	75	1,000	75	2,000	0	1,000	
Tuition Pay Plan	25	260,000	25	230,000	0	(30,000)	
Change of Program	25	85,000	25	95,000	0	10,000	
Int'l Student Insurance	1000	13,000	1000	30,000	0	17,000	
Convenience Fee	18	80,000	18	75,000	0	(5,000)	
Vehicle Registration	0	0	45	324,000	45	324,000	
Totals		\$4,223,000		\$4,845,661			

## FY 2006 – 07 PROPOSED BUDGET

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### **Other (\$1,150,000)**

The majority of this category, \$900,000, is an accounting entry for recovery of prior year appropriations. When an obligation ceases in a prior year, the funds can be disencumbered, and recognized in the current year. The remaining \$250,000 is for federal aid the College receives for expenses associated with its work-study program, 75% of which is reimbursed by this revenue.

### **Investment Income (\$500,000)**

The County Treasurer manages investment activity for the College. The amount credited to the College is a function of the interest rate and allocation by the County Treasurer. In the current year this revenue, conservatively budgeted at \$250,000 (\$332,436 was credited in FY 2004-2005), is projected to come in at \$550,000, due to larger than anticipated interest rates. The doubling of this revenue in the proposed budget will bring it in line with actual receipts.

## FY 06 – 07 Proposed Budget

### MULTI-YEAR PLAN

The College's latest Financial Plan (see Table 11) was included as an appendix to the County's Multi-Year Financial Plan Update Fiscal 2006 – 2009, released this past April. We have replaced the column for 2007 with the budget numbers that have been proposed. The two most significant changes were to student revenues and state aid.

Table 11

#### Nassau Community College Multi-Year Plan FY 07 - FY 09

	FY 2006 Projected Actual	FY 2007 Proposed Budget	FY 2008 Plan	FY 2009 Plan
<b>EXPENSES</b>				
Salaries	110,619,399	115,519,130	121,493,728	127,325,427
Fringe Benefits	37,413,100	41,329,841	45,049,526	49,548,984
<b>Sub-total</b>	<b>148,032,499</b>	<b>156,848,971</b>	<b>166,543,254</b>	<b>176,874,411</b>
Equipment	1,983,900	1,984,006	2,000,000	2,000,000
Materials & Supplies	1,235,457	0	0	0
General Expenses	4,524,908	6,219,754	6,350,000	6,525,000
Contractual	5,517,303	6,489,415	6,272,546	6,400,000
Utility Costs	978,729	1,150,000	1,200,000	1,250,000
Interfund Charges	7,058,036	7,051,000	7,108,030	7,321,271
Other	30,000	30,000	120,000	120,000
<b>Sub-total</b>	<b>21,328,333</b>	<b>22,924,175</b>	<b>23,050,576</b>	<b>23,616,271</b>
<b>Total</b>	<b>169,360,832</b>	<b>179,773,146</b>	<b>189,593,830</b>	<b>200,490,682</b>
<b>REVENUES</b>				
Investment Income	550,000	500,000	350,000	375,000
Rents & Recoveries	1,122,000	900,000	800,000	700,000
Revenue Offset To Expense	3,037,658	3,400,000	3,500,000	3,600,000
Service Fees	4,223,000	4,845,661	4,521,661	4,521,661
Student Revenues	59,304,993	63,064,728	71,399,488	78,877,751
Rev Lieu Sponsor Share	12,843,787	13,344,695	13,865,137	14,405,878
Federal Aid	260,000	250,000	250,000	250,000
State Aid	42,859,300	45,106,906	44,660,303	45,553,509
Property Taxes	46,545,867	48,361,156	50,247,241	52,206,883
<b>Total</b>	<b>170,746,605</b>	<b>179,773,146</b>	<b>189,593,830</b>	<b>200,490,682</b>
<b>Fund Balance Beginning</b>	<b>5,842,255</b>	<b>7,228,028</b>	<b>7,228,028</b>	<b>7,228,028</b>
Structural Balance	1,385,773	0	0	0
<b>Fund Balance Ending</b>	<b>7,228,028</b>	<b>7,228,028</b>	<b>7,228,028</b>	<b>7,228,028</b>

## FY 06 – 07 Proposed Budget

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The Multi-Year Plan projected operating results for 2007 student revenues at \$64.8 million, and \$43.8 million for state aid. The proposed FY 07 budget, based on decreasing enrollment in FY 06, lowered student revenues to \$63.1 million. Conversely, state aid was increased to \$45.1 million, due to a larger than anticipated FTE rate. The out-year projections in the Plan for these two revenue sources will have to be adjusted to conform to the new base amounts. The Plan had assumed flat enrollment, with tuition increases of \$335 in 2008 and \$380 in 2009. However, it is the College's goal to offset the projected tuition increases by pursuing gains in enrollment, increased state aid, and favorable union contract negotiations. The College's marketing plan will target expanded enrollment of both Nassau and non-Nassau residents, and representatives of the College will continue to advocate in Albany for additional state aid for all community colleges. The original 2006 – 2009 Plan had projected a \$318 annual rate increase for 2007. The actual increase in the proposed budget is \$170.

Assumptions on future revenues include the following:

- The property tax levy is projected to grow by 3.9% annually.
- Revenue lieu sponsor share is projected to increase annually by the same 3.9% that the property tax is expected to grow.
- The out-year amounts for the remaining revenue sources will likely be adjusted to conform to 2006 actuals and the proposed 2007 budget.

Factors that affect out-year expenses include:

- Out-year salaries are increasing by 5.2% in FY 08 and 4.8% in FY 09 reflecting contractual obligations including step increments and COLA increases.
- The Nassau Community College Federation of Teachers (NCCFT) contract will increase these salaries by 4.1% in FY 08, which includes the step increase and a 2.1% COLA. The contract expires at the end of FY 08, so this contract cost for FY 09 is unknown.
- The total Adjunct contract increases of 5.1% in FY 08 and 4.4% in FY 09 includes the step increases and 3.9% COLA increases.
- Civil Service Employees Association (CSEA) contract increases of 5.3% are assumed, which include the step increases and a 3.5% COLA increase.
- Fringe benefits are increasing 9.0% in FY 08 and 10.0% in FY 09.
- The state retirement cost is assumed to stay at the current contribution rate and health insurance is projected to increase by about 13%.
- Total OTPS is expected to increase by 0.6% in FY 08 and increase by 2.5% in FY 09.

OTPS expenses are kept low due to the uncertainty of available funding.

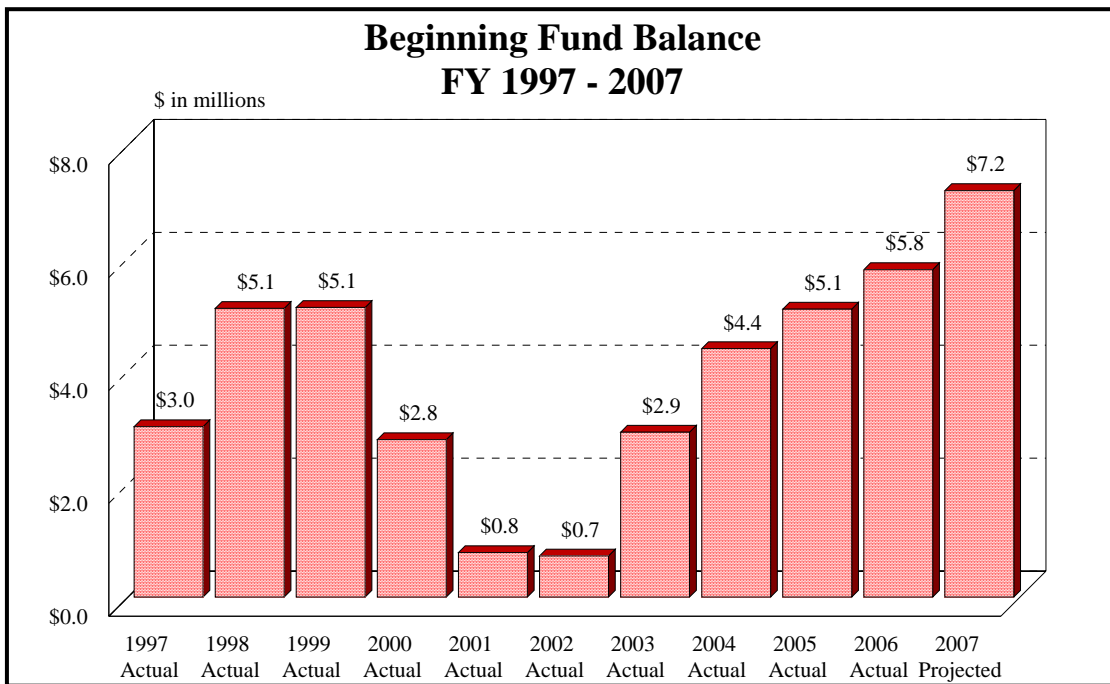
## FY 06 – 07 Proposed Budget

### Fund Balance

We expect the College to end the current fiscal year with a fund balance of \$7.2 million. That means that this year's operating budget would produce a surplus of approximately \$1.4 million to be added to the existing fund balance of \$5.8 million (see Chart 9), none of which will be appropriated in the proposed budget. At this level, the fund balance is below the generally recommended minimum of 5% of the operating budget, which, based upon the proposed budget, would require approximately \$9.0 million. It should be noted that the College is anticipating a smaller surplus from current year operations.

In the past, the College has used its fund balance to help pay for operations while maintaining the tuition rate and County contribution. More recently, in order to prevent future structural deficits, the fund balance has been held in reserve to pay for one-time expenses or to fund emergencies.

Chart 9



**FY 2006 – 07 PROPOSED BUDGET**

**Exhibit 1**

**Student Enrollment by Community: Fall 2005**

<b>COMMUNITY</b>	<b>NCC Enrollment</b>	<b>% of Total Enrollment</b>
Albertson	65	0.31%
Amityville	3	0.01%
Atlantic Beach	23	0.11%
Baldwin	532	2.54%
Bayville	59	0.28%
Bellerose	17	0.08%
Bellmore (includes N. Bellmore)	465	2.22%
Bethpage	277	1.32%
Brookville	7	0.03%
Carle Place	83	0.40%
Cedarhurst	53	0.25%
Cove Neck	1	0.00%
East Hills	5	0.02%
East Meadow	598	2.85%
East Norwich	28	0.13%
East Rockaway	129	0.61%
East Williston	19	0.09%
Elmont	809	3.86%
Farmingdale (includes So Farmingdale)	255	1.22%
Floral Park (includes South Floral Park)	290	1.38%
Franklin Square	339	1.62%
Freeport	691	3.29%
Garden City (inc. Garden City Park and Garden City So)	260	1.24%
Glen Cove	295	1.41%
Glen Head	71	0.34%
Glenwood Landing	12	0.06%
Great Neck	156	0.74%
Greenvale	12	0.06%
Hempstead (inc. South Hempstead)	812	3.87%
Hewlett (inc. Hewlett Harbor and NK)	67	0.32%
Hicksville	585	2.79%
Inwood	124	0.59%
Island Park	123	0.59%
Jericho	69	0.33%
Kings Point	6	0.03%
Lake Success	4	0.02%
Lakeview	6	0.03%
Lattingtown	2	0.01%
Laurel Hollow	6	0.03%
Lawrence	41	0.20%
Levittown	728	3.47%
Lido Beach	22	0.10%
Locust Valley	67	0.32%

## FY 2006 – 07 PROPOSED BUDGET

COMMUNITY	NCC Enrollment	% of Total Enrollment
Long Beach	392	1.87%
Lynbrook	287	1.37%
Malverne	102	0.49%
Manhasset	86	0.41%
Massapequa (includes Mass Park and No. Mass)	829	3.95%
Merrick (includes North Merrick)	434	2.07%
Mill Neck	7	0.03%
Mineola	235	1.12%
Muttontown	9	0.04%
New Cassel	1	0.00%
New Hyde Park	364	1.74%
North Hills	1	0.00%
Oceanside	450	2.15%
Old Bethpage	40	0.19%
Old Brookville (inc. Upper Brookville)	12	0.06%
Old Westbury	22	0.10%
Oyster Bay (includes Oyster Bay Cove)	73	0.35%
Plainedge	5	0.02%
Plainview	233	1.11%
Plandome	1	0.00%
Point Lookout	16	0.08%
Port Washington (includes P. Wash No)	225	1.07%
Rockville Centre	305	1.45%
Roosevelt	274	1.31%
Roslyn (includes Estates, Harbor, Heights)	146	0.70%
Sands Point	2	0.01%
Sea Cliff	35	0.17%
Seaford	283	1.35%
Searingtown	10	0.05%
Stewart Manor	18	0.09%
Syosset	170	0.81%
Uniondale	537	2.56%
Valley Stream (includes N. Valley Stream)	875	4.17%
Wantagh (inc N. Wantagh)	378	1.80%
West Hempstead	374	1.78%
Westbury	658	3.14%
Williston Park	108	0.51%
Woodbury	58	0.28%
Woodmere (inc N. Woodmere)	112	0.53%
<b>Total Nassau County</b>	<b>16383</b>	<b>78.09%</b>
<b>Suffolk County</b>	<b>1630</b>	<b>7.77%</b>
<b>Queens County</b>	<b>2600</b>	<b>12.39%</b>
<b>All Other</b>	<b>366</b>	<b>1.74%</b>
<b>Total All Students:</b>	<b>20979</b>	

SOURCE: NASSAU COMMUNITY COLLEGE OFFICE OF INSTITUTIONAL RESEARCH



**FY 2006 – 07 PROPOSED BUDGET**

**Exhibit 2**

**Proposed Full-Time Tuition Rates  
Community College FY 2006 - 07**

(as of June 1, 2006)

	<u>Approved</u>		<u>Proposed</u>	<u>Estimaed</u>	<u>%</u>
	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>Increase</u>	<u>Change</u>
Adirondack	2,730	2,870	3,010	140	4.9%
Broome	2,690	2,814	2,914	100	3.6%
Cayuga County	2,900	2,900	3,200	300	10.3%
Clinton	2,940	3,020	3,120	100	3.3%
Columbia-Greene	2,688	2,832	2,976	144	5.1%
Corning	3,064	3,100	3,200	100	3.2%
Dutchess	2,500	2,600	2,700	100	3.8%
Erie	2,900	2,900	2,987	87	3.0%
Fashion Institute	2,900	3,074	3,074	0	0.0%
Finger Lakes	2,750	2,900	3,050	150	5.2%
Fulton-Montgomery	2,800	2,925	2,950	25	0.9%
Genesee	2,900	3,100	3,200	100	3.2%
Herkimer County	2,700	2,800	2,900	100	3.6%
Hudson Valley	2,600	2,700	2,700	0	0.0%
Jamestown	2,950	3,150	3,250	100	3.2%
Jefferson	2,722	2,928	2,928	0	0.0%
Mohawk Valley	2,850	2,950	3,100	150	5.1%
Monroe	2,600	2,600	2,700	100	3.8%
Nassau	2,900	3,140	3,310	170	5.4%
Niagara County	2,976	3,096	3,168	72	2.3%
North County	2,850	3,050	3,250	200	6.6%
Onondaga	3,090	3,180	3,210	30	0.9%
Orange County	2,700	2,900	3,000	100	3.4%
Rockland	2,600	2,800	2,800	0	0.0%
Schenectady County	2,590	2,750	2,820	70	2.5%
Suffolk County	2,890	2,990	3,100	110	3.7%
Sullivan County	2,900	3,000	3,200	200	6.7%
Tompkins-Cortland	2,950	3,100	3,100	0	0.0%
Ulster County	3,000	3,200	3,200	0	0.0%
Westchester	2,950	3,150	3,350	200	6.3%
<b>Average</b>	<b>2,819</b>	<b>2,951</b>	<b>3,049</b>	<b>98</b>	<b>3.3%</b>