

**Onondaga Community College Board of Trustees
Finance, Audit & Compliance Committee Meeting
Tuesday, March 26, 2019
7:30 a.m. – 8:00 a.m.
W210
Presiding: Trustee John Sindoni**

Trustees: Allen Naples; Tara Owens; John Sindoni; Mark Tryniski

Staff: Kim Blanchet; Dr. Casey Crabill; Sarah Gaffney; Julie Hart; Linda Kelley; Amy Kremenek; Mark Manning; Roger Mirabito; Sheilla Roth; Bridget Scholl; Anastasia Urtz;

Call to Order

At 7:30 a.m., Trustee Sindoni called the Finance, Audit & Compliance Committee meeting to order.

New Business

Year to Date February 2019 Financials

Trustee Sindoni introduced Mark Manning, Chief Financial Officer, to provide an update on the February 2019 financials. Mr. Manning explained that fall revenue is down about \$950,000 with full-time headcount down 7.8% and part-time credit hours down 19.3%. Winter tuition is flat with spring down about \$218,000. It's still early to project summer, but it is currently down about 318 credit hours from this time last year and non-aidable revenue is relatively flat. The increase in chargeback revenues is due to the increase in the chargeback rate from \$1,890 per FTE to \$2,170. Grants and other sources are flat with affiliate recoveries \$210,000 higher and federal work study \$137,000 higher, which are both due to timing. Offsetting that is our refund of prior years, stop loss, and reversal of prior year accruals are \$444,000 lower. Lastly, our grant indirects are \$82,000 higher and interest income is \$68,000 higher. State aid funded FTE's are down 590 or \$574,000 year to date which was factored in the budget. Year-over-year, we are down \$1.9 million before concurrent enrollment is factored in. Mr. Manning then continued with expenses year-to-date. Salaries and wages are down \$1.6 million due to lower enrollment with employee benefits down \$643,000. In response to a question from Trustee Tryniski, Mr. Manning explained that OCC employees contribute a higher percentage than most of the 30 community colleges to employee health care premiums. In addition to this we have realized savings by switching our Medicare Advantage Plan over to Humana and our self-insured claims have been coming in lower than last year, which may partly be a timing difference. Events is seeing a decrease in revenue and corresponding expenses due to fewer events this year than last due to the Oncenter being offline. Supplies are down as we only allocated 50% of the department budget requests to start the year to ensure everyone was monitoring this expense line. Travel and training is down slightly and equipment maintenance and repairs remain flat. Insurance is relatively flat, and rents are down roughly \$34,000 with the give back of the 500 North Salina Street space. There are currently no concerns with ending the year with a balanced budget. Based on the 2018-19 SUNY budget summary report it appears that 20 of the 30 community colleges are using fund balances to balance their budgets this year which is not a sustainable model.

2019-20 Budget Update

Mr. Manning continued his report with an update on the 2019-20 budget. He reviewed the timeline and explained that we continue to wait for the state budget to come in. He does not anticipate it will be on time this year. The requested funds by department are exceeding estimated revenue so Executive Council members are working on identifying expenses in their area that may be reduced further so that we can bring forward a balanced budget at the May 7, 2019 board meeting. If the state budget passes an on-time budget by April 1, we will have the state aid funding per FTE. Key questions include enrollment dynamics, base state aid increase, and sponsor support. Assumptions include continued enrollment pressure, slight tuition increase, slight sponsor share contribution increase, base state aid rate increase, and chargeback rate increase. Mr. Manning then reviewed full-time and part-time enrollment trends and 2018-19 proposed v. 2019-20 forecast. The current plan is no increase in fees with a slight increase in tuition being mindful of keeping rates under the TAP threshold. We anticipate no capital requests this year.

Affiliates

Due to lack of time, this report will be tabled until the next board meeting.

There being no further business, Trustee Sindoni adjourned the Education Committee meeting at 8:00 a.m.

Prepared by:

Julie Hart
Secretary, Board of Trustees

Submitted by:

John Sindoni
Chair, Finance, Audit & Compliance Committee