

Chapter Four: Enrollment & Finance – Trends & Projections

Financial Planning

Each December the Vice President of Administration presents the College's projected budget for the upcoming fiscal year to the Board of Trustees. The projected budget includes funding for on-going expenses adjusted for increases in expenses, projected utility costs as well as costs associated with personnel, including changes in contracts and vacancies. The annual presentation includes a preliminary review of the completed budget year as well as an update on the current budget year. The Vice President highlights the budget challenges including revenue and expenditure variables. Revenues are projected based on anticipated enrollment growth as well as any changes to service fees. The Board is presented options to consider when addressing any budget gaps.

The Vice President presents several budget scenarios to the Board based on projections of various increases or decreases to aid levels from the State and County. The State University of New York informs the College of its allocation in base aid for FTEs during the Spring semester after the State University's overall budget has been finalized.

The annual budgeting schedule, in relationship to the College's planning and assessment activities are outlined in *Table 4 - Planning, Budgeting, and Assessment Activities* found in Chapter 6.

Revenue and Expenses

Orange County Community College is preparing to address increasing costs and decreasing revenues. Given the economic situation, reductions in state aid are expected to affect the College's revenue in both FY 2010 and FY 2011. Options to address reduced revenues include lobby the County for increased funding, increase the tuition and service fees, cut current spending, freeze budget lines, etc. The College is confident that with continued strategic planning, effective enrollment management and fiscal discipline that it will be prepared to address future budgetary challenges.

The College's five year financial plan with projected revenue and expenses is included in the required attachment section (Attachment I).

Below is a summary of the College's revenue and expense situation being considered during the current budgeting year.

- **Tuition Revenue** - The College expects that tuition revenue will increase with enrollment growth and increased tuition rates. The College's Board of Trustees instituted a tuition plan to regularly but moderately increase tuition over five years beginning in 2005. An increase in tuition revenue of \$1,394,503 is proposed for fiscal year 2009-2010, representing an enrollment increase of 1.5% over the 2008-2009 level.
- **State Aid** - The College receives state aid which is comprised of Base Aid and is paid on an FTE basis with a one year lag. Additionally, Rental Aid reimburses SUNY community colleges for 50% of approved rental costs. It is anticipated that given the

fiscal environment, increases in base aid from the State are unlikely. The College is preparing for base aid reductions for both FY 2010 and FY 2011.

- **County Revenue** - Orange County, as the College's local sponsor, provides funding for its operations. The College continues to be fortunate that the County provides for a significant portion of the budget. Over the last five years, the College has averaged 5.3% increase in aid from the County. In preparing budget projections, the College has taken into consideration the economic climate and has projected modest increases from the County each year.

The proposed increase in County aid for 2009-2010 of 9.5% or \$1,510,670 provides aid at 32.58% of the total budget, not including chargeback revenue that equals 3.6% of the budget. This increase will allow the College to fund initiatives consistent with the Strategic Plan, Academic Master Plan and the IT Master Plan.

- **Chargeback Revenue** - The College receives revenue from other New York counties on behalf of in-state students. The rate is based on a formula that primarily involves the County contribution. The average rate in 2009 of all 30 community colleges was \$2,653. Due to the commitment from Orange County, the College's chargeback was \$4,360.
- **Service Fees** - It is College practice to regularly review the schedule of service fees including surveying comparable sized colleges to identify where fee adjustments should be made. The schedule of tuition and fees is available for students to access at www.sunyorange.edu/bursar/tuition_fees.shtml. The Board of Trustees approved a multi-year schedule of regular increases in the Technology Fee. The IT Master Plan provides direction for the spending of generated fees.
- **College Costs - Personnel** - The College's largest budget expense is the salaries and associated benefits for staff and faculty. Personnel comprise fifty-nine percent (59%) of all spending. Spending for personnel is expected to increase at 5 to 6% per year through FY 2013. The ten year average of increases in salary spending is 4.6% per year. In 2008, the College settled labor contracts with the Faculty Association, Staff and Chair and CSEA.

The increases in proposed personal service of \$2,330,989 is primarily due to projected mandatory salary increases for faculty, administrative staff, civil service staff, adjunct faculty, faculty promotions and merit increases for faculty and staff. For 2009-2010, new staffing positions for the Newburgh campus will be requested.

- **College Costs - Equipment** - The areas of technology and health professions generally demand the most spending in order to remain competitive and innovative. The College's Office of Institutional Advancement actively pursues funding from private sources, donations, foundation and corporation grants, etc., allowing the College to purchase needed and additional equipment for such initiatives. While the FY 2007 budget saw an increase of 43% in equipment costs, the College plans to keep costs level in upcoming budgets. Much of the equipment budget is allocated for equipment related to instruction and technology.
- **Contractual Costs** - Increased energy costs are a continued concern given the age of many of the College's buildings and overall facilities. The College's Sustainability Committee in collaboration with the Facilities and Maintenance Department are

researching energy issues and making recommendations on energy efficiency solutions that the College can implement.

- **Capital Budget** - The College receives funding for capital projects from the State University's Construction Fund from the State of New York. Orange County Community College has submitted its five year plans based on the Facilities Master Plan. Projects that the College has recently completed include various safety and security projects, ongoing building maintenance and renovations, improved accessibility to facilities to ensure ADA compliance, parking lot renovations and expansions, renovations to the athletic facility, etc. Future projects include creating a pedestrian friendly campus by rerouting traffic, continued Newburgh campus construction and building construction of a Science, Engineering and Technology Center at the Middletown campus.

Fiscal Accountability

The College participates annually in audits by an independent auditing firm to ensure that the institution is fiscally accountable and in compliance. In May 2006, the College hired a Budget Coordinator to monitor the College's operating budget, project year-end performance and reallocation of resources if expenses exceed the budget.

Trends in Net Assets

Beginning in fiscal year 2007, the College and the County were required to implement GASB Statement No. 45 which established the standards of recognition of post-retirement benefits. Previously, the College recognized the cost of providing post-retirement health insurance benefits by expensing those costs when paid. In order to determine the amount of this liability, the County engaged actuarial services and included the College in the contract. The booking of these expenses (\$4,500,000 in 2007 and \$4,400,000 in 2008) have adversely affected net assets.

Additionally, the Banner conversion project has negatively affected net assets. The County advanced the money to implement the Banner project with the understanding it would be paid back over 10 years which amounted to an expense of \$1,841,018 impacting the Operating Budget in fiscal years 2007 and 2008. This portion of the deficit is being reduced by approximately \$200,000 per year but the GASB Statement No. 45 impact will continue to be reflected on financial statements.

Fiscal Challenges

The College has given much attention to the planning and budgeting for the Newburgh Campus. This expansion will have a significant impact on the Operating Budget. The challenge will be to address the needs of both campuses in a fair and equitable manner while operating in an economic climate where resources remain flat and in some cases decreasing. The College will have to put strong effort into fund-raising and pursuing grant opportunities in order to support innovation and new technologies in educational programs, services and facilities.

Enrollment Projections

The State University of New York (SUNY) system requires all community colleges to annually complete and submit a five year Enrollment Projection Plan. The projection plan is developed in collaboration with the Vice President for Administration, Vice President for Academic Affairs, Comptroller, AVP for Enrollment Management and the Institutional Planning, Assessment and Research Officer. Projections are made based on past years' actual enrollment, projection accuracy, as well as other information such as new programs or services, county high school graduation numbers and county employment data.

The table below summarizes Orange County Community College's projected and official enrollment and AFTE for the past five years.

Table 1 - Five Year Projected and Official Enrollment and AFTE

Year	Enrollment			AFTE		
	Projected Enrollment	Official Enrollment	Difference	Projected AFTE	Actual AFTE	Difference
2008-2009	6,701	6,763	62	4,496	TBD	TBD
2007-2008	6,654	6,602	-52	4,400	4,381	29
2006-2007	6,515	6,524	9	4,418	4,345	-73
2005-2006	6,343	6,441	98	4,334	4,281	-53
2004-2005	6,142	6,269	127	4,283	4,250	-33

Data maintained by the State University of New York

The College's current five year Enrollment Projection Plan modestly projects an increase of 1.5% in enrollment for the next several academic years. The plan accounts for a greater increase in enrollment as the Newburgh campus construction is completed and academic programs become fully available. The College's five year enrollment projection plan submitted to the State University of New York is included in the required attachments section (Attachment II).

Enrollment Trends and Activity

Orange County Community College has experienced consistent enrollment growth over the past five years in both headcount and full-time equivalency (FTE). Highlights include:

- Consistent increase in total headcount and credit hours from Fall 2004 to Fall 2008
- 4.4% increase in total credit hours from Fall 2007 to Fall 2008
- Full-time student enrollment has increased significantly supporting recent economic driven trends at community colleges
- Consistent increase of Hispanic student enrollment at College reflecting growth of population group in County
- Nearly 64% increase of enrolled students "Under Age 18" from Fall 2007 to Fall 2008
- Traditional age student enrollment has grown while non-traditional age student enrollment remains static
- Significant increases in total headcount of Community College in the High School students

The following graphs and charts illustrate Orange County Community College's enrollment trends over the past five years including total headcount, credit hours, full-time and part-time headcount and headcount by age, student type and ethnicity.

Figure 1: Orange County Community College Total Headcount Fall 2004 - Fall 2008

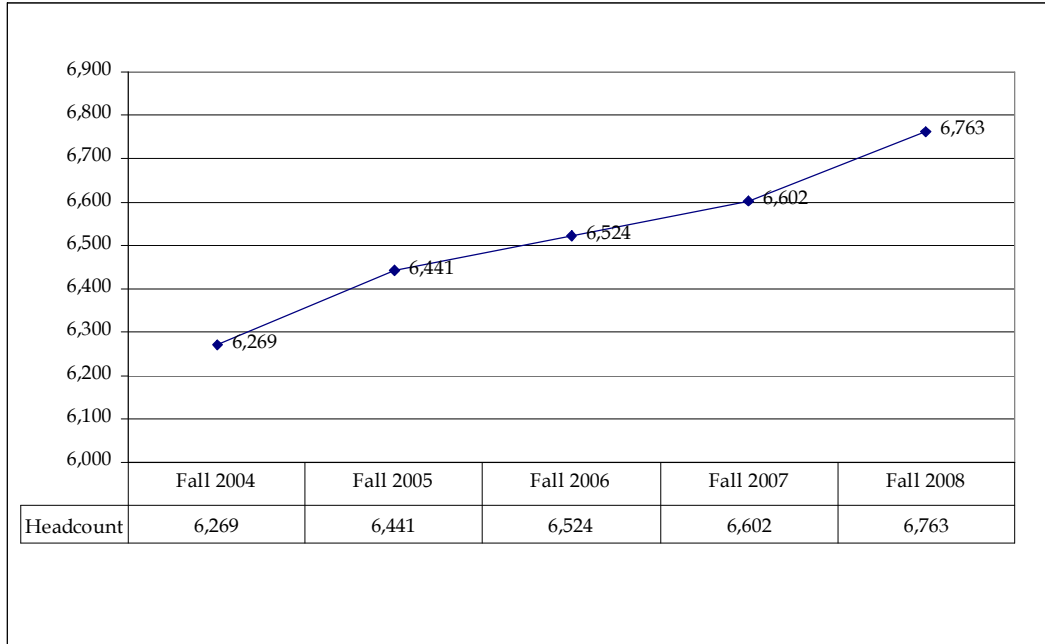


Figure 2: Orange County Community College Full Time & Part Time Headcount Fall 2004 - Fall 2008

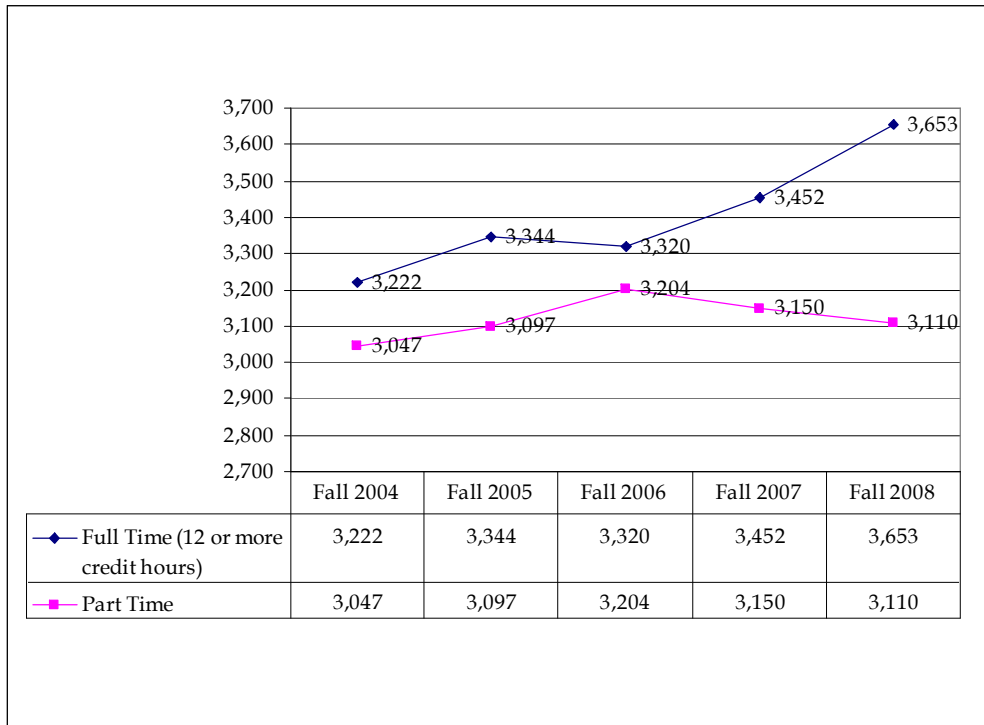


Figure 3: Orange County Community College Total Credit Hours Fall 2004 - Fall 2008

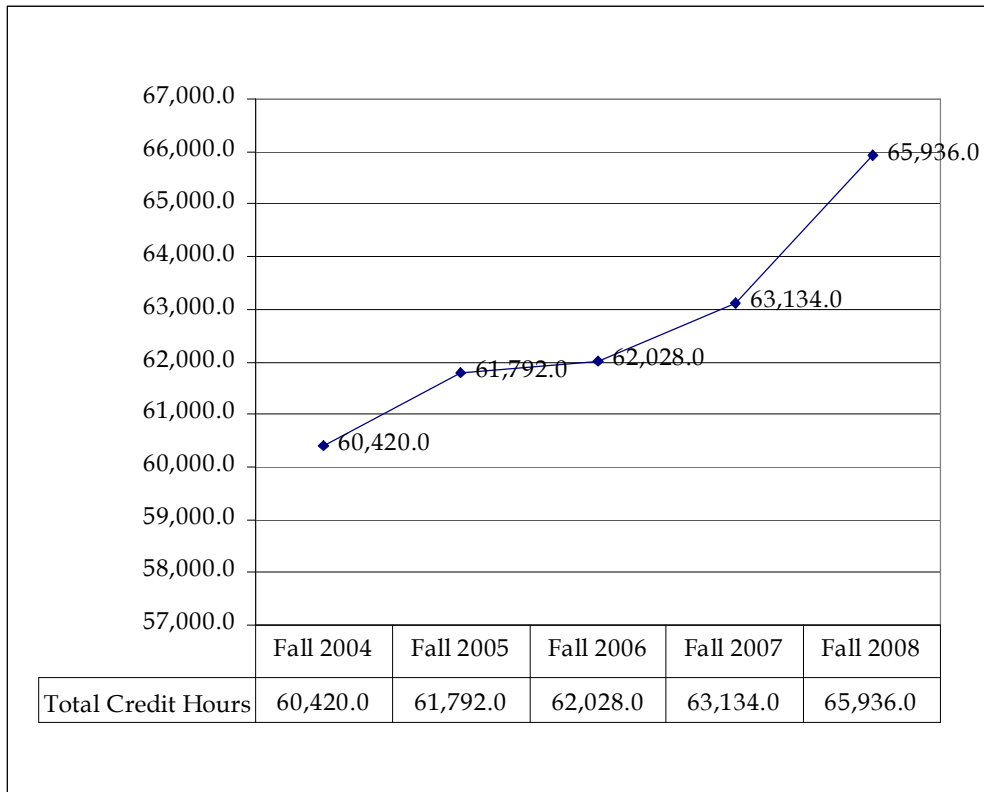


Figure 4: Orange County Community College Annual FTE Fall 2004 – Fall 2008

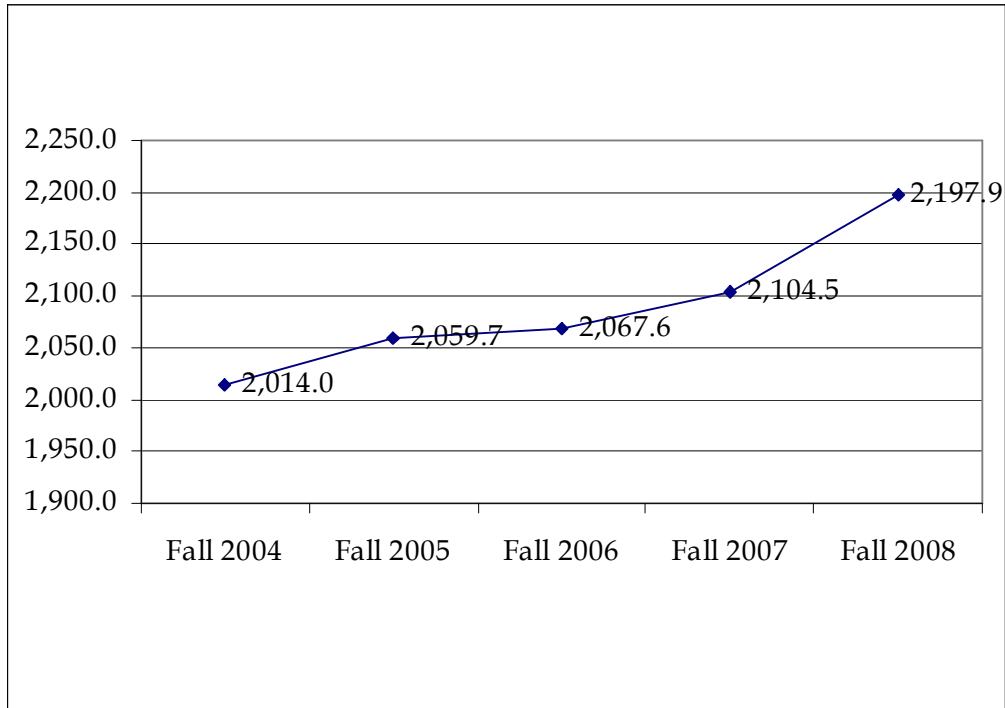


Figure 5: Orange County Community College Headcount by Race/Ethnicity Fall 2004 – Fall 2008

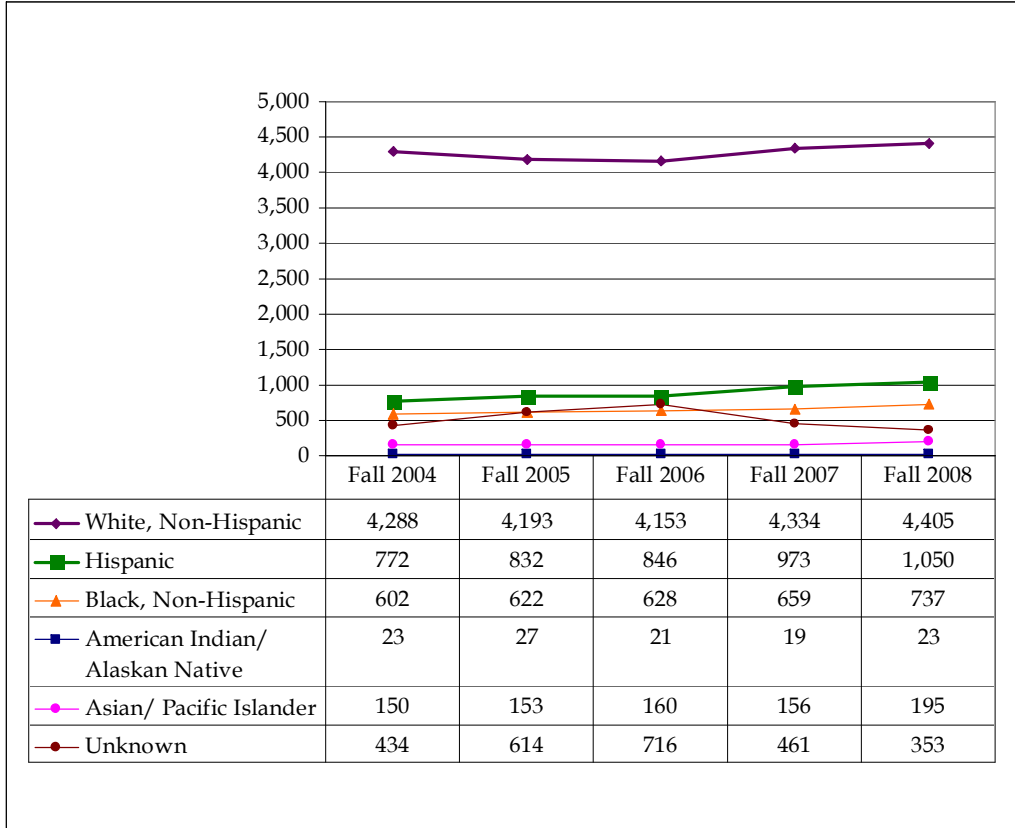


Figure 6: Orange County Community College Headcount by Student Type Fall 2004 – Fall 2008

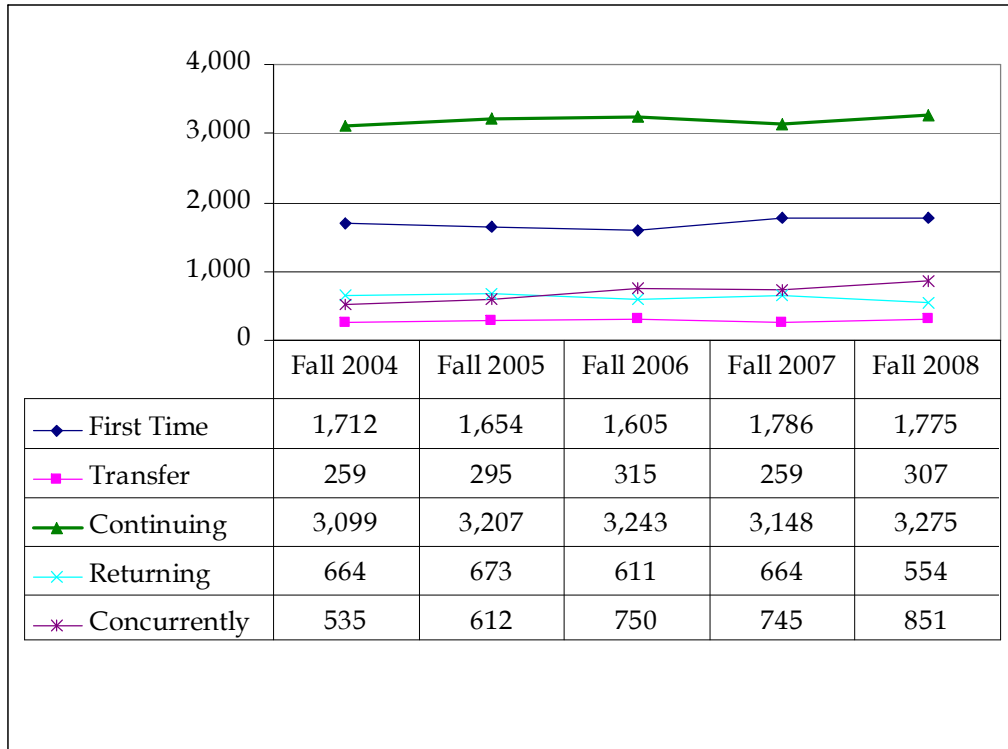
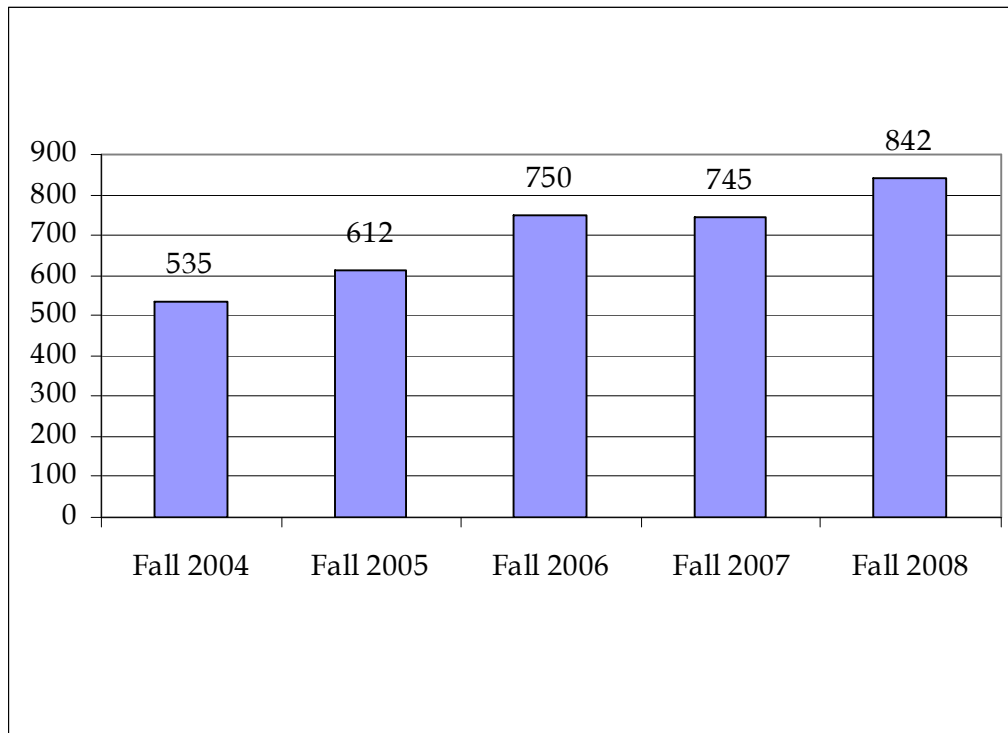


Figure 7: Orange County Community College – Community College in the High School (CCHS) Total Headcount Fall 2004 – Fall 2008



Enrollment Activity Reporting

The College's Report Writing Task Force members include the AVP for Enrollment Management, the Registrar, the Institutional Planning Assessment and Research Office and Technical Assistants from the ITS Department. The task force works collaboratively to develop ODS reports to be used for college planning and decision-making. A primary report that has been developed and utilized (internally) is the Enrollment Activity Report. This report provides the College with enrollment activity data during registration, after the first and second week of classes, at Census, after deletions and at the end of term. The report is disseminated to the College's Cabinet and other stakeholders. Appendix N is an example of the Enrollment Activity Report for Fall 2008.

The College's Census report is disseminated to the college community and is uploaded to the IPAR Office's report webpage, www.sunyorange.edu/ir/reports/banner.shtml. The Fall 2008 Census Report is included in the required attachments section (Attachment III).

By monitoring enrollment activity, the College is better able to anticipate trends and future needs as well more effectively allocate and utilize resources.