Category: Community Colleges Financial Responsible Office: University Budget	**Procedure Title:** Operating Budget for Community Colleges Document Number: 7603 Effective Date: August 24, 2006 This procedure item applies to: Community Colleges

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Summary

This procedure provides guidelines for developing the 2006-2007 final operating budgets, tuition and fee schedules and operating aid quarterly claims for State University of New York (University) community colleges. The guidelines are in accordance with the proposed regulations and law for the 2006-2007 college fiscal year.

Process

This procedure provides guidelines for developing the 2006-2007 final operating budgets, tuition and fee schedules and operating aid quarterly claims for State University of New York (University) community colleges. The guidelines are in accordance with the proposed regulations and law for the 2006-2007 college fiscal year. State University approval of the community college regulations, final budgets and tuition and fee schedules will be requested at the September 26, 2006 meeting of the University Board of Trustees.

2006-07 State Budget Appropriations

The 2006-07 state budget of $419.829 million (state fiscal year) for Community Colleges, is appropriated as:

- operating aid based of $2,525 per funded FTE student ($407.798);
- funding for child care centers ($1.065 million);
- funding for rental aid @ 50% of eligible costs ($7.166 million); funding for contract training ($2.0 million; and
- funding for High Needs Programs ($1.8 million).

Contributed Shares to Total Budget

I. Student Share

Providing that the sponsor maintains effort, the 2006-07 enacted State Budget once again waives the statutory provision limiting the students' share to one-third of net operating costs.

As the system-wide maximum full time resident student tuition rate was eliminated in 2003, each college's full-time resident tuition rate becomes the rate that determines the maximum part-time rate. The maximum part-time rate allowable is 1/24 (rounded up) of your full-time resident tuition rate.

A. Student Service Fees

For proposed new fees and fee increases, include a description of the service provided and the related costs and revenues. As with any other “student service fee,” a student service fee for technology must be non-mandatory and related to a specific service to be provided. If the student chooses not to utilize the defined set of services, the fee must be waived.

B. Student Revenue Fees

A Technology fee, which may be charged to all students, continues to be the only “student revenue fee” that will be considered by the SUNY Board for approval. The revenue from these fees are included in the calculation of the student’s share and may cover technology-related services that are inherent to the core instructional program (e.g., on-line checkout of library materials).

C. Lower Part-time Tuition Rates

The tuition and fee schedule continues to provide for the approval of lower part-time tuition rates for off-session, off-campus or off-peak hour student instruction. As discount rates may vary depending on circumstances, please identify the lowest rate for which your campus requests authorization. The lowest discounted rate allowed under any circumstance is one-third of the approved part-time resident tuition rate (or a two-thirds reduction).

D. Excess Student Revenues

When the sponsor does not maintain effort, student tuition rates must be budgeted at levels that will generate revenues from tuition at 1/3 or less of net operating costs. If actual student revenues exceed 1/3 of net operating costs, the excess must be placed in a student revenue reserve account. Section 602.10(h) of SUNY Board Regulations limits to five years the time allowed to eradicate reserve account balances. Separate five-year plans must be approved for each year that this condition exists. Existing plans cannot be extended or modified to include future year accumulations.

II. Full Time Enrollment (FTE) and State Share

A. FTE Enrollment and Base Aid

For 2006-07, count FTE student enrollments as of the census date in accordance with Robert Brown’s memorandum to Presidents dated August 7, 2002. Enrollment estimates for 2005-06 and 2006-07 are pre-loaded. Please enter updated estimates if appropriate.

The 2006-07 budgeted funded FTE student enrollment is based on the greater of:

1. the 2005-06 estimated actual FTE student enrollment; or

2. 20% of 2003-04 actual, plus 30% of 2004-05 actual, plus 50% of 2005-06 estimated actual FTE student enrollment.

The inclusion of non-credit remedial FTE enrollments should be limited to those budgeted in learning labs and University approved courses.

III. Local Share

A. Community College Rental Revenue Reclassification

The University Board of Trustees approved a resolution that allows the chancellor or designee to approve the reclassification of “rental income” from an offsetting revenue to a revenue in lieu of local sponsor share. “ Rental” means the use of property (that is, physical space). Examples of eligible rentals include the use of classrooms or similar instructional space, laboratories, ice rinks, pools, tennis courts, or gymnasiums. Only revenue related to costs associated with the normal operations of the physical facilities are allowable for the reclassification. Rental charges for extraordinary personnel, equipment or utilities should be excluded.

The budget and annual financial report forms were modified to provide for the reclassification of interest income from an offsetting revenue to a revenue in lieu of local sponsor share.

In some cases, these reclassifications will increase the average local share per FTE student enough to increase the operating chargeback rate.

Approval or disapproval of the reclassification is programmed into your budget file and is linked annually to adequate local/sponsor participation and provides an incentive for colleges with marginal local/sponsor participation to improve their contributions.

Eligibility for 2006-07 is based on the annual financial reports filed through 2004-05. This allows the authorization for the reclassification to be pre-programmed into the budget file.

To be eligible for either or both of these revenue reclassifications, at least one of the following conditions must be met:

1. local share must be equal to or greater than 26.7% of net operating costs (before reclassification) or making reasonable progress toward 26.7% (e.g., as evidenced by successive years of increases) or

2. sponsor contribution per resident FTE must be equal to or greater than 26.7% of the net operating costs per FTE student or making reasonable progress toward 26.7% (e.g., as evidenced by successive years of increases) or:

3. The sponsors contribution in mills (thousand dollars per full valuation of taxable real property) is equal to or greater than .5 (50 cents per thousand dollars) as calculated with the most recently available data.

Schedule 11, page 15 of the budget forms, lists the conditions that your college meets (if any) that would qualify for the revenue reclassification in 2006-07.

IV. Other Programs

A. High Needs Programs

A special appropriation of $1.8 million ($2.4 college fiscal year) was provided to fund activity that prepares students for careers in high need, high demand and high growth areas.

The allocation for your college has been pre-loaded in the budget file. Please refer to Robert T. Brown Memorandum to Presidents dated May 17, 2006 for additional reporting requirements.

B. Rental Aid

State University of New York Regulations provide for “up to 50%” state reimbursement for rental costs. The 2006-07 legislative budget includes a $7.166 million appropriation for rental aid reimbursement. This appropriation will again provide for the full 50% state reimbursement for the currently approved rental estimates for 2006-07. The approved rental costs for each college are pre-posted in the budget file.

C. Categorical Programs

The 2006-07 budget includes $1.065 million for child care centers and $2.0 million for contract training. Your child care award has been pre-posted to your budget file; notification and claim forms are being sent under separate cover by the System Administration Office of Student Affairs.

Contract Training awards will continue to be based on merit. Questions regarding these monies should be directed to the System Administration Office of the Vice Chancellor for Community Colleges.

D. Campus-based Programs

The 2006-07 budget may include a legislative member item for your college. Expenditure plans, vouchers, and contracts, where appropriate, will be requested separately when we are notified of any such items.

E. Local Approval

Schedule 11, page 14 of the budget forms includes an area for recording the appropriate local board and sponsor approval dates. Please enter these dates where applicable.

Forms

Form A - Operating Budget Request

Related Procedures

There are no related procedures relevant to this procedure.

Other Related Information

There is no other information relevant to this procedure.

Authority

The following link to FindLaw's New York State Laws is provided for users' convenience; it is not the official site for the State of New York laws.

NYS Education Law § 6304 (Financing of community colleges.)

In case of questions, readers are advised to refer to the New York State Legislature site for the menu of New York State Consolidated.

Community College Rules - College Operating Fund (8 NYCRR Part 602)

History

There is no history relevant to this procedure.

Appendices

Appendix A - Instructions: Budget Submission Tuition & Fee Schedule Claims for State Operating

Appendix B - Community College Guidelines for Financial Reporting and Budgeting