MEMORANDUM

November 20, 2019

TO: Members of the Board of Trustees

FROM: Kristina M. Johnson, Chancellor

SUBJECT: Amendments to Part 600 of 8 NYCRR (State Operating Assistance for Community Colleges) and Part 602.8 of 8 NYCRR (Limitations on operating costs for purposes of State financial assistance)

Action Requested

This proposed resolution would authorize a) the filing of an emergency rulemaking and the publication of a Notice of Proposed Rulemaking to revise Regulations and b) approve a policy under which state appropriated reimbursement for rental costs for physical space will be distributed to the community colleges operating under the program of The State University of New York.

Resolution

I recommend that the Board of Trustees adopt the following resolution:

Whereas System Administration has engaged with representatives of the community colleges to review existing procedures relating to rental aid reimbursement that have been in place for over 12 years; and

Whereas This review and engagement has produced a recommendation from the group to create an overarching policy, update existing procedures, and establish guidelines surrounding the distribution of appropriated reimbursement for rental costs for physical space, and

Whereas This recommended creation of an overarching policy, update to existing procedure, and establishment of guidelines requires an amendment to regulation; now, therefore, be it

Resolved that 8 NYCRR section 602.8(a) be, and hereby is, amended as set forth below (brackets denote old material to be deleted; underlining denote new material to be added) and
associated policy, procedure, and guidelines, and herby is, approved.

(a) Definitions for this section.

(1) Net operating costs, such as gross operating expenditures minus actual offsetting operating revenues (such as Federal aid) and actual operating expenditures not allowable for State aid.

(2) Net operating budget. Gross operating budget minus budgeted offsetting operating revenues (such as Federal aid) and budgeted appropriations not allowable for State aid.

(3) Rental cost for physical space. The costs of rented physical space [excluding costs of such services as electricity, gas, heat or janitorial services where the expenses of the latter types of services are included in the rental charges] as defined by the Chancellor or designee.

Resolved further that the Board approve the policy “Rental Cost Reimbursement for Community Colleges Operating Under the Program of the State University of New York” (attached) and direct the Chancellor or designee to create and publicize appropriate procedures and guidelines to be in line with its strictures.

Background

This resolution follows the work of a working group comprised of community college Business Officers and System Administration employees that, over a six month period, reviewed existing materials related to the reimbursement of rental costs incurred by the community colleges. The proposed emergency rulemaking approval of a new policy reflects the work and findings of this group.

The updated procedures and established guidelines provide more clarity as to the types of uses rental properties can be reimbursed for, including specific terms that should be included within the rental agreements. The full process of requesting reimbursement and how the reimbursement is allocated is also outlined in greater detail. Additionally, a reconciliation process has been added to ensure reimbursement estimates provided prior to commencement of the fiscal year are those reported as actual costs in year-end reporting.