MEMORANDUM

September 25, 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 8 NYCRR Part 602.13 (Annual Financial Report)

Action Requested

The proposed resolution authorizes the final adoption of the regulations regarding State operating aid for community colleges as set forth in the 2019/20 Enacted State budget.

Resolution

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

Whereas the final adoption of amendments to both Part 602.8(c) and Part 602.13 of Title 8 of the Official Compilation of Codes, Rules and Regulations of the State of New York (“NYCRR”), are necessary to provide State operating assistance to the community colleges of the State University of New York and the City University of New York for the 2019/20 college fiscal year; and

Whereas Chapter 53 of the Laws of 2019 provides that the formula for State financial assistance for operating expenses of the community colleges of the State University of New York and the City College of New York is to be developed jointly with the Trustees of the City University of New York, subject to the approval of the Director of the Budget, which approval has been given; and

Whereas at its May 2019 meeting, the SUNY Board of Trustees approved the formula for State financial assistance for operating expenses of the community colleges of the State University of New York and authorized the publication of the proposed amendments to the regulations under 8
NYCRR section 602.8(c) and section 602.13, implementing such formula, which publication has been accomplished; now, therefore, be it

Resolved that both 8 NYCRR section 602.8(c) and section 602.13 be, and hereby are amended as set forth below (brackets denote old material to be deleted; underlining denote new material to be added):

Section 602.8(c)

(c) Basic State financial assistance.

(1) Full opportunity colleges. The basic State financial assistance for community colleges, implementing approved full opportunity programs, shall be the lowest of the following:

(i) two-fifths (40%) of the net operating budget of the college, or campus of a multiple campus college, as approved by the State University trustees;

(ii) two-fifths (40%) of the net operating costs of the college, or campus of a multiple campus college; or

(iii) for the current college fiscal year the total of the following:

(a) the budgeted or actual number (whichever is less) of full-time equivalent students enrolled in programs eligible for State financial assistance multiplied by [2,847] 2,947 OR 98 percent of 2018/19 funding (whichever is greater), and

(b) up to one-half (50%) of rental costs for physical space.

(2) Non-full opportunity colleges. The basic State financial assistance for community colleges not implementing approved full opportunity programs shall be the lowest of the following:

(i) one-third (33%) of the net operating budget of the college, or campus of a multiple campus college, as approved by the State University trustees;

(ii) one-third (33%) of the net operating costs of the college, or campus of a multiple campus college; or
(iii) for the college fiscal year current, the total of the following:

(a) the budgeted or actual number (whichever is less) of full-time equivalent students enrolled in programs eligible for State financial assistance multiplied by [\$2,373] 2,456; and

(b) up to one-half (50%) of rental cost for physical space.

(3) Notwithstanding the provisions of paragraphs (1) and (2) of this subdivision, a community college or a new campus of a multiple campus community college in the process of formation shall be eligible for basic State financial assistance in the amount of one-third of the net operating budget or one-third of the net operating costs, whichever is the lesser, for those colleges not implementing an approved full opportunity program plan, or two-fifths of the net operating budget or two-fifths of the net operating costs, whichever is the lesser, for those colleges implementing an approved full opportunity program, during the organization year and the first two fiscal years in which students are enrolled.

Section 602.13

(a) Pursuant to section 30 of the General Municipal Law, the annual financial report shall be certified by the chief fiscal officer of the college and shall be filed with the State Comptroller within 60 days after the close of the college fiscal year. The chief fiscal officer is the college treasurer for purposes of this certification.

(b) The annual financial report shall be in compliance with article 126 of the Education Law, this Subchapter, and the manual for community college business offices, and on the forms and in accordance with instructions promulgated by the State Comptroller.

(c) The State University of New York, which shall also receive copies of the annual financial report, shall review the annual financial report for the purpose of the initial determination of the State liability.

(d) Any overpayment in State financial assistance for operating costs, as determined in the review of the annual financial report, shall be deducted from the second quarterly advance payment of State aid for the succeeding college fiscal year provided, however, that in no case shall the amount of basic state financial assistance for operating costs received in the 2019/20 academic year be less than 98 percent of the amount of basic state financial assistance for operating costs approved by the State University Board of Trustees for the 2018/19 academic year.
(e) Any underpayment in State financial assistance for operating costs, as
determined in the review of the annual financial report, shall be
processed in accordance with sections 602.3 and 602.9 of this Part.

(f) The college shall be subject to audit by the Office of the State Comptroller
for the purpose of the final determination of the State liability.

Background

This resolution authorizes the final adoption of the amendments to the
existing limitations formula for State financial assistance for operating expenses
of community colleges of the State University and the City University of New York.
The amendments implement the requirements of the Enacted State budget
(Chapter 53 of the Laws of 2019) and were developed jointly with the City
University Trustees and approved by the Director of the Budget. At its May 2019
meeting, the Board approved these amendments and, pursuant to formal
rulemaking under the State Administrative Procedure Act, authorized publication
of a Notice of Emergency Adoption and Proposed Rulemaking.

Under the provisions of Chapter 53 of the Laws of 2019, basic State
financial assistance for operating costs of community colleges for the 2019/20
community college fiscal year will be the greater of $2,947 per full-time equivalent
student (increased from $2,847 in 2018/19) or 98 percent of 2018/19 funding.
The per full-time equivalent student amount will be subject to limitations based
upon a calculation of the greater of either the actual full-time equivalent credit and
non-credit remedial enrollment for the 2018/19 college fiscal year or the weighted
average or college credit and non-credit remedial enrollment for the previous
three years. Upon approval of the regulations, the community college base aid
payments scheduled for September 2019 (pending approval of college budgets
by the Board of Trustees), December 2019, March 2020, and June 2020 will
reflect the increase in base aid.

The Enacted State budget continues funding for community college
childcare, which is distributed to the community colleges in accordance with
guidelines, approved by the State University Trustees, and provides funding for
contract courses, rental aid, high demand programs, and the Next Generation NY
Job Linkage program.