

Dan Bonnette spoke of student financial aid. He attended the conference hosted by Department of Education (DOE) last December which mentioned existing guidance within the regulations dating back to the mid 1990's. As part of that, the DOE built into their regulations issues regarding the protection of student data in Title IV programs. He discussed an example of what is considered a breach. Each breach could result in a fine of \$53,000. The DOE wanted to include this into regulations in this cycle; however, the higher education community is against this procedure. RSM will take a look at what controls protect NCC against these occurrences as part of this year's audit even though it is not part of the audit program in this year's cycle.

Audit timeline:

- mid-October 2018 through January 2019—Audit planning and initial fieldwork
- April and May 2019 dependent upon timing of receipt of OPEB information from Nassau County—Fieldwork and wrap up
- Draft financial statements for RSM review within two weeks of receipt of OPEB information
- Draft audited financial statements for Management review: within one week of receipt of draft financial statements from NCC
- Issuance no later than May 31, 2019
- Final presentation and issue of audit reports: May 2019

2. Minutes—of the Finance section of the Finance & Capital Committee meeting of September 4, 2018 were presented for approval. Trustee Durso made a motion, seconded by Trustee Weiss. The minutes were approved.

3. Pending College Procurement Agreements for Board Approval—There were no Pending College Procurement Agreements to be presented at the October 9, 2018 Finance & Capital Committee meeting.

4. Comptroller's Report—July and August, 2018. VP Reznik advised that there were no significant findings in either one of the reports. There was \$1.6 million of disbursements in July and approximately \$2 million in August. The Accounts Receivable report indicates that collections for the Spring 2018 semester are at 95.6% and Summer 2018 collections are at 95%. The collections for this semester (Fall 2018) are at \$28 million; however, this percentage will increase significantly with the inclusion of payment plan collections from October 4 which were not included in these figures. Financial Aid disbursement dates are October 15 and November 26. The third payment plan date is scheduled for November 6.

5. Discussion—2019 Financial Projections. VP Reznik updated the Board of Trustees on the impact on the financials with the additional decrease in enrollment. Fall 2018 enrollment is down 9.5% or an additional 3 ½ % more than the 6% that was budgeted. Chair Gardyn advised that since 2011 to present NCC enrollment is down by 1/3. Short discussion followed.

VP Reznik advised that in the last three years, there has been more significant decreases in enrollment. Based on the way the state configures its funding formula is a smoothing effect built into their formula (50%/30%/20%) – if enrollment goes down in any particular year, funding is selected based on the formula that calculates the weighted average – 50% of previous year, 30% of two years prior, 20% three years prior. In 2020, the state will be using enrollment numbers from 2019, 2018 and 2017. It is estimated that NCC will lose approximately another \$3 million in State aid in 2020.

Dr. Keen advised that for decades there has been direct correlation with the economy and the employment/unemployment rate. When the unemployment level is down and the demand for employees is high, NCC students leave full-time status to secure full-time jobs and continue at NCC on a part-time basis. It is not known what the national number is for this year – it is not available at this time. The national decrease number is approximately 2% as was NCC until the last three fall semesters. Those years were unusual as compared to the national trend.

VP Reznik also advised that in Nassau County the number of high school graduates is projected to decrease and will continue to decrease for the next 10 years.