

**HUDSON COUNTY COMMUNITY COLLEGE**  
**Mary T. Norton Room**  
**70 Sip Avenue, 4<sup>th</sup>**  
**Jersey City, NJ**  
**5:00 P.M.**

**Regular Meeting--Board of Trustees**  
**March 12, 2019**  
**AGENDA**

**I. CALL TO ORDER - FLAG SALUTE** Mr. Netchert

**II. ROLL CALL AND RECOGNITION OF VISITORS**

**Trustees:**

Kevin Callahan  
Karen Fahrenholz, Secretary/Treasurer  
James Fife, Trustee Emeritus  
Pamela Gardner  
Alexandra Kehagias – Student Alumni Representative  
Roberta Kenny  
Joanne Kosakowski  
Bakari Lee, Vice Chair  
William Netchert, Chair  
Jeanette Peña  
Christopher Reber, President  
Adrienne Sires  
Harold Stahl

**III. COMMENTS FROM THE PUBLIC** Mr. Netchert

**IV. CLOSED SESSION** (The Board of Trustees will determine whether there is a need to go into closed session at the beginning of the meeting. If there is such a determination, an announcement will be made as to where the session will be placed on the agenda.)

**V. REPORTS**

- |   |                 |
|---|-----------------|
| 1. Student Government Association President's Report                      | Rhoda Alaribe   |
| 2. All College Council President's Report                                 | Denise Rossilli |
| 3. President's Report   | Dr. Reber       |
| a. Dr. Aaron Fichtner, President NJCCC and<br>Phil Linfante, Chair, NJCCC |                 |

**VI. REGULAR MONTHLY REPORTS AND RECOMMENDATIONS**

Dr. Reber

1. Minutes of Previous Meetings
2. Gifts, Grants, and Contracts
3. Middle States Self Study Update

**VII. FISCAL, ADMINISTRATIVE, LEASE, AND CAPITAL RECOMMENDATIONS** Dr. Reber

**VIII. PERSONNEL RECOMMENDATIONS** Dr. Reber

**IX. ACADEMIC AND STUDENT AFFAIRS** Dr. Reber

**X. NEW BUSINESS** Mr. Netchert

**XI. ADJOURNMENT** Mr. Netchert

**HUDSON COUNTY COMMUNITY COLLEGE  
BOARD OF TRUSTEES MEETING  
March 12, 2019**

**CALL TO ORDER**

**I. FLAG SALUTE**

**II. ROLL CALL AND RECOGNITION OF VISITORS**

**Trustees:**

Kevin Callahan	<u>PRESENT</u> (Via Conference Call)
Karen A. Fahrenholz	<u>PRESENT</u> (Via Conference Call)
James Fife, Trustee Emeritus, ex officio	<u>ABSENT</u>
Pamela E. Gardner	<u>PRESENT</u>
Alexandra Kehagias, Student Alumni Representative, ex officio	<u>ABSENT</u>
Roberta Kenny	<u>PRESENT</u>
Joanne Kosakowski	<u>PRESENT</u>
Bakari Lee	<u>PRESENT</u>
William J. Netchert	<u>PRESENT</u>
Jeanette Peña	<u>ABSENT</u>
Christopher Reber - President, ex officio	<u>PRESENT</u>
Adrienne Sires	<u>PRESENT</u>
Harold G. Stahl	<u>ABSENT</u>

*This meeting is called in conformance with the "Open Public Meetings Act." A notice of the meeting of the Board of Trustees was transmitted to all Board members, advertised in The Jersey Journal, The Star Ledger, and filed with each Office of the Hudson County Municipal Clerks, and posted on the Public Bulletin Boards of the Hudson County Community College at 70 Sip Avenue, Jersey City, New Jersey and at the North Hudson Campus, Union City, New Jersey stating the date, time and place of said meeting.*

### **MEETING INTRODUCTION**

*This meeting is called in conformance with the Open Public Meetings Act. Members of the public will now have an opportunity to address the Board of Trustees. Comments of each person will be limited to five minutes, including all responses. A member of the public may not provide any portion of his/her five-minute allotment to any other member of the public. Please be aware that the purpose of the public portion of the meeting is for the public to express any ideas, concerns or issues they may have concerning Hudson County Community College. Questions raised to the Board during the public comment period may be referred to the appropriate administrative person(s) at the College for response at a later time.*

*Any public comments made to the Board which the Board considers obscene, harassing, or meant to incite will be prevented by the Board. The person making these remarks may be required to relinquish the remaining time allotted to speak and will be asked to leave the Board of Trustees meeting. Public comments or questions are open to any matters over which the Board has purview and jurisdiction.*

**HUDSON COUNTY COMMUNITY COLLEGE  
BOARD OF TRUSTEES MEETING  
March 12, 2019**

**III. COMMENTS FROM THE PUBLIC**



**HUDSON COUNTY COMMUNITY COLLEGE  
BOARD OF TRUSTEES MEETING  
March 12, 2019**

**IV. CLOSED SESSION**

*No Closed Session.*

**HUDSON COUNTY COMMUNITY COLLEGE  
BOARD OF TRUSTEES MEETING  
March 12, 2019**

**V. REPORTS**

1. *Student Government Association President's Report*
2. *All College Council President's Report*
3. *President's Report*

**HUDSON COUNTY COMMUNITY COLLEGE  
BOARD OF TRUSTEES MEETING  
March 12, 2019**

**VI. REGULAR MONTHLY REPORTS AND RECOMMENDATIONS**

**1. MINUTES OF PREVIOUS MEETING**

The Minutes of the Regular Meeting of February 19, 2019 are herewith officially submitted to the Board Trustees for approval. (Attachment A)

Recommendation:

It is the recommendation of the President that the Board of Trustees accept the Minutes of the Regular Meeting of February 19, 2019.

**2. GIFTS, GRANTS, AND CONTRACTS REPORT**

The College has made the following grant & contract proposals:

**TITLE: The Workforce Leadership Academy Grant**

**AGENCY:** The Aspen Institute, through a grant from JP Morgan Chase will award \$30,000; \$12,000 through nominal co-payments for Academy Fellows (\$500 per fellow donated by the fellows employer organization); and HCCC Foundation raised \$70,000 (\$35,000 from Lefrak and \$35,000 from Hudson County Workforce Development Program).

**PURPOSE OF GRANT:** To strengthen the capacity of participants to develop and sustain effective workforce strategies, collaborate more deeply with employers and other strategic partner organizations, and expand the number and quality of leaders who can develop workforce development approaches that will advance opportunities for low-wage workers and job seekers while also meeting the talent development needs for long-term industry competitiveness.

**COLLEGE ADMINISTRATOR:** Lori Margolin, Dean of Continuing Education/Workforce Development, Continuing Education

**COLLEGE CONTRIBUTION:** 0

**AWARD AMOUNT:** \$112,000

**Status:** Pending

**3. MIDDLE STATES SELF-STUDY UPDATE**

**RESOLUTION:**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees accept Item VI. Regular Monthly Reports and Recommendations 1-3.

**INTRODUCED BY:** Bakari Lee

**SECONDED BY:** Adrienne Sires

**DATE:** March 12, 2019

Callahan, Kevin	<u>AYE</u>
Fahrenheit, Karen	<u>AYE</u>
Gardner, Pamela	<u>AYE</u>
Kenny, Roberta	<u>AYE</u>
Kosakowski, Joanne	<u>AYE</u>
Lee, Bakari	<u>AYE</u>
Peña, Jeanette	<u>ABSENT</u>

Sires, Adrienne  
Stahl, Harold  
Netchert, William, Chair

AYE  
ABSENT  
AYE

8 Ayes..... 0 Nay

\*\*\*RESOLUTION ADOPTED\*\*\*

Jennifer Oakley 3-12-19  
Signature of Recorder Date

**HUDSON COUNTY COMMUNITY COLLEGE  
BOARD OF TRUSTEES MEETING  
March 12, 2019**

**VII. FISCAL, ADMINISTRATIVE, LEASE, AND CAPITAL RECOMMENDATIONS**

**1. Resolution Authorizing the Purchase of Twelve Desks for the Bloomberg Room for the Culinary Arts Building**

**WHEREAS**, Hudson County Community College ("College") needs to purchase twelve desks for the Bloomberg Room at the Culinary Arts Building; and,

**WHEREAS**, pursuant to N.J.S.A. 64A-25.9, the College may, without public advertisement, purchase goods and/or services through State Contracts; and,

**WHEREAS**, Commercial Furniture Interiors, of Mountainside, New Jersey, NJ State Contract #: 81711, has quoted a price for the twelve desks; and,

**WHEREAS**, the cost of the twelve desks shall not exceed \$15,631 and will be funded from the Chapter 12 Funds; and,

**WHEREAS**, the Administration, Finance Committee, and Capital Projects Advisory Committee recommend this purchase;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees of Hudson County Community College authorizes the College to purchase twelve desks from Commercial Furniture Interiors, of Mountainside, New Jersey as described herein at a cost not to exceed \$15,631;

**BE IT FURTHER RESOLVED** that the Board of Trustees authorizes the College's Administration to take all steps necessary to effectuate the terms of this resolution.

**2. Resolution Authorizing the Carpet Replacement in the Conference Center on the 1<sup>st</sup> Floor of the Culinary Arts Building**

**WHEREAS**, Hudson County Community College ("College") needs to replace the carpet in the Conference Center on the 1<sup>st</sup> Floor of the Culinary Arts Building; and,

**WHEREAS**, pursuant to N.J.S.A. 64A-25.9, the College may, without public advertisement, purchase goods and/or services through State Contracts; and,

**WHEREAS**, the proposed vendor to supply and install the new carpet is RFS Commercial Inc. of Saddle Brook, New Jersey (State Contract #: A81751); and,

**WHEREAS**, the cost of the new carpet and installation shall not exceed \$29,903 and will be funded from the operating budget; and,

**WHEREAS**, the Administration, Finance Committee, and Capital Projects Advisory Committee recommend this purchase;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees of Hudson County Community College authorizes the College to purchase the replacement carpet for the Conference Center on the 1<sup>st</sup> Floor of the Culinary Arts Building from RFS Commercial Inc. as described herein at a cost not to exceed \$29,903;

**BE IT FURTHER RESOLVED** that the Board of Trustees authorizes the College's Administration to take all steps necessary to effectuate the terms of this resolution.

**3. Resolution Authorizing the Student Exercise Science Affiliation Agreement Between the Newport Swim and Fitness Agency, and HCCC**

**WHEREAS**, Hudson County Community College ("College") desires to develop Personal Training Fitness and Exercise Science Associate Degree programs; and,

**WHEREAS**, education and externship experience are a required component of the curriculum; and,

**WHEREAS**, these externships require an affiliation agreement stipulating the roles, responsibilities, physical requirements, and other terms of the agreement covering students and faculty; and,

**WHEREAS**, the College desires to develop an externship affiliation agreement with Newport Swim and Fitness Agency at 33 River Drive South, Jersey City, NJ; and,

**WHEREAS**, the term of the agreement is from March 1, 2019 through February 28, 2021; and,

**WHEREAS**, the Administration and Finance Committee recommend this agreement;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees of Hudson County Community College authorizes the College to enter into an affiliation agreement with Newport Swim and Fitness Agency to provide externships for Hudson County Community College students;

**BE IT FURTHER RESOLVED** that the Board of Trustees authorizes the College's Administration to take all steps necessary to effectuate the terms of this resolution.

**4. Resolution Authorizing the Amendment for the August 14, 2018 Resolution # 14, New Dell Computers for the Criminal Justice Department and Business Labs (Journal Square)**

**WHEREAS**, Hudson County Community College ("College") needs to correct the August 14, 2018 Resolution # 14, New Dell Computers for the Criminal Justice Department and Business Labs (Journal Square); and,

**WHEREAS**, the funding source for the New Dell Computers for the Criminal Justice Department was the Carl D. Perkins Grant; and,

**WHEREAS**, the funding source for the New Dell Computers for the Criminal Justice Department should be corrected to the Equipment Leasing Fund administered by The New Jersey Educational Facilities Authority; and,

**WHEREAS**, the Administration and Finance Committee recommend this correction;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees of Hudson County Community College authorizes the College to correct the August 14, 2018 Resolution # 14, New Dell Computers for the Criminal Justice Department and Business Labs (Journal Square) from the Perkins Grant funding source to the Equipment Leasing Fund administered by The New Jersey Educational Facilities Authority;

**BE IT FURTHER RESOLVED** that the Board of Trustees authorizes the College's Administration to take all steps necessary to effectuate the terms of this resolution.

**5. Resolution Authorizing the Approval of the 2018 Audit**

**WHEREAS**, Hudson County Community College ("College") had an Audit conducted by Donohue, Gironde & Doria during 2019 for the fiscal year June 30, 2018; and,

**WHEREAS**, a copy of the Audit prepared by Donahue, Gironde & Doria was reviewed by the Finance Committee and Administration and a copy was forwarded to the Board of Trustees; and,

**WHEREAS**, the Administration and the Finance Committees recommend the acceptance of the FY 2018 Audit;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees of Hudson County Community College accepts the FY 2018 Audit performed by Donahue, Gironde & Doria;

**BE IT FURTHER RESOLVED** that the Board of Trustees of Hudson County Community College authorizes the Administration to take all steps necessary to effectuate the terms of this resolution.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Trustees approves the recommendations of the President, the Administration, and the Finance Committee as outlined above in **Item VII. Fiscal, Administrative, Lease and Capital Recommendations 1-5**: 1) Resolution Authorizing the Purchase of Twelve Desks for the Bloomberg Room for the Culinary Arts Building; 2) Resolution Authorizing the Carpet Replacement in the Conference Center on the 1<sup>st</sup> Floor of the Culinary Arts Building; 3) Resolution Authorizing the Student Exercise Science Affiliation Agreement Between the Newport Swim and Fitness Agency and HCCC; 4) Resolution Authorizing the Amendment for the August 14, 2018 Resolution # 14, New Dell Computers for the Criminal Justice Department and Business Labs (Journal Square); and 5) Resolution Authorizing the Approval of the 2018 Audit.

**INTRODUCED BY:** Bakari Lee

**SECONDED BY:** Joanne Kosakowski

**DATE:** March 12, 2019

Callahan, Kevin	<u>AYE</u>
Fahrenholz, Karen	<u>AYE</u>
Gardner, Pamela	<u>AYE</u>
Kenny, Roberta	<u>AYE</u>
Kosakowski, Joanne	<u>AYE</u>
Lee, Bakari	<u>AYE</u>
Peña, Jeanette	<u>ABSENT</u>
Sires, Adrienne	<u>AYE</u>
Stahl, Harold	<u>ABSENT</u>
Netchert, William, Chair	<u>AYE</u>

8 Ayes..... 0 Nay

\*\*\*RESOLUTION ADOPTED\*\*\*

Jennifer Oakley 3-12-19  
Signature of Recorder Date

*ATTACHMENT 1*

*ITEM VII. FISCAL, ADMINISTRATIVE, LEASE, AND CAPITAL RECOMMENDATIONS*

*5. Resolution Authorizing the Approval of the 2018 Audit*



# DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

*Certified Public Accountants*

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Mauricio Canto, CPA, RMA

February 28, 2019

To the Board of Trustees  
Hudson County Community College  
Jersey City, New Jersey

We have audited the financial statements of the Hudson County Community College for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards* and requirements of U.S. Office of Management and Budget 2 CFR 200 section .516(a) of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Matters

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Hudson County Community College are described in Note 1 to the financial statements. The following new accounting policies were adopted during 2018:

GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).

GASB Statement No. 85, Omnibus 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Hudson County Community College's financial statements was:

Management's estimate of the student's accounts receivable is based on subsequent cash collections. We evaluated the key factors and assumptions used to develop the student's accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 28, 2019.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to Management’s Discussion and Analysis and pension and OPEB information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### Restriction of Use

This information is intended solely for the use of the Board of Trustees and management of the Hudson County Community College and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



DONOHUE, GIRONDA, DORIA & TOMKINS, LLC  
*Certified Public Accountants*



**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**

**Basic Financial Statements, Management's Discussion and  
Analysis and Schedules of Expenditures of  
Federal Awards and State Financial Assistance  
For the Years Ended  
June 30, 2018 and 2017  
(With Independent Auditor's Report)**



**DONOHUE, GIRONDA,  
DORIA & TOMKINS, LLC**

**CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS**

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
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**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
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## **FINANCIAL SECTION**

# **REQUIRED SUPPLEMENTARY INFORMATION**

## **PART I**



**HUDSON COUNTY COMMUNITY COLLEGE  
(A Component Unit of Hudson County, New Jersey)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

***Introduction***

The following discussion and analysis provides an overview of the financial position and activities of the Hudson County Community College (the "College") for the fiscal years ending June 30, 2018 and 2017 with comparative information from previous fiscal years. This discussion has been prepared by management and should be read in conjunction with the financial statements including the notes thereto, which follow this section.

***Using the Financial Statements***

The College's financial report includes three basic financial statements: The Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows. These statements are prepared in accordance with accounting principles generally accepted in the United States of America and Government Accounting Standards Board (GASB) pronouncements. The College presents financial statements in accordance with GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and GASB Statement No. 35, "Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities". The statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis to focus better on the College as a whole. Resources are classified into three net asset categories – unrestricted, restricted and invested in capital assets, net of accumulated depreciation and related debt. The College's financial statements also include the Hudson County Community College Foundation as a discretely presented component unit in accordance with the requirements of Section 2100 of GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB Statement No. 39.

***Statements of Net Position***

The statements of net position present the financial position of the College at the end of the fiscal year and include all assets and liabilities of the College. The difference between total assets and total liabilities (net position) is one indicator of the financial condition of the College, while the change in net position is an indicator of whether the financial condition has improved or declined during the year. The statement states two asset and liability classifications; a) current assets and liabilities that are less than one year and b) non-current assets and liabilities that are more than one year. There are three net position classifications a) investment in capital assets, net of related debt b) restricted assets (expendable and non-expendable) and c) unrestricted assets.

Total net position increased \$2,811,916 to \$146,219,152 with unrestricted net position increasing \$6,647,259 to \$6,952,367 and net investment in capital assets decreasing \$3,835,343 to \$139,228,205.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

A summary of the College's assets, liabilities and net position at June 30, 2018, 2017, and 2016, respectively:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>			
Current Assets:			
Cash	\$ 34,608,711	\$ 31,995,387	\$ 32,739,983
Accounts Receivable	1,578,840	1,327,307	1,051,414
Grants Receivable	1,721,619	1,824,042	2,399,632
Due from State of New Jersey	-	-	1,712,373
Due from County of Hudson	403,422	293,627	514,436
Other Receivables	290,171	1,297,095	1,345,828
Prepaid Expenses and Other Assets	197,466	236,362	186,036
Total Current Assets	<u>38,800,229</u>	<u>36,973,820</u>	<u>39,949,702</u>
Noncurrent Assets:			
Security Deposits	41,714	41,834	41,834
Capital Assets, Net	139,228,205	143,063,548	130,954,118
Total Noncurrent Assets	<u>139,269,919</u>	<u>143,105,382</u>	<u>130,995,952</u>
Total Assets	<u>178,070,148</u>	<u>180,079,202</u>	<u>170,945,654</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>7,968,807</u>	<u>9,640,057</u>	<u>4,057,931</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	4,180,963	9,729,624	5,136,123
Accrued Salaries and Benefits	713,092	793,161	819,623
Unearned Revenue	690,114	798,450	2,517,253
Compensated Absences	1,149,471	1,018,884	942,805
Total Current Liabilities:	<u>6,733,640</u>	<u>12,340,119</u>	<u>9,415,804</u>
Noncurrent Liabilities:			
Student Deposits	632,329	714,758	779,586
Compensated Absences	1,579,442	1,560,801	1,683,458
Net Pension Liability	25,374,599	31,140,494	23,146,482
Total Noncurrent Liabilities	<u>27,586,370</u>	<u>33,416,053</u>	<u>25,609,526</u>
Total Liabilities	<u>34,320,010</u>	<u>45,756,172</u>	<u>35,025,330</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>5,499,793</u>	<u>555,851</u>	<u>1,077,424</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	139,228,205	143,063,548	130,954,118
Restricted Net Assets	38,580	38,580	38,580
Unrestricted	6,952,367	305,108	7,908,133
Total Net Position	<u>\$ 146,219,152</u>	<u>\$ 143,407,236</u>	<u>\$ 138,900,831</u>



**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

***Statement of Revenues, Expenses and Changes in Net position***

A summary of the College's revenues, expenses and changes in net position for the years ended June 30, 2018, 2017, and 2016, respectively:

	<u>2018*</u>	<u>2017*</u>	<u>2016</u>
<b>OPERATING REVENUES</b>			
Student Tuition and Fees	\$ 37,866,342	\$ 33,853,640	\$ 35,238,072
Less: Student Financial Aid	(28,368,297)	(27,030,099)	(26,358,704)
	<u>9,498,045</u>	<u>6,823,541</u>	<u>8,879,368</u>
Government Grants	39,106,525	37,518,003	33,827,132
Local and Private Sponsored Programs	929,054	825,872	822,895
Other Operating Revenues	519,463	529,400	835,975
Total Operating Revenues	<u>50,053,087</u>	<u>45,696,816</u>	<u>44,365,370</u>
<b>OPERATING EXPENSES</b>			
Instructions	22,603,890	20,569,389	21,335,748
Academic Support	2,870,954	3,094,176	3,002,101
Student Services	5,246,476	4,837,945	4,405,586
Institutional Support	26,575,478	27,595,178	18,474,096
Operation and Maintenance of Plant	6,928,844	6,899,418	6,173,210
Conference Center	409,454	422,383	301,778
Student Aid	3,318,243	3,876,033	6,380,115
Depreciation	5,203,253	4,716,864	4,655,620
Total Operating Expenses	<u>73,156,592</u>	<u>72,011,386</u>	<u>64,728,254</u>
Loss from Operations	(23,103,505)	(26,314,570)	(20,362,884)
<b>NONOPERATING REVENUES</b>			
State of New Jersey Appropriations	6,841,913	6,988,454	6,920,463
Hudson County Appropriations	13,073,492	12,580,281	12,106,039
Interest Income	250,321	135,234	73,892
Gain on Sale of Property	2,875,549	-	-
Total Nonoperating Revenues	<u>23,041,275</u>	<u>19,703,969</u>	<u>19,100,394</u>
Net Changes in Net Position			
Before Capital Appropriations	(62,230)	(6,610,601)	(1,262,490)
Capital Appropriations	<u>2,874,146</u>	<u>11,117,005</u>	<u>10,855,488</u>
Change in Net Position	2,811,916	4,506,404	9,592,998
Net Position, July 1	143,407,236	138,900,832	129,307,834
Net Position, June 30	<u>\$ 146,219,152</u>	<u>\$ 143,407,236</u>	<u>\$ 138,900,832</u>

\* The College adopted GASB Statement No. 75 retroactively, for the year ended June 30, 2017. As a result, the College recognized on-behalf revenue and expense of the State's proportionate share of post-retirement benefits expense attributable to the College of \$7,526,533 and \$7,158,891, for the year ended June 30, 2018 and 2017, respectively.

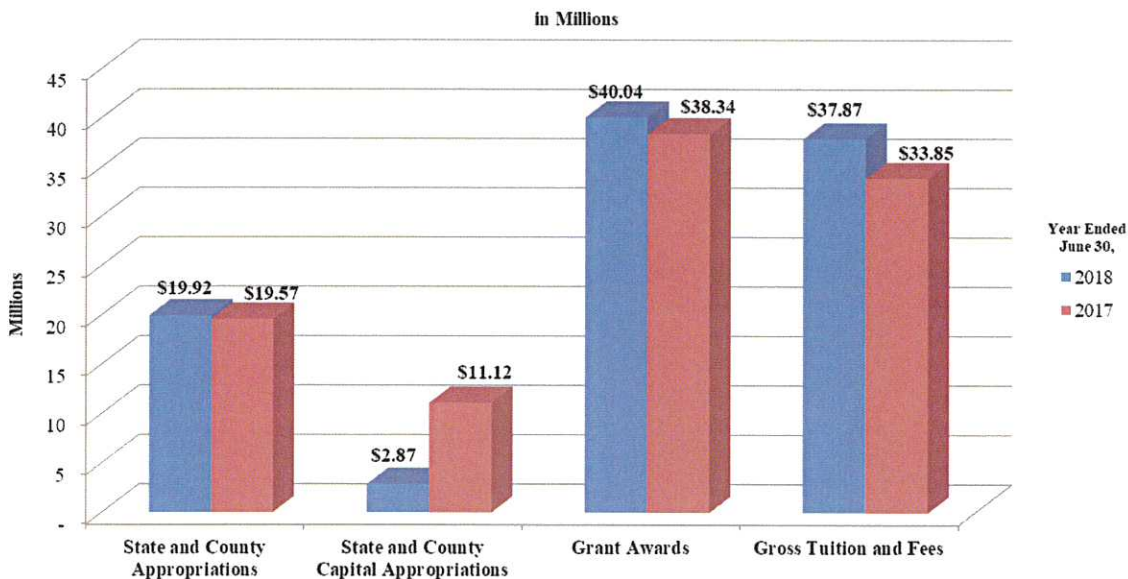
**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

The statement of revenues, expenses and changes in net position presents the results of operation for the College as a whole. Revenues, expenses and other changes in net position are reported as either operating or non-operating. Significant recurring sources of college revenue, state and county appropriations and investment earnings, are defined by GASB Statement No. 35 as non-operating.

The statements of revenues, expenses and changes in net position for fiscal years 2018 and 2017 reflect a decrease in changes in net position before capital appropriations of (\$62,230) and (\$6,610,601), respectively. Capital appropriations for the fiscal years 2018 and 2017 decreased in the amount of \$8,242,859 and increased in the amount of \$261,517, respectively. Net position for fiscal years 2018 and 2017 increased in the amounts of \$2,811,916 and \$4,506,404, respectively.

The overall increase in net position before capital appropriations in 2018 is primarily attributed to a one time revenue from the sale of property of resulting in a gain of \$2,875,549 and an overall decrease in losses from operations in the amount of \$3,211,065. Additional increases in nonoperating revenues can be primarily attributed to County and State appropriations increase in 2018 and 2017 in the amounts of \$346,670 and \$542,233, respectively.

Comparison of major revenues by source for 2018 and 2017 is as follows:



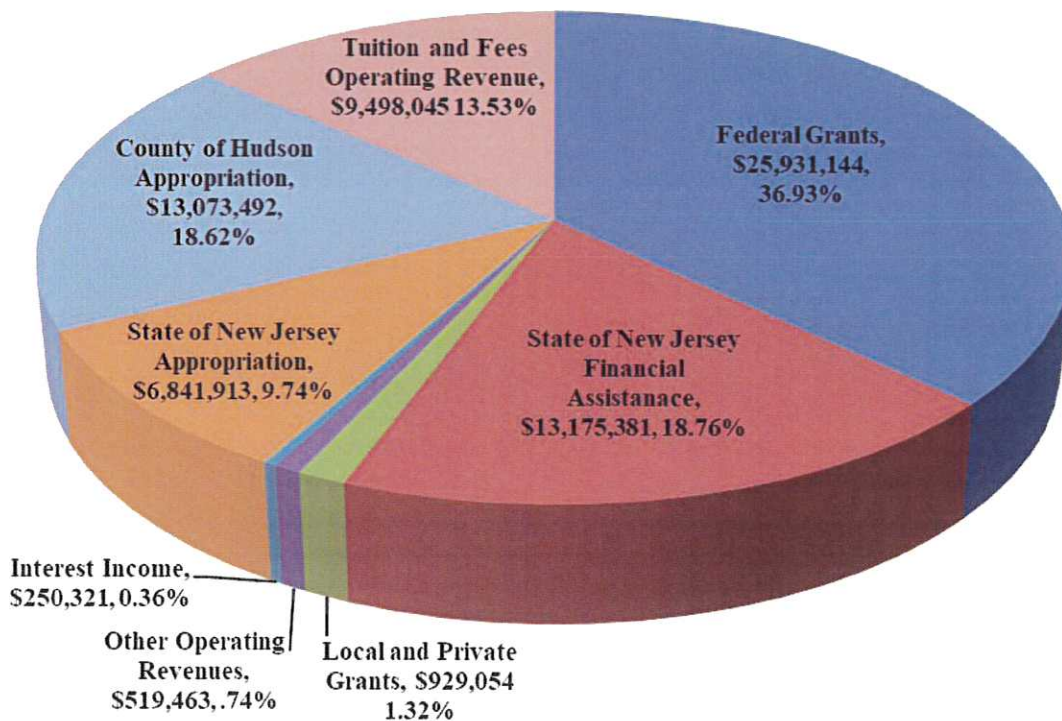
**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

***Revenue***

The College received operating and nonoperating revenue from the following main sources:

- Tuition and Fee Revenue
- Federal Grants
- State of New Jersey Grants
- Local Grants
- State of New Jersey Appropriation, and
- County of Hudson Appropriation

The following is a graphic illustration of revenue by source for the year ended June 30, 2018:



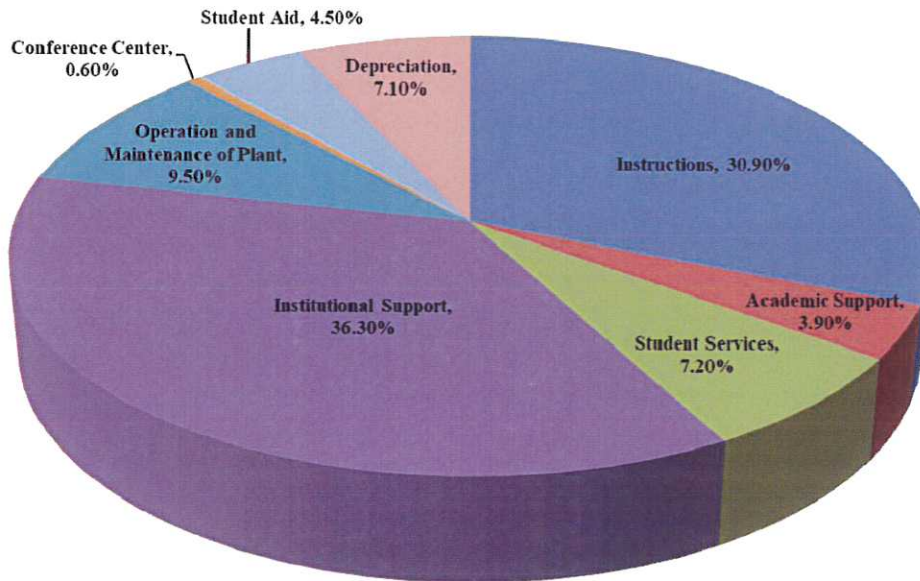


**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

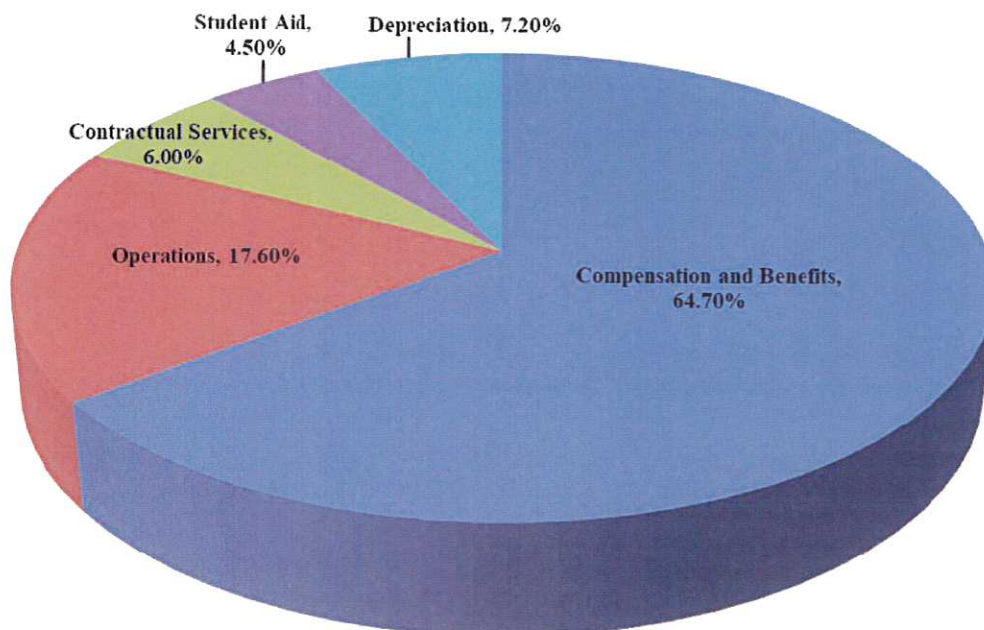
*Expenses*

A comparison of operating expenses by function and natural classifications for the year ended June 30, 2018 is as follows:

**EXPENSES BY FUNCTION**



**EXPENSES BY NATURAL CLASSIFICATION**



**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

***Capital***

In 2018, Hudson County Community College continued to implement the College's facilities Master Plan through building projects consisting of renovations of acquired facilities and construction of new facilities.

The goal of the facilities master plan are to meet significant student enrollment growth, implement new academic programs, expand current programs, develop the remaining portion of the college campus and continue to move from lease facilities to college owned facilities.

The College had \$7,009,329 in capital additions during 2018 of which \$2,874,146 was funded by capital appropriations and \$16,826,293 during 2017 of which \$11,117,005 was funded by capital appropriations. The capital additions primarily comprised building and improvements, investment in equipment and construction in progress.

During 2018 the College was approved for \$18,549,310 in capital projects of which \$17,792,909 are funded by the County and \$756,402 by the State.

The cost of expansion is a major challenge for the College. The addition of physical space and the implementation of new instructional technologies can add significant operating expenses that may exceed revenues or new revenues. The College continues to explore ways in which to expand academic offerings to support enrollments and potential sources of revenue.

***Other Economic and Financial Considerations***

The following is a description of currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position (net position) or results of operation (revenues, expenses, and other changes in net position) of the College.

The College has an internal plant fund capital projects fund balance of \$5,093,944 at June 30, 2018. This fund balance has been internally designated to cover plant and renewal projects, technology projects, and supplement Chapter 12 projects.

The College student credit enrollments have fluctuated over the years. Total student credit hours in fiscal year 2018 totaling 186,957 an increase by 1.6% when compared to fiscal year 2017 total student credit hours in the amount of 183,994.

Revenues for State Appropriations in 2018 decreased \$146,541 to \$6,841,913. Revenues for County Appropriations in 2018 increased \$493,211 to \$13,073,492.

College tuition in 2018 increased 6.00 per credit or 4.7% over 2017 to \$135.00 per credit. The College tuition rate is in the middle range of the 19 New Jersey Community Colleges and the lowest of the surrounding local sector.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

The cost of employee pensions (PERS) paid in the past by the State continues to be charged to the College. The pension payable liability in 2018 is \$1,092,307.

The College has a managed services agreement with Ellucian for ERP support. The current contract had an expiration date of July 2020 with an option to renew through June 2022.

The College was accredited by the Middle States Accreditations for ten (10) years, through 2018.

The Governor of New Jersey, Phil Murphy, selected Hudson County Community College as 1 of 13 community colleges in the State able to participate in the \$20 million award to cover tuition and fees. This initiative is anticipated to create an increase in enrollments as it will open access to education for many students who otherwise would not be able to attend college due to lack of financial resources.

***Contacting the Hudson County Community College's Financial Management***

The Management Discussion and Analysis of this financial report is designed to provide the reader with a snapshot of the Hudson County Community College's finances. Questions about this report or additional financial information can be requested from the Finance Department located at 26 Journal Square, Jersey City NJ 07306.



# DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

*Certified Public Accountants*

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Hudson County Community College  
Jersey City, New Jersey

We have audited the accompanying financial statements of the Hudson County Community College (the "College"), a component unit of Hudson County, New Jersey, as of and for the fiscal years ended June 30, 2018 and 2017 and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents. The financial statements of the Hudson County Community College Foundation, Inc, the discretely presented component unit of the College, were audited by other auditors for the years ended June 30, 2018 and 2017, whose report dated February 28, 2019, expressed an unmodified opinion on those statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Hudson County Community College as of June 30, 2018 and 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 - 8 and required pension and post-retirement medical benefits information on pages 54 - 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are not a required part of the basic financial statements.



The schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from a n relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Emphasis of Matter**

#### *Adoption of New Accounting Pronouncement*

As discussed in Note 1 to the financial statements, in 2018 the College adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and for comparative purposes has restated the financial statements for the year ended June 30, 2017. Our opinion is not modified with respect to this matter.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2019, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the College's internal control over financial reporting and compliance.



DONOHUE, GIRONDA, DORIA & TOMKINS, LLC  
*Certified Public Accountants*

Bayonne, New Jersey  
February 28, 2019

## **BASIC FINANCIAL STATEMENTS**

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current Assets:		
Unrestricted:		
Cash	\$ 34,608,711	\$ 31,995,387
Accounts Receivable	1,578,840	1,327,307
Due from County of Hudson	403,422	293,627
Other Receivables	290,171	1,297,095
Prepaid Expenses and Other Assets	197,466	236,362
Total Unrestricted	<u>37,078,610</u>	<u>35,149,778</u>
Restricted:		
Grants Receivable	<u>1,721,619</u>	<u>1,824,042</u>
Total Current Assets	<u>38,800,229</u>	<u>36,973,820</u>
Noncurrent Assets:		
Security Deposits	41,714	41,834
Capital Assets, Net	<u>139,228,205</u>	<u>143,063,548</u>
Total Noncurrent Assets	<u>139,269,919</u>	<u>143,105,382</u>
Total Assets	<u>178,070,148</u>	<u>180,079,202</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Pension Liability	<u>7,968,807</u>	<u>9,640,057</u>

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable and Accrued Expenses	\$ 3,906,029	\$ 5,395,964
Accrued Salaries and Benefits	713,092	793,161
Unearned Revenue	644,797	763,246
Other Accrued Liabilities	271,621	4,330,242
Compensated Absences	1,149,471	1,018,884
Payable from Restricted Assets:		
Other Accrued Liabilities	3,313	3,418
Unearned Revenue	45,317	35,204
Total Current Liabilities	<u>6,733,640</u>	<u>12,340,119</u>
Noncurrent Liabilities:		
Student Deposits	632,329	714,758
Compensated Absences	1,579,442	1,560,801
Net Pension Liability	25,374,599	31,140,494
Total Noncurrent Liabilities	<u>27,586,370</u>	<u>33,416,053</u>
Total Liabilities	<u>34,320,010</u>	<u>45,756,172</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Pension Liability	<u>5,499,793</u>	<u>555,851</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	139,228,205	143,063,548
Restricted Net Assets	38,580	38,580
Unrestricted	<u>6,952,367</u>	<u>305,108</u>
Total Net Position	<u>\$ 146,219,152</u>	<u>\$ 143,407,236</u>

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>OPERATING REVENUES</b>		
Student Tuition and Fees	\$ 37,866,342	\$ 33,853,640
Less: Student Financial Aid	<u>(28,368,297)</u>	<u>(27,030,099)</u>
	9,498,045	6,823,541
 Federal Grant Awards	 25,931,144	 25,045,206
State Financial Assistance	13,175,381	12,472,797
Local and Private Sponsored Programs	929,054	825,872
Other Operating Revenues	<u>519,463</u>	<u>529,400</u>
Total Operating Revenues	<u>50,053,087</u>	<u>45,696,816</u>
 <b>OPERATING EXPENSES</b>		
Instructions	22,603,890	20,569,389
Academic Support	2,870,954	3,094,176
Student Services	5,246,476	4,837,945
Institutional Support	26,575,478	27,595,178
Operation and Maintenance of Plant	6,928,844	6,899,418
Conference Center	409,454	422,383
Student Aid	3,318,243	3,876,033
Depreciation	<u>5,203,253</u>	<u>4,716,864</u>
Total Operating Expenses	<u>73,156,592</u>	<u>72,011,386</u>
 Loss from Operations	 (23,103,505)	 (26,314,570)
 <b>NONOPERATING REVENUES</b>		
State of New Jersey:		
Appropriations	6,841,913	6,988,454
Hudson County Appropriations	13,073,492	12,580,281
Interest Income	250,321	135,234
Gain on Sale of Property	<u>2,875,549</u>	<u>-</u>
Total Nonoperating Revenues	<u>23,041,275</u>	<u>19,703,969</u>
 Net (Expense) Revenue and Changes in Net Position		
Before Capital Appropriations	(62,230)	(6,610,601)
 Capital Appropriations	<u>2,874,146</u>	<u>11,117,005</u>
 Change in Net Position	2,811,916	4,506,404
Net Position, July 1	<u>143,407,236</u>	<u>138,900,832</u>
Net Position, June 30	<u><u>\$ 146,219,152</u></u>	<u><u>\$ 143,407,236</u></u>

See Accompanying Notes to Financial Statements

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and Fees	\$ 9,128,063	\$ 6,366,086
Governmental Grants	39,219,061	29,163,944
Nongovernmental Grants and Contracts	929,054	1,059,389
Other Operating Receipts	1,526,387	578,133
Payments for Employee Salaries and Benefits	(33,977,363)	(35,516,494)
Payments to Suppliers	(32,810,973)	(14,382,659)
Payments to Students for Financial Aid	(3,318,243)	(3,876,033)
Net Cash Used by Operating Activities	<u>(19,304,014)</u>	<u>(16,607,634)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
State of New Jersey Appropriations	6,841,913	8,700,827
Hudson County Appropriations	12,963,696	12,801,091
Student Organization Agency Transactions	(82,429)	(64,828)
Net Cash Provided by Noncapital Financing Activities	<u>19,723,180</u>	<u>21,437,090</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of Capital Assets	(931,715)	(5,709,286)
Sale of Property	2,875,552	-
Net Cash Used by Capital and Related Financing Activities	<u>1,943,837</u>	<u>(5,709,286)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received on Investments	250,321	135,234
Net Cash Provided by Investing Activities	<u>250,321</u>	<u>135,234</u>
Net Increase (Decrease) in Cash	2,613,324	(744,596)
Cash, July 1	31,995,387	32,739,983
Cash, June 30	<u>\$ 34,608,711</u>	<u>\$ 31,995,387</u>



**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Loss from Operations	\$ (23,103,505)	\$ (26,314,570)
Adjustments to Reconcile Loss from Operations to Net Cash Used by Operating Activities:		
Depreciation Expense	5,203,253	4,716,864
Changes in Assets:		
Accounts Receivable	(251,533)	(275,893)
Grants Receivable	102,423	575,590
Other Receivables	1,006,924	48,733
Prepaid Expenses	38,896	(50,326)
Security Deposits	120	-
Change in Deferred Outflows of Resources:		
Deferred Pension Liability	1,671,250	(5,582,126)
Changes in Liabilities:		
Accounts Payable and Accrued Expenses	(1,489,935)	2,192,427
Accrued Salaries and Benefits	(80,069)	(26,462)
Unearned Revenue	(108,336)	(1,718,803)
Other Accrued Expenses	(4,634,318)	2,401,070
Compensated Absences	149,228	(46,577)
Net Pension Liability	(5,765,895)	7,994,012
Change in Deferred Inflows of Resources:		
Deferred Pension Liability	7,957,483	(521,573)
Total Adjustments	<u>3,799,491</u>	<u>9,706,936</u>
Net Cash Used by Operating Activities	<u>\$ (19,304,014)</u>	<u>\$ (16,607,634)</u>
Non-cash investing, capital and financing activities:		
Increase in allowance for uncollectible accounts	\$ 1,601,057	\$ 2,111,245
Capital Assets acquired through Hudson County Appropriations	2,874,146	11,117,005

# HUDSON COUNTY COMMUNITY COLLEGE FOUNDATION

## Statements of Financial Position June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 405,460	\$ 600,579
Investments	1,082,124	1,080,896
Prepaid expenses	4,652	2,500
Property and equipment – net	31,805	14,040
Library and art collection	<u>206,525</u>	<u>206,525</u>
<b>Total Assets</b>	\$ <u>1,730,566</u>	\$ <u>1,904,540</u>
<b>Liabilities</b>		
Deferred revenue	\$ <u>-</u>	\$ <u>12,500</u>
<b>Total Liabilities</b>	<u>-</u>	<u>12,500</u>
<b>Net Assets</b>		
Unrestricted	1,117,650	1,078,877
Temporarily restricted	43,274	243,518
Permanently restricted	<u>569,642</u>	<u>569,642</u>
<b>Total Net Assets</b>	<u>1,730,566</u>	<u>1,892,037</u>
<b>Total Liabilities and Net Assets</b>	\$ <u>1,730,566</u>	\$ <u>1,904,537</u>

See accompanying notes.

# HUDSON COUNTY COMMUNITY COLLEGE FOUNDATION

## Statements of Activities and Changes in Net Assets For the Years Ended June 30, 2018 and 2017

	2018				2017			
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
<b>Change in Net Assets</b>								
<b>Revenue and Support</b>								
Support	\$ 3,200	\$ 147,250	\$ -	\$ 150,450	\$ 2,550	\$ 78,712	\$ -	\$ 81,262
Fund raising events	134,850	150,651	-	285,501	143,258	142,555	-	285,813
Subscription dining	8,172	-	-	8,172	17,060	-	-	17,060
Other revenue	20,775	-	-	20,775	-	-	-	-
Interest	1,608	-	-	1,608	4,654	-	-	4,654
In kind contribution of services	151,350	-	-	151,350	201,985	-	-	201,985
<b>Total Revenue and Support</b>	319,955	297,901	-	617,856	369,507	221,267	-	590,774
<b>Net Assets Released from Restrictions</b>								
Satisfaction of Purpose	498,146	(498,146)	-	-	230,642	(230,642)	-	-
<b>Total Revenue and Support</b>	818,101	(200,244)	-	617,856	600,149	(9,375)	-	590,774
<b>Expenses</b>								
Program services	478,460	-	-	478,460	344,227	-	-	344,227
Supporting services:								
Management and general	185,123	-	-	185,123	247,374	-	-	247,374
Fundraising	115,745	-	-	115,745	114,255	-	-	114,255
<b>Total Expenses</b>	779,328	-	-	779,328	705,856	-	-	705,856
<b>Change in Net Assets</b>	38,773	(200,244)	-	(161,472)	(105,707)	(9,375)	-	(115,082)
<b>Net Assets – Beginning of Years</b>	1,078,877	243,518	569,642	1,892,037	1,184,584	252,893	569,642	2,007,119
<b>Net Assets – End of Years</b>	\$ 1,117,650	\$ 43,274	\$ 569,642	\$ 1,730,565	\$ 1,078,877	\$ 243,518	\$ 569,642	\$ 1,892,037

See accompanying notes.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Hudson County Community College (the “College”), a component unit of Hudson County, New Jersey was established as a unit of the New Jersey Master Plan for Higher Education and is one of nineteen New Jersey county colleges. The College offers pre-baccalaureate preparation (A.S. and A.A. degrees) as well as programs and certificates which are designed to prepare students for employment (A.A.S. degrees). The purpose of the College is to offer high quality programs and services which are affordable, accessible, and community centered. All programs and services are designed to meet the educational needs of a diverse community and to promote the economic, technological, cultural, social and civic development of Hudson County and its service areas.

**Reporting Entity**

The financial statements present the College, (a Component Unit of Hudson County, New Jersey), and it’s discretely presented component unit, Hudson County Community College Foundation, Inc.

**Basis of Presentation**

The College’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments, including public colleges and universities, through its pronouncements (Statements and Interpretations). The College is also required to follow Accounting Principle Boards (APB) opinions and, Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure, unless those pronouncements conflict with or contradict GASB pronouncements. The College has the option to apply FASB pronouncements and APB opinions issued after that date November 30, 1989 and the College has chosen to do so. The more significant accounting policies established in GAAP and used by the College is discussed below.

The College prepares its financial statements in accordance with GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis for Public Colleges and Universities*.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus and Basis of Accounting**

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net assets and the operating statements present increases (revenues), and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are generally recognized when earned and expenses are recognized at the time the liability is incurred, regardless of when the related cash flows take place. State and County appropriations the activities of the College are reported as a business-type activity. Business type activities are required to be used for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. State and County appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Accounts Receivable**

Accounts receivable primarily consist of tuition and fee charges to students and charge backs due from counties. Accounts receivable are recorded net of estimated uncollectible amounts.

**Capital Assets**

Capital assets include land, land improvements, buildings and equipment. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add value to the asset are not capitalized. Major outlays for capital assets are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method.

**Restricted Assets**

Restricted assets include assets related to grants such as grants receivable and prepaid expenses paid for by restricted funds. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources as they are needed.

**Grants Receivable**

Grants receivable represent amounts expended under grants awarded to the College and have been recorded as current funds revenues as expended.



**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Unearned Revenue**

Tuition and fee revenues collected during the fiscal year which relate to the period after the fiscal year end have been recognized as deferred revenues. In addition, income from federal, state and local grants is deferred and recognized over the periods to which the expenses relate.

**Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event outside the control of the College and its employees, is accrued as employees earn the rights to the benefits.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense of the Public Employees Retirement System (PERS) information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows and/or inflows of resources. These separate financial statement elements, deferred outflows and/or inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) and/or inflow of resources (revenue) until then. The College has one item that qualifies for reporting in this category which is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Equity Classifications**

Equity is classified as net position and displayed in three components:

Net Investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Permanent endowments or permanent fund principal amounts included in the statement of net assets requires related restricted net assets to be displayed in two additional components – expendable and nonexpendable. *Nonexpendable* amounts are those that are required to be retained in perpetuity. All other permanent endowment amounts are reported as expendable amounts.

Unrestricted net position - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**Revenue Recognition**

Student tuition and fees are presented net of scholarships applied to student accounts, while other payments made directly to students are presented as scholarship expense and are recognized in the period earned.

Grants and contracts revenue is comprised mainly of revenues received from grants from the State of New Jersey and the federal government and are recognized as the related expenses are incurred. Amounts received from grants which have not yet been earned under the terms of the agreement is recorded as deferred revenue in the accompanying financial statements. Revenue from state and county appropriations is recognized in the fiscal year during which the State of New Jersey and Hudson County County appropriates the funds to the College.



**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Classification of Revenue**

Revenues and expenses are those that serve the College's principal purpose and generally result from exchange transactions, such as payment received for services and payment made for the purchase of goods and services. Operating revenues include: (1) student tuition and fees, net of scholarship allowances; (2) sales and services of auxiliary enterprises; and (3) most federal, state, and local grants and contracts. Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as operating and capital appropriations from the state and county and net investment income.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Other Policies**

Other significant accounting policies followed in the preparation of the accompanying financial statements are outlined below:

- a) Hudson County is responsible for the issuance of Bonds and Notes for the College's capital expenditures which are financed by Bond Ordinances. Hudson County is also responsible for the payment of interest on issued debt and the retirement of such obligations. Accordingly, the debt is reported in the financial statements of Hudson County and is not included in the accompanying financial statements of the College.
- b) Hudson County adopts capital ordinances to fund certain capital expenditures of the College. The College receives Hudson County Bond monies to fund its plant expenditures. Unexpended money in the current year is generally available for capital expenditures in subsequent years.
- c) The College is exempt from federal income taxes under Internal Revenue Code Section 115.

**Date of Management's Review**

Management has evaluated all events through February 28, 2019, the date these financial statements were available to be issued.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Reclassifications**

Certain amounts have been reclassified to conform to current year presentation.

**Adoption of New Accounting Pronouncements**

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities.

GASB Statement No. 85, Omnibus 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB.

**Restatement of Financial Statements**

As a result of implementing GASB No. 75, the College has restated the statement of revenue, expenses, and changes in net position for the year ended June 30, 2017 to retroactively recognize OPEB expense of \$7,158,891. This amount has been included as a revenue and expense for the year ended June 30, 2017 in accordance with GASB No. 85.

**Recently Issued Accounting Pronouncements to be implemented in future years**

GASB Statement No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

GASB Statement No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recently Issued Accounting Pronouncements to be implemented in future years (Continued)**

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements, will be effective beginning with the year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.

GASB Statement No. 89, Accounting for Interest Costs Incurred Before the End of a Construction Period, will be effective beginning with the year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

For purposes of the Statement of Cash Flows, the College considers cash and cash equivalents to be currency on hand, demand deposits with banks, and investment accounts and liquid investments with a maturity of three months or less when purchased.

The College has adopted a cash management plan that requires it to deposit public funds into the New Jersey State Cash Management Fund ("NJSCMF") or into institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation ("FDIC") or in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)**

N.J.S.A. 17:9-41 et. sec. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

All investments in the NJSCMF are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants by the New Jersey Cash Management Fund. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

All cash and cash equivalents on deposit are partially insured by the Federal Deposit Insurance Corporation (herein referred to as "FDIC") up to \$250,000 for each depository. Deposits in excess of FDIC limits are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act.

As of June 30, 2018 and 2017 the College's carrying amounts of deposits were \$34,608,711 and \$31,995,387 respectively, and the bank balances were \$36,023,567 and \$33,594,794, respectively. As of June 30, 2018 and 2017, \$250,000 of the total deposits were insured by the FDIC, \$26,924,933 and \$17,439,867, respectively, were invested in the New Jersey State Cash Management Fund and remainder was covered by a collateral pool maintained by the bank as required by New Jersey statutes in accordance with NJ GUDPA.

The College's component unit (discretely presented) has deposits which are exposed to custodial credit risk. At, \$166,596 and \$364,428, respectively, of the Foundations' bank balances were uninsured and the collateral held by the pledging banks' trust department was not in the Foundations' name.



**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)**

Bank deposits as of the balance sheet are required to be classified as to credit risk. Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the College. Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits may not be returned to it.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the College will not be able to recover deposits or collateral securities that are in the possession of an outside party. The College does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

- a. Uncollateralized.
- b. Collateralized with securities held by the pledging financial institution.
- c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the College's name.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits. None of the College's deposits as of June 30, 2018 and 2017 are held in foreign currency.

Under GUDPA, financial institutions are not required to pledge collateral for amounts covered by FDIC insurance. Noninterest-bearing transaction accounts are insured by the Dodd-Frank Deposit Insurance Provision of the FDIC. The amount noted as "GUDPA Insured" above includes deposits covered by the Dodd-Frank Provision as well as GUDPA.

**NOTE 3 - COMPONENT UNIT**

The College adopted the GASB Statement, *Determining Whether Certain Organizations Are Component Unit*. The GASB Statement establishes additional guidance on the application of existing standards for the assessment of potential component units in determining the financial reporting entity.

The College Foundation, Inc. (the "Foundation") was organized under a separate Board of Trustees from the College in 2001 for the benefit of the College, faculty and students of the College, and the community. The primary function of the Foundation is to obtain contributions and award scholarships.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 3 - COMPONENT UNIT (Continued)**

The Foundation received a Determination Letter from the Internal Revenue Service concluding that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The resources held by the Foundation can only be used by, or for the benefit of, the College. Therefore, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

During the years ended June 30, 2018 and 2017, the Foundation distributed \$312,936 and \$269,700 respectively, to the College for scholarships. Complete financial statements for the Foundation can be obtained from the Finance Department of the College, Jersey City, New Jersey.

The Foundation is a private not-for-profit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features which taken as a whole are not material to the College's financial statements of the College. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

**NOTE 4 - ACCOUNTS RECEIVABLE**

At June 30, 2018 and 2017, the College's accounts receivable were as follows:

	2018	2017
Tuition and Fees	\$ 23,371,546	\$ 21,466,030
Less: Allowance for Doubtful Accounts	<u>(21,792,706)</u>	<u>(20,138,723)</u>
Total Accounts Receivable	<u>\$ 1,578,840</u>	<u>\$ 1,327,307</u>
Due from County of Hudson:		
Capital Appropriations	<u>\$ 403,422</u>	<u>\$ 293,627</u>
Grants Receivable:		
Federal	\$ 1,394,475	\$ 1,486,927
State	<u>327,144</u>	<u>337,115</u>
Total Grants Receivable	<u>\$ 1,721,619</u>	<u>\$ 1,824,042</u>



**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 5 - CAPITAL ASSETS**

Depreciation expense was \$5,203,253 and \$4,716,864 for the years ended June 30, 2018 and 2017, respectively.

The County of Hudson issued bonds in the amount of \$0 and \$3,100,000 during the years ended June 30, 2018 and 2017, respectively, for the College's capital projects under the County College Bond Act, 1971 NJ Laws C.12, as amended during the year ended June 30, 2010. The County of Hudson made available to the College the Chapter 12 Bond Program funding for the acquisition, construction, renovation and furnishing of capital projects in the Union City area and the Journal Square area of Jersey City for permanent use by the College.

The detail of capital asset activity for the year ended June 30, 2018 is as follows:

	Balance at June 30, 2017	Transfers	Additions	Disposals	Balance at June 30, 2018
Capital Assets:					
Non-Depreciable:					
Land	\$ 14,413,762	\$ -	\$ -	\$ (1,316,939)	\$ 13,096,823
Construction in Progress	23,626,951	(22,283,914)		-	1,343,037
Total Non-Depreciable	<u>38,040,713</u>	<u>(22,283,914)</u>	<u>-</u>	<u>(1,316,939)</u>	<u>14,439,860</u>
Depreciable:					
Buildings and Improvements	139,108,499	22,283,914	6,943,862	(10,631,517)	157,704,758
Equipment	11,230,742	-		(8,229,867)	3,000,875
Library Books	1,155,108	-	65,467	-	1,220,575
Total Depreciable at Historical Cost	<u>151,494,349</u>	<u>22,283,914</u>	<u>7,009,329</u>	<u>(18,861,384)</u>	<u>161,926,208</u>
Less: Accumulated Depreciation:					
Buildings and Improvements	(36,829,169)	-	(3,615,992)	6,544,461	(33,900,700)
Equipment	(8,661,687)	-	(1,525,693)	7,992,443	(2,194,937)
Library Books	(980,658)	-	(61,568)	-	(1,042,226)
Total Accumulated Depreciation	<u>(46,471,514)</u>	<u>-</u>	<u>(5,203,253)</u>	<u>14,536,904</u>	<u>(37,137,863)</u>
Depreciable Capital Assets, Net	<u>105,022,835</u>	<u>22,283,914</u>	<u>1,806,076</u>	<u>(4,324,480)</u>	<u>124,788,345</u>
Capital Assets, Net	<u>\$ 143,063,548</u>	<u>\$ -</u>	<u>\$ 1,806,076</u>	<u>\$ (5,641,419)</u>	<u>\$ 139,228,205</u>

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 5 - CAPITAL ASSETS (Continued)**

The detail of capital asset activity for the year ended June 30, 2017 is as follows:

	Balance at June 30, 2016	Transfers	Additions	Disposals	Balance at June 30, 2017
Capital Assets:					
Non-Depreciable:					
Land	\$ 14,413,762	\$ -	\$ -	\$ -	\$ 14,413,762
Construction in Progress	7,877,841	(78,221)	15,827,331	-	23,626,951
Total Non-Depreciable	<u>22,291,603</u>	<u>(78,221)</u>	<u>15,827,331</u>	<u>-</u>	<u>38,040,713</u>
Depreciable:					
Buildings and Improvements	138,332,668	78,221	697,610	-	139,108,499
Equipment	11,015,213	-	215,529	-	11,230,742
Library Books	1,069,285	-	85,823	-	1,155,108
Total Depreciable at Historical Cost	<u>150,417,166</u>	<u>78,221</u>	<u>998,962</u>	<u>-</u>	<u>151,494,349</u>
Less: Accumulated Depreciation:					
Buildings and Improvements	(33,251,461)	-	(3,577,708)	-	(36,829,169)
Equipment	(7,579,982)	-	(1,081,705)	-	(8,661,687)
Library Books	(923,208)	-	(57,450)	-	(980,658)
Total Accumulated Depreciation	<u>(41,754,651)</u>	<u>-</u>	<u>(4,716,863)</u>	<u>-</u>	<u>(46,471,514)</u>
Depreciable Capital Assets, Net	<u>108,662,515</u>	<u>78,221</u>	<u>(3,717,901)</u>	<u>-</u>	<u>105,022,835</u>
Capital Assets, Net	<u>\$ 130,954,118</u>	<u>\$ -</u>	<u>\$ 12,109,430</u>	<u>\$ -</u>	<u>\$ 143,063,548</u>

**NOTE 6 – UNEARNED REVENUES**

At June 30, 2018 and 2017, the College's unearned revenues were as follows:

	2018	2017
Unearned Student Tuition and Fees	<u>\$ 644,797</u>	<u>\$ 763,246</u>
Unearned Grant Revenue:		
Federal	\$ 12,093	\$ 12,095
State	7,010	12,578
Local	<u>26,214</u>	<u>10,531</u>
Total Unearned Grant Revenue	<u>\$ 45,317</u>	<u>\$ 35,204</u>

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 7 - RETIREMENT SYSTEMS**

All required employees of the College are covered by either the Public Employees' Retirement System (PERS) and the Alternate Benefit Program (ABP), which presently makes contributions to Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA/CREF), Aetna Life Insurance Company, Lincoln Life Insurance Company, Metropolitan Life Insurance Company, Travelers Life Insurance Company and VALIC. PERS is a cost-sharing, multiple-employer defined benefit pension plan administered by the State of New Jersey. The ABP alternatives are administered by a separate Board of Trustees. Generally all employees, except certain part-time employees, participate in one of these plans.

**Public Employees' Retirement System (PERS)**

The PERS was established in January 1955 under provisions of N.J.S.A. 43:15A and provides coverage to substantially all full-time employees of the Authority provided the employee is not a member of another State administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

The following represents the membership tiers for PERS:

<b>Tier</b>	<b>Definition</b>
1	Members who were enrolled prior to July 1, 2007
2	Employees eligible for enrollment after June 30, 2007 but before November 2, 2008
3	Employees eligible for enrollment after November 1, 2008 but before May 22, 2010
4	Employees eligible for enrollment after May 21, 2010 but before June 28, 2011
5	Employees eligible for enrollment after June 27, 2011

Service retirement benefits of the 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65.

Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of their respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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**NOTE 7 - RETIREMENT SYSTEMS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

Each of the 5 Tiers have eligibility requirements and benefit calculations which vary for deferred retirements, early retirements, veteran retirements, ordinary disability retirements and accidental disability retirements. There is no minimum service requirement to receive these pension benefits. State-paid insurance coverage may be obtained after 25 years of service for employees in Tiers 1 through 4 and 30 years of service for Tier 5 employees.

According to state law, all obligations of PERS will be assumed by the State of New Jersey should the PERS be terminated.

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the PERS. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in fiscal year 2012. The member contribution rate was 6.92% in the State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of all retirement systems.

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**NOTE 7 - RETIREMENT SYSTEMS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

**Plan Amendments**

The authority to amend the provisions of PERS rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

**Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.



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**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 7 - RETIREMENT SYSTEMS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Investments are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**Funding Status and Funding Progress**

As of July 1, 2016, the most recent actuarial valuation date, the aggregate funded ratio and unfunded accrued liability for local PERS is 48.10% and \$23.3 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2016 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five-year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.00% and (b) projected salary increases applied through the year 2026 of 1.65-5.15 % based on age for the PERS.



**HUDSON COUNTY COMMUNITY COLLEGE  
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NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 7 - RETIREMENT SYSTEMS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

**Employer and Employee Contribution Requirements**

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in fiscal year 2012. The member contribution rate was 7.34% and 7.20% in the State fiscal year 2018 and 2017, respectively. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The final phase-in of the additional incremental member contribution rate took place on July 1, 2018, reaching 7.5%. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits.

**Annual Pension Costs (APC)**

For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension cost equals contributions made. PERS employer contributions are made annually by the College to the pension system in accordance with Chapter 114, P.L. 1997.

The College's and employees' contributions to PERS for the past three years were as follows:

<b>Year Ended June 30,</b>	<b><u>Employer Contribution</u></b>		<b><u>Employee Contributions</u></b>	<b><u>Pensionable Wages</u></b>
	<b><u>Gross College Contribution</u></b>	<b><u>Percentage of Covered Payroll</u></b>		
2018	\$ 985,569	9.31%	\$ 722,225	\$ 10,589,813
2017	938,638	9.31%	687,834	10,085,536
2016	815,557	8.96%	509,723	9,100,123

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**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 7 - RETIREMENT SYSTEMS (Continued)**

**PERS Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

GASB Statement No. 68, *Accounting and Financial Reporting for Pension* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date – an amendment of GASB No. 68* require participating employers in pension plans to recognize their proportionate share of their collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the fiscal year ended June 30, 2017. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective pension expense excluding that attributable to employer paid member contributions are determined separately for each individual employer of the State and local groups of the plan. To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2017 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2017.

At June 30, 2018 and 2017, the College's proportionate share of net pension liability for PERS was \$25,374,599 and \$31,140,494, respectively. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the College's proportion was 0.1090%, which was an increase of 0.0039% from its proportion measured as of June 30, 2017. At June 30, 2017, the College's PERS proportion was 0.1051%, which was an increase of 0.0020% from its proportion measured as of June 30, 2016.

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**NOTE 7 - RETIREMENT SYSTEMS (Continued)**

**PERS Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

For the years ended June 30, 2018 and 2017, the College recognized PERS pension expense of \$916,428 and \$1,981,408 respectively. At June 30, 2018 and 2017, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018		2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 597,484	\$ -	\$ 579,119	\$ -
Changes in assumptions	5,112,107	5,093,365	6,450,647	-
Net differences between projected and actual investment earnings on pension plan investments	172,784	-	1,187,415	-
Changes in proportion	994,125	406,428	397,700	555,851
Total Deferred Outflows and Inflows of resources				
before District contributions before measurement date	6,876,500	5,499,793	8,614,881	555,851
District contributions subsequent to measurement date	1,092,307	-	1,025,176	-
Total	<u>\$ 7,968,807</u>	<u>\$ 5,499,793</u>	<u>\$ 9,640,057</u>	<u>\$ 555,851</u>

College contributions subsequent to the measurement date for the fiscal years ended June 30, 2018 and 2017 in the amounts of \$1,102,191 and \$903,552 are recognized as a reduction of the net pension liability subsequent to their corresponding fiscal years ended. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended</b>	
<b>June 30,</b>	<b>Amount</b>
2019	\$ 673,889
2020	982,410
2021	440,980
2022	(211,946)
2023	(508,626)
Total	<u>\$ 1,376,707</u>

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**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 7 - RETIREMENT SYSTEMS (Continued)**

**PERS Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Actuarial Assumptions*

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. These actuarial valuations used the following actuarial assumptions applied to all periods in the measurement.

	<u>2018</u>	<u>2017</u>
Inflation rate	2.25%	3.08%
Salary increases:		
Through 2026	1.65-4.15% based on age	1.65-4.15% based on age
Thereafter	2.65-5.15% based on age	2.65-5.15% based on age
Investment rate of return	7.00%	7.65%

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.



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**NOTE 7 - RETIREMENT SYSTEMS (Continued)**

**PERS Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 and 2016 are summarized in the following table:

Asset Class	2017		2016	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%	0.00%	0.00%
Cash	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Investment grade credit	10.00%	3.78%	8.00%	1.79%
Mortgages	0.00%	0.00%	2.00%	1.67%
High yield bonds	2.50%	6.82%	2.00%	4.56%
Global diversified credit	5.00%	7.10%	0.00%	0.00%
Credit oriented hedge funds	1.00%	6.60%	0.00%	0.00%
Debt related private equity	2.00%	10.63%	0.00%	0.00%
Debt related real estate	1.00%	6.61%	0.00%	0.00%
Private real asset	2.50%	11.83%	0.00%	0.00%
Equity related real estate	6.25%	9.23%	0.00%	0.00%
Inflation-indeed bonds	0.00%	0.00%	1.50%	3.44%
Broad US equities	30.00%	8.19%	26.00%	8.53%
Developed foreign equities	11.50%	9.00%	13.25%	6.83%
Emerging market equities	6.50%	11.64%	6.50%	9.95%
Buyouts/venture capital	8.25%	13.08%	0.00%	0.00%
Private equities	0.00%	0.00%	9.00%	12.40%
Hedge funds/absolute return	0.00%	0.00%	12.50%	4.68%
Real estate (property)	0.00%	0.00%	2.00%	6.91%
Commodities	0.00%	0.00%	0.50%	5.45%
Global debt ex US	0.00%	0.00%	5.00%	-0.25%
REIT	0.00%	0.00%	5.25%	5.63%

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**NOTE 7 - RETIREMENT SYSTEMS (Continued)**

**PERS Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions.

Based on those assumptions, the plan's fiduciary net position was projected as of June 30, 2017 and 2016 to be available to make projected future benefit payments of current plan members through 2040 and 2034, respectively. Therefore, the long-term expected rate of return on plan investments as of June 30, 2017 and 2016 was applied to projected benefit payments through 2040 and 2034, respectively, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the College's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the College's proportionate share of the net pension liability of the as of June 30, 2018 and 2017 (June 30, 2017 and 2016, respectively Measurement Date), calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<b>2018</b>		
	<b>1% Decrease (4.00%)</b>	<b>Current Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
College's proportionate share of PERS net pension liability	\$ 31,478,912	\$ 25,374,599	\$ 20,288,949



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**NOTE 7 - RETIREMENT SYSTEMS (Continued)**

**PERS Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Sensitivity of the College's proportionate share of the net pension liability to changes in the discount rate. (Continued)*

	<b>2017</b>		
	<b>1% Decrease (4.39%)</b>	<b>Current Discount Rate (5.39%)</b>	<b>1% Increase (6.39%)</b>
College's proportionate share of PERS net pension liability	\$ 38,159,041	\$ 31,140,494	\$ 25,346,075

The sensitivity analysis was based on the proportionate share of the College's net pension liability at June 30, 2017 and 2016. A sensitivity analysis specific to the College's net pension liability was not provided by the pension system.

*Pension Plan fiduciary net position*

Detailed information about the pension plans' fiduciary net position are available in the separately issued financial reports. These reports may be accessed via the New Jersey Division of Pension and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

*Payable to the pension plan*

At June 30, 2018 and 2017, respectively, the College reported accounts payable to the PERS of \$1,092,307 and \$1,025,176 for the required actuarially determined contribution to PERS for the years ended.

**Alternate Benefit Program Information (ABP)**

ABP provides the choice of seven investment carriers all of which are privately operated defined contribution retirement plans. The College assumes no liability for ABP members other than payment of contributions. ABP provides retirement and death benefits for, or on behalf of, those full-time professional employees and faculty members electing to participate in this optional retirement program. Participation eligibility as well as contributory and non-contributory requirements are established by the State of New Jersey Retirement and Social Security Law.

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**NOTE 7 - RETIREMENT SYSTEMS (Continued)**

**Alternate Benefit Program Information (ABP) (Continued)**

Employer contributions to ABP are paid by the State of New Jersey; however, such contributions have not been reflected as revenue and expense in the accompanying financial statements.

Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits vest after the completion of one year of service. Individually owned annuity contracts that provide for full ownership of retirement and survivor benefits are purchased at the time of vesting. Participating College employees contribute 5% of salary and may contribute a voluntary additional contribution up to the maximum federal statutory limit, on a pre-tax basis. Employer contributions are 8%. The State of New Jersey reimburses the College a portion of employer contributions for certain classified positions relating to direct student education. The College's and employees' contributions to ABP for the past three years were as follows:

<u>Year Ended June 30,</u>	<u>Employer Contributions</u>		<u>Employee Contributions</u>	<u>Pensionable Salaries</u>
	<u>Gross College Paid</u>	<u>State Reimbursed</u>		
2018	\$ 985,569	\$ 948,730	\$ 722,225	\$ 10,589,813
2017	938,638	903,552	687,834	10,085,536
2016	815,557	815,557	620,628	9,100,123

**NOTE 8 - POST-RETIREMENT MEDICAL BENEFITS**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for county colleges.

As a result of implementing GASB Statement No. 74 Financial Reporting for *Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2017. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

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**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 8 - POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**State Health Benefit Program Fund – Local Education Retired** (including Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage to qualified retired education participants. The State of New Jersey provides employer-paid coverage to members of the teachers pension annuity fund (TPAF) who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and ABP who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for the above fund. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

At June 30, 2016, the total plan membership for the State of New Jersey consisted of the following:

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	<u>142,331</u>
Total	<u>366,078</u>



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**NOTE 8 - POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Measurement Focus and Basis of Accounting**

The financial statements of the post-retirement health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using economic resources measurement focus.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Funded Status and Funding Progress**

As of July 1, 2016, the most recent actuarial valuation date, the unfunded actuarial accrued liability for OPEB is \$69.3 billion which is made up of \$25.5 billion for State active and retired members and \$43.8 billion for education employees and retired members that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

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**NOTE 8 - POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Actuarial Methods and Assumptions**

In the July 1, 2016 OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c.384 and P.L. 1990, c.6 required the TPAF and the PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides employer-paid health benefits to members of PERS and ABP who retired from a board of education or county college with 25 years of service. The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in fiscal year 2017.

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for PERS and ABP retirees' post-retirement benefits on behalf of the College was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized as both a revenue and expenditure in accordance with GASB Statement No. 85.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 8 - POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

GASB Statement No. 75 requires participating employers in the State Health Benefits Program Fund Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows or resources, collective deferred inflows of resources and collective OPEB expense excluding the attributable to retiree-paid member contributions. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2017. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the College is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the College. Accordingly, the College's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability, attributable to the College. Therefore, in addition, the College does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2018 and 2017, the College recognized OPEB expense of \$7,526,533 and \$7,158,891, respectively. These amounts have been included as a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 and 2017 the State's proportionate share of the OPEB liability attributable to the College is \$53,569,430 and \$54,844,428, respectively. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the College at June 30, 2017 and 2016 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2017 and 2016, respectively. At June 2017, the State's share of the OPEB liability attributable to the College was 0.0998% which was an increase of 0.0050% from its proportion measured as of June 30, 2016 of 0.0948%.



**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 8 - POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

*Actuarial Assumptions*

The OPEB liability for the June 30, 2017, measurement date was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The OPEB liability for the June 30, 2016, measurement date was determined by an actuarial valuation as of June 30, 2015, which was rolled forward to June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate: 2.50%

	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	1.55 – 4.55% based on years of service	2.15 – 4.15% based on age	2.10 – 8.98% based on age
Thereafter	2.00 – 5.45% based on years of service	3.15 – 5.15% based on age	3.10 – 9.98% based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017, valuation was based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2010 - June 30, 2013, and July 1, 2011 - June 30, 2014 for TPAF, PFRS and PERS, respectively.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 8 - POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

*Health Care Trend Assumptions*

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% and decreases to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

*Long-Term Expected Rate of Return*

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2017.

*Discount Rate*

The discount rate for June 30, 2017 and 2016, was 3.58% and 2.85%, respectively. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/ Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 8 - POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

*Change in the Total OPEB Liability*

The change in the State's proportionate share of the OPEB liability attributable to the College for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2016 measurement date	\$ 54,844,428
Changes reconized for the fiscal year:	
Service cost	6,301,791
Interest on the total OPEB liability	1,725,757
Changes in assumptions	(8,107,453)
Gross benefit payments	(1,240,782)
Contributions from the member	45,689
Net changes	<u>(1,274,998)</u>
Balance, June 30, 2017 measurement date	<u>\$ 53,569,430</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the College at June 30, 2017. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the College for the fiscal year ended June 30, 2017 was not provided by the pension system.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 8 - POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

*Sensitivity of OPEB Liability*

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the College as of June 30, 2017, calculated using the discount rate disclosed above, as well as the State's proportionate share of the OPEB liability attributable to the College that would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	<u>At 1% Decrease (2.58%)</u>	<u>At Current Discount Rate (3.58%)</u>	<u>At 1% Increase (4.58%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the College	\$ 63,590,778	\$ 53,569,430	\$ 45,620,401

*Sensitivity of total OPEB liability to changes in the healthcare cost trend rates.* The following presents the State's proportionate share of the OPEB liability attributable to the College as of June 30, 2017, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1% point lower or 1% point higher than the current rate:

	<u>1 % Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the College	\$ 44,055,678	\$ 53,569,430	\$ 66,203,581

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 9 - COMPENSATED ABSENCES**

The College accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

College's employees are granted varying amounts of vacation and sick leave in accordance with the College's personnel policy. Upon termination, employees are paid for accrued vacation. The College's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the College for the unused sick leave in accordance with the College's agreements with the various employee unions. The College policies allow for payments of accumulated sick time, not to exceed \$15,000, to employees with ten years of service or more. In the Statement of Net Assets, the liabilities are reported in two components – current (amounts due within one year) and noncurrent (amounts due in more than one year).

During the fiscal year ended June 30, 2018 and 2017, the following changes occurred in liabilities reported as compensated absences:

	<u>Balance at June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2018</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Compensated Absences	\$ 2,579,685	\$ 130,587	\$ (18,641)	\$ 2,728,913	\$ 1,149,471	\$1,579,442
	<u>Balance at June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2017</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Compensated Absences	\$ 2,487,851	\$ 354,065	\$ 262,231	\$ 2,579,685	\$ 1,018,884	\$1,560,801

**NOTE 10 - LEASE COMMITMENTS**

The College leases classrooms, office space and office equipment classified as operating leases. Rental expense was approximately \$736,537 in 2018 and \$830,776 in 2017.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 10 - LEASE COMMITMENTS (Continued)**

Future minimum rental commitments under and these operating leases approximate the following:

<b>Year Ending</b>	
<b>June 30,</b>	<b>Amount</b>
2019	\$ 465,418
2020	500,475
2021	477,462
2022	144,900
2023	144,900

The College rents property under a month to month agreement. The College reported rental income for the years ended June 30, 2018 and 2017 in the amounts of \$21,350 and \$49,044, respectively.

**NOTE 11 - RISK MANAGEMENT**

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College maintains commercial insurance coverage for property and liability.

For worker's compensation insurance the College belongs to the New Jersey Community College Insurance Pool Worker's Compensation Fund (the "Insurance Pool"). The Insurance Pool was created by agreement among the founding community colleges, on June 24, 1987, a non-profit self-insurance pool, pursuant to the provisions of the New Jersey State Government Regulations Act, Chapter 204, P.L. 1985. Effective July 1, 1987, the Insurance Pool established a Workers' Compensation Fund providing workers' compensation insurance to its members. Premium payments are made to the insurance pool by participating community colleges as determined by the Insurance Pool's independent insurance consultant.

**NOTE 12 - FINANCIAL DEPENDENCY**

One of the College's largest sources of revenue is appropriations from Hudson County and the State of New Jersey. The College is economically dependent on these appropriations to carry on its operations.



**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 13 - CONTINGENCIES**

**Litigation**

The College maybe party to legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the ultimate outcome of the claims and litigation, if any, will not have a material adverse effect on the College's financial position.

**Grants**

The College received financial assistance from the State of New Jersey and the U.S. Government in the form of grants and financial assistance. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including expenditure of the funds for eligible purposes. The College is subject to the requirements of the Single Audit Act of 1984, as amended in 1996, which mandates that all revenues and expenditures from the grants and financial assistance are audited in conjunction with the College's financial statements for compliance with grant requirements. As of June 30, 2018, the College estimates that no material liabilities will result from such audits.

## **REQUIRED SUPPLEMENTARY INFORMATION**

### **PART II**

HUDSON COUNTY COMMUNITY COLLEGE  
(A Component Unit of Hudson County, New Jersey)  
**SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**  
**LAST FOUR FISCAL YEARS**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
College's proportion of the net pension liability	0.109004902%	0.105143518%	0.103111575%	0.107551610%
College's proportionate share of the net pension liability	\$ 25,374,599	\$ 31,140,494	\$ 23,146,482	\$ 20,136,604
College's covered-employee payroll	10,589,813	10,085,536	9,100,123	7,411,708
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	239.61%	308.76%	254.35%	271.69%
Plan fiduciary net position as a percentage of the total pension liability	52.00%	52.08%	52.08%	52.00%

Note: The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a 10-year trend is compiled, the College will only present information for those years for which information is available.

HUDSON COUNTY COMMUNITY COLLEGE  
(A Component Unit of Hudson County, New Jersey)  
SCHEDULE OF COLLEGE CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)  
LAST FOUR FISCAL YEARS

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 985,569	\$ 903,552	\$ 934,080	\$ 886,483
Contributions in relation to the contractually required contribution	<u>985,569</u>	<u>903,552</u>	<u>934,080</u>	<u>886,483</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered-employee payroll	\$ 10,589,813	\$ 10,085,536	\$ 9,100,123	\$ 7,411,708
Contributions as a percentage of covered-employee payroll	9.31%	8.96%	10.26%	11.96%

Note: The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a 10-year trend

HUDSON COUNTY COMMUNITY COLLEGE  
(A Component Unit of Hudson County, New Jersey)  
**SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF OPEB LIABILITY**  
**ATTRIBUTABLE TO THE COLLEGE AND RELATED RATIOS**  
**STATE HEALTH BENEFITS LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN**  
**LAST FISCAL YEAR**

	<u>June 30, 2018</u>
Balance, June 30, 2016 measurement date	\$ 54,844,428
Changes reconized for the fiscal year:	
Service cost	6,301,791
Interest on the total OPEB liability	1,725,757
Changes in assumptions	(8,107,453)
Gross benefit payments	(1,240,782)
Contributions from the member	45,689
Net changes	<u>(1,274,998)</u>
Balance, June 30, 2017 measurement date	<u>\$ 53,569,430</u>
College's proportionate share of OPEB liability	\$ -
State's proportionate share of OPEB liability	<u>53,569,430</u>
Total OPEB liability	<u>\$ 53,569,430</u>
College's covered employee payroll	\$ 20,171,072
Total OPEB Liability as a percentage of covered employee payroll	265.576%

Note: The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requiemment to show information for 10 years in accordance with GASB Statement No. 75. However, until a 10-year trend is compiled, the College will only present information for those years for which information is available.



**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**Notes to the Required Supplementary Information**  
**for the Fiscal Year Ended June 30, 2018**

	<u>Public Employees' Retirement System (PERS)</u>	<u>Teachers Pension and Annuity Fund (TPAF)</u>	<u>State Health Benefit Local Education Retired Employees OPEB Plan</u>
Change in benefits	None	None	None
Changes in assumptions:			
Discount rate:			
As of June 30, 2017	5.00%	4.25%	2.85%
As of June 30, 2016	3.98%	3.22%	3.58%
Municipal bond rate:			
As of June 30, 2017	3.58%	3.58%	3.58%
As of June 30, 2016	2.85%	2.85%	2.85%
Inflation rate:			
As of June 30, 2017	2.25%	2.25%	2.50%
As of June 30, 2016	3.08%	2.50%	
Long-term expected rate of return on pension plan investments:			
As of June 30, 2017	7.00%	7.00%	Not Applicable
As of June 30, 2016	7.65%	7.65%	Not Applicable

## **SINGLE AUDIT SECTION**

# DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Trustees  
Hudson County Community College  
Jersey City, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hudson County Community College (the "College"), a component unit of Hudson County, New Jersey, which collectively comprise the College's basic financial statements and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated February 28, 2019. The financial statements of the Hudson County Community College Foundation, Inc., the discretely presented component unit of the College, were audited by other auditors for the years ended June 30, 2018 and 2017, whose report dated February 26, 2019, expressed an unmodified opinion on those statements.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
DONOHUE, GIRONDA, DORIA & TOMKINS, LLC  
*Certified Public Accountants*

Bayonne, New Jersey  
February 28, 2019



# DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

*Certified Public Accountants*

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

The Board of Trustees  
Hudson County Community College  
Jersey City, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Hudson County Community College's, (the "College") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the College's major federal and state programs for the year ended June 30, 2018. The College's major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the College's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and *New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the College's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the College complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018.

### **Report on Internal Control Over Compliance**

Management of the Hudson County Community College is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

*Donohue, Gironde, Doria & Tomkins LLC*

DONOHUE, GIRONDA, DORIA & TOMKINS, LLC  
*Certified Public Accountants*

Bayonne, New Jersey  
February 28, 2019

**HUDSON COUNTY COMMUNITY COLLEGE**  
(A Component Unit of Hudson County)  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/ Passed through Grantor/ Program or Cluster Title	Federal CFDA Number	FAIN Number	Award Amount	Grant Period		June 30, 2017		Expenditures	Adjustments	June 30, 2018		Cumulative Expenditures
				From	To	Accounts Receivable	Unearned Revenue			Accounts Receivable	Unearned Revenue	
U.S. Department of Labor: Passed through Jersey City Office of Employment and Training Placement in High Growth and Emerging Industry Sectors Trade Adjustment Assistance Community College and Career Training Trade Adjustment Assistance Community College and Career Training Total U.S. Department of Labor	17.82 17.82	*	\$ 363,911 168,789	10/01/17 10/01/16	09/30/18 09/30/17	\$ - (62,776)	\$ - -	\$ (231,057) 62,776	\$ - -	\$ (58,530) -	\$ - -	\$ (231,057) (164,477)
National Science Foundation: Northern New Jersey Bridges to the Baccalaureate Degree (NNJ B2B) Northern New Jersey Bridges to the Baccalaureate Degree (NNJ B2B) Total National Science Foundation	47.076 47.076	*	96,548 82,125	08/01/17 08/15/16	07/31/18 07/31/17	- (64,277)	- -	(30,586) 64,277	- -	(30,586) (30,586)	- -	(30,586) (64,277)
U.S. Department of Education: Student Financial Assistance Cluster: Federal Supplemental Educational Opportunity Grants Federal Supplemental Educational Opportunity Grants Federal Work Study Programs Federal Work Study Programs Federal Pell Grant Program Federal Pell Grant Program Federal Direct Student Loans Federal Direct Student Loans Total Student Financial Assistance Cluster	84.007 84.007 84.033 84.033 84.063 84.063 84.268 84.268	*	313,600 307,845 302,675 307,847 25,506,423 22,963,527 4,860,105 4,709,385	09/01/17 09/01/16 07/01/17 07/01/16 09/01/17 09/01/16 09/01/17 09/01/16	08/31/18 08/31/17 06/30/18 06/30/17 08/31/18 08/31/17 08/31/18 08/31/17	- (9,634) (468) (468) (674,573) (674,573) - (187,583)	- - - - - - - -	(291,394) (291,394) (298,466) (298,466) (23,723,791) (23,723,791) (4,284,140) (4,284,140)	- - - - - - - -	(45,250) (45,250) (15,546) (15,546) (610,726) (610,726) (89,140) (89,140)	- - - - - - - -	(291,394) (314,031) (298,466) (269,474) (23,723,791) (22,966,287) (4,284,140) (4,860,109)
Title V - Higher Education: Opening the Gate- Improving Mathematics Success for STEM Careers Opening the Gate- Improving Mathematics Success for STEM Careers	84.031C 84.031C	*	21,328 83,470	10/01/14 10/01/17	09/30/15 08/31/18	(15,984) (15,984)	- -	(58,853) 2,287	- -	(15,984) (58,576)	- -	(138,179) (56,276)
Picking Up the Pace- Ensuring Hispanic Degree Completion Picking Up the Pace- Ensuring Hispanic Degree Completion Picking Up the Pace- Ensuring Hispanic Degree Completion Picking Up the Pace- Ensuring Hispanic Degree Completion Picking Up the Pace- Ensuring Hispanic Degree Completion Picking Up the Pace- Ensuring Hispanic Degree Completion Total Title V - Higher Education	84.031S 84.031S 84.031S 84.031S 84.031S 84.031S	*	311,548 35,000 308,541 5,500 331,068 635,978	10/01/17 10/01/17 10/01/16 10/01/15 10/01/15 10/01/13	09/30/18 09/30/18 09/30/17 09/30/16 09/30/18	- - (93,260) (2,500) (55,738) (151,527)	- - 1,384 1,384	(173,322) (21,611) (182,713) (3,080) (240,409) (621,055)	- - - (1,384) (1,384)	(78,565) (21,611) (136,856) (5,500) (63,971) (285,086)	- - - - -	(173,322) (21,611) (566,282) (5,500) (208,740) (775,284)

The accompanying Notes to Schedules of Expenditure of Federal Awards and State Financial Assistance are an integral part of this schedule

HUDSON COUNTY COMMUNITY COLLEGE  
(A Component Unit of Hudson County)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/ Program or Cluster Title	Federal CFDA Number	FAIN Number	Award Amount	Grant Period		June 30, 2017		Cash Received	Expenditures	Adjustments	June 30, 2018		Cumulative Expenditures
				From	To	Accounts Receivable	Unearned Revenue				Accounts Receivable	Unearned Revenue	
U.S. Department of Education (Continued): Passed through State of New Jersey: Department of Education Career and Technical Education - Perkins 84.048A 84.048A 84.048A Career and Technical Education - Perkins 84.334 84.334 84.334 College Readiness Now College Readiness Now College Credit Now Total U.S. Department of Education U.S. Department of Health and Human Services: Passed through State of New Jersey: Department of Health and Human Services: Passed through Bergen County Community College: Health Careers Opportunity Grant Cooperative Total U.S. Department of Health and Human Services Total Federal Awards	84.048A 84.048A 84.048A  84.334 84.334 84.334  93.822	V048A170030 V048A160030 V048A150030  * * *  *	\$ 673,393 576,839 459,414  40,137 56,807 20,000  318,044	07/01/17 07/01/16 07/01/15  07/01/16 07/01/17 06/30/17  10/01/14	06/30/18 06/30/17 06/30/16  06/30/17 06/30/18 06/30/17  09/30/15	\$ - (266,498) (266,498)  (33,680) (33,680) (19,927)  (1,359,874)	- - -  - - -  12,093	\$ 468,677 266,498 735,175  33,680 20,204 53,884  30,008,156	\$ (628,879) - (628,879)  - (47,053) (47,053) -  (29,953,641)	- - -  - - -  (1,384)	\$ (160,202) - (160,202)  - (26,849) (26,849) -  (1,305,359)	- - -  - - -  12,093	\$ (628,874) (455,435) -  - (33,680) (47,053) -  (19,927)  (354,612)
						\$ (1,486,927)	\$ 13,477	\$ 30,307,736	\$ (30,215,284)	\$ (1,384)	\$ (1,394,475)	\$ 12,093	

\* - Information Not Available

<b>State of New Jersey Grantor/ Pass Through Grantor/ Program or Cluster Title</b>	<b>FY 08-09 Amount Available</b>	<b>FY 09-10 Amount Available</b>

- Information not available

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**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 1 - GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Hudson County Community College (the "College"). The College is defined in Note 1 to the College's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other governmental agencies, are included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of Federal Awards and State Financial Assistance include the Federal and State of New Jersey grant activity of Hudson County Community College (the "College") and are presented on the accrual basis of accounting. The information in these schedules is presented in accordance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the New Jersey Office of Management and Budget Circular 15-08. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3 - LOAN PROGRAMS**

The College is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program and the State of New Jersey Alternative Loan and New Jersey Class Loans and, accordingly, these loans are not included in the College's basic financial statements. It is not practical to determine the balance of loans outstanding to students of the College under this program as of June 30, 2018.

**NOTE 4 – INDIRECT COST METHOD**

The College has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
  
**FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 5 – ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

The amount of \$7,526,533 reported as post-retirement medical benefits represent the OPEB expense amounts incurred by the State on behalf of the College for the year ended June 30, 2018. On-behalf expenditures for the College by the State are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the College's basic financial statements and the amount subject to the State single audit and major program determination.

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

*Section I - Summary of Auditor's Results*

**FINANCIAL STATEMENT SECTION**

A) Type of auditor's report issued: Unmodified

B) Internal control over financial reporting:

1) Material weakness(es) identified?      Yes   ✓   No

2) Significant deficiencies identified?      Yes   ✓   None reported

C) Noncompliance material to basic financial statements noted?      Yes   ✓   No

**FEDERAL AWARD SECTION**

D) Internal Control over major programs:

1) Material weakness(es) identified?      Yes   ✓   No

2) Significant deficiencies identified?      Yes   ✓   None reported

E) Type of auditor's report issued on compliance for major programs: Unmodified

F) Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200 SECTION .516(a) of ?      Yes   ✓   No

G) Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.007</u>	<u>*</u>	Student Financial Assistance Cluster:
<u>84.033</u>	<u>*</u>	<u>Federal Supplemental Educational Opportunity Grants</u>
<u>84.063</u>	<u>*</u>	<u>Federal Work Study Programs</u>
<u>84.268</u>	<u>*</u>	<u>Federal Pell Grant Program</u>
		<u>Federal Direct Student Loans</u>
		Tile V - Higher Education:
<u>84.031C</u>	<u>*</u>	<u>Opening the Gate: Improving Mathematics Success for STEM Careers</u>
<u>84.031S</u>	<u>*</u>	<u>Picking Up the Pace: Ensuring Hispanic Degree Completion</u>

H) Dollar threshold used to distinguish between type A and Type B Programs: \$906,459

I) Auditee qualified as low-risk auditee?   ✓   yes      no

\* - Information Not Available

HUDSON COUNTY COMMUNITY COLLEGE  
(A Component Unit of Hudson County, New Jersey)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2018

*Section I - Summary of Auditor's Results*

**STATE FINANCIAL ASSISTANCE SECTION**

- J) Dollar threshold used to distinguish between type A and type B programs: \$750,000
- K) Auditee qualified as low-risk auditee? ☒ yes ☐ no
- L) Internal control over financial reporting:
- 1) Material weakness(es) identified? ☐ yes ☒ no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported
- M) Type of auditor's report issued on compliance for major programs: Unmodified
- N) Any audit findings disclosed that are required to be reported in accordance with Applicable N.J. OMB Circular Letter 15-08 ☐ yes ☒ no
- O) Identification of major programs:

State Grant/Project Number(s)	Name of State Program
100-074-2405-007	Tuition Aid Grants
*	Alternative Loan

\* - Information Not Available

**HUDSON COUNTY COMMUNITY COLLEGE  
(A Component Unit of Hudson County, New Jersey)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

***Section II - Financial Statement Findings***

(This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting.)

**No matters were reported.**



**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

***Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs***

(This section identifies audit findings required to be reported by 2 CFR 200 Section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB Circular Letter 15-08, as applicable.)

**FEDERAL AWARDS**

**No matters were reported.**

**STATE FINANCIAL ASSISTANCE**

**No matters were reported.**

**HUDSON COUNTY COMMUNITY COLLEGE**  
**(A Component Unit of Hudson County, New Jersey)**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

**FOR THE YEAR ENDED JUNE 30, 2018**

(This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. (§.511 (a)(b)) and New Jersey OMB's Circular 04-04 and/or 15-08, as applicable.)

**FINANCIAL STATEMENTS**

**No matters were reported.**

**FEDERAL AWARDS**

**No matters were reported.**

**STATE FINANCIAL ASSISTANCE**

**No matters were reported.**

**HUDSON COUNTY COMMUNITY COLLEGE  
BOARD OF TRUSTEES MEETING  
March 12, 2019**

**VIII. PERSONNEL RECOMMENDATIONS**

**1. TEMPORARY FULL-TIME ASSIGNMENTS**

**REPORTS/BACKGROUND**

<u>Name</u>	<u>Title</u>	<u>Effective Date</u>	<u>Annual Salary</u>
Wajia Zahur	Interim Assistant Director Admissions	3/13/2019	\$50,000 (pro-rated)

**Note:** This is an approved position.

**RECOMMENDATION:** The President, the Administration and the Personnel Committee recommend that the Board of Trustees approve the Temporary Full-Time Assignments above as Personnel Recommendation Item No. 1.

**2. MODIFICATIONS OF STAFFING TABLE FOR FY 2019 EFFECTIVE March 12, 2019**

**SECTION ONE:**

**ADD TITLES**

Senior Lab Technician  
Continuing Education and Workforce Development Coordinator

**SECTION TWO:**

**DELETE TITLES**

Coordinator, Continuing Education

**SECTION THREE:**

**CHANGE TITLE WITH INCUMBENTS**

**NAME**

**TITLE CHANGES**

Djadji Sylla-Samassa	FROM: Secretary
	TO: Continuing Education and Workforce Development Coordinator

Yvon Groeneveldt	FROM: Lab Technician
	TO: Senior Lab Technician

**SECTION FOUR:**

**SALARIES IMPACTED BY STAFF TITLE CHANGES**

**Administrative Employee**

Djadji Sylla-Samassa	Continuing Education and Workforce Development Coordinator
	Salary: From: \$32,472
	To: \$40,000

**Support Staff Employee**

Yvon Groeneveldt

Senior Lab Technician

Salary: From: \$34,693

To: \$39,000

**RECOMMENDATION:** The President, the Administration and the Personnel Committee recommend that the Board of Trustees approve the Modifications of Staffing Table for FY 2019 above as Personnel Recommendation Item No. 2.

**3. APPOINTMENT OF ADDITIONAL NEW & CONTINUING PART-TIME HIRES: March 12, 2019 – JUNE 30, 2019**

**NEW PART-TIME HIRES**

<b>LAST NAME</b>	<b>FIRST NAME</b>	<b>DEPARTMENT</b>	<b>TITLE</b>	<b>POSITION ID</b>	<b>SUPERVISOR</b>
RYZHANKOVA	DARIA	BUSINESS, CULINARY & HOSPITALITY	OFFICE ASSISTANT	OFFAST-101030	P. DILLON
VASQUEZ	BETSY	FINANCIAL AID	OFFICE ASSISTANT	OFFAST-200520	S. MENDOZA
VADAPALLI	RAVI	CONT. EDUCATION	INSTRUCTOR	PTINST-102010	C. MIRASOL
ORTIZ	BRENDA	CONT. EDUCATION	INSTRUCTOR	PTINST-102010	C. MIRASOL
PRYCE	LATOYA	CONT. EDUCATION	INSTRUCTOR	PTINST-102010	C. MIRASOL
VADAPALLI	RAVI	CENTER FOR BUSINESS AND INDUSTRY	INSTRUCTOR	PTINST-103005	C. MIRASOL
ORTIZ	BRENDA	CENTER FOR BUSINESS AND INDUSTRY	INSTRUCTOR	PTINST-103005	C. MIRASOL
PRYCE	LATOYA	CENTER FOR BUSINESS AND INDUSTRY	INSTRUCTOR	PTINST-103005	C. MIRASOL
CANIGLIA	JOE	ENGLISH AND ESL	AD-HOC SCORER	SCORER-101040	E. NESSIUS

**CONTINUING PART-TIME HIRES**

<b>LAST NAME</b>	<b>FIRST NAME</b>	<b>DEPARTMENT</b>	<b>TITLE</b>	<b>POSITION ID</b>	<b>SUPERVISOR</b>
RAOUDI	HASSANE	CONT. EDUCATION	INSTRUCTOR	PTINST-102010	C. MIRASOL
GUIRANTES	HOPE	CONT. EDUCATION	INSTRUCTOR	PTINST-102010	C. MIRASOL
PEACOCK	TIMOTHY	ENGLISH AND ESL	AD-HOC SCORER	SCORER-101040	E. NESSIUS

**RECOMMENDATION:** The President, the Administration and the Personnel Committee recommend that the Board of Trustees approve the Appointment of Additional New and Continuing Part-Time Assignments listed above as Personnel Recommendation Item No. 3.

**4. APPOINTMENT OF ADDITIONAL NEW HIRE ADJUNCTS SPRING 2019.**

<b>LAST NAME</b>	<b>FIRST NAME</b>	<b>DEPARTMENT</b>
Grimmeyer	Gerald	Humanities and Social Sciences
Ginexi	Anthony	English and ESL

**RECOMMENDATION:** The President, the Administration and the Personnel Committee recommend that the Board of Trustees approve the Appointment of Additional New Hire Adjuncts for Spring 2019 listed above as Personnel Recommendation Item No 4.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees approve the recommendations of the President, the Administration and the Personnel Committee as outlined above in **Item VIII. Personnel Recommendations 1-4:** 1) Temporary Full-Time Assignments; 2) Modifications of Staffing Table for FY 2019; 3) Appointment of Additional New and Continuing Part-Time Hires; and 4) Appointment of Additional New Hire Adjuncts Spring 2019.

**INTRODUCED BY:** Joanne Kosakowski

**SECONDED BY:** Bakari Lee

**DATE:** March 12, 2019

Callahan, Kevin	<u>AYE</u>
Fahrenholz, Karen	<u>AYE</u>
Gardner, Pamela	<u>AYE</u>
Kenny, Roberta	<u>AYE</u>
Kosakowski, Joanne	<u>AYE</u>
Lee, Bakari	<u>AYE</u>
Peña, Jeanette	<u>ABSENT</u>
Sires, Adrienne	<u>AYE</u>
Stahl, Harold	<u>ABSENT</u>
Netchert, William, Chair	<u>AYE</u>

8 Ayes..... 0 Nay

\*\*\***RESOLUTION ADOPTED**\*\*\*

Jennifer Oakley 3-12-19  
Signature of Recorder Date



**HUDSON COUNTY COMMUNITY COLLEGE  
BOARD OF TRUSTEES MEETING  
March 12, 2019**

**IX. ACADEMIC AND STUDENT AFFAIRS**

**1. PROPOSED AUTHORIZATION OF ADDITIONAL HCCC COURSE OFFERINGS AT HOBOKEN HIGH SCHOOL**

**REPORT AND BACKGROUND:**

*In support of Hudson County Community College's strategic objective to optimize community engagement through the development of academic pathways with K-20 partners and in alignment with the College's mission to provide high-quality educational opportunities that promote student success, the Division of Academic Affairs seeks to amend its existing dual-enrollment agreement with Hoboken Public School District. The College seeks authorization to offer courses in the Liberal Arts pathway (Attachment I) at Hoboken High School through the existing dual-enrollment agreement. Additional course offerings would start in fall 2019 and remain limited to students enrolled in the LEAP or Early College Program.*

**RECOMMENDATION:**

*The President, the Administration, and the Academic and Student Affairs Committee recommend that the Board of Trustees authorize Hudson County Community College to offer additional courses as part of its existing agreement with Hoboken Public School District.*

**2. PROPOSED CONVERSION OF HCCC'S EXISTING A.A. LIBERAL ARTS OPTION IN ENGLISH TO FULL PROGRAM STATUS AS AN A.A. IN ENGLISH (60 CREDITS) [CIP CODE: 23.0101]**

**REPORT AND BACKGROUND:**

*The proposed conversion of the existing Associate of Arts Liberal Arts option in English to full program status as an Associate of Arts in English (Attachment II) aligns with Hudson County Community College's mission to provide high-quality educational opportunities that promote student success. Among the benefits of offering a full Associate of Arts in English are increased transferability for HCCC's students to four-year institutions such as New Jersey City University and Montclair State University. An Advanced English Seminar will provide students with the necessary critical thinking and communication skills to be successful at a four-year institution. A full Associate of Arts in English is also beneficial for program development and expansion. The full degree allows for the development of new options (e.g., Creative Writing) that will encourage enrollment and meet student demand.*

**RECOMMENDATION:**

*The President, the Administration, and the Academic and Student Affairs Committee recommend that the Board of Trustees approve the conversion of HCCC's Existing A.A. Liberal Arts Option in English to Full Program Status as an A.A. in English, effective fall 2019 semester.*

**3. PROPOSED ASSOCIATE OF APPLIED SCIENCE IN ADVANCED MANUFACTURING  
(60 CREDITS) [CIP CODE: 14.3601]**

**REPORT AND BACKGROUND:**

The proposed A.A.S. in Advanced Manufacturing (Attachment III) supports the mission of Hudson County Community College by providing students with high-quality educational opportunities. The Associate of Applied Science in Advanced Manufacturing provides students with knowledge and skills relevant for entry-level employment in the manufacturing industry. These skills include converting the designs of engineers and architects into technical drawings and programming a computer numerically controlled (CNC) machine. According to the United States Department of Labor's Bureau of Labor Statistics, employment demand for drafters, the workers who convert the designs of engineers and architects into technical drawings, is projected to grow by 7 percent from 2016 to 2026. In addition, the Bureau of Labor Statistics projects job opportunities for CNC machine programmers such as machinists and tool makers to grow. The annual mean wage of CNC machine tool programmers in New Jersey in 2017 was \$64,150.

**RECOMMENDATION:**

The President, the Administration, and the Academic and Student Affairs Committee recommend that the Board of Trustees approve the A.A.S. in Advanced Manufacturing, effective summer 2019.

**RESOLUTION:**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees approve the recommendations of the President, the Administration, and the Academic and Student Affairs Committee as outlined above in Item IX. **Academic and Student Affairs Recommendations 1-3:** (1) Proposed authorization of additional HCCC course offerings at Hoboken High School, (2) Proposed conversion of HCCC's Existing A.A. Liberal Arts Option in English to Full Program Status as an A.A. in English (60 credits), effective fall 2019 semester, (3) Proposed A.A.S. in Advanced Manufacturing (60 credits), effective summer 2019.

**INTRODUCED BY:** Pamela Gardner

**SECONDED BY:** Karen Fahrenholz

**DATE:** March 12, 2019

Callahan, Kevin	<u>AYE</u>
Fahrenholz, Karen	<u>AYE</u>
Gardner, Pamela	<u>AYE</u>
Kenny, Roberta	<u>AYE</u>
Kosakowski, Joanne	<u>AYE</u>
Lee, Bakari	<u>AYE</u>
Peña, Jeanette	<u>ABSENT</u>
Sires, Adrienne	<u>AYE</u>
Stahl, Harold	<u>ABSENT</u>
Netchert, William, Chair	<u>AYE</u>

8 Ayes..... 0 Nay

\*\*\*RESOLUTION ADOPTED\*\*\*

Jennifer Oakley 3-12-19  
Signature of Recorder Date

## Liberal Arts Academic Pathway Hoboken HS → HCCC

## HCCC Program: Liberal Arts General AA

	HCCC Program Requirement	How Do I Earn These Credits?	Suggested Year
General Education Requirements	CSS100 College Student Success (1)	HCCC	First Year
	ENG101 College Composition I (3)	Dual Enrollment	Sophomore
	ENG102 College Composition II (3)	HCCC	Junior
	ENG112 Speech (3)	Dual Enrollment	First Year
	CSC100 Intro. to Computers & Computing (3)	Dual Enrollment	First Year
	Mathematics Elective (3) with MAT123 (3) Mathematics for the Liberal Arts suggested	Dual Enrollment	Sophomore
	Lab Science Elective (4)	HCCC	Senior
	Lab Science Elective (4)	HCCC	Senior
	PSY 101 Intro to Psychology (Social Science Elective 3)	Dual Enrollment	Sophomore
	Social Science Elective (3)	HCCC	Senior
	MLS 101/MLF 102 (Humanities Elective 3)	Dual Enrollment/ CLEP	First Year
	MLS 101/MLF 102 (Humanities Elective 3)	Dual Enrollment/ CLEP	Sophomore
	Humanities Elective (3)	HCCC	Senior
	History of Western Civilization I (3)	Dual Enrollment	Junior
	History of Western Civilization II (3)	HCCC	Senior
	GE Approved Diversity Elective (3)	HCCC	Senior
Major Requirements	Fine Arts Elective (3)	HCCC	Senior
	Humanities/Social Science/Diversity Elective (200-level) (3)	HCCC	Senior
	LIT 201 Intro to Literature (Literature Elective 3)	Dual Enrollment	Sophomore
	BIO 100 (Modern Language/Humanities/Social Science/Mathematics (103 or higher)/Science/Fine Arts Elective 3)	Dual Enrollment	Junior



## PROGRAM ANNOUNCEMENT COVER PAGE

March 12, 2019

Date:

Institution:	Hudson County Community College
New Program Title:	Associate of Arts in English
Degree Designation:	English
Programmatic Mission Level For Institution (see Appendix C in AIC Manual)	Associate Degree
Degree Abbreviation:	ENG.AA
CIP Code and Nomenclature (if possible): <i>If outside the classification indicate Not Applicable.</i>	CIP CODE: 230101
Campus(es) where the program will be offered:	<i>Journal Square Campus 70 Sip Avenue Jersey City, NJ 07306</i>
Date when program will begin (month and year):	Fall 2019
List the institutions with which articulation agreements will be arranged:	Rutgers Newark; St. Peter's University; Montclair State University; New Jersey City University

Is licensure required of program graduates to gain employment?      \_\_\_\_ Yes    X    No

Will the institution seek accreditation for this program?      \_\_\_\_ Yes    X    No

▪ If yes, list the accrediting organization:

Program Announcement Narrative:

▪ Objectives	page(s): <u>2</u>
▪ Need	page(s): <u>7</u>
▪ Student enrollments	page(s): <u>9</u>
▪ Program resources	page(s): <u>9</u>



## **PROGRAM ANNOUNCEMENT**

### **English Associate of Arts Degree**

#### **Program Announcement Narrative**

##### **I. Objectives**

The proposed English Major is an Associate in the Arts program intended for students who want to broaden and deepen their understanding of literature and develop their own writing skills for professional and scholarly purposes, as well as for personal growth. To a student's General Education curriculum, the English Major would add a selection of exemplary writing and literature classes.

Through an advanced appreciation of the traditional elements of the study of English, including rhetoric, academic writing and research, immersion in and analysis of literature, graduating students will be able to advance to four-year programs in English, Writing, Creative Writing, Communications, Literature, or Journalism—as well as any other majors in which writing skills and an appreciation of literature are highly valued. Career opportunities in which writing is a key component are ubiquitous and rapidly expanding.

The primary goal of this program is to prepare students, upon successful completion of their Associate of Arts degree, for transfer into English or related Baccalaureate majors. Secondly, students will also be equipped for entry-level employment.

The proposed program does not exceed the programmatic mission of Hudson County Community College.

##### **Catalog Program Description:**

The Associate of Arts in English degree program is intended for students who want to broaden and deepen their understanding of literature and develop their own writing skills for professional and scholarly purposes, as well as for personal growth. Through the study of English — i.e. rhetoric, academic writing and research, immersion in and analysis of literature — graduates will be able to advance to four-year programs in English, Writing, Creative Writing, Communications, Literature, or Journalism, as well as any other majors in which writing skills and an appreciation of literature are required.

##### **II. Evaluation and Learning Outcomes Assessment plan for the program**

Graduates of this degree will be able to:

- 1) Compose essays that develop and defend a critical judgement about literary works, using research as appropriate;
- 2) Explain how disparate literary texts relate to and build on common themes and ideas;
- 3) Explain how cultural, religious, and historical milieu inform literary works;
- 4) Reflect on the significance of reading and writing experiences in the context of their own lives, including their personal, academic, professional, and civic goals and purposes;
- 5) Analyze literary texts in terms of genre-specific elements;
- 6) Evaluate texts through the three broad approaches of formalism, historical criticism, and personal response;



- 7) Find and evaluate appropriate and reliable sources for research papers;
- 8) Document research in correct MLA format.

Program Level Learning Goals	Institutional Goals	Synthesis
<b>Program Goal 3</b> Prepare students, upon successful completion, to transfer into English or related Baccalaureate majors.	To provide liberal arts and science courses and associate degree programs that will prepare students to transfer to four-year colleges and universities.	Graduating English majors will have taken 4-5 academically rigorous literature courses, 1-2 English courses, and <i>Advanced English Seminar</i> . Their portfolio will provide evidence of their learning, growth and expertise. They will be well positioned for success at a four-year college or university.
<b>Program Goal 2</b> Cultivate graduates with exceptional writing skills for professional, scholarly and personal purposes.	To provide courses, certificates and associate degree programs that will prepare students for immediate employment or provide for career enhancement.	English majors have a choice of 16 rigorous and comprehensive literature courses and 6 challenging English courses. Their portfolio will provide culminating evidence of their learning, growth and expertise. Graduates' writing ability and critical thinking skills will ensure they are competitive in the job market.
<b>Program Goal 1</b> Develop graduates who will have broadened and deepened their understanding of literature.	To provide general education courses to ensure students can think critically and analytically, communicate effectively, solve mathematical problems, participate as informed citizens, appreciate cultural diversity and global interdependence, and are information and computer literate.	As a result of participating in a variety of literature and English courses, students will gain an appreciation of cultural diversity—especially through either the mandatory two World Literature or British Literature classes, among others. Students will sharpen their critical thinking and analytical skills through class discussions and written essays.

Literature and English classes each have a unique set of student learning outcomes, and all the student learning outcomes reflect and relate to the learning outcomes for the major. Syllabi for literature and English classes also list learning objectives, which relate back to the course and program learning

outcomes. *Advanced English Seminar* contains the same learning outcomes listed above, and is thus the final tool for assessing whether English majors have successfully gained the knowledge and skills needed to earn their degrees.

In addition to *Advanced English Seminar* (assessed by PLO #4), each of the other seven program learning outcomes is assessed bi-annually. Professors choose an assessment tool in their courses and complete the Learning Outcomes Summary Form. The English Program Coordinator analyzes the data and initiates any necessary changes to the course, program or instruction to insure all courses align with the Program Learning Outcomes. The more specific course learning objectives are clearly displayed in course syllabi, and assessments are linked to the course learning objectives, Course Learning Outcomes, and Program Learning Outcomes.

As per the “Program Assessment Plan,” four PLOs will be assessed one year, followed by the other three PLOs being evaluated the next academic year. Using the courses that most English majors take (i.e., LIT 201) as well as those that offer multiple sections consistently each semester (i.e., LIT 209), the PLOs will be assessed through written assignments, such as responses and essays. The specifics of each assignment will depend first on the course in which a given PLO is being assessed and secondly on the instructor who is teaching that course. Some assignments will involve research. Each instructor conducting assessment is required to submit a copy of his/her assignment and rubric along with the summary of results.

To date, program assessment has been conducted for AY 14-15, AY 16-17, and AY 17-18. Using the most recent data, results have been promising for mid-academic year as the results demonstrate that students are meeting or exceeding instructors’ expectations for PLOs 1, 2, 3 and 7. The first Cyclical Program Review was completed in 2017.

In order to help more students meet or exceed standards, assessors agreed in their recommendations that more attention needs to be given to writing and research instruction. Based on these results, English majors will now be strongly urged to take ENG 102 – LIT, and the course will be redesigned and geared to the specific needs of English majors.

Program Goals	Student Learning Goals	Student Learning Outcomes	Courses or Other Points in the Curriculum Where Outcomes are Assessed	Assessment Methods or Tools
<b>Program Goal 1</b> Develop graduates who will have broadened and deepened their understanding of literature.	<b>Student Learning Goals 1.1</b>  Students will learn about the various genres of literature.  Students will be able to identify common themes and write a comparative essay.  Students will learn how cultural, religious and historical milieu impact literary works.	<b>Student Learning Outcomes 1.5</b> Distinguish literary genres and understand the reading experiences provided by each. <b>Student Learning Outcomes 1.2</b> Explain how disparate literary texts relate to and build on common themes and ideas. <b>Student Learning Outcomes 1.3</b> Explain how cultural, religious and historical milieu inform literary works.	LIT 201 LIT 215 LIT 225 ENG 102 Lit ENG 210 ENG 211 ENG 113 THA 205 Advanced English Seminar	Extended reflection essay Reflection paper (Advanced English Seminar) Comparative Essay Research paper Midterm/Final exam quizzes

<b>Program Goal 2</b> Cultivate graduates with exceptional writing skills for professional, scholarly and personal purposes.	<b>Student Learning Goals 2.1</b>  Students will learn how to compose scholarly essays.  Students will be able to find, evaluate and incorporate scholarly sources into their written work.	<b>Student Learning Outcomes 2.1</b> Compose essays that develop and defend a critical judgement about literary works, using research as appropriate. <b>Student Learning Outcomes 2.7</b> Use research to develop a thesis and document research in correct MLA format.	LIT 201 LIT 202 LIT 209 LIT 211 LIT 212 LIT 215 LIT 225 LIT 216 ENG 102	Research paper Essay assignment Comparative Analysis Bibliotherapy assignment Annotated bibliography
<b>Program Goal 3</b> Prepare students, upon successful completion, to transfer into English or related Baccalaureate majors.	<b>Student Learning Goals 3.1</b>  Students will be prepared for the rigors of academic study at four-year colleges and universities.	<b>Student Learning Outcomes 3.4</b> Articulate an evolving point of view about literature, authors, cultures, and literary periods. <b>Student Learning Outcomes 3.6</b> Approach texts through a variety of approaches, to include formal (concentrating on the text alone); external (concentrating on the historical, cultural, and autobiographical elements); and response (their individual response to the text).	LIT 201 LIT 202 LIT 204 LIT 205 LIT 206 LIT 207 LIT 208 LIT 209 LIT 210 LIT 211 LIT 214 LIT 215 LIT 216 LIT 225 ENG 102	Analytical essays Research essays Portfolio Research-based writing project

**III. Relationship of the program to institutional strategic plan** and its effect on other institutional programs at the same institution.

The A.A. in English helps HCCC execute its strategic plan in the following ways:

Goal	Strategy	English Major
1.5	Identify and develop at least one signature program in each academic division including identifying signature programming offered at the North Hudson Campus.	The English major is the signature program in the English Division, the culmination of students' work in Academic Foundations English, Composition 1 and 2, and Literature and other advanced writing classes. An internship will be offered to stellar English majors at a governmental office, non-profit organization, and/or local newspaper.
1.6	Foster teaching excellence through enhanced faculty development in teaching methodologies, assessment, and cutting-edge technology.	Professional development seminars focusing on best practices in teaching and learning will be offered on a regular basis. Students will create Portfolios in <i>Advanced English Seminar</i> .
1.8	Increase consistency in course development, outcomes, and requirements across campuses and modes of delivery.	The Program Coordinator will share best practices of backward design for courses and syllabi. Closer monitoring of syllabi creation, ensuring syllabi relate closely to course outlines, will assure consistency and quality.
2.7	Create clear degree plans and pathways to completion for each academic program.	The English major has a clear degree plan, and newly developed options will also follow a clear plan.
3.2	Fully implement College-wide assessment of student learning outcomes.	A program level assessment plan has been in place and will continue to assess courses and student learning outcomes annually. In addition, <i>Advanced English Seminar</i> will assess all graduating English majors and ensure they have met all the student learning outcomes for the major.
3.4	Ensure standards of assessment and accountability are in place that meet the needs of internal and external stakeholders.	Assessment results will be disseminated within the college, at the division level, and shared with the Literature Advisory Committee, as well as any other interested parties.
6.1	Promote community involvement through a variety of opportunities, such as academic experiences, performances, art exhibitions, speakers, civic engagement, and volunteer initiatives.	Opportunities for academic growth and enjoyment will continue to be offered: trips to museums, plays, to the Brooklyn Bridge, and poetry slams. The Coordinator, in conjunction with Career Services, has created internship opportunities for English majors.

#### IV. Need

The English Major, with its combination of compositional and literary studies, will not only provide HCCC students with transfer opportunities, but through their improved writing skills and appreciation of the unique experience of literature, the program will deepen two of the essential traits of educated persons—communication skills and an understanding of the world around them. These skills will serve students well whatever their future academic or professional careers or life choices.

The Chair of English and Dean of NJCU are eager to work on an articulation agreement, insuring English majors from HCCC a smooth transition to the English major at NJCU. The Program Coordinator will approach other neighboring four-year institutions to implement articulation agreements.

A 2014 study by the Association of American Colleges and Universities found that almost all employers want the critical thinking and communications skills that are provided by the liberal arts and the humanities. The same study found that while the income of humanities majors was lower than that of paraprofessional majors early in their careers, the gap narrowed later in their careers. *Source: “Liberal Arts Degrees and Their Value in the Employment Market” Association of American Colleges and Universities (2014).*

English majors go on to careers in a wide range of fields. According to U.S. census surveys, about half of English majors are working in education, business and management careers, but the other half work in a diverse range of areas including the arts and media, social services and the legal field. *Source: “What Can I Do With an English Major?” ADE & ADFL (May 2016).*

Employment rates for recent graduates in English are also encouraging. Data from 2010–11 showed that English and other humanities majors had unemployment rates that were lower than for many social science majors and comparable even to the rates for majors in mathematics and computer science. *Source: “The Best Argument for Studying English? The Employment Numbers” by Jordan Weissmann. Atlantic Monthly (June 25, 2013).*

Montclair State University has a robust English major and their website touts the benefits of majoring in English:

English is the most practical major you can find. English majors become writers, publishers, editors, lawyers, journalists, teachers, entrepreneurs, world travelers, policy analysts, public relations executives, public servants and much more. They succeed in media, tech, publishing, education, government, marketing, advertising and non-profits.

This is because as an English major, you acquire the reading, writing, and thinking skills that allow you to thrive in a rapidly changing job market. You become an expert communicator who can take complex ideas and frame them plainly and concisely in your own words. You learn to conduct research, to support an argument, to approach a problem from multiple perspectives. You ask questions that are not obvious and not easy to answer; you find multifaceted and real solutions in a multifaceted, real world.

These higher-level, transferable skills are the skills that the modern workforce needs, and those that a successful civilization requires of its citizens. With your training as an English major, you

increase both your marketability and your chances for promotion after you land that first job, when employers recognize your higher-level skills. You cannot be downsized, outsourced, offshored or disrupted. Just as importantly, you also equip yourself to be an informed citizen of a democracy and member of a multicultural society.

Your English degree will not only stand on its own but is also an exceptionally versatile foundation for a number of graduate disciplines including education, law, business, information science and public policy. (<https://www.montclair.edu/english/careers/>)

Steve Strauss, a Senior USA TODAY small business columnist, author of 17 books, spokesperson and speaker, wrote an article entitled “Why I Hire English Majors” (Huff Post, THE BLOG 06/23/2013). He believes that “For my money (literally and figuratively), for my needs, and I suggest the needs of most small businesses, English majors are easily the top choice when it comes to getting the type of teammate who can make us all better, as they say in basketball.” He hires English majors because they are typically smart, bold, write well, and are easy to work with.

For all these reasons, and more, English majors are still in demand in our rapidly growing, technological age.



## V. Students

	<b>TABLE 2</b> Five-Year Trends – Degree Enrollment Data									
Degree Status	Fall 2014		Fall 2015		Fall 2016		Fall 2017		Fall 2018	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Degree College Ready	24	77%	48	72%	62	62%	75	55%	70	56%
Degree Developmental/E SL	7	23%	19	28%	38	38%	60	45%	55	44%
Degree TOTAL	31	100%	67	100%	100	100%	135	100%	125	100%

The steady and strong growth of students taking the English Option over the last five years is evidence that there is a need for the major. As the Option transitions into the Major, continued growth is anticipated. Within the next five years it is projected that over 200 students will be English Majors.

## VI. Program Resources

The resources necessary for an English Major are already in place at the college. Any additional expenditure would be determined by the growth of the program in terms of students enrolled and new course development, including on-line offerings. Currently there are 22 full-time and 11 part-time professors who teach English and Literature courses.

Anticipated necessary resources and costs are as follows:

- 1) Increased holdings in the Learning Resource Center relevant to existing and to-be-developed courses;
- 2) The development of new courses, both on-line and traditional.

## VII. Degree Requirements

### CURRICULUM DESIGN Degree Program: AA, English

#### Associate in Arts –English

COURSE	CR
<b><i>HCCC REQUIRED COURSE (1 CR)</i></b>	
College Survival Skills CSS 100	1
<b><i>COMMUNICATIONS (9 CR)</i></b>	
College Composition I ENG 101	3
College Composition II ENG 102-LIT (recommended)	3
Speech ENG 112	3
<b><i>MATH/SCIENCE/TECHNOLOGY (14 CR)</i></b>	
Intro to Computers and Computing CSC 100	3
Math Elective (MAT 123 – Mathematics for Liberal Arts)	3
Lab Science Elective I	4
Lab Science Elective II	4
<b><i>SOCIAL SCIENCE (6 CR)</i></b>	
Social Science Elective	3
Social Science Elective	3
<b><i>HUMANITIES (9 CR)</i></b>	
Humanities Elective (LIT 215, LIT 216, or LIT 225)	3
Humanities Elective (LIT 215, LIT 216, or LIT 225)	3
Humanities Elective (GECC Approved ART/FLM/MUS/THA)	3
<b><i>HISTORY (6 CR)</i></b>	
History Elective HIS 210	3
History Elective HIS 211	3
<b><i>DIVERSITY (3 CR)</i></b>	
Diversity Elective (LIT 205, LIT 210, LIT 211, LIT 214, LIT 215 or LIT 225)	3
<b><i>MAJOR REQUIREMENTS (12 CR)</i></b>	
Literature Elective <sup>(a)</sup>	3
Literature/English Elective <sup>(a)/(b)</sup>	3
English Elective <sup>(b)</sup>	3
Advanced English Seminar	3
<b>TOTAL</b>	<b>60</b>

(a) – LIT 201, LIT 202, LIT 204, LIT 205, LIT 206, LIT 207, LIT 208, LIT 209, LIT 210, LIT 211, LIT 214, LIT 220 or FLM 102

(b) – ENG 103, ENG 113, ENG 115, ENG 210, ENG 211, ENG 215 or THA 205

**General Education Requirement\***

Course Title	Credits
College Student Success	1
College Composition 1	3
College Composition 2	3
Speech	3
Introduction to Computers and Computing	3
Math Elective	3
Lab Science Elective I	4
Lab Science Elective II	4
Social Science Elective	3
Social Science Elective	3
Humanities Elective (LIT 215, LIT 216 or LIT 225)	3
Humanities Elective (LIT 215, LIT 216 or LIT 225)	3
Humanities Elective (GECC Approved ART/FLM/MUS/THA)	3
History Elective (HIS 210)	3
History Elective (HIS 211)	3
Diversity Elective (LIT 205, LIT 210, LIT 211, LIT 214, LIT 215 or LIT 225)	3

**Major (Specialized) Requirement**

Course Title	Credits
Literature Elective	3
Literature/English Elective	3
English Elective	3
Advanced English Seminar	3

## AA- English

Course#	Title	Credits
<u>FIRST SEMESTER</u>		
CSS 100	College Student Success	1
CSC 100	Intro to Computers & Computing	3
ENG 101	College Composition I	3
ENG 112	Speech	3
MAT ••	Mathematics Elective*	3
•• ••	Humanities Elective**	3
TOTAL 16		
<u>SECOND SEMESTER</u>		
ENG 102-LIT	College Composition II	3
HIS 210	History of Western Civilization I	3
LIT ••	Literature Elective (a)	3
•• ••	Social Science Elective*	3
•• ••	Lab Science Elective*	4
TOTAL 16		
<u>THIRD SEMESTER</u>		
HIS 211	History of Western Civilization II	3
•• ••	Diversity Elective (LIT 205, LIT 210, LIT 211, LIT 214, LIT 215, or LIT 225)	3
•• ••	English Elective (b)	3
•• ••	Humanities Requirement (LIT 215, LIT 216, or LIT 225)	3
•• ••	Social Science Elective*	3
TOTAL 15		
<u>FOURTH SEMESTER</u>		
LIT ••	Advanced English Seminar	3
•• ••	Humanities Requirement* (LIT 215, LIT 216, or LIT 225)	3
•• ••	Lab Science Elective*	4
•• ••	Literature/English Elective (a) (b)	3
TOTAL 13		

Total Course Credits Required: 60

- (a) LIT 201, LIT 202, LIT 204, LIT 205, LIT 206, LIT 207, LIT 208, LIT 209, LIT 210, LIT 211, LIT 214, LIT 220 or FLM 102  
 (b) ENG 103, ENG 113, ENG 115, ENG 210, ENG 211, ENG 215 or THA 205

**Listing of Major Requirement Courses:**

ENG 103	Technical Report Writing	3 crs
ENG 113	Introduction to Journalism	3 crs
ENG 115	Writing for Emerging Media	3 crs
ENG 210	Creative Writing	3 crs
ENG 211	Business Communication	3 crs
ENG 215	Memoir and Creative Non-Fiction	3 crs
FLM 102	Latin American Lit in Film	3 crs
LIT 201	Introduction to Literature	3 crs
LIT 202	Survey of American Literature	3 crs
LIT 204	Introduction to the Short Story	3 crs
LIT 205	Introduction to Cultural Studies	3 crs
LIT 206	Introduction to Poetry	3 crs
LIT 207	Introduction to Drama	3 crs
LIT 208	Contemporary Drama	3 crs
LIT 209	Children's Literature	3 crs
LIT 210	Latin American Literature	3 crs
LIT 211	African American Literature	3 crs
LIT 214	Introduction to the Novel	3 crs
LIT 215	World Literature to 1650	3 crs
LIT 216	British Literature to 1650	3 crs
LIT 220	Science Fiction	3 crs
LIT 225	World Literature 1650 - present	3 crs
THA 205	Introduction to Playwriting	3 crs

## Course Descriptions for New Courses:

### LIT \*\*\* - Advanced English Seminar:

*Advanced English Seminar* is a culminating course for the English major. Students choose a focused and appropriate topic with significant direction and support from professor(s) and librarians, concentrating reading and research on a literary work(s), theme, time period, or author. *Advanced English Seminar* promotes advanced critical awareness of, and engagement with, a specialized topic and is designed to promote creative and intellectual development. In addition to a final writing project and presentation, students compile a portfolio of their work throughout their college career. *Advanced English Seminar* prepares student writers to meet their educational and professional goals. Class lectures and discussion emphasize student-driven enquiry to include close reading, research, literary criticism and analysis, and synthesizing sources.

### LIT 216 - British Literature to 1650:

*British Literature to 1650* is a historical survey introducing the literary masterworks of Great Britain from the earliest writings to 1650. This course introduces pivotal literary works such as *Beowulf* and *Canterbury Tales*; Arthurian literature; and medieval poetry, prose and drama. The course concludes with William Shakespeare. Emphasis is placed on historical background, cultural context, and literary analysis of selected prose, poetry, and drama.

### LIT 226 - British Literature 1650 – present:

*British Literature 1650 - present* is a historical survey introducing the literary masterworks of Great Britain from 1650 to the present. This course covers the Romantic, Victorian, and Modern Literary Periods, and includes writers such as William Blake, William Wordsworth, Aphra Behn, Jonathan Swift, Samuel Johnson, Frances Burney, Samuel Richardson, Mary Shelley, Jane Austen, Charlotte Bronte, Elizabeth Gaskell, John Browning and Elizabeth Barrett Browning, Charles Dickens, Virginia Woolf, Seamus Heaney and Derek Walcott, among others. Emphasis is placed on historical background, cultural context, and literary analysis of selected prose, poetry, and drama.

### LIT \*\*\* - Women and Literature:

*Women and Literature* more than introduces students to writings by and about women; it helps students explore and understand the varied roles women writers play in history. Students read global selections of twentieth century and contemporary writings—fiction, essays, drama, and memoir—that examine diverse issues such as gender, politics, cultural division, and social status.



**Table 1: Comparison between AA Liberal Arts base program, AA Liberal Arts English option, & AA English**

AA Liberal Arts - General	AA Liberal Arts – English	AA - English
General Education (46-48)	General Education (47)	General Education (48)
CSS 100 College Survival Skills 1	CSS 100 College Survival Skills 1	CSS 100 College Survival Skills 1
ENG 101 College Composition I 3	ENG 101 College Composition I 3	ENG 101 College Composition I 3
ENG 102 College Composition II 3	ENG 102 College Composition II 3	ENG 102 College Composition II 3
ENG 112 Speech 3	ENG 112 Speech 3	ENG 112 Speech 3
CSC 100 Intro to Comp & Computing 3	CSC 100 Intro to Comp & Computing 3	CSC 100 Intro to Comp & Computing 3
MAT *** Math Elective 3	MAT *** Math Elective 3	MAT *** Math Elective 3
*** *** Science Elective 3/4	*** *** Science Elective 3	*** *** Lab Science Elective 4
*** *** Lab Science Elective 3/4	*** *** Lab Science Elective 4	*** *** Lab Science Elective 4
HIS 210 Hist of Western Civ I 3	HIS 210 Hist of Western Civ I 3	HIS 210 Hist of Western Civ I 3
HIS 211 Hist of Western Civ II 3	HIS 211 Hist of Western Civ II 3	HIS 211 Hist of Western Civ II 3
*** *** Humanities Elective 3	*** *** Humanities Elective: (Approved Fine Arts Courses*) 3	*** *** Humanities Elective: (Approved Fine Arts Courses*) 3
*** *** Humanities Elective 3	*** *** Humanities Elective 3	Humanities Elective: LIT 215, LIT 216, or LIT 225 3
*** *** Humanities Elective 3	*** *** Humanities Elective 3	Humanities Elective: LIT 215, LIT 216, or LIT 225 3
*** *** Social Science Elective 3	*** *** Social Science Elective 3	*** *** Social Science Elective 3
*** *** Social Science Elective 3	*** *** Social Science Elective 3	*** *** Social Science Elective 3
*** *** Diversity Elective 3	*** *** Diversity Elective 3	Diversity Elective (LIT 205, LIT 210, LIT 211, LIT 214, LIT 215, LIT 225) 3
	<i>Above electives are identified in the college catalogue.</i>	<i>Above electives are identified in the college catalogue.</i>
Major Requirements (18-20)	Major Requirements (15)	Major Requirements (12)
*** *** Fine Arts Elective 3	(a) Literature Requirement 3	(a) Literature Elective 3
*** *** Philosophy Elective 3	(b) Literature Elective 3	(a or b) Literature or English Elective 3
*** *** Literature Elective 3		(b) English Elective 3
*** *** Hum/SoSci/Mat/Sci/FA 3/4	(b/c) Literature or English Elective 3	Advanced English Seminar 3

*** ** Hum/SoSci/Mat/Sci/FA 3/4	(c) Literature or English Elective	3	
*** ** Approved Lib Arts Elective	(c) English Elective	3	
	(a--LIT 201, LIT 202, LIT 215, or LIT 225) (b--Any of the above, plus FLM 102, LIT 203, LIT 204, LIT 205, LIT 206, LIT 207, LIT 208, LIT 209, LIT 210, LIT 211, LIT 212, LIT 213, LIT 214, or LIT 220) (c--Any of the above plus ENG 103, ENG 113, ENG 210, ENG 211 or THA 205)		(a-- LIT 201, LIT 202, LIT 204, LIT 205, LIT 206, LIT 207, LIT 208, LIT 209, LIT 210, LIT 211, LIT 214, LIT 220 or FLM 102) (b-- ENG 103, ENG 113, ENG 115, ENG 210, ENG 211, ENG 215 or THA 205)
<b>Total 64/68</b>	<b>Total 62</b>	<b>Total 60</b>	

## CONVERTING OPTIONS/CONCENTRATIONS WAIVER

**Institutions requesting waiver to the New Degree Program Review Process when converting an existing option or concentration into a full program must answer the following questions:**

1. Is the program degree level within the mission designation of the college?

The proposed program does not exceed the programmatic mission of Hudson County Community College.

An A.A. in English aligns also with the mission of HCCC – “... to provide high quality educational opportunities that promote student success and are accessible, comprehensive, and learning centered.” An English degree also meets the Institutional Goals for HCCC—“to provide liberal arts and science courses and associate degree programs that will prepare students to transfer to four-year colleges and universities.” With the wide array of both literature (17) and English (6) classes, graduating English majors are prepared to enter four-year colleges as juniors. Articulation agreements are currently in process.

2. What is the need/impetus for the requested change?

Students who graduate with an English degree are better positioned for transfer to four-year colleges. In addition, moving English from an option under Liberal Arts to a major in its own right will allow for options under the English major. Some of the options could include creative writing, social media/communications, journalism, and literature. Transitioning to a full degree will provide many more opportunities for specialized study within the English major.

3. How long has the option/concentration been offered?

The A.A. English option in Liberal Arts has been offered for five years.

4. What is the enrollment history?

Enrollment in the English option has increased from 0 to 130 students in the last five years.

5. Will the new program have sufficient content depth to justify classification as a major?

- Will the new program have sufficient credits to justify being a major?
- How is the new program different from the existing degree program?

The English major includes five literature classes, one to two English electives, and an Advanced English Seminar, totaling 21 credits. Under the current option, students studying English take only 15 Literature/English credits.

In addition to including more credits in English and Literature, options under the English major will be offered; an Advanced English Seminar is the capstone course; and other opportunities such as internships, outings, and panels on career opportunities for English major will be offered.

6. Will the college continue to offer the existing major?

- In establishing the new major, what will be the impact on the existing major?

Students currently in the Liberal Arts/English Option will be able to complete their degrees, and students who register as of fall 2019 will be enrolled in the A.A. in English. The Liberal Arts/English option will be phased out as students either graduate or opt to change their major to the A.A. in English.

7. Would students currently enrolled in the option/concentration be "grandfathered" as to their degree title?
  - a. Can students choose either the title of the existing degree program or the title of the degree program created from the option/concentration as their graduation major?
  - b. Will current students receive the new degree designation?

Students currently in the Liberal Arts/English Option will be able to complete their degrees and graduate with an Associate of Arts degree in Liberal Arts/English Option. Students who register as of fall 2019 will be enrolled in the A.A. in English and graduate with an Associate of Arts degree in English. Students currently in the Liberal Arts/English Option will have the option to change their major from the Liberal Arts/English Option to the A.A. in English if they choose.

8. Are sufficient resources available to support the new program in the following areas:
  - a. Personnel such as faculty and support staff?
  - b. Facilities?
  - c. Operating expenses -- equipment, library resources, etc.?

The current retinue of full-time and part-time instructors will meet the needs of the new English major degree program. No new facilities or equipment will be required.

9. Since the proposed option/concentration is part of an approved ongoing program, will the proposed conversion create any additional duplication with ongoing programs at other colleges in New Jersey?

The proposed conversion of the A.A. Liberal Arts/English Option to full program status as an A.A. in English will not cause any additional duplication with ongoing programs at other colleges in New Jersey.



## PROGRAM ANNOUNCEMENT COVER PAGE

March 12, 2019

Date:

Institution:	Hudson County Community College
New Program Title:	Advanced Manufacturing (ADM)
Degree Designation:	Associate in Applied Science
Programmatic Mission Level For Institution (see Appendix C in AIC Manual)	Associate Degree
Degree Abbreviation:	ADM.AAS
CIP Code and Nomenclature ( <i>if possible</i> ): <i>If outside the classification indicate Not Applicable.</i>	14.3601
Campus(es) where the program will be offered:	Journal Square Campus 25 Journal Square Jersey City, NJ 07306
Date when program will begin (month and year):	Summer 2019
List the institutions with which articulation agreements will be arranged:	N/A

Is licensure required of program graduates to gain employment?      ☐ Yes    ☒ No

Will the institution seek accreditation for this program?      ☐ Yes    ☒ No

▪ If yes, list the accrediting organization:

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## **PROGRAM ANNOUNCEMENT**

### **Associate in Applied Science in Advanced Manufacturing**

#### **Program Announcement Narrative**

##### **I. Objectives**

The Associate in Applied Science degree in Advanced Manufacturing provides students with the knowledge and skills relevant for entry-level employment in the manufacturing industry. Required courses introduce students to many facets of manufacturing including metal and wood fabrication, polymer processing, Computer-Aided Design and Computer-Aided Manufacturing (CAD/CAM), Computer Numeric Control (CNC), machine and tooling design, automation and Controls, Robotics, and Quality Control.

This program does not exceed the programmatic mission of Hudson County Community College.

##### **Catalog Program Description:**

The Associate in Applied Science degree in Advanced Manufacturing provides students with the knowledge and skills relevant for entry-level employment in the manufacturing industry. Required courses introduce students to many facets of manufacturing including metal and wood fabrication, polymer processing, Computer-Aided Design and Computer-Aided Manufacturing (CAD/CAM), Computer Numeric Control (CNC), machine and tooling design, automation and Controls, Robotics, and Quality Control.

##### **II. Evaluation and Learning Outcomes Assessment plan for the program**

###### **College Mission**

The HCCC mission is to provide high quality educational opportunities that promote student success and are accessible, comprehensive, and learning-centered.

###### **Program Mission**

The A.A.S. in Advanced Manufacturing program supports the College's mission by providing students with high quality educational opportunities, which will prepare them for immediate employment in the manufacturing field.

###### **Program Goals**

1. Provide curriculum that prepares students with the knowledge and skills in advanced manufacturing;
2. Prepare students for immediate employment;
3. Guide students to obtain certificates from accredited organizations in the advanced manufacturing field;
4. Create a learning-centered environment that promotes student engagement.

**Program Learning Outcomes (PLO)**

Upon completion of the A.A.S. degree in Advanced Manufacturing, students will be able to:

1. Fabricate objects in metal, wood, and plastic;
2. Measure the basic mechanical properties of engineering materials;
3. Model three dimensional objects using Computer-Aided Design (CAD) software;
4. Apply blueprint information for manufacturing;
5. Operate Computer Numeric Control (CNC) machines;
6. Maintain a safe and organized work space;
7. Record information in both written and electronic form.

## Tools for Assessing Student Learning Outcomes

### Program Learning Outcomes (PLO)

Upon completion of the A.A.S. degree in Advanced Manufacturing, students will be able to:

1. Fabricate objects in metal, wood, and plastic;
2. Measure the basic mechanical properties of engineering materials;
3. Model three dimensional objects using Computer-Aided Design (CAD) software;
4. Apply blueprint information for manufacturing;
5. Operate Computer Numeric Control (CNC) machines;
6. Maintain a safe and organized work space;
7. Record information in both written and electronic form.

	List of Major Requirements & Electives												
	EGS-100	ADM-220	ADM-230	ADM-231	ADM-232	ADM-233	ADM-240	ADM-241	BUS-***	CSC-118	ENG-211	EGS-101	EGS-201
<b>PLO #1</b>		✓✓✓	✓✓✓	✓✓	✓✓✓			✓✓					✓✓
<b>PLO #2</b>		✓✓	✓✓	✓									✓✓✓
<b>PLO #3</b>	✓✓✓			✓✓✓			✓✓	✓✓		✓✓		✓✓✓	
<b>PLO #4</b>	✓✓✓	✓✓✓	✓	✓✓✓	✓✓✓	✓✓✓	✓	✓✓✓				✓✓✓	
<b>PLO #5</b>				✓✓✓				✓✓		✓			
<b>PLO #6</b>		✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓					✓✓✓
<b>PLO #7</b>	✓✓						✓	✓	✓✓✓	✓✓	✓✓✓	✓✓✓	✓✓✓

Note: ✓ = extent to which course helps students achieve program goals: ✓ (=1, somewhat) ✓✓ (=2, yes) ✓✓✓ (=3, very much)

## Assessment Plan

Assessment Plan		
PLO	[Key Course] CLO	Assessment Method
1. Fabricate objects in metal, wood, and plastic;	[ADM220]2. Fabricate objects in metal.	Hands-on test: Drill a hole in an aluminum block and create internal threads that fits a 4-40 screw.
	[ADM220]3. Fabricate objects in wood.	Hands-on test: Cut an equilateral triangle with each side of $12.0 \pm 0.4$ cm from a plywood board by using a Band saw.
	[ADM230]2. Fabricate objects in plastics.	Hands-on test: Mold a Tensile bar by using plastics beads.
2. Measure the basic mechanical properties of engineering materials;	[EGS201]2. Perform a Tensile Test.	Hands-on test: Perform a Tensile test and interpret the results.
3. Model three dimensional objects using Computer-Aided Design (CAD) software;	[EGS100]2. Model three dimensional objects using Computer-Aided Design software.	Homework: Using the AutoCAD software to draw a cube of 40mm*40mm*40mm with a 20mm diameter and 5mm depth hold at the center of the top side.
4. Apply blueprint information for manufacturing;	[ADM231]1. Apply blueprint information for manufacturing.	Homework: Convert a given blueprint to CNC machine code.
5. Operate Computer Numeric Control (CNC) machines;	[ADM231]2. Operate CNC machines	Hands-on test: Set up and operate the CNC machine for a given task.
6. Maintain a safe and organized work space;	[EGS201]5. Maintain a safe and organized work space.	Observation: A checklist of laboratory safety rules.
	[ADM220]6. Maintain a safe and organized work space.	Observation: A checklist of laboratory safety rules.
7. Record information in both written and electronic form.	[EGS201]6. Record information in both written and electronic form.	Lab notebook quiz: To retrieve information from a lab notebook.

<b>Program Goal</b>	<b>Key Performance Indicator</b>	<b>Target</b>	<b>Assessment Timeline</b>
Provide curriculum that prepares students with the knowledge and skills in advanced manufacturing;	<ul style="list-style-type: none"> <li>• Percentage of students retained</li> <li>• Rate of progress towards degree completion</li> <li>• Percentage of students completing</li> </ul>	<b>TBD</b>	<b>Annual</b>
Prepare students for immediate employment;	<ul style="list-style-type: none"> <li>• Percentage of students employed post-graduation</li> <li>• Percentage of students participating in an internship or apprenticeship program while enrolled</li> </ul>	<b>TBD</b>	<b>Annual</b>
Guide students for obtaining certificates from accredited organizations in the advanced manufacturing field;	<ul style="list-style-type: none"> <li>• Percentage of students who obtain industry-recognized credentials and certifications</li> </ul>	<b>TBD</b>	<b>Annual</b>
Create a learning-centered environment that promotes student engagement.	<ul style="list-style-type: none"> <li>• Percentage of students retained</li> <li>• Rate of progress towards degree completion</li> <li>• Number of applications received for apprenticeship opportunities</li> </ul>	<b>TBD</b>	<b>Annual</b>

### III. Relationship of the program to institutional strategic plan

Goal	Strategy	Advanced Manufacturing (ADM) Program
1.1	Review academic programs and develop new credit and non-credit programs and classes to meet career and workforce needs, the demands of the new economy, and changing demographics.	The ADM profession meets the career and workforce needs at Hudson County.
1.5	Identify and develop at least one signature program in each academic division, including identifying signature programming offered at the North Hudson Campus.	The ADM program is expected to be a signature program in the STEM division.
5.4	Expand revenues through enrollment increases, private giving, grants, the development of profit centers, and county, state and federal support.	The ADM program will attract new students and will boost enrollment and revenues for the college.
5.9	Develop and implement an aggressive enrollment plan, reviewed and revised annually, that will optimize enrollment growth in the number of both in-person and online students, and that addresses how the college can best capitalize on Hudson County regions experiencing population growth, such as Journal Square, Kearny, Harrison and the Waterfront.	The ADM program is designed to engage students in a pre-employment program with local partnered manufacturer(s). The ADM program will attract new students and will boost enrollment and revenues for the college.
6.2	Strengthen workforce development programs through partnerships with local businesses and the Hudson County Workforce Investment Board (WIB)	The ADM program is designed to engage students in a pre-employment program with a local partnered manufacturer(s).
6.3	Implement a comprehensive system for analyzing workforce trends to ensure college services and programs are meeting the needs of the local community	The Advanced Manufacturing program is designed to provide students with the knowledge and skills relevant for entry level employment in the manufacturing industry in Hudson County. The ADM program is designed to engage students in a pre-employment program with a local partnered manufacturer(s).



## IV. Need

### Justification

The Associate in Applied Science in Advanced Manufacturing provides students with knowledge and skills relevant for entry-level employment in the manufacturing industry. The skills include converting the designs of engineers and architects into technical drawings and programming a computer numerically controlled (CNC) machine. According to the United States Department of Labor\*, employment demand for drafters, the workers who convert the designs of engineers and architects into technical drawings, is projected to grow by 7-percent from 2016 to 2026. In addition\*\*, job opportunities for CNC machine programmers such as machinists and tool makers are also projected to grow. The annual mean wage\*\*\* of CNC machine tool programmers in New Jersey in 2017 was \$64,150.

\* <https://www.bls.gov/ooh/architecture-and-engineering/drafters.htm>

\*\*<https://www.bls.gov/ooh/production/machinists-and-tool-and-die-makers.htm>

\*\*\*<https://www.bls.gov/OES/Current/oes514012.htm>

### Relationship to Institutional Mission

The HCCC mission is to provide high quality educational opportunities that promote student success and are accessible, comprehensive, and learning centered.

The A.A.S in Advanced Manufacturing degree program supports the College's mission by providing students with high quality educational opportunities which will prepare them for immediate employment in the manufacturing field.

### Similar Programs

Similar programs can be found at:

1. Mercer County Community College: A.A.S. in Advanced Manufacturing
2. Bergen Community College: A.A.S. in Manufacturing Technology
3. Middlesex County College: A.A.S. in Engineering Technology
4. County College of Morris: A.A.S. in Mechanical Engineering Technology
5. Cumberland County College: A.A.S. in Engineering Technology
6. Essex County College: A.A.S. in Manufacturing Technology

### Similar Programs (continued)

General Education and Major Requirements	HCCC Proposed Program (A.A.S. in Advanced MFG)	Mercer CCC (A.A.S. in Advanced MFG Tech.)	Bergen CC (A.A.S. in MFG Tech.)	Middlesex CC (A.A.S. in Mech. Eng. Tech.)	CC of Morris (A.A.S. in Mech. Eng. Tech.)	Cumberland CC (A.A.S. in Eng. Tech.)	Essex CC (A.A.S. in MFG Tech.)
Communication ( 3 CR)	✓ ENG 101	✓	✓	✓	✓	✓	✓
	✓ ENG 112						
Math/ Sci / Tech (3 CR)	✓ MAT 100	✓	✓	✓	✓	✓	✓
Social Science or Humanities Elective (3 CR)	✓	✓	✓	✓	✓	✓	✓
Unassigned Gen. Ed. (8 CR)	✓	✓	✓	✓	✓	✓	✓
Fundamentals of Engineering Design (Computer-Aided Design)	✓ EGS 100	✓	✓	✓	✓	✓	✓
Manufacturing Processes	✓ ADM 220	✓	✓	✓	✓	✓	✓
MFG for Plastics and Rubbers	✓ ADM 230						
Computer Numeric Control (CNC)	✓ ADM 231	✓	✓		✓	✓	✓
Welding	✓ ADM 232		✓				
Mechatronics	✓ ADM 233			✓		✓	✓
Computer Integrated Manufacturing (Robotics)	✓ ADM 240			✓	✓	✓	✓
Manufacturing Design	✓ ADM 241		✓	✓			✓
Supply Chain Management	✓ BUS XXX						
Computer Programing	✓ CSC 118	✓			✓	✓	✓
Technical Report Writing	✓ ENG 108		✓			✓	
Business Communication	✓ ENG 211						

Engineering Graphic	✓ ESG 101	✓		✓	✓	✓	✓
Materials Science	✓ ESG 201			✓	✓		
Electric Circuits		✓			✓	✓	✓
Microeconomic		✓				✓	
Fluid Mechanics				✓			✓
Statics				✓	✓	✓	✓

## **V. Students**

It is expected that the initial enrollment will be 5-24 students. The labs can accommodate up to 24 students per section.

## **VI. Program Resources**

The proposed A.A.S. in Advanced Manufacturing program will draw from coursework existing at the college in addition to new courses that will be developed by HCCC faculties. No additional full-time faculty is needed for the program. However, adjunct faculty members will be needed to teach the Advanced Manufacturing courses.

Perkins Grant funds may cover all the laboratory equipment and apparatus.

Mechatronic Lab (ADM 233) will be using the facilities at High Tech High School.

## VII. Degree Requirements

### Curriculum Design

Degree Program A.A.S. in Advanced Manufacturing

General Education			Major Requirements	
Category	Course	Credit	Course	Credit
	CSS 100 * College Student Success	1	EGS 100 Fundamentals of Engineering Design	3
Communication (6 credits)	ENG 101 College Composition I	3	ADM 220 ♦ Manufacturing Processes	3
	ENG 112 Speech	3	ADM 230 ♦ Manufacturing for Plastics and Rubbers	3
Mathematics Science Technology (3 credits)	MAT 100 College Algebra	3	ADM 231 ♦ Computer Numeric Control (CNC)	3
Social Science or Humanities (3 credits)	Social Science Elective, or Humanities Elective	3	ADM 240 ♦ Computer Integrated Manufacturing (Robotic)	3
Unassigned General Education (8 credits)	CHP 111 College Chemistry	4	ADM 241 ♦ Manufacturing Design	3
	Science / Lab Elective	4	ADM XXX ♦ ADM Elective	4
			BUS XXX ♦ Supply Chain Management	3
			CSC 118 Python Programing	3
			ENG 103 Technical Report Writing	3
			ENG 211 Business Communication	3
			EGS 101 Engineering Graphic	2
			EGS 201 ♦ Materials Science	3
<b>Total</b>		<b>21</b>		<b>39</b>

\*Institutional Requirement – Not counted toward General Education total

♦ New Courses

**ADM Electives:**

ADM 232: Welding (4 credits)

ADM 233: Mechatronics (4 credits)

**Suggested Sequence –Associate in Applied Science in Advanced Manufacturing**

	<b>Course Code</b>	<b>Course Description</b>	<b>Credits</b>
First Semester			
	CSS 100	College Student Success	1
	ENG 101	College Composition I	3
	MAT 100	College Algebra	3
	EGS 100	Fundamentals of Engineering Design	3
	CHP 111	College Chemistry	4
	EGS 101	Engineering Graphics	2
			<b>16</b>
Second Semester			
	XXX XXX	Social Science Elective, or Humanities Elective	3
	CSC 118	Python Programing	3
	EGS 201	Materials Science	3
	ENG 211	Business Communication	3
	ADM 220	Manufacturing Processes	3
			<b>15</b>
Third Semester			
	ENG 112	Speech	3
	ADM 230	Manufacturing for Plastics and Rubbers	3
	ADM 231	Computer Numeric Control (CNC)	3
	XXX XXX	Science / Lab Elective	4
	ADM XXX	ADM Elective	4
			<b>17</b>
Fourth Semester			
	BUS ***	Supply Chain Management	3
	ENG 103	Technical Report Writing	3
	ADM 240	Computer Integrated Manufacturing (Robotic)	3
	ADM 241	Manufacturing Design	3
			<b>12</b>
		Total	<b>60</b>

### **New Courses Description**

**1. ADM 220 Manufacturing Processes 3 CR**

This course covers the basic processing methods for metals and woods. Topics include hand tools and power tools, machining, joining, shaping, bending, surface preparation and finishing.

Prerequisite: MAT 100 (2 hours lecture and 2 hours lab)

**2. ADM 230 Manufacturing for Plastics and Rubbers 3 CR**

This course covers the basic processing methods for plastics and rubbers. Topics include introduction to plastics, injection molding, compression molding, blow molding, compound extrusion, pipe extrusion, film casting, film blowing, additives and fillers, and color matching. Prerequisite: MAT 100 (2 hours lecture and 2 hours lab)

**3. ADM 231 Computer Numeric Control (CNC) 3 CR**

This course is an introduction to computer numeric control. Topics include program preparation, data input, program storage, machine setup and operation. Prerequisite: MAT 100 (2 hours Lecture and 2 hours Lab)

**4. ADM 232 Welding 4 CR**

This course is an introduction to metal arc welding and flux core arc welding. Topics include safety, equipment setup, and welding techniques. This course prepares students for the Certified Welder Test accredited by the American Welding Society.

**5. ADM 233 Mechatronics 4 CR**

This course is an introduction to mechatronics which is an integration mechanical and electrical systems. Topics include efficiently operating complex mechatronic systems, troubleshooting and foreseeing problems. This course prepares students to be a Siemen Certified Mechatronic Systems Assistant.

**6. ADM 240 Computer Integrated manufacturing (Robotics) 3 CR**

This course is an overview of robot mechanism and intelligent controls. Topics include sensors, motors, servo drives, actuators, and computer program control. Prerequisite: CSC 118

**7. ADM 241 Manufacturing Design 3 CR**

This course is an overview of industrial manufacturing. Topics include organization structure, lean manufacturing, regulations, environmental and safety concerns, and quality assurance and modern manufacturing. There are two field trips visiting nearby manufacturers. Students work on Capstone projects. Prerequisites: CSC 118 and ADM 240

**8. BUS \*\*\* Supply Chain Management 3 CR**

This course is an introduction to supply chain management. Topics include logistics, transportation, warehouse and inventory, operation, sourcing, planning and budgeting.

**201 Materials Science 3 CR**

This course is an introduction to materials science. Topics include physical and mechanical properties of materials, metal alloys, plastics, rubbers, ceramics, glass and composites.

Prerequisite: MAT 100 (2 hours lecture and 2 hours lab)

## VIII. Anticipated Cost for the Program

### **Anticipated Cost for the Program**

#### **A. Initial One-time Cost for Starting the Program**

Facilities & Equipment Setup <sup>1,2</sup>	\$ 3,000
Consultation Fee <sup>3</sup>	\$ 3,000
Expected cost for preparation for Licensure Exam <sup>4</sup>	\$
Other	\$
<b>TOTAL Initial One-time cost</b>	<b>\$ 6,000</b>

<sup>1</sup> Perkins Grant fundable items not included

<sup>2</sup> Mechatronics Lab (ADM 233) will be using the facilities at High Tech High School

<sup>3</sup> Include environment/economic scanning, initial advisory committee compensation, etc.

<sup>4</sup> Should consider factoring the cost into the program admission and/or graduation fees

<b>Perkins Grant Fundable Items</b>				
Description	Needed by	Estimated Price	Quantity	Total
Differential Scanning Calorimeter	01/21/2020	\$35,000	1	\$35,000
Laser Cutting Machine	01/21/2020	\$20,000	1	\$20,000
Impact Machine	01/21/2020	\$15,000	1	\$15,000
Hardness Measuring Device	01/21/2020	\$1,000	4	\$4,000
Surface Conductivity Machine	01/21/2020	\$1,400	4	\$5,600
Dynamic Mechanical Analyzer	01/21/2020	\$35,000	1	\$35,000
Surface Tension Measuring Device	01/21/2020	\$3,500	1	\$3,500
Tools: Rulers, Chisels, Hand Saws, Hammers, Files, Clamps, Screwdrivers, Square Bevels, Planes, Sharpening Stones, Cordless Drills, Drilling Bits, Jigsaws, Circular Saws, Reciprocating Saws, Mitre Saws, Orbital Sanders and Drill Presses.	09/04/2020	\$900 / Set	4	\$3,600
Table Saw (Workcentre)	09/04/2020	\$700	1	\$700
Band Saw	09/04/2020	\$700	1	\$700
Oven	09/04/2020	\$1,500	1	\$1,500
Milling Machine	09/04/2020	\$3,000	1	\$3,000
Lathe	09/04/2020	\$8,400	1	\$8,400
CNC	09/04/2020	\$1,900	1	\$1,900
Welding Setup for Metals (machine and gas)	01/21/2021	\$4,500	1	\$4,500
Ultrasonic Welding Machine	01/21/2021	\$17,000	1	\$17,000
Temperature Controlled Caver Press	01/21/2021	\$6,500	1	\$6,500
Robotic Components: Microprocessors, Resistors, Capacitors, Diodes, Transistors, Motors, Stepper Motors, Actuators, Breadboards, Servos, Sensors, Wires and Batteries.	01/21/2021	\$60 / set	24	\$1,440
			<b>Total</b>	<b>\$167,340</b>



B. On- Going Annual Operational Cost for the Program

➤ Instruction		
Faculty salaries		
FT	\$	
Adjunct	\$ 28,700	
TOTAL Instruction	\$ 28,700	
➤ Instructional Support Personnel		
Program Coordinator	\$ 4,920	(If Needed)
Tutoring – <i>Program specific</i>	\$	
Lab assistance	\$	
Program Advisement	\$	
Clerical	\$	
TOTAL Inst. Support Personnel	\$ 4,920	
➤ Additional library materials	\$ 2,000	
➤ Contractual Services		
Accreditation fees	\$	
Consultants	\$	
Travel	\$	
Licensure agreements	\$	
TOTAL Contractual Services	\$	

**HUDSON COUNTY COMMUNITY COLLEGE  
BOARD OF TRUSTEES MEETING  
March 12, 2019**

**X. NEW BUSINESS**

**1. Resolution Authorizing Approval of Engineering Services for Repair of Roof at North Hudson Campus**

**WHEREAS**, Hudson County Community College ("College") needs to provide professional pre-development survey, engineering, roof drawings and technical specifications, bid support, and construction management services for the main roof of the North Hudson Campus; and,

**WHEREAS**, this service is exempt from public bidding pursuant to N.J.S.A. 18 A: 64A-25.5 (15); and,

**WHEREAS**, Master Consulting P.A. of Red Bank, NJ submitted a proposal to provide these services at a total cost not to exceed \$29,900; and,

**WHEREAS**, the cost of these services will be funded from Chapter 12 Funds; and,

**WHEREAS**, the Administration and Capital Projects Advisory Committee recommend these services;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees of Hudson County Community College authorizes the College to retain the services of an engineering consultant to evaluate repair of the North Hudson Campus roof from Master Consulting P.A. of Red Bank, NJ as described herein at a cost not to exceed \$29,900;

**BE IT FURTHER RESOLVED** that the Board of Trustees authorizes the College's Administration to take all steps necessary to effectuate the terms of this resolution.

**INTRODUCED BY:** Bakari Lee

**SECONDED BY:** William Netchert

**DATE:** March 12, 2019

Callahan, Kevin	<u>AYE</u>
Fahrenholz, Karen	<u>AYE</u>
Gardner, Pamela	<u>AYE</u>
Kenny, Roberta	<u>AYE</u>
Kosakowski, Joanne	<u>AYE</u>
Lee, Bakari	<u>AYE</u>
Peña, Jeanette	<u>ABSENT</u>
Sires, Adrienne	<u>AYE</u>
Stahl, Harold	<u>ABSENT</u>
Netchert, William, Chair	<u>AYE</u>

8 Ayes..... 0 Nay

\*\*\*RESOLUTION ADOPTED\*\*\*

Jennifer Oakley 3-12-19  
Signature of Recorder Date

**HUDSON COUNTY COMMUNITY COLLEGE  
BOARD OF TRUSTEES MEETING  
March 12, 2019**

**XI. ADJOURNMENT**

**THAT**, the meeting be adjourned at 5:45 P.M.

**INTRODUCED BY:** Bakari Lee

**SECONDED BY:** Adrienne Sires

**DATE:** March 12, 2019

Callahan, Kevin	<u>AYE</u>
Fahrenholz, Karen	<u>AYE</u>
Gardner, Pamela	<u>AYE</u>
Kenny, Roberta	<u>AYE</u>
Kosakowski, Joanne	<u>AYE</u>
Lee, Bakari	<u>AYE</u>
Peña, Jeanette	<u>ABSENT</u>
Sires, Adrienne	<u>AYE</u>
Stahl, Harold	<u>ABSENT</u>
Netchert, William, Chair	<u>AYE</u>

8 Ayes..... 0 Nay

**\*\*\*RESOLUTION ADOPTED\*\*\***

<u>Jennifer Oakley</u>	<u>3-12-19</u>
Signature of Recorder	Date