



ULSTER COUNTY COMMUNITY COLLEGE CHARGEBACKS REPORT

2024

**Office of the
Ulster County Comptroller
March S. Gallagher**





ULSTER COUNTY OFFICE OF THE COMPTROLLER

Ulster County Community College Chargebacks Report

comptroller.ulstercountyny.gov

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Introduction

SUNY Ulster was established in Kingston in 1961, with its first graduating class in 1963. In 1967, the University relocated to Stone Ridge, which offers a beautiful and centrally located campus. However, the College's location choice may not have fully addressed the educational demands of Ulster County residents, as evidenced by over 1,000 students attending neighboring community colleges annually, funded by local taxpayers. This situation raises questions about whether there are ways to enhance access to the Stone Ridge and satellite facilities such as the iPark campus to better meet the County's educational needs.

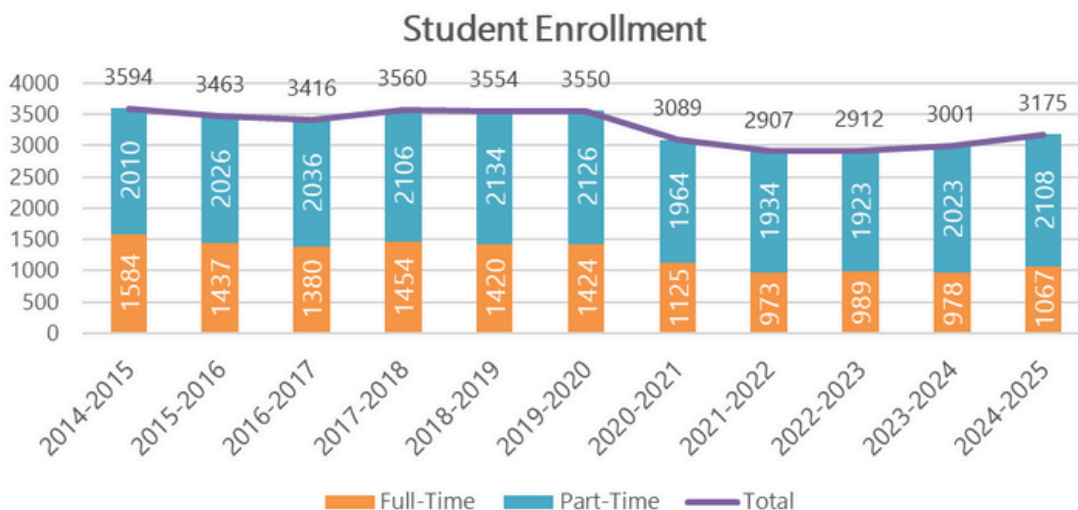
To meet the needs of future students, SUNY Ulster has requested \$50.8 million for capital improvements in 2025 and 2026. Half of this would be funded by Ulster County and half by New York State. The Ulster County Executive has included this request in their Capital Improvement Program for 2025-2030, which is before the County Legislature during their budget deliberations. SUNY Ulster's Strategic Plan adopted August 2024, [SUNY Ulster in 2030: Fostering a Community of Excellence, Empowering a Culture of Achievement](#), is designed to cultivate a culture of success and help all students achieve their goals by 2030.

The college seeks to enhance economic mobility while reflecting the County's diversity, recognizing an increasing number of first-generation, Hispanic, and financially needy students among a declining overall high school population. With nearly 70,000 residents over 25 lacking post-secondary credentials, SUNY Ulster aims to attract these individuals.

SUNY Ulster's Master Plan emphasizes the need for diverse academic and personal support, especially for older students balancing school, work, and family, and intends to adjust class schedules accordingly. The pandemic's impact on academic preparedness is also acknowledged, alongside the college's capacity to admit more students, as many County residents currently opt for other institutions.

Enrollment

College enrollment is influenced by a variety of factors, graduation population, high school graduation rates, and other economic and social factors.

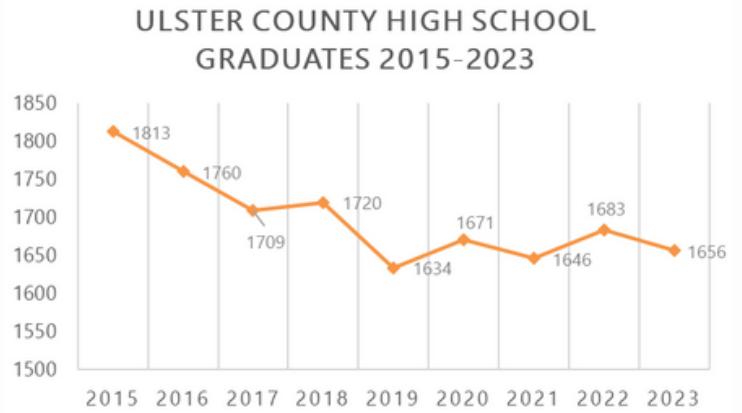


Source: 2014-2023 data aggregated from Ulster County Community College Enrollment from New York State Department of Education data available at <https://data.nysed.gov/highered-enrollment.php?year=2023&instid=on> and accessed on June 6, 2024. 2024 data made available from SUNY Ulster.

Total SUNY Ulster enrollment has declined 16.5% between 2014 and 2023. While part-time enrollment is virtually the same as it was ten years ago, full-time enrollment has declined by 37.6%.

[1] Aggregated by the Ulster County Comptroller's Office with data from <https://data.nysed.gov/highered-enrollment.php?year=2023&instid=on> June 5, 2024.

Ulster County's class of graduating high school students has declined 9.2% from 2014-15 to 2022-23,² which can affect the applicant pool. The college is focusing efforts to recruit nontraditional-aged college students and students who have some college but no degree. Preliminary enrollment for Fall 2024 (3,175) indicates an approximate 6% increase from Fall 2023,³ suggesting these efforts are helping to grow enrollment.



Ulster County Chargebacks: An Overview

Community college chargebacks are a mechanism established in the 1950s under New York State (NYS) law, mandating counties cover a portion of the tuition costs when their residents attend community colleges outside their home county. This policy was designed to share the financial responsibility for higher education among the student, the state, and the local sponsoring county, theoretically in equal parts.

The goal of the legislation requiring operating and capital chargebacks was to ensure that anyone residing in New York State could attend a community college and pay the same local resident tuition rate. Chargebacks reimburse community colleges for educating out-of-county students, with the costs shared by the students' home counties. Over the years, increasing tuition at community colleges has led to increased financial pressure on both the community colleges and the counties responsible for the chargebacks.

The Chancellors for SUNY set the chargeback rates for each community college outside of the 5 boroughs of the City of New York, and the chargeback rates for the city colleges are set by CUNY. Community colleges outside of New York City have the rates shown in the table below.

The chargeback revenues are divided between tuition (or operating) and capital.⁴ The tuition revenue is kept by SUNY Ulster and the capital chargeback is collected by SUNY Ulster and remitted to the County. The rate of the capital chargeback is set by the SUNY Central Administration and has remained at \$300 per student per year for over a decade without change. SUNY Ulster makes a payment to Ulster County for the County's share of the capital chargeback prorated for that portion of the year that the student attended. If this were increased, it would provide additional revenue, but it would also require an increased expenditure on behalf of Ulster County residents who pursue community college in other counties. The County does not obtain sufficient documentation to determine if the revenue amount is correct based on number of students and duration of attendance, so there is no way to currently estimate the net effect of a potential increase.

To receive the lower NYS resident rate of tuition, a student must submit a Certificate of Residence from their home county to their community college.⁵ The process to receive a Certificate of Residence has historically been difficult and confusing for students. Prior to the COVID-19 pandemic, the certificate of residency application process required students to appear in-person at their home County's office. These in-person requirements often created a barrier because of transportation issues, daytime work, child-care obligations, or the student temporarily living in another part of the State. In 2022, the State Legislature amended section 6305 of the Education Law to allow counties to begin accepting electronic submission of Certificate of Residence applications, effective July 1, 2023, and prohibiting counties from requiring that students provide a social security number.

[2] New York State Department of Education, Ulster County Graduation Rate Data 4 Year Outcome as of August, accessed at <https://data.nysed.gov/> on 9/26/2024.

[3] SUNY Ulster, Offices of Institutional Research and Enrollment Management, Fall 2024.

[4] Please see Community College regulations (PART 600: Statutory authority: Education Law, § 355, subd. 1, par. c) on how chargeback rates are set for each community college (§602.12 Operating chargebacks for nonresident students & §603.7 Capital cost chargeback for nonresident students)

[5] As a result of advocacy from SUNY System, SUNY colleges with prison education programs have a mechanism to charge approved out-of-county rates for students in correctional facilities. Under the SUNY directive, these students are considered residents of their last known county of residence. The Department of Corrections and Community Supervision has provided a process for colleges to secure documentation for verification of a student's last known address. For the fall 2024 semester, SUNY Ulster is in the process of bringing these tuition charges in line with this guidance.

For the Community College’s fiscal year (running from the beginning of September 2022 to the end of August 2023), Ulster County paid chargebacks for 1,093 students, mostly attending Dutchess, Orange, Hudson Valley, and Columbia-Greene community colleges. Ulster County Towns nearer to community colleges outside Ulster County, such as the Town of Lloyd and Shawangunk, have higher attendance at Dutchess County Community College and Orange County Community College, respectively.

In 2023, Ulster County paid \$3.85 million to 27 other community colleges (including several City University of New York schools).

Community College Chargeback Comparisons					
College	2023-2024 Rates	2022-2023 Rates	Amount Paid to Each College	% of 2023 Total	Students Enrolled
Dutchess	\$ 6,700	\$ 5,130	\$ 1,045,949	27.17%	365
Orange	\$ 7,920	\$ 7,240	\$ 824,050	21.40%	221
Columbia-Greene	\$ 13,560	\$ 12,690	\$ 710,326	18.45%	130
FIT	\$ 18,380	\$ 16,800	\$ 446,220	11.59%	31
HVCC	\$ 4,640	\$ 4,480	\$ 318,732	8.28%	136
Sullivan	\$ 6,990	\$ 6,170	\$ 172,671	4.49%	63
Rockland	\$ 5,720	\$ 5,630	\$ 64,038	1.66%	22
Herkimer	\$ 7,900	\$ 7,480	\$ 41,935	1.09%	10
Finger Lakes	\$ 5,140	\$ 4,440	\$ 36,255	0.94%	17
Broome	\$ 5,540	\$ 5,150	\$ 30,948	0.80%	11
Westchester	\$ 6,470	\$ 5,150	\$ 28,857	0.75%	13
Monroe	\$ 5,050	\$ 4,560	\$ 25,045	0.65%	15
Adirondack	\$ 6,120	\$ 4,200	\$ 25,232	0.66%	10
Cayuga	\$ 6,320	\$ 6,830	\$ 17,147	0.45%	13
Tompkins	\$ 4,470	\$ 4,680	\$ 12,582	0.33%	6
Genesee	\$ 6,360	\$ 5,890	\$ 9,925	0.26%	6
Schenectady	\$ 4,130	\$ 4,000	\$ 9,094	0.24%	6
Onondaga	\$ 4,650	\$ 2,960	\$ 8,907	0.23%	6
CUNY Queensborough	\$ 14,469	\$ 13,643	\$ 6,898	0.18%	1
Mohawk	\$ 3,990	\$ 4,850	\$ 5,113	0.13%	3
CUNY Manhattan	\$ 8,073	\$ 6,539	\$ 3,627	0.09%	2
Erie	\$ 3,360	\$ 4,330	\$ 2,054	0.05%	1
Clinton	\$ 9,860	\$ 8,140	\$ 1,355	0.04%	1
Jamestown	\$ 4,600	\$ 4,530	\$ 966	0.03%	1
Niagara	\$ 7,130	\$ 6,360	\$ 888	0.02%	1
Corning	\$ 3,667	\$ 3,507	\$ 501	0.01%	1
Suffolk	\$ 4,750	\$ 4,810	\$ 505	0.01%	1
Total			\$ 3,849,820		1093

The top three compensated community colleges share a border with Ulster County, which accounts for roughly 67% of the total chargeback expenditures for the year.

Ulster County has consistently faced significant financial obligations due to community college chargebacks. From 2014 to 2023, the County has paid \$35.2 million in chargebacks or an annual average of \$3.5 million per year over that period. This greatly exceeded the amount received from other counties for the capital portion for non-resident students attending SUNY Ulster, which averages \$71,000. Over the 10 year period, SUNY Ulster received an average of \$898,000 per year in operating chargeback revenue. On average between the County and SUNY Ulster, the annual net chargeback costs are \$2,549,000.

Ulster County has seen an average annual net chargeback expenditure of \$3.4 million, and an average annual net expenditure on higher education of \$9.8 million when considering the County's sponsor contribution paid to SUNY Ulster. In 2024, the County increased the amount contributed to SUNY Ulster by \$500,000 to a total of \$6.9 million.

Ulster County Net Higher Education Expenditures 2014-2023					
Ulster County Fiscal Year	Chargeback Expenditures	Capital Chargeback Revenue	Net Cost of Chargebacks to Ulster County	Ulster County Sponsor Contribution Paid to SUNY Ulster	Net Ulster County Spending on Higher Education (Exclusive of UCCC Capital Projects)
2014	\$ 3,506,547	\$ 82,933	\$ 3,423,614	\$ 6,280,863	\$ 9,704,477
2015	\$ 3,195,665	\$ 78,215	\$ 3,117,450	\$ 6,280,863	\$ 9,398,313
2016	\$ 3,148,131	\$ 72,757	\$ 3,075,374	\$ 6,400,863	\$ 9,476,237
2017	\$ 3,533,070	\$ 66,007	\$ 3,467,063	\$ 6,400,863	\$ 9,867,926
2018	\$ 3,709,301	\$ 79,225	\$ 3,630,076	\$ 6,400,863	\$ 10,030,939
2019	\$ 3,784,453	\$ 78,915	\$ 3,705,538	\$ 6,400,863	\$ 10,106,401
2020	\$ 3,724,727	\$ 80,200	\$ 3,644,527	\$ 6,400,863	\$ 10,045,390
2021	\$ 3,298,572	\$ 66,327	\$ 3,232,245	\$ 6,400,863	\$ 9,633,108
2022	\$ 3,428,869	\$ 57,132	\$ 3,371,737	\$ 6,400,863	\$ 9,772,600
2023	\$ 3,849,820	\$ 47,617	\$ 3,802,203	\$ 6,400,863	\$ 10,203,066

Operating chargebacks are received and retained by SUNY Ulster. As can be seen in the chart to the right, SUNY Ulster receives far less than the amount Ulster County pays out.

College tuition cost increases have led County and local leaders statewide to explore alternative solutions over the past ten years. Some Counties have responded by transferring their chargeback burdens to the towns and villages situated within their counties. According to the New York State Association of Counties the following counties charge their community college chargeback expenditures back to the local municipalities of residence: Cayuga, Chemung, Erie, Monroe, Nassau, Niagara, Oneida, Orleans, Oswego, Rensselaer, Rockland, St. Lawrence, Suffolk, and Schuyler. Ulster County does not charge any chargeback costs to the towns situated within the County, nor to the City of Kingston.

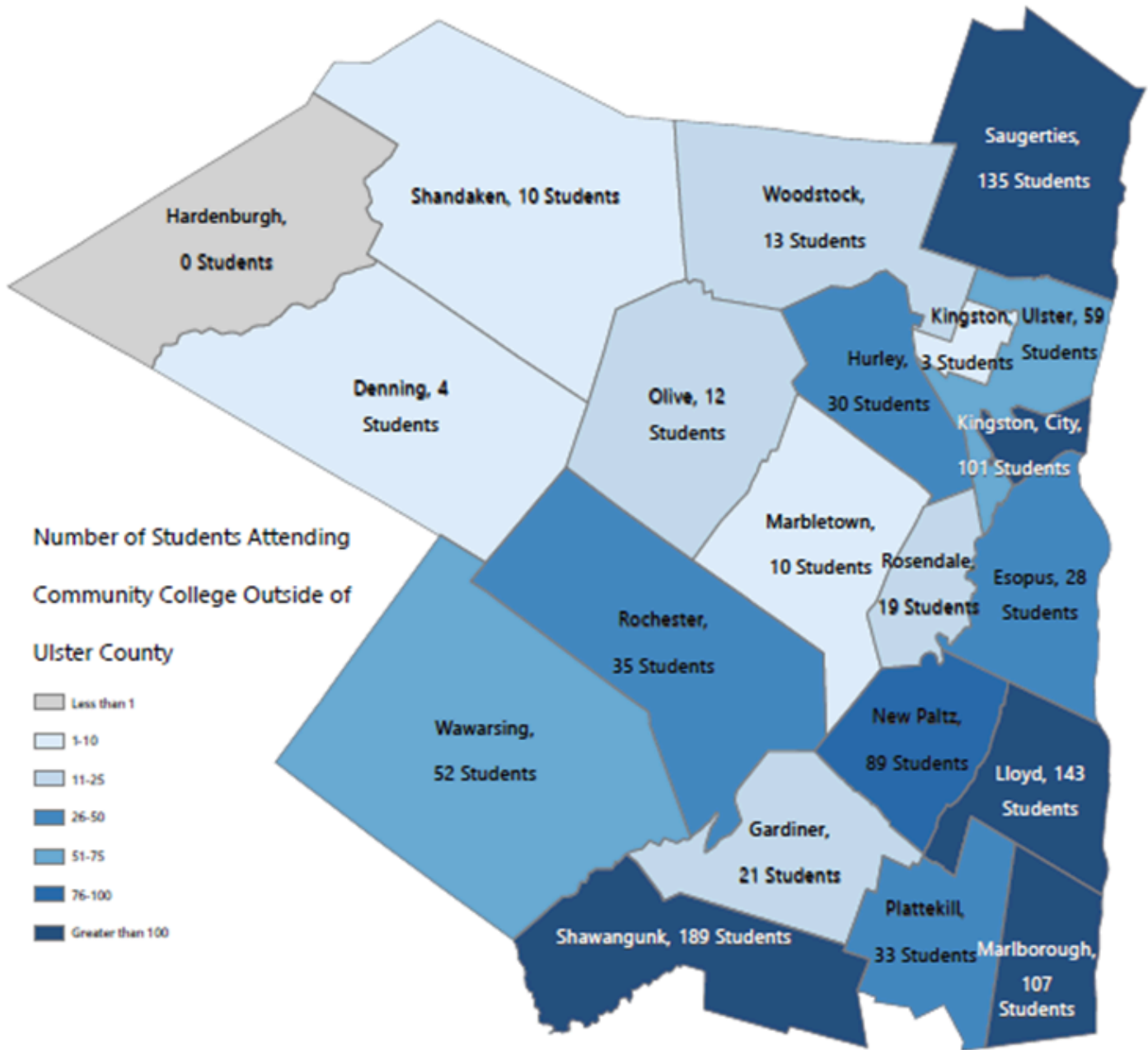
SUNY Ulster Fiscal Year	Operating Chargebacks Received and Retained by SUNY Ulster	Capital Charges Received by SUNY Ulster & Paid To Ulster County	Total Chargeback Revenue
2013 - 2014	\$ 953,062	\$ 82,933	\$ 1,035,995
2014 - 2015	\$ 802,091	\$ 78,275	\$ 880,366
2015 - 2016	\$ 807,842	\$ 72,697	\$ 880,539
2016 - 2017	\$ 797,286	\$ 66,147	\$ 863,433
2017 - 2018	\$ 942,400	\$ 79,515	\$ 1,021,915
2018 - 2019	\$ 925,266	\$ 78,365	\$ 1,003,631
2019 - 2020	\$ 990,616	\$ 80,350	\$ 1,070,966
2020 - 2021	\$ 905,953	\$ 66,367	\$ 972,320
2021 - 2022	\$ 940,649	\$ 57,062	\$ 997,711
2022 - 2023	\$ 915,302	\$ 47,617	\$ 962,919

Proximity: Student Geographical Location Section

A review of the location of students resulting in chargebacks by attending community college outside of Ulster County demonstrates that geography is a primary driver in community college chargebacks. While some community colleges may be selected for a specific program, most Ulster County residents who elect to attend a community college outside of Ulster County do so because they live closer to those colleges. The municipalities with the highest number of students resulting in chargebacks in 2023 (spring of 2023 and fall of 2023) were Shawangunk (189), Lloyd (143), Saugerties (135), Marlborough (107) and the City of Kingston (101). All these municipalities border other counties and students may find an easier commute from Lloyd to SUNY Dutchess than from Lloyd to SUNY Ulster.

Community College Chargeback Population by Town

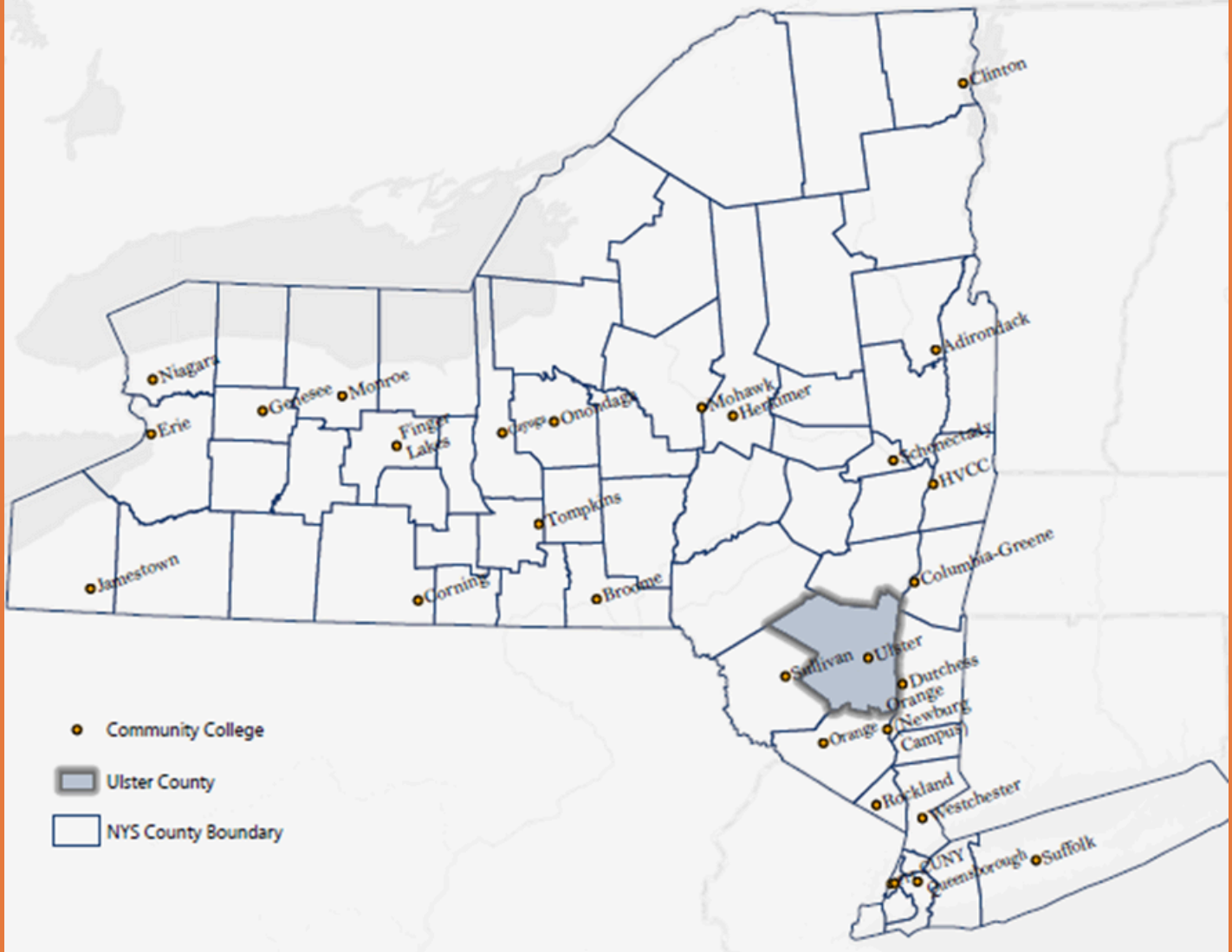
2022-2023 data



The imbalance in chargeback students leaving the County versus those coming in appear to be geographically related. When SUNY Ulster was originally sited, the policymakers chose as close to the center of the County to be as fair as possible to residents of all municipalities. This, however, leaves many of our population centers closer both in miles and commute time to our neighboring community colleges. A student in the Village of Saugerties would have a 15-mile 29-minute commute to Columbia Greene Community College versus a 21-mile 28-minute commute to SUNY Ulster. A student in Highland would have a 5.7-mile 13-minute commute to SUNY Dutchess versus a 20.4-mile 33-minute commute to SUNY Ulster.

Community Colleges Attended By Ulster County Students

2022-2023



Recommendations

Surveys

The 2012 Ulster County Comptroller's Chargeback audit recommended that we survey students seeking support for out of county tuition. That change was implemented but not maintained by the former Commissioner of Finance. When we inquired of the Department recently to obtain the surveys, we were told that "a few years ago they started throwing them out" because no one was looking at them. The new Commissioner has directed staff to retain them for review. We recommend that the Department of Finance continue to collect student surveys on why they are seeking education outside of the County. Those forms should be copied, analyzed periodically, and shared with SUNY Ulster on a regular and ongoing basis.

Transportation

The County and SUNY Ulster should explore enhancing transportation options to the Stone Ridge campus to ensure that busses to and from the campus align with the start and end of the school day. This endeavor could be taken on by first determining the way current students are getting to and from campus, as well as surveying students leaving the County for community college elsewhere.

Investigate Other Financial Incentives

Policymakers and the Community College should investigate whether there are additional ways to encourage enrollment within the County through scholarships for county residents or other means.

Grow the Satellite Campus

As SUNY Ulster develops its satellite campus at iPark, enrollment should be monitored to determine if more offerings would attract students at that location. Investments by SUNY Ulster and Ulster County in this location could attract students now leaving the County for community college.

Chargeback Documentation

We recommend that SUNY Ulster provide, and the Department of Finance require and upload, documentation to the financial system that verifies the chargeback capital funds received match the amount owed. This should be based on the number of non-resident students and the length of time they attended.

Recordkeeping

While reviewing records to confirm that non-Ulster addresses on billings were for Ulster County residents, we found that this information is stored in multiple locations. Paper copies are kept in no specific order, and the data is input into an Access database that sometimes includes useful notes. To streamline this process, the County should consider moving the application process to a digital online platform. This would allow information to be easily accessed during billing reviews, rather than relying on disorganized paper copies.

Conclusion

In conclusion, Community College Chargebacks, which were originally established to distribute the financial responsibility of higher education among students, the state, and local counties, has increasingly burdened counties like Ulster. The County has paid over \$41.9 million from 2012 to 2023, with an annual average exceeding \$3 million. This financial strain is exacerbated by the state's reduced funding, shifting more costs to local taxpayers.

The disparity in student distribution, particularly the significant number of Ulster County students attending nearby community colleges, highlights geographical and logistical challenges. SUNY Ulster's declining enrollment and declining capital and operating chargeback revenues despite the college's improving financial position underscore the need for strategic adjustments.

A photograph of a 'WELCOME TO SUNY ULSTER' sign in front of a building. The sign is blue with white text and is mounted on two black posts. The background shows a large, modern building with a prominent portico and columns, surrounded by greenery and trees. The image is slightly blurred, giving it a soft, artistic feel.

**WELCOME
TO SUNY ULSTER**