

# COMMUNITY COLLEGE TUITION - 2490

## ABOUT THIS ACCOUNT

Sections 6304 and 6305 of the New York State Education Law require contributions from a student's "home county" for the payment of community college expenses incurred outside of the county.

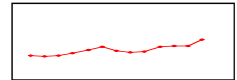
Community College payments are based on a formula that determines a full-time student (FTE) chargeback rate for each student, which is billed back to their home county. The rate is established by dividing the Local Sponsor Share by the total number of full-time equivalent students (FTE's) attending the institution from all counties. This is the per capita rate that should be applied to all students regardless of the county of residence. For out-of-county students this amount is simply added to the student's tuition amount. The chargeback rate itself has an operational and capital component that is influenced by different factors.

The operational rate changes if the size of the community college's budget increases or decreases or the number of students rises or falls significantly. For instance, if the community college's net operating budget increases or the number of students falls, the chargeback rate increases.

Due to its proximity to Albany County, many more Albany residents attend Hudson Valley Community College (HVCC) in Rensselaer County than any other community college in the New York system. Historically, Hudson Valley represents approximately 80 percent of Albany County's liability for community college tuition. Thus Albany County's costs are very dependent on enrollment in Hudson Valley and its financial interactions with its sponsor county, Rensselaer. As shown in the table to the right, the number of County full-time equivalent students attending HVCC has increased over the past decade by 17.4%. However, since the 2001-2002 academic year enrollment has been virtually unchanged.

A Local Sponsor Share is determined by the community college's net operating budget minus state aid and student tuition payments. The operational chargeback formula has enabled sponsoring counties with community colleges to keep their costs stable while increasing the costs to counties without community colleges. Sponsoring counties may use the community college's fund balance to subsidize their full-time equivalent payment for students. Thus Albany County's contribution to the operation of HVCC has grown rapidly, while its sponsor's contribution has remained flat for years. Despite this, Albany County has no role in the governance of HVCC or in oversight of its costs or finances.

## APPROPRIATION HISTORY



1998:	\$4,600,000
1999:	\$4,400,000
2000:	\$4,700,000
2001:	\$5,500,000
2002:	\$6,627,197
2003:	\$7,875,494
2004:	\$6,214,971
2005:	\$5,854,391
2006:	\$6,050,000
2007:	\$7,800,000
2008:	\$8,200,000
2009:	\$8,200,000
2010:	\$10,283,185

Albany County Residents Attending Hudson Valley Community College			
Academic Year	FTEs	Change	% Change
1999-2000	2,710	NA	NA
2000-2001	2,813	103	3.8%
2001-2002	3,023	210	7.5%
2002-2003	3,174	151	5.0%
2003-2004	3,107	-67	-2.1%
2004- 2005	3,274	167	5.4%
2005-2006	3,030	-245	-7.5%
2006-2007	3,021	-8	-0.3%
2007-2008	2,977	-44	-1.5%
2008-2009	3,272	295	9.9%
2009-2010	3,183	-89	-2.7%
<b>Total Change</b>		<b>473</b>	<b>17.4%</b>

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Albany County Costs and Student Tuition Costs vs. Rensselaer County Contribution			
Period	Tuition Rate	Albany County Costs*	Rensselaer County Costs
2002-2003	\$ 2,350	\$ 7,593,016	\$ 3,138,900
2003-2004	\$ 2,500	\$ 6,695,171	\$ 3,138,900
2004-2005	\$ 2,600	\$ 4,795,484	\$ 3,138,900
2005-2006	\$ 2,700	\$ 4,917,811	\$ 3,138,900
2006-2007	\$ 2,700	\$ 6,676,294	\$ 3,138,900
2007-2008	\$ 2,800	\$ 8,380,340	\$ 3,138,900
2008-2009	\$ 2,900	\$ 8,521,742	\$ 3,138,900
2009-2010	\$ 3,100	\$ 10,500,000	\$ 3,138,900
<b>Percent Increase: All Years Shown</b>	<b>31.9%</b>	<b>38.3%</b>	<b>0.0%</b>

\* Tuition and Chargeback Rates represent academic years. Albany County costs represent calendar year.

This use of fund balance does not benefit the non-sponsor counties whose chargeback payments have contributed to it and inherently means that non-sponsor counties pay a greater cost for its students than does the sponsor county. For example, during the 2008-2009 academic year Rensselaer County contributed \$3,138,900 towards HVCC. This amount has not changed for 10-years, and represents 3.9 percent of HVCC's net operating budget. This contribution, as a percentage of the community college's net operating budget, is the *lowest* of any sponsor County in New York State.

Sponsor Contribution Towards Community College Operating Budget		
County	Sponsor Contribution	% of Net Operating Budget
Rensselaer County	\$ 3,138,900	3.9%
New York State Average	\$ 10,574,868	18.2%

The typical sponsor county contribution totals 18.2 percent of their community college's net operating budget. If Rensselaer County contributed this amount during the 2008-2009 academic year, their contribution would have increased to \$14.7 million – an increase of \$11.5 million. Currently, as per New York State Education Law, this \$11.5 million is paid equally by New York State, other counties, and students (through tuition payments).

In summary, enrollment of Albany County residents at HVCC has been relatively stable over the long term. While Rensselaer County has contributed \$3.1 million for many years, Albany County has seen its costs rise by millions. This inequity will need to be addressed in future years.

There has been discussion of Community College tuition costs being charged back to municipalities within Albany County. However, charging this cost to municipalities would not reduce the burden on property tax payers, it would simply shift from the County to municipalities. In many respects, this is similar to New York State imposing unfunded mandates on County government; we would be imposing an unfunded mandate on municipalities. Secondly, the County tax burden is currently paid by property owners based on equalized assessed value. Charging community college tuition would reallocate the cost to municipalities where students can least afford 4-year colleges.

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Hypothetical Distribution of Community College Tuition to Municipalities (Based on HVCC Fall, 2009)					
Municipality	Hudson Valley CC Enrollment by Municipality	Applying Municipal Chargebacks to 2010 Budgeted CCT	County Tax Levy Proportions	HVCC CCT Apportioned based on County Tax Levy	Difference for Municipal Taxpayers
Albany	27.1%	\$ 2,790,665	20.7%	\$ 2,129,076	\$ 661,589
Berne	0.5%	\$ 55,883	1.2%	\$ 120,144	\$ (64,261)
Bethlehem	9.3%	\$ 956,938	13.9%	\$ 1,430,015	\$ (473,077)
Coeymans	3.3%	\$ 337,705	2.4%	\$ 250,590	\$ 87,115
Cohoes	7.4%	\$ 765,632	2.8%	\$ 290,328	\$ 475,304
Colonie	31.5%	\$ 3,238,210	34.3%	\$ 3,526,277	\$ (288,067)
Green Island	1.4%	\$ 148,049	0.6%	\$ 59,550	\$ 88,499
Guiderland	8.8%	\$ 901,549	15.0%	\$ 1,545,272	\$ (643,722)
Knox	0.5%	\$ 50,379	1.0%	\$ 103,521	\$ (53,142)
New Scotland	2.9%	\$ 299,452	4.0%	\$ 413,448	\$ (113,996)
Rensselaerville	0.4%	\$ 39,843	1.0%	\$ 100,995	\$ (61,152)
Watervliet	5.8%	\$ 598,536	1.6%	\$ 166,271	\$ 432,266
Westerlo	1.0%	\$ 100,343	1.4%	\$ 147,698	\$ (47,355)
		\$ 10,283,185		\$ 10,283,185	

As shown in the table above, which is based on enrollment at HVCC during the fall of 2009, charging back community college tuition to municipalities would result in substantial changes in the tax incidence. For example, taxpayers in the City of Albany would be charged an additional \$661,589, whereas taxpayers in the Town of Guiderland would receive a significant savings. On a per capita basis, the change would be most dramatic in the City of Cohoes, Village of Green Island, and City of Watervliet.