

SUNY ADIRONDACK SPONSORSHIP FORMULA ADJUSTMENT PROPOSAL

THE PROBLEM:

SUNY Adirondack needs to get to \$5 million (15%) in sponsor contributions in order to leverage investment from NYS and other Counties and take the pressure off student tuition to make this college both competitive in the market and the workforce development tool that Warren County needs to continue our current positive trajectory.

THE PROPOSED SOLUTION

We can achieve the \$5 million goal (15%) in five - six years if we increase the sponsor contribution by 6.5% per year, as opposed to the current practice of 2% per year increases. The 2% practice is insufficient if we expect the college to provide the services that our residents and local businesses need. If we continue providing 2% per year, the financial burden of achieving our community's goals will fall to the local students whose prospects we are trying to improve, and the non-local students we hope will come here. Students have other options and the goal is to keep SUNY Adirondack competitive and increase enrollment

Increasing the sponsor contribution is not as simple as it would seem. That is because we share the financial responsibility with Washington County, and we can only do what is affordable to both counties. Both counties agree on a formula to split the cost of the sponsorship contribution. That formula is currently based on full time enrolees from each county, and it looks like this:

2022-23 Sponsor Contributions

Warren	\$ 2,173,075	57.4%	
Washington	\$ 1,613,314	42.6%	
	\$ 3,786,389	11.42%	of total SUNY Budget
SUNY Budget	\$ 33,160,000		

Current Projected Sponsor Contributions (assuming 2% growth per year)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Warren	\$ 2,216,537	\$ 2,260,867	\$ 2,306,085	\$ 2,352,206	\$ 2,399,250	\$ 2,447,235
Washington	\$ 1,645,580	\$ 1,678,492	\$ 1,712,062	\$ 1,746,303	\$ 1,781,229	\$ 1,816,854
	\$ 3,862,117	\$ 3,939,359	\$ 4,018,146	\$ 4,098,509	\$ 4,180,479	\$ 4,264,089
SUNY Adk Budget*	\$ 33,823,200.00	\$ 34,499,664.00	\$ 35,189,657.28	\$ -	\$ 35,893,450.43	\$ -
15% of Budget	\$ 5,073,480.00	\$ 5,174,949.60	\$ 5,278,448.59	\$ 5,384,017.56	\$ 5,491,697.92	\$ 5,601,531.87

\*2% increase/yr

PROPOSED SOLUTION

Proposed Projected Total Sponsor Contributions (assuming 6.5% increase per year)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	\$ 4,032,504	\$ 4,294,617	\$ 4,573,767	\$ 4,871,062	\$ 5,187,681	\$ 5,524,880
	11.92%	12.45%	13.00%	13.57%	14.17%	14.79%

The costs to Warren and Washington County of providing these sponsorship payments are borne by property taxpayers in both of our counties. County services paid for by property tax dollars are nearly always apportioned according to ability to pay...in other words, by property value. Here are the equalized full values in Warren and Washington Counties:

2023 Equalized Full Value

Warren	\$ 13,579,821,375	67.9%
Washington	\$ 6,409,511,767	32.1%
TOTAL	\$ 19,989,333,142	100%

If, over time, we transition the SUNY Adirondack sponsor share formula away from student enrollee-based to something that more closely resembles our taxpayers' ability to pay, we would provide more equity to taxpayers in both counties. As a result, taxpayers in both counties would be better positioned to support the college in the work it performs on behalf of our communities.

"What If" Scenario

We plan for SUNY Adirondack to receive the 6.5% growth per year in Warren County contribution  
 Over time, we transition the formula from the current 57/43 split based on FTEs to something closer to an EFV-based formula  
 We do so with the idea of keeping Washington County's out-year cost projections flat  
 This year, we agree to adjust the formula as follows over the next six years:

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Warren	59.40%	60.65%	61.90%	63.15%	64.40%	65.65%
Washington	40.60%	39.35%	38.10%	36.85%	35.60%	34.35%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Resulting Sponsor Contributions

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Warren	\$ 2,395,308	\$ 2,604,685	\$ 2,831,162	\$ 3,076,076	\$ 3,340,867	\$ 3,627,084
Washington	\$ 1,637,197	\$ 1,689,932	\$ 1,742,605	\$ 1,794,986	\$ 1,846,814	\$ 1,897,796
	\$ 4,032,504	\$ 4,294,617	\$ 4,573,767	\$ 4,871,062	\$ 5,187,681	\$ 5,524,880

Difference from Current Projected Sponsor Contributions

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Warren	\$ 178,771	\$ 343,818	\$ 525,077	\$ 723,869	\$ 941,616	\$ 1,179,849
Washington	\$ (8,384)	\$ 11,440	\$ 30,544	\$ 48,683	\$ 65,585	\$ 80,943

Cumulative Additional Cost, 5-Year Period

Warren	\$ 2,713,152
Washington	\$ 147,869

**WARREN COUNTY BOS ACTIONS**

- 1) AGREE TO HIT THE GOAL OF 15% SPONSORSHIP CONTRIBUTION WITHIN A REASONABLE TIME FRAME
- 2) AGREE TO HIT THE GOAL OF SPONSORSHIP SHARE BASED ON EQUALIZED FULL VALUE PROPERTY ASSESSMENT OVER TIME
- 3) AGREE ON RATE OF SPONSORSHIP CONTRIBUTION OVER TIME (eg 6.5%/year x 6 years)
- 4) AGREE WITH WASHINGTON COUNTY ON PROPOSED SPONSORSHIP CONTRIBUTION PLAN