



New York State Comptroller
THOMAS P. DiNAPOLI

Determination of Residency for Tuition Purposes

State University of New York

Report 2019-S-58 | May 2022

Spotlight on Education



Audit Highlights

Objective

To determine whether SUNY has adequate assurance that campuses are making accurate residency determinations for students and thus charging the correct tuition rates. The audit covers the period from June 2015 through September 2019.

About the Program

The State University of New York (SUNY) is the largest comprehensive system of public education in the nation, comprising 64 institutions (four of which are University Centers) – including research universities, academic medical centers, liberal arts colleges, community colleges, and agricultural and technical institutes across the State – and educating approximately 375,000 students with approximately 91,000 faculty and staff. Of the 64 institutions, 28 offer graduate programs. For fiscal year 2020-21, SUNY had an overall budget of \$11.9 billion and revenue of \$13 billion, including State support totaling \$3.6 billion and over \$1.6 billion in tuition and fees.

Approximately 50% of undergraduate applications are processed through SUNY's Application Service Center, which verifies that applicant information is complete, while the remaining applications are processed through the campus. In contrast, all graduate applications are processed directly through the campus where the student is applying. As stated in SUNY Policy 7810: Residency, Establishment of for Tuition Purposes (Residency Policy), each campus is responsible for making the final determination of students' residency status and tuition charges.

The Residency Policy also establishes proof of residency requirements. To be considered a State resident and receive in-state tuition, a student must show proof of domicile – defined as a fixed, permanent home to which a person plans to return after an absence – within the State. Proof of domicile includes, but is not limited to, voter registration, driver's license, State tax return, proof of property ownership, and vehicle registration. In order to be considered a State resident, students must have established their domicile in the State for a 12-month period immediately preceding the date of registration. The campus' initial determination of residency status should be based on information provided by the student during the admissions process. All application forms should solicit information relative to the student's principal or permanent home for the previous 12-month period.

The Residency Policy also states that a person does not acquire a State domicile only by being physically present in the State for the sole purpose of attending a State campus or by being physically present in the State for a period of 12 months. Students who have not established a State domicile at least 12 months immediately preceding their registration and who wish to be considered eligible for in-state tuition must submit to the campus a standard "Application for New York State Resident Status for Tuition Billing Purposes" (Residency Application) as well as all supporting documentation the student wishes the campus to consider.

Key Findings

- SUNY does not have adequate assurance that, at the graduate level, campuses are making accurate residency determinations for students and that students are being charged the appropriate tuition rate. Having greater autonomy in their graduate application processing, each of the seven SUNY campuses we reviewed – University at Buffalo, Binghamton University, SUNY Downstate Health Sciences University, Empire State College, SUNY at Plattsburgh,

SUNY College of Environmental Science and Forestry, and SUNY at Geneseo – applied its own interpretation of the Residency Policy requirements; and, in fact, some campus officials were not even aware that there was a policy that applied to graduate students. In many cases, the campuses relied solely on the residency status self-reported by students and did not obtain the proper supporting documentation to verify domicile.

- We found potential undercharges totaling \$1,343,051 for students who were charged the in-state rate as well as potential overcharges totaling \$44,171 for students charged the out-of-state rate from our reviews at seven SUNY campuses. Further, based on a random statistical sample of 1,207 graduate student tuition assessments of the 150,116 total assessments for these seven campuses alone, we identified 421 assessments with either no or inadequate documentation of domicile. Projecting the results of our findings to the total enrollment for each of these campuses, we estimate that at least 52,484 graduate student tuition assessments have unsupported residency determinations.

Key Recommendations

To SUNY Administration:

- Provide guidance and support to campus officials in interpreting and implementing the Residency Policy to ensure tuition is charged correctly by obtaining sufficient proof of residency for purposes of determining eligibility for in-state tuition.
- Work with campuses to ensure all student residency documents are maintained for at least 6 years from the time the student separates from the campus.

To SUNY Campuses:

- Ensure tuition is charged correctly by obtaining sufficient proof of residency for purposes of determining eligibility for in-state tuition.
- Maintain all student residency documents for at least 6 years from the time the student separates from the campus.



**Office of the New York State Comptroller
Division of State Government Accountability**

May 26, 2022

Deborah F. Stanley, J.D.
Interim Chancellor
State University of New York
SUNY System Administration
State University Plaza
353 Broadway
Albany, NY 12246

Dear Interim Chancellor Stanley:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage their resources efficiently and effectively. By so doing, it provides accountability for the tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit entitled *Determination of Residency for Tuition Purposes*. This audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

Division of State Government Accountability

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Glossary of Terms

Term	Description	Identifier
ASC	SUNY's Application Service Center	<i>Key Term</i>
Residency Application	"Application for New York State Resident Status for Tuition Billing Purposes"	<i>Key Term</i>
Residency Policy	SUNY Policy 7810: Residency, Establishment of for Tuition Purposes	<i>Key Term</i>
Retention Policy	SUNY's Records Retention and Disposition Schedule	<i>Key Term</i>
SUNY	State University of New York	<i>Auditee</i>

Background

The State University of New York (SUNY) is the largest comprehensive system of public education in the nation, comprising 64 institutions (four of which are University Centers) – including research universities, academic medical centers, liberal arts colleges, community colleges, and agricultural and technical institutes across the State – and educating approximately 375,000 students with approximately 91,000 faculty and staff. Of the 64 institutions, 28 offer graduate programs. As part of its mission, the SUNY system works to provide the people of New York State with educational services of the highest quality. For fiscal year 2020-21, SUNY had an overall budget of \$11.9 billion and revenue of \$13 billion, including State support totaling \$3.6 billion and over \$1.6 billion in tuition and fees. SUNY System Administration, the governance arm of SUNY, provides general oversight of operations and facilitates campuses' compliance with rules and regulations through university-wide policies and procedures.

Although considered reasonable by national standards, a SUNY education is still a costly investment, but more so for non-State residents. SUNY's tuition rates are based not only on degree level and program specialty but also residency status, as outlined under Section 355 of the Education Law, with certain exceptions.¹ By SUNY's own admission, the difference between the resident and non-resident tuition rates is significant. For example, for the academic year 2021-22, SUNY estimated the typical tuition for undergraduate students at a SUNY college to be just under \$7,100 for State residents versus nearly \$17,000 for out-of-state residents. For graduate programs, the differential is even higher. For the 2021-22 academic year, the tuition rate for a general (non-specialty) graduate program was \$471 per credit hour for residents compared with \$963 per credit hour for non-residents. For full-time students, this equates to tuition rates of \$11,310 and \$23,100, respectively. For students enrolled in specialty graduate programs such as Medicine, Pharmacy, and Architecture, the tuition – and the resident/non-resident differential – may be even greater. Given the substantial difference, there is incentive for out-of-state students to establish in-state residency.

Overall, SUNY graduate student enrollment increased from 40,439 students in 2017 to 44,104 students in 2021, while the number of out-of-state graduate students has been declining in recent years. This decline worsened during the onset of the COVID-19 pandemic – from 11,270 (28%) in 2017 to 10,407 (24%) in 2020. However, there was a slight uptick in the number of out-of-state graduate students in 2021, to 11,219 (25%).

Approximately 50% of undergraduate applications are processed through SUNY's Application Service Center (ASC), which verifies that applicant information is complete, while the remaining applications are processed through the campus. In contrast, all graduate applications are processed directly through the campus where

¹ Non-resident students who meet any of the following criteria can also receive the in-state tuition rate: attended an approved State high school for 2 or more years, graduated from an approved State high school, and applied to a SUNY school within 5 years of receiving a State high school diploma; received a New York State General Education Development diploma and applied to a SUNY school within 5 years of diploma receipt; or is a member, or the spouse or the dependent of a member, of the U.S. Armed Forces on full-time active duty and stationed in New York State.

the student is applying. As stated in SUNY Policy 7810: Residency, Establishment of for Tuition Purposes (Residency Policy), each campus is responsible for making the final determination of students' residency status and tuition charges.

The Residency Policy also establishes proof of residency requirements. To be considered a State resident and receive in-state tuition, a student must show proof of domicile – defined as a fixed, permanent home to which a person plans to return after an absence – within the State. Proof of domicile includes, but is not limited to, voter registration, driver's license, State tax return, proof of property ownership, and vehicle registration. In order to be considered a State resident, students must have established their domicile in the State for a 12-month period immediately preceding the date of registration. The campus' determination of residency status should be based on information provided by the student during the admissions process. All application forms should solicit information relative to the student's principal or permanent home for the previous 12-month period.

The Residency Policy also states that a person does not acquire a State domicile only by being physically present in the State for the sole purpose of attending a State campus or by being physically present in the State for a period of 12 months. Students who have not established a State domicile at least 12 months immediately preceding their registration and who wish to be considered eligible for in-state tuition must submit to the campus a standard "Application for New York State Resident Status for Tuition Billing Purposes" (Residency Application) as well as all supporting documentation the student wishes the campus to consider. Generally, a student under the age of 24 is a dependent and their state of residency is considered the same as their custodial parent(s). However, a student under the age of 24 who is independent, and thus responsible for paying all of their own educational expenses, must provide proof of financial independence.

The campus should examine the totality of the circumstances in each individual student's case and should have at least three forms of the required documentation to support their residency determination. Campuses are required to keep the student's residency determination and any supporting documentation in the student's permanent file. In addition, SUNY's Records Retention and Disposition Schedule (Retention Policy) requires campuses to maintain documentation relating to residency and residency determinations for a period of 6 years after the student's separation from the campus.

Audit Findings and Recommendations

SUNY does not have adequate assurance that, at the graduate level, campuses are making accurate residency determinations for students and that students are being charged the appropriate tuition rate. Whereas approximately 50% of undergraduate applications are processed through ASC, which verifies that applicant information is complete, graduate applications are processed at the campus level. Having greater autonomy in their graduate application processing, each of the seven sampled campuses – University at Buffalo (Buffalo), Binghamton University (Binghamton), SUNY Downstate Health Sciences University (Downstate), Empire State College, SUNY at Plattsburgh (Plattsburgh), SUNY College of Environmental Science and Forestry (ESF), and SUNY at Geneseo (Geneseo) – applied their own interpretation of the Residency Policy requirements; and, in fact, some campus officials were not even aware that there was a policy that applied to graduate students.

For our sample of seven campuses, we determined that, in many cases, campus personnel relied solely on the residency status self-reported by the students in their applications, and students' permanent files often did not contain any of the required documentation to support domicile. Based on a random statistical sample of 1,207 graduate student tuition assessments of the 150,116 total assessments for these seven campuses alone, we identified 421 assessments with either no or inadequate documentation of domicile, resulting in potential undercharges totaling \$1,343,051 for students who were charged the in-state rate as well as potential overcharges totaling \$44,171 for students charged the out-of-state rate. Projecting the results of our findings to the total enrollment for each of these campuses, we estimate that at least 52,484 graduate student tuition assessments have unsupported residency determinations.

In response to our findings, officials at many of the campuses in our sample said they were unaware of the Residency Policy or cited a need for better direction from SUNY. If officials from the seven campuses were not aware of the Residency Policy or found it unclear, there is the risk that many of the other 21 State-operated campuses offering graduate programs might have similar issues.

We recommend that SUNY officials work with campuses to provide guidance and support in interpreting and implementing the Residency Policy to ensure tuition is charged correctly by obtaining sufficient proof of residency for purposes of determining eligibility for in-state tuition, along with ensuring campuses are adhering to SUNY's Retention Policy.

Graduate Student Residency Determination

Our review of the seven SUNY campuses – Buffalo, Binghamton, Downstate, Empire State College, Plattsburgh, ESF, and Geneseo – focused on the tuition charges for graduate students (including matriculated and non-matriculated students enrolled in graduate- and doctoral-level classes). These campuses account for approximately 40% of the graduate student enrollment in SUNY's 28 State-operated campuses. We found campuses often relied solely on the residency status that students self-reported on their application and did not obtain the proper documentation to verify domicile.

Between June 2015 and September 2019, SUNY made 375,326 graduate student tuition assessments, of which 150,116 were from the seven sampled campuses. We reviewed a random statistical sample of 1,207 graduate student tuition assessments. Each assessment represents a student tuition charge for a specific semester during the audit period; therefore, a student in a 2-year graduate program could potentially have four student tuition assessments (if they were enrolled in the spring and fall semesters for each year). We reviewed the documentation the campuses used to assess residency status as well as billing statements or student account records to verify whether the correct tuition was charged for that semester. Since a student's residency status can change during their college career, we looked at the totality of the circumstances for each student for the identified semester in our sample. All graduate student tuition assessments in our sample fell within the 6-year document retention period required by the Retention Policy.

As shown in Table 1, the campuses could not provide the proper documentation to support the assessed residency status for 421 of the 1,207 (35%) graduate student tuition assessments. Four of the campuses – Buffalo, Binghamton, ESF, and Geneseo – account for the majority of the questionable assessments (413, or 98%). Failure to collect and maintain sufficient documentation to support tuition rates resulted in a potential undercharge of \$1,343,051 for students charged the in-state rate and a potential overcharge of \$44,171 for students charged the out-of-state rate.

Table 1 – Questionable Residency Determinations and Tuition Charges by Campus

Campus	Enrollment	Sample Size	Residency Not Supported	Potential Undercharge	Potential Overcharge
Buffalo	82,958	277	143 (52%)	\$552,242	\$44,171
Binghamton	31,145	265	118 (45%)	347,021	–
Downstate	13,788	57	2 (4%)	3,304	–
Empire State College	13,764	50	1 (2%)	1,359	–
Plattsburgh	3,829	81	5 (6%)	11,444	–
ESF	3,578	264	103 (39%)	276,099	–
Geneseo	1,054	213	49 (23%)	151,582	–
Totals	150,116	1,207	421 (35%)	\$1,343,051	\$44,171

Pursuant to SUNY's Residency Policy and Retention Policy, campuses are required to maintain all documentation relating to students' residency and residency determinations for a period of 6 years after the student's separation from the campus. As shown in Table 2, student files for the 421 questionable assessments were missing some or all of the required documents or the supporting documentation was inadequate.

Table 2 – Breakdown of the 421 Questionable Assessments by Campus

Campus	Number of Questionable Assessments	No Documentation	Graduate Application Only	Residency Application	Inadequate Documentation
Buffalo	143	29	84	0	30
Binghamton	118	19	97	1	1
Downstate	2	0	1	0	1
Empire State College	1	0	0	0	1
Plattsburgh	5	0	2	0	3
ESF	103	14	46	14	29
Geneseo	49	0	12	0	37
Totals	421	62	242	15	102

As Table 2 illustrates:

- Three of the seven campuses had instances where they did not maintain any documentation for their sampled assessments.
- For 242 (57%) assessments, the graduate application, where the students self-reported their residency information, was the only document the campuses collected and the basis for their determination.
- For 15 (4%) assessments, the students began attending the campus as an out-of-state student and later submitted a Residency Application. For 13 of these, the students were under the age of 24, did not meet the 12-month domicile requirement, and did not prove financial independence. For the remaining two assessments, the students were over the age of 24 but did not provide the necessary three forms of documentation to show that State residency was established prior to the Residency Application submission.
- For 102 (24%) assessments, the documentation that the campuses provided to us was inadequate to support the applicant’s status as a New York State resident. For example:
 - Residency status not reassessed despite lengthy gap since initial enrollment (ranging from 13 to 22 years).
 - Residency determination based solely on unofficial (and incomplete) high school transcript and graduate application.
 - Residency determination based on a single document (letter of recommendation, undergraduate transcript) rather than three forms as required.

Projecting the results of our findings to the population for each campus, and using a 95% confidence level, of the 150,116 graduate student tuition assessments at the seven campuses, at least 52,484 have unsupported residency determinations, as shown in Table 3.

Table 3 – Projected Results by Campus

Campus	Population	Minimum Projected Assessments
Buffalo	82,958	38,591
Binghamton	31,145	12,273
Downstate	13,788	87
Empire State College	13,764	15
Plattsburgh	3,829	96
ESF	3,578	1,223
Geneseo	1,054	199
Totals	150,116	52,484

We cannot project the dollar amount these SUNY campuses may have over- or undercharged during our scope period, since tuition varies by semester, program, and number of credits. However, during our audit period, the rates per semester for full-time general graduate program students varied from \$5,435 to \$5,655 for in-state tuition and \$11,105 to \$11,550 for out-of-state tuition. For students majoring in specialized and most costly graduate programs, such as Education, Nursing, Medical, Law, Physical Therapy, Social Work, Dental, Architecture, and Pharmacy, the dollar amounts may be even greater. For example, the rates for full-time Medical graduate program students varied from \$19,125 to \$21,835 for in-state tuition and \$31,630 to \$32,580 for out-of-state tuition during our audit period.

In response to our findings, SUNY officials commented that 123 of the 421 audit findings were for funded students and should be removed as there is no tuition collected. A funded student is any student accepted to a SUNY campus with a tuition scholarship, which will pay up to the maximum of the in-state tuition charges. However, any funded graduate student who is a non-resident is responsible for paying the out-of-state tuition differential; thus, all funded graduate students are required to provide the necessary documents to support an in-state residency status. SUNY campus officials also stated that non-matriculated students are not applicants to the college and documentation requirements under the Residency Policy do not apply. However, the Residency Policy does not distinguish between matriculated and non-matriculated students or funded and non-funded students. Therefore, these students are subject to the Residency Policy's documentation requirements.

Additionally, SUNY officials contended that 11 of the 421 assessments were properly supported through official State and federal records. However, the records officials referred to are the applications the students submitted to attend school or for financial aid. Information on student applications is self-reported and thus not sufficient to support residency status, according to the Residency Policy.

From our interviews with campus officials, we learned that some personnel were not aware that SUNY's Residency Policy applied to graduate students. Additionally, two campuses requested a copy of the Residency Policy as they were not familiar

with it. Certain campus officials stated there was a lack of SUNY guidance regarding residency status requirements for graduate students. According to one campus official, they had reached out to SUNY officials numerous times seeking more specific guidelines for determining residency, stating that the current guidelines are vague and do not require specific documents to determine in-state versus out-of-state residency status. Furthermore, another campus official stated that a section of the Residency Policy is unclear regarding the time frame for when students can establish their in-state residency. Because campus officials were not aware of the Residency Policy or found it unclear, there is the risk that the other 21 campuses with graduate programs might have similar issues.

According to SUNY officials, they are currently preparing additional guidance to the campuses to further assist with residency determinations and documentation requirements. Campus officials also stated that, in response to our preliminary findings, they are taking steps to improve their residency determination and record retention policies by either re-evaluating current processes or implementing new systems.

With the decline in out-of-state enrollment, and SUNY's decision to raise out-of-state tuition rates in 2021, it is even more imperative that SUNY campuses perform due diligence in determining the correct tuition rate assessments.

Recommendations

To SUNY Administration:

1. Provide guidance and support to campus officials in interpreting and implementing the Residency Policy to ensure tuition is charged correctly by obtaining sufficient proof of residency for purposes of determining eligibility for in-state tuition.
2. Work with campuses to ensure all student residency documents are maintained for at least 6 years from the time the student separates from the campus.

To SUNY Campuses:

3. Ensure tuition is charged correctly by obtaining sufficient proof of residency for purposes of determining eligibility for in-state tuition.
4. Maintain all student residency documents for at least 6 years from the time the student separates from the campus.

Audit Scope, Objective, and Methodology

The objective of our audit was to determine whether SUNY has adequate assurance that campuses are making accurate residency determinations for students and thus charging the correct tuition rates. The audit covered the period from June 2015 through September 2019.

To accomplish our objective and assess related internal controls, we became familiar with and assessed the adequacy of internal controls as they related to our audit objective. We reviewed State laws and SUNY policies and procedures. We interviewed SUNY Administration and campus officials for both undergraduate and graduate students to obtain an understanding of how they determine student residency. We analyzed student residency, enrollment, and tuition data for graduate students. A limited review of undergraduate students was also completed but was later removed from further review due to limited risk and time restraints. We determined that the information from the SUNY System was reliable enough to be used for our testing (we tested for accuracy but could not fully test for completeness). We limited our reliance on this data when forming our audit conclusions, instead relying on other sources such as site visits or hard copy documentation where applicable.

To determine whether SUNY has adequate assurance that campuses are making accurate residency determinations for students and thus charging the correct tuition rate rates, we selected a judgmental sample of seven out of the 28 campuses with graduate programs based on factors such as geographic location throughout the State, out-of-state enrollment, and campus type. At each of the seven campuses, we selected a random statistical sample of tuition assessments to determine whether they were charged the correct tuition rate based on their state of residence. Those random statistical samples were intended to be projected, and the projections for each campus are included in the audit results. We examined all documentation campuses provided including graduate applications, Residency Applications, supporting documentation such as copies of driver's licenses, VISA information, lease applications, voter registrations, vehicle registrations, and college or high school transcripts. Work on the audit was initially paused for 8 months during the COVID-19 pandemic and later resumed.

Statutory Requirements

Authority

The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. These duties could be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our professional judgment, these duties do not affect our ability to conduct this independent performance audit of SUNY's determination of residency for tuition purposes.

Reporting Requirements

A draft copy of the report was provided to SUNY officials for their review and comment. Their comments were considered in preparing this final report and are attached in their entirety to the end of it. In general, officials agreed with our recommendations, but took exception to our findings regarding funded students and documentation requirements. Our responses to these and certain other issues are embedded within SUNY's response as State Comptroller's Comments.

Within 180 days after final release of this report, as required by Section 170 of the Executive Law, the Chancellor of the State University of New York shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

Agency Comments and State Comptroller's Comments



The State University
of New York

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April 7, 2022

Ms. Nadine Morell
Audit Director
New York State Office of the State Comptroller
110 State St.
Albany, NY 12236

Dear Ms. Morell:

In accordance with Section 170 of the Executive Law, we are providing our comments to the draft audit report on the State University of New York Determination of Residency for Tuition Purposes. The State University of New York System Administration and campuses (collectively referred to as "SUNY") are strongly committed to providing "educational services of the highest quality, with the broadest possible access, fully representative of all segments of the population in a complete range of academic, professional and vocational postsecondary programs."

This audit focused on determination of residency for graduate students only, who represent approximately 12 percent of our total student population. As such, the title and objective of the audit report should be amended to accurately reflect this. We understand that OSC had reviewed SUNY's undergraduate assessments in its initial survey work and found that those assessments were substantially documented and, as such, decided not to include undergraduate assessments in this audit. This also should be acknowledged in the audit report.

State Comptroller's Comment 1 – [As our report states, a limited review of undergraduate students was also completed but was later removed from further review due to limited risk and time restraints. Therefore, the objective and title of the audit remain appropriate.](#)

We are pleased that the findings represent only "potential" incorrect charges, often due to the lack of maintaining proper documentation. OSC thus acknowledges that the lack of documentation is not determinative and that the potential exists that the correct tuition rate was charged. We are also pleased that, given the challenges many students face, the majority of the "potential" incorrect charges represent students charged an amount lower than what the OSC auditors believed should have been charged, rather than potentially overcharging students improperly. As such, students were overwhelmingly charged the correct rate or potentially charged a lesser amount. Nonetheless, the issue regarding documentation at these graduate programs must and will be corrected, and SUNY already has taken steps to do so as discussed below.

We disagree, however, with the statement that "SUNY does not have adequate assurance that, at the graduate level, campuses are making accurate residency determinations for students and that students are being charged the appropriate tuition rate." Referencing OSC's table on page 10, of the seven campuses it sampled, three campuses performed very well and only had a total of eight findings. As such, OSC should reconsider some of its statements throughout the report that suggest all seven campuses had improvement opportunities to better document their residency decisions.

State Comptroller's Comment 2 – While the three campuses performed well comparatively and only had eight findings in total, as Table 3 shows, projecting the results of our findings to the three campuses would result in almost 200 potential overcharges.

In addition, for two other campuses, we continue to disagree with OSC's assessment of how funded students should be counted. The Draft Audit Report is incorrect in stating "[h]owever, any funded graduate student who is a non-resident is responsible for paying the out-of-state tuition differential..." In fact, at these two campuses, non-resident, funded students may have their out-of- state tuition waived for either the first semester (ESF) or the first two semesters (Binghamton). As such, the "potential undercharge" reported in the table on page 10 should be corrected to reflect that an adjustment is necessary for at-least these two campuses.

State Comptroller's Comment 3 – SUNY's Residency Policy does not include separate requirements for funded students. Any student, regardless of a funded status, must follow the same residency requirements as set forth in the Residency Policy to be considered a State resident. We acknowledge that the campus will cover the out-of-state differential for an out-of-state student during the first and/or second semester they attend either ESF or Binghamton as a funded graduate student. However, these funded students are still required to become State residents, and submit the required proof of State residency, during the time period indicated by the campus if they do not want to pay the out-of-state differential not covered by the campus after that time period. The two campuses did not have the required documentation for these funded students to support their State residency status and subsequent in-state tuition rate. As such, these students would be required to pay the out-of-state differential calculated in our audit findings.

Lastly, OSC should acknowledge and account for the fact that SUNY Policy does not mandate three forms of documentation, but rather only recommends this and provides for administrators' decisions to be made on the "totality of the circumstances." This is significant because the Policy was crafted to offer latitude in considering every student's unique circumstance, which is particularly important for graduate students, many of whom are transitioning to residency independently. As such, we disagree with 102 (or 24 percent) of OSC's questioned assessments related to the amount of documentation required.

State Comptroller's Comment 4 – We disagree. SUNY's Residency Policy states, "An applicant need not submit all of the above documentation in order to demonstrate a New York State domicile; however, the campus should examine the totality of the circumstances in each individual case and should have at least three forms of the above-referenced documentation." The use of the word "should" in policy-related documents indicates responsibilities that are presumptively mandatory. These responsibilities are required to be followed by the campuses



unless sufficient alternate actions were followed that achieved the desired objectives. In most cases, campuses relied solely on the residency status the student self-reported on their graduate application, which calls into question how administrators were able to make decisions on the “totality of the circumstances” if they did not collect any documentation. Because SUNY could not demonstrate that they followed their own Residency Policy by examining the totality of the circumstances and collecting at least three forms of documentation, our findings remain the same.

When taking into consideration the funded students as well as the policy requirement which does not mandate three forms of documentation, we believe that the number of projected assessments represented on page 12 is significantly overstated. As corrected, the audit results for the majority of campuses sampled demonstrate adequate assurance of compliance, which is a significant positive representation.

State Comptroller’s Comment 5 – As noted in Comments 3 and 4, we disagree with SUNY’s explanations; therefore, our findings remain the same and are not significantly overstated.

We acknowledge that there are opportunities to enhance the maintenance of documentation used to make the initial determinations of residency and the related tuition charges. And we thank the auditors for bringing this matter to our attention. We concur with the recommendations made in the report, and SUNY has developed guidance to continue to assist campuses in making residency determinations. The two campuses cited in the report with the most significant potential incorrect tuition charges are working to correct their procedures for maintaining documentation that supports decisions. All campuses will be reminded of the need to maintain and verify documentation to support residency determinations.

Please note the following corrections that should be reflected in your final report:

- The statement: "All undergraduate applications are processed through SUNY's Application Service Center" is not accurate. As we conveyed previously, only about 50% of the undergraduate applications are processed through the Application Service Center.
- The first sentence on page seven should be corrected to state "375,000" not "394,000" students.
- Footnote 1 on page seven should be edited to accurately cite Policy 7810 related to qualifying for an in-state tuition assessment by applying to a SUNY school within 5 years (not 4) of graduating from an approved New York State high school.

State Comptroller’s Comment 6 – We edited the report based on information in SUNY’s response. However, SUNY confirmed the 375,000 number of students to OSC in August 2021 and also never corrected the 394,000 number of students that was included in the eight preliminary reports provided to SUNY during the audit.

- The comments in the Draft Report regarding students under the age of 24 (on page 8) is somewhat misleading in that it does not state, per the Policy, that a student under the age of 24 who is considered a dependent may rebut the presumption that they are an out-of-state student with the same residential address as their parents. For example, a student who lived in another state



with their parents, can apply for residency if they can demonstrate that they came to New York for other than educational purposes and can show that they intend to make New York their fixed, permanent home. Furthermore, a student under the age of 24 who provides proof of independence may also separately apply for residency, per the Policy. The inconsistency in OSC's application of the Policy further calls into the question the number of questionable assessments reported on page 11.

State Comptroller's Comment 7 – We disagree that our comments are misleading. In the same paragraph on page 8 of the report, we further state, "The Residency Policy also states that a person does not acquire a State domicile only by being physically present in the State for the sole purpose of attending a State campus or by being physically present in the State for a period of 12 months. Students who have not established a State domicile at least 12 months immediately preceding their registration and who wish to be considered eligible for in-state tuition must submit to the campus a standard "Application for New York State Resident Status for Tuition Billing Purposes" (Residency Application) as well as all supporting documentation the student wishes the campus to consider."

Thank you for the opportunity to respond to the Draft Report.

Sincerely,



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Interim Chief Financial Officer

Copy: Interim Chancellor Stanley
Amy Montalbano, University Auditor



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