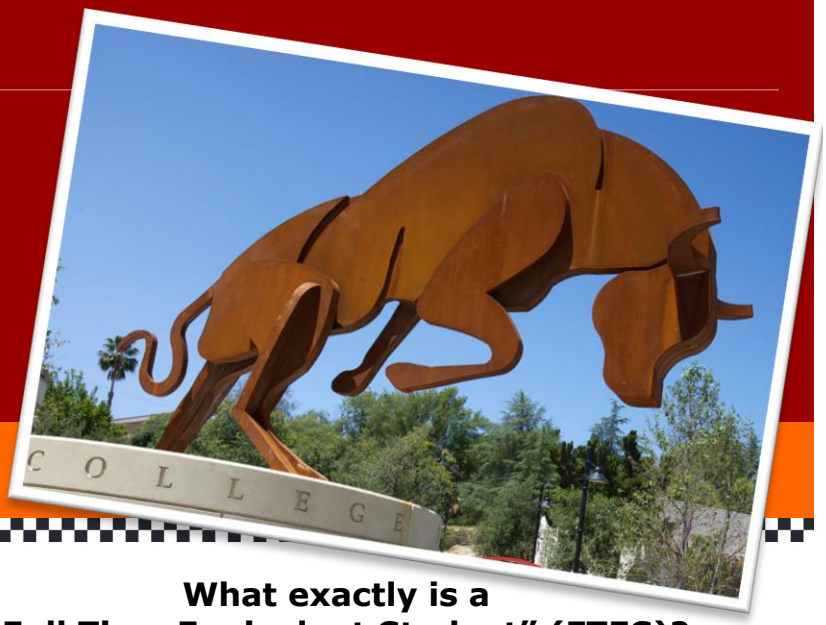
First Monday Report

Focus on Revenue



Issue 32, May 2, 2016

Upcoming Events:

May 4 *Noninvasive Prenatal Testing*
Speaker Lindsay Fosler
2:30 p.m. to 4:30 p.m.
CFS 92009

May 6 Town Hall
8:30 a.m. to 3:00 p.m.
The Great Hall

May 12 Day of Politics
10:30 a.m.
The Great Hall

May 20 Speech Tournament
2:30 p.m. to 5:00 p.m.
The Great Hall

May 25 One Book One Campus Poetry Slam
11:30 a.m. to 1:30 p.m.
The Great Hall

What exactly is a "Full Time Equivalent Student" (FTES)?

By Sheri L. Berger and Kathleen F. Burke

System-wide, California community college (CCC) unrestricted or general fund revenue is generated through apportionment collected from the students enrolled in courses, both credit and noncredit. In all but one case, this revenue is based on the number of hours—not units—in which a student enrolls. Individual student enrollments are combined to create a Full-time Equivalent Student (FTES). Colleges are paid for each FTES generated through student enrollments based on the reimbursement or apportionment rate in effect for any particular year. While the reimbursement rate can grow or decline annually based on the state's fiscal health, which leads to budget year proposals, the methodology for calculating FTES has not

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Joleen Voss-Rodriguez has been selected as the Faculty Professional Development Coordinator through a formal hiring process. She earned her Master's in Educational Psychology and Counseling from CSUN and was hired in 2001. She became the Child Development Department Chair in 2006. Joleen developed and implemented various professional opportunities, such as the Week of the Young Child conference. She has served as an SLO coach and has worked with educators at levels from K-12 through community college.

FTES

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changed since community colleges separated from their former ties to local K-12 districts in the late 1960s and early 1970s. Since the manner in which we generate revenue affects all of us, the focus of this article is to explore how we generate FTES and some of the factors that influence that process.

What is a Full-time Equivalent Student (FTES)?

Every hour, whether credit or noncredit, in which students are enrolled is added up to create FTES. The total number of student hourly enrollments required to create ***a single FTES is 525 student contact hours***.

Three-hour lecture classes typically equate to three hours of unit credit, and a student enrolled in such courses during a traditional fall or spring, known as the "primary terms," generates three hours per week toward the 525 total—or about 54 hours. If that same student is also enrolled in a nine-hour class that is worth four to five units of credit, that enrollment generates nine hours per week toward the 525 hours—or about 162 hours.

The fact that we are reimbursed for hours and not units (except in one instance) is particularly important in generating noncredit apportionment. By design, noncredit instruction does not award credit; and, if FTES were based on units, we would not receive any apportionment for the hours that we offer in noncredit. The key to generating 525 hours is the number of hours in which a student is enrolled on a weekly, daily or per-attendance basis.

If one student in a three-hour class contributes about 54 hours to the 525 total, it takes about 10 students in that same class, each contributing their 54 hours, to make just one FTES (54x10=540 hours). A rule of thumb that is easy to remember is that 10 students in a three-hour class is one FTES; thus, a three-hour class with 30 students produces about three FTES; 40 students generates about four FTES; and 45 students contributes about four and a half FTES. While the actual calculation may be slightly higher or lower, on average this rule of thumb works to balance out many factors.

Why is one FTES equivalent to 525 hours?

The term "full-time student" is used as an important benchmark or requirement for a number of programs in higher education. For example, many of us are familiar with the need for students receiving financial aid to be a "full-time" student enrolled in a minimum of 12 hours/units. Similarly, to be eligible to participate in an athletic team, student-athletes must be enrolled in 12 units. This same 12-unit load is also part of the requirements for international students. As a result many of us believe that a "full-time student" is one who is enrolled in 12 units. As discussed above, an individual student enrolled in one three-hour/unit class contributes about 54 hours to the 525 total. This same student enrolled in four three-hour/unit classes generates about 216 hours to the 525 total. While she or he is considered "full-time" to receive financial aid, to participate in athletics, or as an international student, he or she only contributes about 41

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One FTES = 525 hours

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percent of the hours needed to be a full-time equivalent student for apportionment purposes.

Another prevailing idea is a full-time student is one who is enrolled in 15 hours and/or units per semester. This notion likely comes from the fact that in order to complete a 60-unit associate's degree in two years a student would have to be enrolled in 15 hours or units in each of the four primary (fall and spring) terms over a two year period (60 units/4 semesters=15 units). Using our example from above, if the student is enrolled in one additional three-hour/unit class, she or he will contribute about 270 hours to the 525 hour total. Even at 15 hours per semester our student is not contributing all of the hours needed for even one full-time equivalent student.

How many hours does our individual student need to enroll in to make our magic 525 hours? He or she will finally generate a little more than one FTES once she or he completes 30 hours of instruction in an academic year or 15 hours in each of the primary terms. The 525-hour formula is a holdover from the days when community colleges were part of K-14 districts. One FTES is created when a student is enrolled in 15 hours of instruction over a 35-week academic year (15 hours x 35 weeks = 525).

Are all forms of 525 hours/FTES equal?

Once we arrive at a total of 525 hours, or one FTES, do we receive the maximum allowable return on our investment? We could wish for it to be that simple; however, the method used above for all of our examples was based on students enrolled only in the fall and spring semesters. Full-time equivalent students enrolled in semester-length courses during the two primary terms generate what is called "Weekly Student Contact Hours" (WSCH [pronounced "wish"]). Any class that is offered for less than the full 16.5 weeks of a fall or spring term is considered short-term, including both winter and summer session's classes. Short-term FTES is calculated on a daily basis rather than a weekly basis and is called "Daily Student Contact Hours" (DSCH [pronounced "dish"]). While these are the two most frequently used accounting methods, there are three other methodologies applied to the reporting of our 525 hours.

Through the Student Attendance Accounting Manual (2001 Edition [SAAM]), community college districts are directed to apply one of five "accounting methods" in calculating FTES. The five accounting methods are:

- Weekly Student Contact Hours (WSCH)—Applies to full-term fall and spring credit classes that are regularly scheduled. Regularly scheduled means the classes meet for the same number of hours each week the class is scheduled.
- Daily Student Contact Hours (DSCH)—Applies to short-term credit classes that are regularly scheduled.
- Independent Study and Independent Study (Alt)
  - Applies to all directed study and online/hybrid full-term and short-term credit classes.
  - Independent Study (Alt) is used for hybrid classes where the lecture portion is online but the laboratory portion is face-to-face. This is a specific exception to the calculation for lecture/lab classes.
- Work Experience—Applies to cooperative education classes, which are not currently offered at Pierce College.
- Positive Attendance (PA)—Applies to all short-term irregularly scheduled credit classes, open-entry/open-exit classes, and all noncredit classes.

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The FTES annualizer

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In each accounting method, one FTES is equal to 525 hours of instruction, which is referred to as the FTES annualizer and is specifically required in statute. As indicated in the SAAM, "the FTES annualizer is a function of the length of the academic year and the proportion of that year completed during each reporting period in terms of scheduled faculty contact hours of instruction and examination" (p. 3.10).

The accounting method applied depends on the type of course scheduled and its duration. The difference in each accounting method is how the hours of instruction are calculated. The chart below illustrates these calculations for each accounting method:

Accounting Method	Calculation
WSCH	$FTES = \frac{(census^{*}\ enrollment) \times (apportionment\ hours\ per\ week^{**}) \times 16.5}{525}$
DSCH	$FTES = \frac{(census\ enrollment) \times (apportionment\ hours\ per\ day^{***}) \times (\#\ of\ actual\ meeting\ days)}{525}$
Indep. Study	$FTES = \frac{(census\ enrollment) \times (units) \times 16.5}{525}$
Indep. Study (alt)	$FTES = \frac{(census\ enrollment) \times (weekly\ standard\ hours) \times 16.5}{525}$
Work Exp.	$FTES = \frac{(census\ enrollment) \times (units) \times 16.5}{525}$
PA	$FTES = \frac{(actual\ hours\ of\ attendance)}{525}$

Note: 16.5 represents the "term length multiplier" (TLM) since we are on a compressed calendar and includes the flex hour obligation for faculty.

**Census enrollment is taken after exclusions for no shows even if exclusions are submitted after the census date.*

***Apportionment hours per week are calculated as follows:* $\frac{(weekly\ standard\ hours) \times 16}{18}$

****Apportionment hours per day are calculated using the methodology indicated on page 3.8 of the SAAM.*

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Finding a balance

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Using the calculation formulas above, we can see how the ways in which a class is scheduled impacts the FTES generated. The examples below are based on 40 students in a three-hour class.

WSCH FTES = 4.24
DSCH FTES = 4.11
Online FTES = 3.77 (Independent Study Method)
PA FTES = 3.45 (Maximum [assumes all student show up for every class meeting])

WSCH is the accounting method that generates the most FTES followed by DSCH, then Independent Study and Work Experience, and finally, PA. Short-term classes generate less FTES than semester-length classes because in the WSCH accounting method non-class meeting days due to holidays are not subtracted from the total. In DSCH, holidays are removed from the total number of reported hours. Comparing the calculations of WSCH and Independent Study, the difference in FTES comes from using *units* rather than "apportionment hours per week." The Independent Study accounting method is the one exception to the use of hours of instruction rather than units of credit awarded. Since the Los Angeles Community College District (LACCD) is on a compressed calendar, the apportionment hours per week for a three-hour class are 3.375. This little difference adds up over the large number of classes we offer.

In addition to the ways in which we schedule course sections impacting the FTES we generate, another component of enrollment management is class size. Class limits are based on many factors including facility capacity, contractual limitations, and external regulations. In planning to achieve the FTES target for the year, the College uses data to balance the course offerings for student demand with the need to maintain efficient overall average class sizes.

At the District level, the effective average class size is determined as a ratio of how many FTES are generated in a subject to how many Full-time Equivalent Faculty (FTEF) are paid. So, the WSCH class from the example above with 40 students enrolled at census has an effective average class size of 42.4, and the online class has an effective average class size of 37.7. Based on the College's Plan for Enrollment Management (PEM), the College has a goal for an overall effective average class size of 39 or higher. It is important to note that programs with lower effective average class sizes are supported by programs with higher effective average class sizes. The College continues to strive to find a balance within offerings of courses and programs while meeting overall efficiencies.

How do all of these calculations contribute to the College's "base?"

A college's "base" FTES is calculated on an annual basis and is set by the number of full-time equivalent students for which the college receives funding or apportionment. Annually, this number becomes the floor or minimum amount of FTES the college is expected to generate. Currently, a college that falls below its "base" has one year to restore its FTES to that established base. During that year, the college is "held harmless," which means it is paid as if the FTES it generated reached its floor or base instead of falling below it. If a college is unable to earn its funded base for a second consecutive year, it is "rebased" to the lower number and is funded for the new lower "base."

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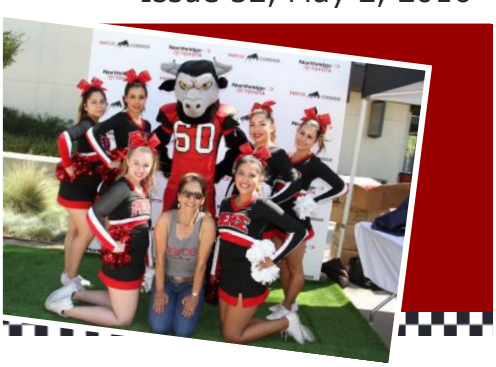

Calculating and reporting growth

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During Opening Day activities in August 2015, the funded base FTES for Los Angeles Pierce College over the past fifteen years was reviewed. These data show that prior to the current academic year, the maximum funded FTES base achieved by the College between 2000 and 2014 was 15,110 from 2008-2009. Recently, the funded "growth" FTES for last year was adjusted upward resulting in the new funded "base" of 15,232 FTES, which makes the 2015-2016 academic year the College's highest funded base FTES. The good news from this adjustment is the College received an additional $903,209 in income.

How is "growth" calculated and reported?

As discussed above, a college's "base" FTES is calculated annually based on the number of FTES that is funded or receives apportionment. Available system-wide "growth" is determined annually during budget deliberations. Growth is built into the budget at a percentage rate depending upon the availability of funds to support it. In recent years, growth has been available at rates of 2.75 percent and three percent. However, due to a number of factors, growth throughout the state is softening; the community college system grew less than one percent in 2014-2015. Proposed growth for 2016-2017 is currently included in the Governor's January budget proposal at two percent. This number could change at the May Revise or be confirmed at the two percent level. Conversely, in difficult budget years, the State can propose revisions in funded "base," which are called "workload reductions." This results in a reduction to a college's funded base. The most recent annual workload reductions lasted from 2009-2010 through 2012-2013.

Once we include the growth earned during the current 2015-2016 academic year, the College's funded base FTES for the 2016-2017 academic year is estimated to be 15,570. Currently, the College is planning to achieve the Governor's proposed two percent growth goal for 2016-2017 for a target of 15,881 funded FTES. For the College to reach this new growth goal, we need to generate 311 additional FTES. This translates into approximately 3,300 enrollments in three-hour classes. These enrollments come from a combination of increased efficiency, additional sections, and new opportunities for offering courses, including both dual enrollment and adult education classes. However, adding sections will not be the only approach we take to growing the College's FTES because of the softening enrollment statewide. If we add sections as one of the strategies to achieve our growth goals, it would equate to over 80 sections across the academic year.

How does everyone contribute to generating the College's FTES?

Faculty play a critical role in assisting the College with enrollment management. Cooperation and support from faculty for enrollment goals is essential. In addition, faculty are integral to student success. On the first day of class, faculty members influence students' decisions to stay in the course and can prevent a struggling student from just walking away. Faculty provide students with

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It takes the entire campus

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the most direct connection to the quality education and breadth of experiences offered by the College. Department chairs have the added role of scheduling courses to meet student demand, ensuring offerings for students to complete programs, and maximizing the efficiencies of the classes and courses scheduled.

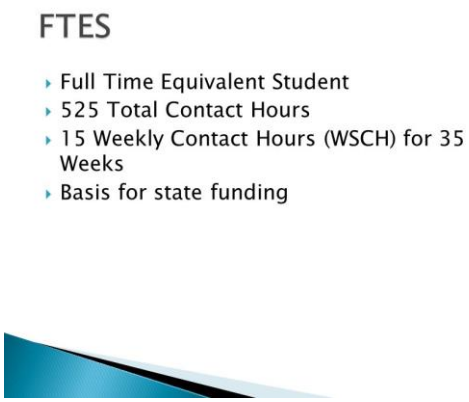
Since enrollment is counted at census, faculty members need to add students to class sections during the first week, and students need to process add permits by the stated deadlines. Since exclusions for no shows are deducted from the census count, even if they are submitted after the census date, faculty should submit exclusions online as soon as possible to ensure an accurate record of no shows. Encouraging students to persist and make use of all available support services and resources on campus will facilitate overall student success and, as a consequence, help our census numbers.

Campus support services also play an integral role in enrollment management, from application processing, assessment, and orientation to processing adds, drops, and reviewing prerequisites. With the work of everyone on campus, we can increase our efficiencies in enrollment management to keep the College strong and growing well into the future.

*At cccco.edu, open the *System Operations* tab, select *Divisions* from the drop down menu and on the right drop down menu select *Finance and Facilities,* then *Attendance Accounting/Residency*. The *Student Attendance Accounting Manual (2001 Edition [SAAM])* is provided in chapters with each separately linked. Chapter 3 focuses specifically on Attendance Accounting.

Reference:

Student Attendance Accounting Manual (2001 Edition)



Open House / Farm Walk

On behalf of the entire administrative staff, I would like to thank everyone who volunteered at or attended the Open House/Farm Walk event that took place on Sunday, April 17, 2016. We have received a significant number of compliments on the success of the event from the staff and students who participated in making the event a success and from community members who spent a part of their Sunday with us. We are planning on this being the inaugural Open House and Farm Walk event.

Throughout the day, I spoke with several of you who had ideas for ways in which we can improve the event. Since we would like to "open the house" annually in the spring, please share your ideas and suggestions with the members of the Open House Task Force or directly to Larry Kraus. Let's plan on making next year's Open House/Farm Walk even bigger and better.