

How the C-Hourly Allocation works with the Community College Funding Model

And Other Things

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Acknowledgement of John Mullen for Attendance Accounting
Content

Agenda

- Begin With the End in Mind
- Community College Funding
- Attendance Accounting
- Enrollment Management and the relationship between Educational Considerations and Business Considerations
- C-Hourly Formula
- Contra Costa History as it relates to FTES, Sections, and Budget
- Dialogue Issues

Format of Workshop

- Issues that have been raised
 - Need to grow, so why are we cutting sections?
 - Not enough full time faculty
 - Why can't we run sections at break even point?
 - C-Hourly Formula
- So beginning with the end in mind
 - We all have the same information
 - We dialogue about our concerns
- Will present some basic information on Budget, Attendance Accounting, some historical facts, C-Hourly Formula and save the last half hour to 45 minutes to dialogue

Education Funding In California

- K-12 \$8,501
- Community College \$5,708
- California State University \$11,972
- University of California \$18,749

Community College Funding

- Changed from Program Based Funding in 2006 to the SB 361 Allocation Model comprised of two major components
 - Basic Allocation
 - For a Multi College District
 - Colleges larger than 20,000 FTES = \$4,236,800
 - Colleges <than 20,000 and > 10,000 = \$3,707,200
 - College < than 10,000 = \$3,177,000
 - Rural college factor = \$529,600
 - Approved centers = \$1,059,200
 - Per FTES
 - Credit
 - Noncredit
 - Career Development College Prep (CDCP)

How we get paid

- Base Allocation
 - Contra Costa CCD = \$11,121,600
- FTES Allocation Based on Following Rates
 - 1 – FTES Credit = \$4,564.83
 - 1 – FTES Non credit = \$2,744.957
 - 1 – FTES Enhanced Non credit (CDCP) = \$3,232.067

Major Funds for a College

Unrestricted General Fund

- 90% of our funding comes from Apportionment Funding
 - Of the projected \$171 million dollars in revenue we will receive this year \$153,782,313 is apportionment and 94% of our overall funding is tied to FTES (Lottery, etc.).
- The remainder of our unrestricted funding comes from federal and other local sources

Restricted General Fund

- Funding comes from numerous State funded programs know as categoricals (i.e. DSP&S and EOPS)
- Grants and any funds meant for a special expenditure

How Does Attendance Accounting Influence the Budget

- Headcount is the number of students attending college whether part -time or full-time
 - Enrollment is a student taking a class
 - Full-time Equivalent Student is the equivalent of one full time student calculated by:
 - 1 FTES =
15 hours per week X 17.5 X 2 = 525 Contact Hours
- Community College is funded by FTES

Attendance Accounting Methods

- Weekly Student Contact Hours
- Daily Student Contact Hours
- Positive Attendance
- Independent Study/Work Experience
- Noncredit Distance education

Weekly Student Contact Hour (WSCH)

- Primary Terms Only (Spring & Fall for CCCCD)
- Course coterminous with primary term
- Same number of days each week
- Same number of hours each day
- Same number of hours each week including TBA
- Calculated by Term Length Multiplier (17.5) X number of students X hours meet/525
 - Example: 30 students X 3 hours X 17.5 (1575 WSCH)/525 = 3 FTES

Daily Student Contact Hour

- Course meets five or more days
- Meets same number of hours each scheduled day
- Not coterminous with primary term
- Course Length Multiplier = Number of days the course is scheduled to meet
- Calculated by Course Length Multiplier (CLM) X hours of class X students/525
- Example: 9 week class, meets 6 hours per week, 30 students
- $9 \times 6 \times 30 = 3.09$ FTES

Positive Attendance

- Actual count of enrolled students present in each class meeting
- Courses meeting fewer than five days
- Courses irregularly scheduled with respect to number of days per week or number of hours on scheduled days
- All non credit courses
- Calculated by total hours of actual attendance/525
- Example: 30 students attending a total of 2 hours per week for 12 weeks = $540 \text{ hours} / 525 = 1.029 \text{ FTES}$

Independent Study/Work Experience

- WSCH method for courses coterminous with primary term
- DSCH method for all other courses
- One student contact hour is counted for each unit of credit for which the student is enrolled as of the census date or day
- FTES generated by an independent study laboratory course can now be calculated using the same number of weekly student contact hours as those generated in a traditional lab offering or on a three hour per unit/week basis

Distance Education

- Calculate under the appropriate accounting method used for the distance education course.
- Noncredit Distance Education
 - Calculate the sum of the total hours of instruction or programming plus hours expected for out-of-class work, plus hours of instructor contact
 - Divide that sum 54, and multiply by the number of students enrolled as of the census day, and multiply by 17.5. The result is the number of contact hours.
 - Report the number of student contact hours as of the two census dates
 - 20% and 60%
 - Compute the average of the student contact hours as of the two census dates and divide by 525

Reporting of FTES

- Full time Equivalent Students are reported on a CCFS 320 three times a year:
 - January 15 for First Principal Apportionment (p1)
 - Covers July 1 to December 31
 - April 30 for Second Principal Apportionment (p2)
 - Covers January 1 to April 15
 - July 15 for the final and to use for Advance Apportionment
 - Cover April 16 – June 30
 - Opportunity to correct in October of each year

So how does this translate to the budget?

- Number reported in April becomes what Advanced Apportionment is based on for new Fiscal Year
 - Example the April CCFS 320 used to calculate *estimated* apportionment for Advanced Apportionment numbers given to Districts in August
- January CCFS 320 FTES used to calculate *estimated* apportionment which comes out usually in late February (p1)
- April CCFS 320 FTES used to calculate *estimated* apportionment to be disbursed in June (p2) to true up the budget
- October corrections are made at First Principal apportionment the following February

Enrollment Management

- An institutional commitment and an integral part of strategic planning
- A clear articulation of institutional enrollment goals
- A plan that aligns services and resources under the umbrella of a larger vision
- A data driven strategy
- A living plan that is constantly changing as institutional needs change

Schedule of Classes

- Focus on academic and fiscal planning
- Central to community college mission
- Primary source of both institutional income and expenditures
- Must balance consideration of academic needs and fiscal realities

Strategic Considerations for Colleges

- Educational Decision
 - Access and preservation of instructional quality
 - Retention
 - Support Services
- Business Decisions
 - Budget restraints
 - Cost/return

C-Hourly Formula

Definition of Terms

- FTES – Full Time Equivalent Student
- FTEF – Full Time Equivalent Faculty
 - Full-Time Contract Faculty
 - C-Contract Hourly Faculty
- Productivity - FTES per FTEF (Annualized)
- Contact Hours – Paid Teaching Hours (Annualized)

Allocation Methodology

- $\text{FTES} / (\text{FTES per FTEF}) = \text{Total Full Time Equivalent Faculty Required}$
- $\text{Total FTEF less Full-Time Contract FTEF} = \text{C-Contract FTEF}$
- $\text{C-Contract FTEF} \times \text{Contact Hours per FTEF} = \text{Total paid contact hours}$
- $\text{Total Contact hours} \times \text{Average Hourly Rate} = \text{Total Allocation in \$}$

Example #1

- 30,299 FTES
- 16.11 FTES per FTEF (32.22 Annualized)
- 372 Full-Time Contract Faculty
- 540 Annualized Contact Hours per C-Contract FTEF
- \$75.76 Average Hourly Rate for C-Contract Faculty

Calculations - Example #1

- $30,299 \text{ FTES} / 32.22 = 940 \text{ FTEF Required}$
- $940 \text{ FTEF less } 372 \text{ Full-Time Contract FTEF} = 568 \text{ C-Contract FTEF}$
- $568 \text{ FTEF} \times 540 \text{ Contact Hours} = 306,720 \text{ Total Paid Contact Hours}$
- $306,720 \times 75.76 \text{ Per Hour} = \$23,237,107$

Example #2

- 30,299 FTES
- 16.5 FTES per FTEF (33 Annualized)
- 372 Full-Time Contract Faculty
- 588 Annualized Contact Hours per C-Contract FTEF
- \$75.76 Average Hourly Rate for C-Contract Faculty

Calculations - Example #2

- $30,299 \text{ FTES} / 33 = 918 \text{ FTEF Required}$
- $918 \text{ FTEF less } 372 \text{ Full-Time Contract FTEF} = 546 \text{ C-Contract FTEF}$
- $546 \text{ FTEF} \times 588 \text{ Contact Hours} = 321,048 \text{ Total Paid Contact Hours}$
- $321,048 \times \$75.76 \text{ Per Hour} = \$24,322,596$

Example #3

- 31,000 FTES
- 16.5 FTES per FTEF (33 Annualized)
- 372 Full-Time Contract Faculty
- 588 Annualized Contact Hours per C-Contract FTEF
- \$75.76 Average Hourly Rate for C-Contract Faculty

Calculations - Example #3

- $31,000 \text{ FTES} / 33 = 939 \text{ FTEF Required}$
- $939 \text{ FTEF less } 372 \text{ Full-Time Contract FTEF} = 567 \text{ C-Contract FTEF}$
- $567 \text{ FTEF} \times 588 \text{ Contact Hours} = 333,396 \text{ Total Paid Contact Hours}$
- $333,396 \times \$75.76 \text{ Per Hour} = \$25,258,080$

Adjustments to Formula

- FTES funded from Instructional Service Agreements
- Apprenticeship
- Sabbaticals
- Intercollegiate Athletic Allowance
- Part-Time Office Hours
- Short-Term Substitutes

How does all this impact where we are today?

- District underwent major financial recovery over the past few years after major budget reductions in 2003-2004
- Finances are stable
- District and colleges working together to accomplish productive growth goals to move one time revenues obtained through borrowing over a period of 4 years to ongoing revenues
- FTES trended downward from 2002-2003 to 2006-2007 by 2,216 (Concurrent enrollment is a factor)
- Sections increased by 267 from 2003-2004 to 2006-2007 after dropping in 2002-2003 to 2003-2004 by 1,115 sections

Fall 2007

- Based on the increase in sections offered over the previous few years and continued decline in FTES; and the impending State budget issues the Chancellor requested the following:
 - Prepare for Budget Shortfalls in Fiscal Year 2008-2009
 - Please develop a schedule that reduces costs relative to 2008-2009 and begins to close the gap between our increases in instructional costs and our 10% decline
 - Continue to work with employee groups in creating efficiencies wherever possible

Moving into the future

- Goal to improve effective use of resources in the District
- Goal to move one time funding to ongoing funding to accomplish competing goals of:
 - Salaries in the top third of the Bay 10
 - Additional full-time faculty
 - Staffing
 - Classroom enhancement, maintenance and repair
 - Technology upgrades
- Respond to mid year budget reductions
- Respond appropriately to lab hours by arrangement advisory
- Be more agile at responding to unanticipated demand

Goals for Restoring Growth

- Restore 30,877 FTES from actual earned 28,627 for 2007-2008
 - Borrowed 2050 from 2008-2009
 - FY 2008-2009 is Stability year
 - Funding level is maintained at FY 2007-2008 level
 - Three years to restore

So where are we today based on our goal of productive growth?

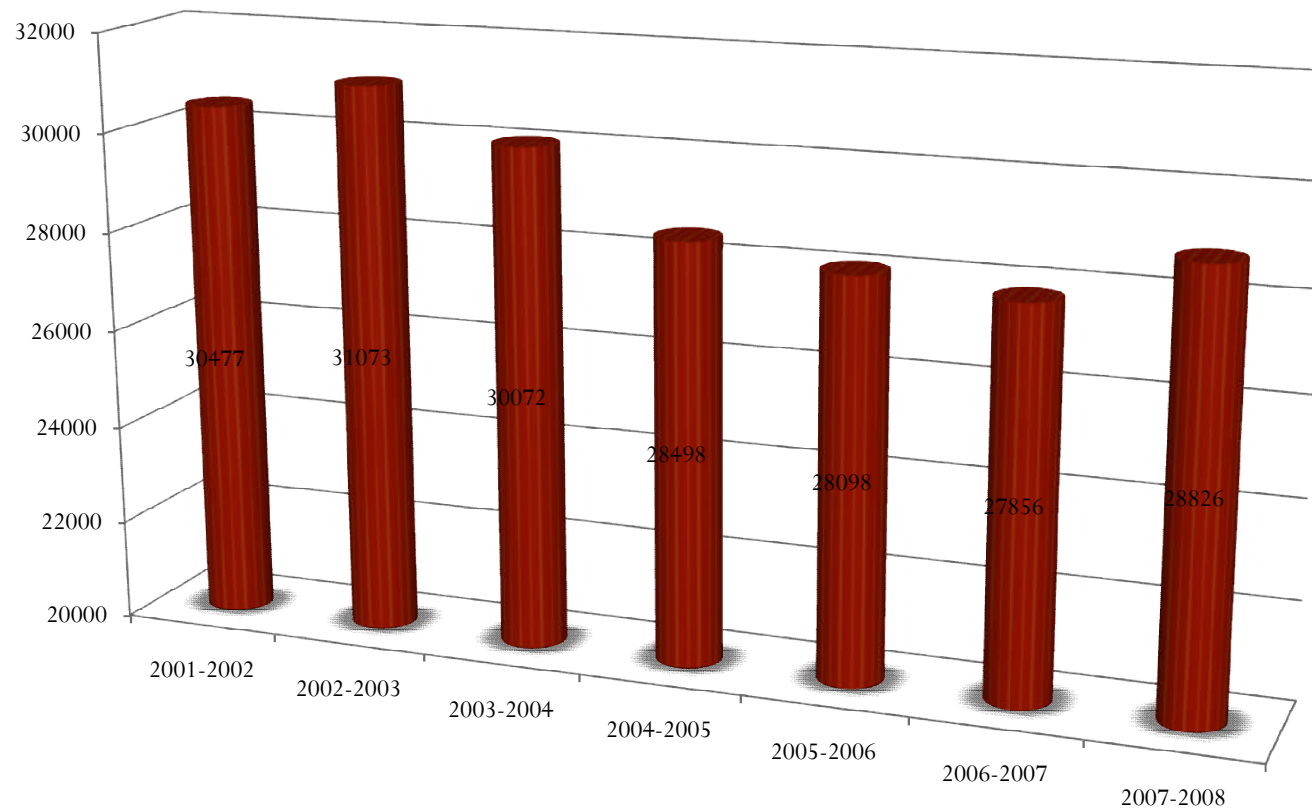
- Growth Goal for FY 2008-2009 is 432 FTES
- This means moving almost \$2 million from one-time funding to ongoing funding
 - Served 1035 more students than last Fall
 - To date we have grown 232 FTES for Fall which equals \$1,059,041 revenue that moves from one-time to on-going
 - Saved \$650,000 dollars in the Fall by productivity measures (8,149 hours less than last Fall)

So let's understand our history

- To better understand how to move forward
 - FTES
 - Sections
 - Percentage change in sections
 - Percentage change in sections in relation to FTES
 - Our fiscal history

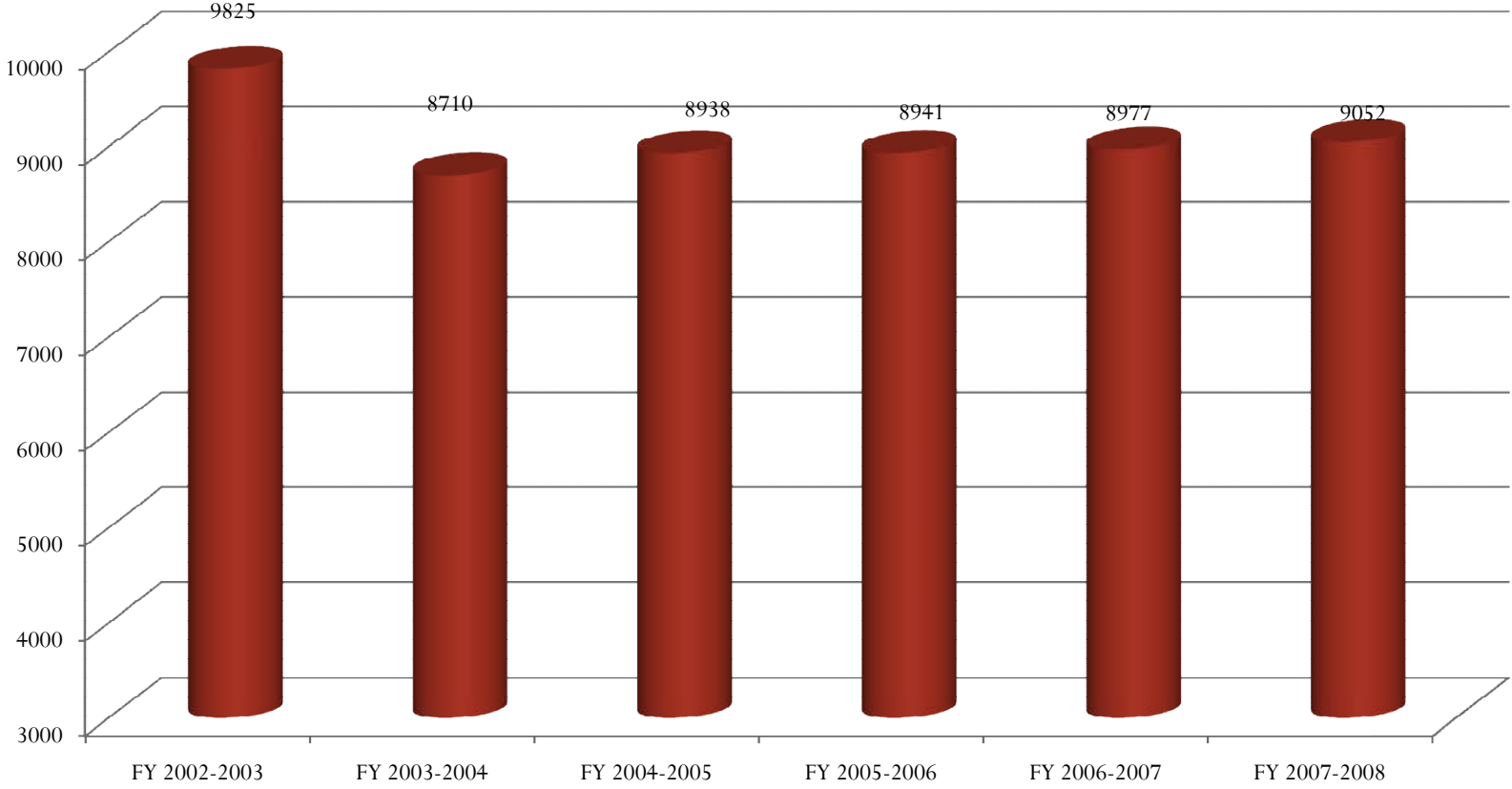
Historical FTES

CCCCD



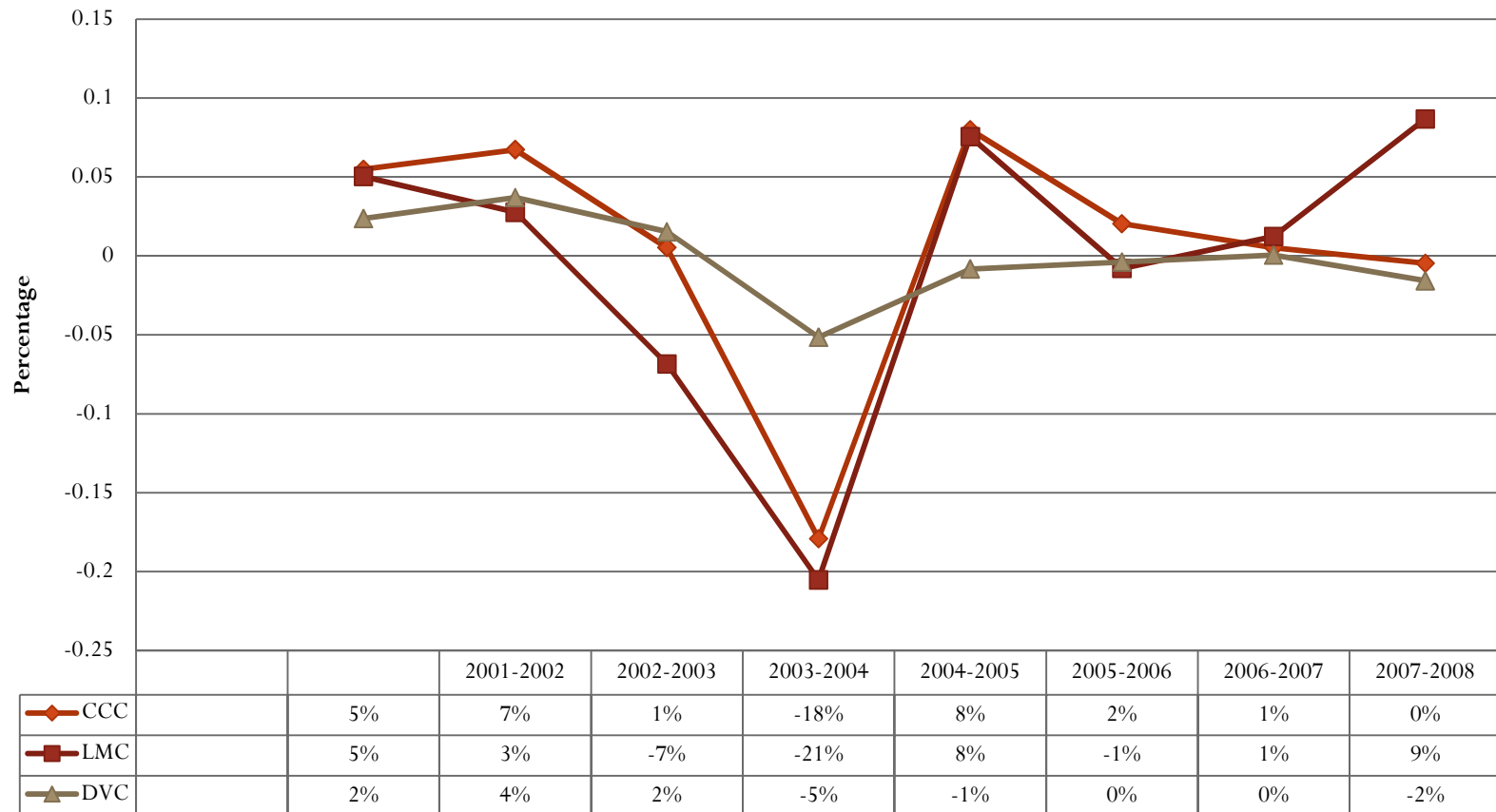
Trend of Sections

Sections

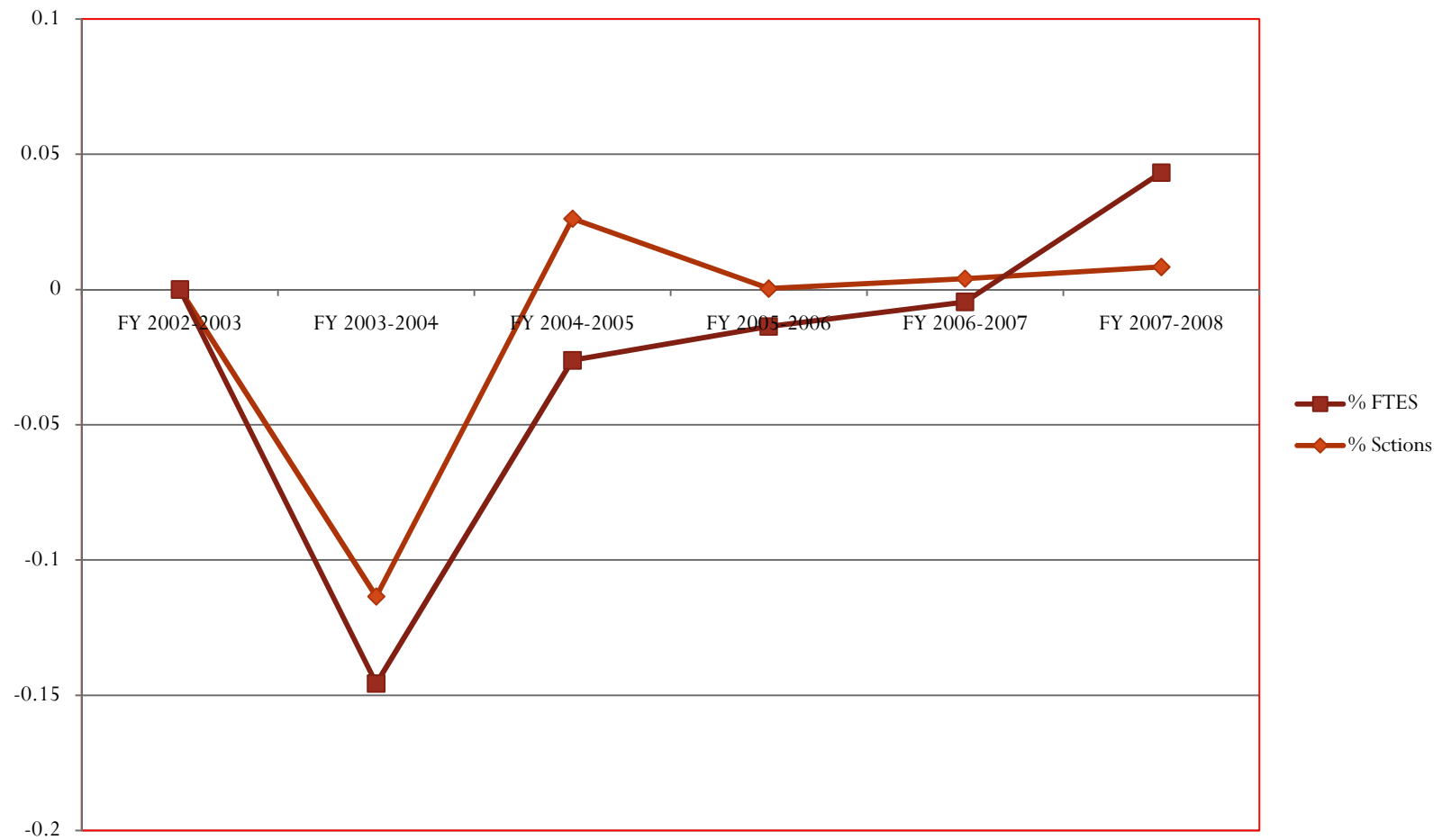


Percentage Cut in Sections

Percentage Cut of Sections



Percentage Increase to Decrease in FTES and Sections



Contra Costa Productivity Trends Fall

	1999FA	2000FA	2001FA	2002FA	2003FA	2004FA	2005FA	2006FA	2007FA	2008FA	
CCC	14.8	14.7	16.1	16.6	17.4	16.5	15.5	15.2	15.5	18.9	
DVC	17	17	16.6	17.2	16.8	16.1	15.6	15.6	15.7	17.0	
LMC	12	15.6	16.2	16.1	17.2	16.7	15.9	15.3	15.4	17.1	
CCCCD	15.2	16.2	16.4	16.8	17	16.3	15.6	15.4	15.6	17.4	16.3
Percentage Inc/Dec		6.58%	1.23%	2.44%	1.19%	-4.12%	-4.29%	-1.28%	1.30%	11.54%	4.49%

Productivity-Bay 10 -2007-2008

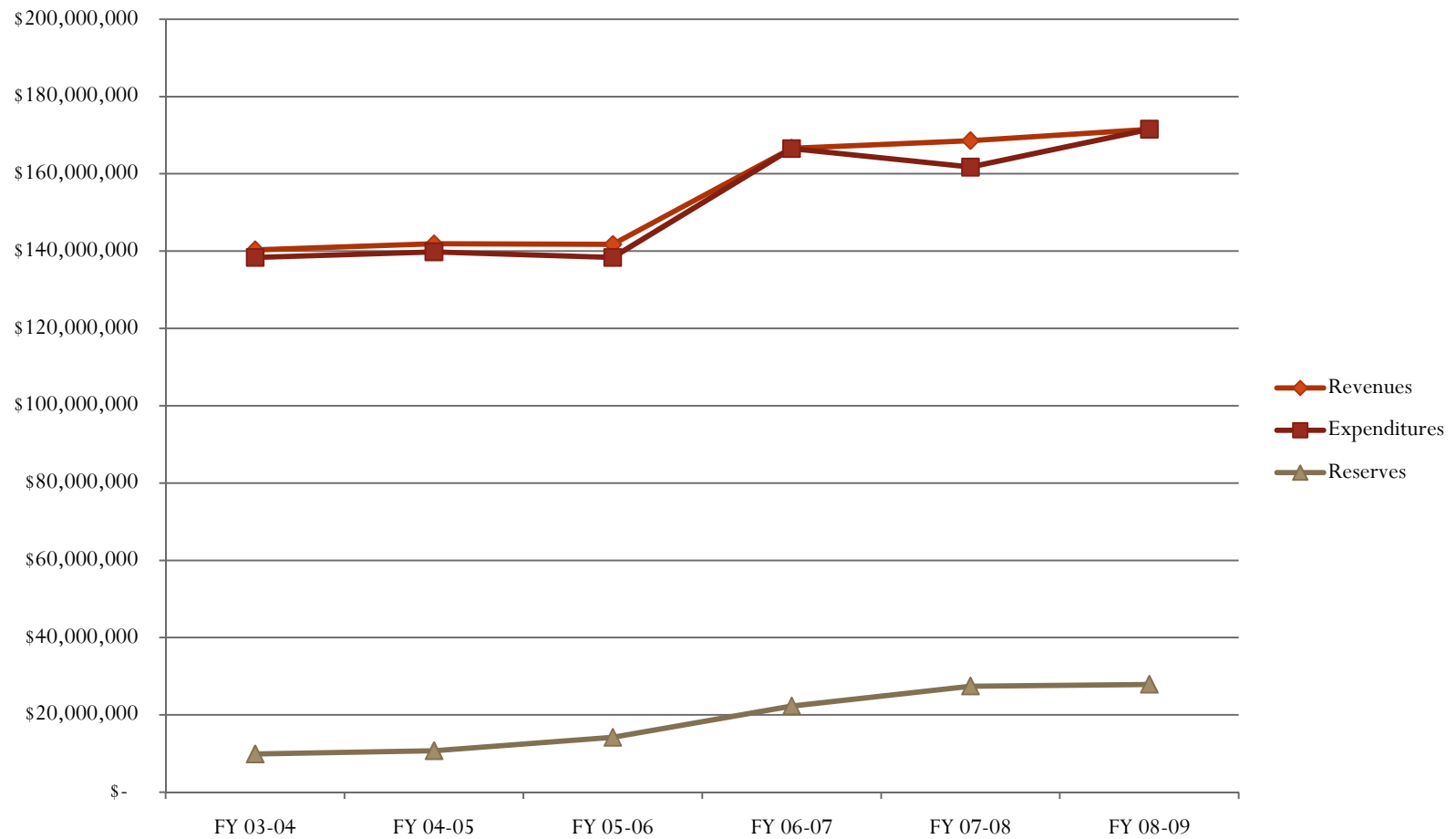
College	FTES	FTEF	FTES/FTEF
Chabot-Las Positas	15,328.28	542.6	28.24968669
Contra Costa	28,613.38	935.5	30.5861892
Foothill-de Anza	36,463.34	991.7	36.76851871
Ohlone	8,458.29	274.4	30.82467201
Peralta	20,368.57	515	39.55062136
San Francisco	42,800.84	1197.9	35.72989398
San Jose-Evergreen	14,822.68	452.9	32.72837271
San Mateo	19,699.71	609.1	32.34232474
West Valley-Mission	16,661.00	554.8	30.03064167
Average			32.97899123
Median			32.34232474
Low			28.24968669
High			39.55062136

Data Mart

Report for Staffing Fall 2007

Full Time Equivalent Student FTES Statewide for Annual 2007-2008

Historical Financials



Discussion

- Issues that have been raised
 - Need to grow, why are we cutting sections?
 - Not enough full time faculty
 - Why can't we run sections at break even point?
 - C-Hourly Formula