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California Postsecondary Education Commission

Using Educational Centers to Enhance Student Access and Success

The California Community Colleges Chancellor's Office is proposing revisions to the regulations governing the establishment of community college educational centers. Some educational leaders have expressed concern regarding the extent to which the proposed revisions would be consistent with the Commission's long-standing facility review guidelines and principles that pertain to educational centers.

This report clarifies the Commission's review process, and provides analyses supporting a recommendation that further study be undertaken jointly by the Commission and the Chancellor's Office before these proposed revisions are finalized.

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The Commission advises the Governor and the Legislature on higher education policy and fiscal issues. Its primary focus is to ensure that the State's educational resources are used effectively to provide Californians with postsecondary education opportunities. More information about the Commission is available at www.cpec.ca.gov.

Background

Legislation passed in 2006 established a new funding system for allocating state apportionment revenues to community college districts. A major criticism of the previous funding mechanism, called *program-based funding*, was that it was overly cumbersome and that the state never funded the community colleges at a level implied by standards delineated in *Title 5* of the California Code of Regulations.

The new funding system calls for community college districts to receive apportionments based in part on the number of educational centers in a district. The California Community Colleges Chancellor's Office has deemed it necessary to revise the definition of educational centers and the criteria that qualify centers for apportionment revenue and capital outlay funding. A key revision would have required new community college educational centers to serve a minimum of 1,000 full-time equivalent students (FTES) annually, rather than the current 500 FTES, in order to compete for state capital outlay funds. The Chancellor's Office recently informed the Commission that it now supports the recommendation that community college educational centers serve at least 500 FTES annually.

The Commission recognizes, as does the Chancellor's Office, that educational centers often are a cost-effective alternative to building full-service campuses. They foster intersegmental cooperation, can increase learning productivity, promote local economic development, and help community college districts to serve rural and remote areas.

The recommendations in this report are intended to help ensure that the proposed revisions to the regulations will not have any unintentional effects on the mission and benefits of community college educational centers.

This report also clarifies the Commission's facility review process, and provides analyses supporting a recommendation that the Commission and the Chancellor's Office jointly undertake further study before any regulations governing community college educational centers are finalized. The Chancellor's Office supports this recommendation.

Commission Recommendations

FTES Threshold for Educational Centers

Current Commission guidelines require that state-approved educational centers of the community colleges, the California State University, and the University of California serve a minimum of 500 FTES in the fall term and an average at least 500 FTES for the academic year. The Chancellor's Office is proposing to its Board of Governors that community college educational centers established after May 1, 2008, be required to serve a minimum of 1,000 FTES annually in order to be eligible to compete for state capital outlay funds. The FTES figure translates to a headcount enrollment of 1,500 students, assuming an average unit load of about 10 units.

The Commission recommends that for the short term, enrollment requirements should remain at 500 FTES during the fall term and average at least 500 for the academic year, consistent with current Commission guidelines. The FTES threshold is the same as that required of CSU and UC. The Commission recommends that a comprehensive study be undertaken jointly with the Chancellor's Office to determine if a requirement for centers to serve 1,000 FTES annually would have unintended consequences on student access and success.

Exceptions to the FTES Threshold

The Chancellor's Office proposes to award conditional center approval status to a community college off-campus operation if it is located in a high-growth area and if an enrollment analysis shows that the operation would serve 1,000 FTES annually by the third year of operation. If so, the center would be eligible to compete for state capital outlay funds thereafter. However, other review criteria would have to be met.

As drafted, the proposal is inconsistent with current Commission guidelines, because those guidelines do not require that educational centers grow to a minimum of 1,000 FTES before becoming eligible to compete for state capital outlay funds. The Commission's preliminary analysis, contained in this agenda item, indicates that the proposed exceptions to the FTES threshold do not allow community college districts enough flexibility to address local needs through the use of educational centers, as many districts have done in the past under exceptions agreed upon by the Commission and the Board of Governors.

Given a new apportionment funding system of the community colleges, and the state's present fiscal crises, the Commission recommends that further analyses be undertaken with the Chancellor's Office before exceptions to the FTES threshold for community college educational centers are finalized.

The Importance of Educational Centers

Educational centers serve a number of important purposes. Foremost, they are a more cost-effective way of meeting increased student demand than building costly comprehensive full-service campuses.

For example, the Los Rios Community College District has determined that it would be more cost-effective to build educational centers than one or two additional full-service campuses in high-growth areas such as West Sacramento, Davis, Rancho Cordova, and Elk Grove/Laguna. The Commission is presently reviewing a Los Rios proposal for a center in Davis.

Educational centers also promote shared facility use and intersegmental collaboration, which enables the higher education systems to use resources more efficiently. CSU Bakersfield's educational center on the grounds of Antelope Valley College represents a successful partnership. Efficiencies result from a ten-year ground and security lease at a nominal cost to CSU Bakersfield for four modular buildings; a pool of community college instructors who could be employed as adjunct faculty by the center when needed; and classrooms and laboratories that are made available to the center by Antelope Valley College and local high schools. The partnership has helped CSU Bakersfield develop course articulation agreements to help Antelope Valley College students who wish to transfer to the center as upper-division students.

Educational centers can increase learning productivity because students can spend more time engaged in learning and less time traveling to classes at a main campus. Public colleges and universities can also use educational centers to expand access in rural and remote areas. Rural centers are especially beneficial when universities and community colleges have large service areas that include significant rural and remote areas.

Proposed Revisions to Regulations Governing Educational Centers

I. Center Definition and FTES Threshold

With few exceptions, community college educational centers established after May 1, 2008, would be required under the Chancellor's Office proposal to serve a minimum of 1,000 FTES annually in order to be eligible to compete for state capital outlay funds. Current Commission guidelines require that state-approved educational centers of the community colleges, CSU, and UC serve a minimum of 500 FTES in the fall term and average at least 500 FTES for the academic year. Because there is usually some attrition between fall and spring, educational centers generally must serve more than 500 FTES during fall terms so that enrollments average at least 500 FTES over the whole year.

The Commission's Review Process

Section 66904 of the *California Education Code* expresses the intent of the Legislature that public colleges and universities not receive state capital outlay funds for acquiring land sites or for establishing campuses and off-campus centers unless recommended by the California Postsecondary Education Commission.

The Commission uses long-standing review criteria and guidelines to help ensure that proposals for new public colleges, universities, and educational centers will develop in accordance with statewide needs and priorities, and that capital outlay funds will be spent wisely.

The Commission's guidelines, endorsed by all three public higher education systems, consist of the following components:

- Physical description of the proposed site, and a demographic analysis of the surrounding area
- Ten-year enrollment projections and physical capacity analysis
- Consideration of plausible alternatives
- Academic planning and program justification
- Description of proposed student services and student outreach programs
- Support and capital outlay budget projections
- Geographic and physical accessibility
- Effect on other institutions
- Environmental and social impact

For physical planning purposes, the Commission calculates annual undergraduate FTES as the number of census units attempted for the academic year divided by 30. Undergraduate fall term FTES is calculated as the sum of fall census units divided by 15.

By recent agreement with the Legislature and the Department of Finance, fall graduate FTES is now calculated as the number of fall graduate census units divided by 12, and annual graduate FTES is calculated as the sum of graduate census units attempted for the year divided by 24.

Commission finding. The Commission has determined that the proposed revision would result in community college educational centers having to serve twice the number of FTES required of CSU and UC in order to be eligible to compete for state capital outlay funding. This raises potential issues of fairness and student access.

Analysis of finding. The Chancellor's Office believed that requiring new educational centers to serve a minimum of 1,000 FTES annually would not represent a departure from existing Commission guidelines. The reasoning had been that those centers would be required to serve only 500 FTES in any term, which would sum to 1,000 FTES for the academic year. However, the Commission's analysis shows that new centers would be required to average 1,000 FTES in each term. This finding is not immediately clear because of the way that the community college system derives FTES for apportionment purposes under Title 5 regulations. More details of the Commission's analysis are in the Appendix.

Commission recommendation. The Commission recommends that in the short run, community college educational centers continue to be required to serve a minimum of 500 FTES during the fall term and average at least 500 for the academic year, consistent with current Commission guidelines. The FTES threshold is the same as that required of CSU and UC. For long-range planning purposes, it is recommended that a comprehensive study be undertaken jointly by the Commission and the community college system to determine whether student access and success might be adversely impacted by requiring community college educational centers to serve 1,000 FTES annually. As noted previously, the Chancellor's Office supports the Commission's recommendations.

2. Exceptions to the FTES threshold

The Chancellor's Office proposes awarding conditional center approval status to a community college off-campus operation if it is located in a high-growth area and if an enrollment analysis shows that the operation would serve 1,000 FTES annually by the third year of operation. If so, the center would be eligible to compete for state capital outlay funds thereafter, if all other review criteria are met.

Commission finding. The Commission's guidelines require educational centers of the community colleges, CSU and UC to maintain an annual average enrollment of at least 500 FTES. This proposal would far exceed current Commission guidelines.

Analysis of finding. Since 1975, when the Commission first adopted guidelines for reviewing proposals for new educational centers, a guiding principle has been that community college educational centers should address local needs. In contrast, UC and CSU educational centers are developed to address regional needs. An essential prerequisite to obtaining state-approved status is that the community college district must be at near capacity. Before 2002, the Commission and the California Community Colleges Board of Governors exercised a great deal of judgment and flexibility in determining whether the enrollment to be served by a proposed center was enough to make the center a viable operation worthy of state capital outlay funding. In making that determination, the Commission considered the needs of the community to be served by the center. In some instances, a center was granted conditional approval with the understanding that its fall enrollments would grow to 500 FTES within three years.

In 1997 the Commission concurred with the recommendation of the Board of Governors to grant state-approved status to the Academy of Entertainment and Technology, an off-campus center of Santa Monica College. The center was proposed in response to concerns in the film and entertainment industry about the insufficient pool of workers with skills in graphic design, computer programming, and software development. This sentiment was shared in 1997 by Los Angeles Mayor Richard Riordan, Santa Monica Mayor Paul Rosenstein, and the Alliance of Motion Picture and Television Producers.

In 1997, Santa Monica College did not have on-campus space available for new programs, because the 1994 Northridge earthquake had removed several buildings from service. This meant that an off-

campus center was the only viable option to address training needs in the film industry. The Santa Monica proposal met all of the Commission's review criteria, except the 500 FTES requirement. However, given the high local demand for skilled workers in the film industry, and the damage from the earthquake, the Commission and the Board of Governors approved the center, with an understanding that enrollments would grow from 150 FTES in Fall 1997 to at least 550 FTES in Fall 1999 (see report www.cpec.ca.gov/CompleteReports/1997Reports/97-04.pdf).

Another example of an exception to the 500 FTES threshold involves the Cabrillo Community College District. In 1997, the Commission concurred with the recommendation of the Board of Governors to grant state center status to the Watsonville outreach center, which had been in operation since 1987. The center occupied a renovated post office building in the downtown area. The Cabrillo Community College District had been marked by two disparate cities: Aptos, which at the time was an affluent White suburban community, and Watsonville, which was over 80% Latino, dependent on agriculture, with an unemployment rate of more than 22%.

The Watsonville center was established to address numerous educational deficiencies of the local Latino community. Initially, the center focused on offerings in language arts, basic skills, and occupational instruction. The district met all of the educational center review criteria, except the 500 FTES threshold requirement. However, given the demographic and economic circumstances, the Commission and the Board of Governors concurred with the recommendation to grant the Watsonville operation state center status, with the condition that its FTES enrollments increase from 360 FTES to 500 FTES within three years. The enrollment threshold seemed highly attainable and inevitable, given that a 33,000 square-foot addition was being built adjacent to the existing renovated post office (see report www.cpec.ca.gov/CompleteReports/1997Reports/97-03.pdf).

The exceptions to the FTES threshold currently being proposed by the Chancellor’s Office do not appear to be sufficiently flexible to address the types of circumstances described above. If these exceptions were in effect in 1997, they would not have permitted the Board of Governors and the Commission to grant state center status in either cases.

It also appears that the FTES exceptions would also not be sufficient to address student access challenges confronting districts that serve large rural and remote areas. Presently, nine California counties with significant rural and remote areas have neither a comprehensive community college nor an off-campus educational center located within its boundaries. Residents of these areas have expressed difficulty in achieving and sustaining a higher level of economic development because potential employers are often reluctant to establish operations in areas that have little or no postsecondary education presence.

If the unit load at prospective educational centers in rural areas were to average six units per semester, as anticipated by some educational planners, then an annual headcount figure of 2,500 would be needed to yield the proposed 1,000 FTES threshold. This headcount figure would be considered quite high and could be problematic, even for centers in urban and suburban areas.

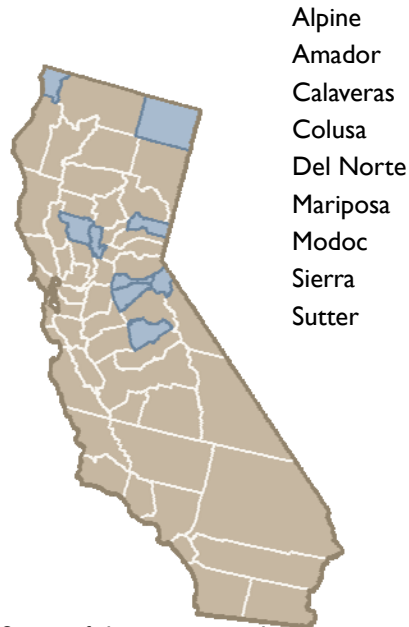
Commission recommendation. It appears that the Chancellor’s Office’s proposed exceptions to the FTES threshold will not be sufficient for enabling community college districts to address local needs through the use of educational centers, as many districts have been able to do so in the past under previous exceptions to FTES requirements agreed to by the Commission and the Board of Governors.

Given the new apportionment funding system of the community colleges, and the present economic and fiscal crises facing the state, the Commission recommends that further analyses be undertaken jointly by the Commission and the Chancellor’s Office before policy exceptions to the FTES threshold for community college educational centers are finalized.

Next Steps

This agenda item calls for various studies related to educational centers be undertaken jointly by Commission staff and the California Community Colleges Chancellor’s Office. The Commission anticipates that the Chancellor’s Office will agree to participate and that proposed revisions to state Title 5 Regulations regarding community college educational centers will be fine-tuned based on findings of those studies.

Counties without a community college or state-approved educational center



Some of these counties have community college outreach operations that are supported entirely by local bond initiatives or private funds.

Appendix — Calculating FTES for Educational Planning Purposes

Because FTES is a key determinant of general fund apportionments to the higher education systems, it is important to understand how the systems to derive these figures.

To calculate annual FTES, the community college system sums student instructional contact hours for credit and non-credit courses for the academic year and divides the total by 525 hours. This divisor is used because the school year consists of 175 days, and a full-time equivalent student attending classes three hours per day for 175 days would be in attendance for 525 hours over the year. The method yields a valid measure of annual FTES.

CSU, UC, and the Department of Finance use a conceptually equivalent way of deriving annual FTES: undergraduate census units for the academic year are summed and divided by 30, because a full-time equivalent student would take 30 semester units for the whole academic year. In calculating fall-term FTES, undergraduate census units for the fall term are summed and divided by 15, not 30, because a full-time equivalent student takes 15 units in any given semester, not 30. The community college system does not make this change in the divisor when calculating fall and spring FTES; this yields results that are difficult to interpret for physical planning purposes. An example is provided to illustrate this point.

Approximately every five years, the Commission conducts a study comparing enrollment and physical capacity in the three higher education systems to help determine the need for additional higher education capacity. Display 1 shows the lecture and laboratory capacity of the community college system by region. In 2005, the system had a total of 16 million assignable square feet of instructional space.

Commission staff converted the space figures to FTES capacity, based on state-adopted space and utilization standards. In all regions, the community colleges had the physical capacity in 2005 to serve about 1.01 million students in the fall and spring semesters.

Display 1 also shows “apparent FTES capacity surplus” — results that would be obtained if one compares 2005 FTES capacity to Fall 2006 FTES enrollment calculated using the Chancellor’s Office methodology. The figures show that the system has capacity for about 500,000 additional students in any given term. This means that no credible case can be made to the Department of Finance or to the Legislative Analyst’s Office for additional capital resources to expand the capacity of the community college system

Analyses such as the one shown in Display 1 have been avoided because the Commission has always used the appropriate divisor when calculating fall- and spring-term FTES for physical planning purposes. With this divisor, the community college system is shown to serve just under 1 million FTES in every term, demonstrating a near balance between capacity and demand. However, capacity problems persist in some districts and regions.

If the community college system continues to use an annual methodology for deriving fall- and spring-term FTES, new community college educational centers would be required to average 1,000 FTES in each semester, which is double the current Commission FTES threshold required for state-approved centers. While this 1,000 FTES threshold may be fiscally prudent during times of state financial exigency, it might impede the state’s longstanding commitment to providing college access and opportunity to Californians who live in areas that are difficult to serve with larger facilities.

Displays 2 and 3 compare the two methods used to derive annual and fall-term FTES, based on an example involving 1,000 FTES.

Display 1. Community College Capacity and Enrollment by Region, 2005

Region	Assignable square feet (ASF)			FTES Capacity
	Lecture	Laboratory	Total	
Northern	217,614	514,369	731,983	41,415
Sacramento	312,604	560,966	779,141	56,860
SF Bay — Peninsula	293,053	515,083	808,136	53,144
SF Bay — North	216,933	406,475	623,408	39,713
SF Bay — East	371,782	753,573	1,125,355	68,903
SF Bay — South	300,464	662,516	962,980	56,477
North Central Valley	160,750	465,616	626,366	31,861
South Central Valley	314,457	572,325	886,782	57,316
Central Coast	82,661	215,700	298,361	16,032
South Coast	341,299	539,644	880,943	61,002
Los Angeles County	1,447,611	2,791,811	4,239,422	266,181
Orange County	567,421	927,677	1,495,098	101,869
Riverside County	143,903	293,067	436,970	26,690
San Bernardino County	194,213	381,481	575,694	35,814
San Diego County	528,928	799,388	1,328,316	93,991
Imperial County	37,292	37,023	74,315	6,341
Total	5,530,985	10,436,714	15,967,699	1,013,609
Fall 2006 FTES enrollment calculated using the Chancellor's Office methodology				498,880
Apparent FTES capacity surplus				+ 514,729

A calculation of fall-term FTES using the Commission's methodology would show a capacity deficit rather than a capacity surplus.

Display 2. Calculation of Annual Full-Time Equivalent Students

Method used by the Community College Chancellor's Office		Method used by UC, CSU, the Department of Finance and the Commission	
Step	Example	Step	Example
Annual student instructional hours	525,000	Undergraduate census units for academic year	30,000
<i>divided by</i>		<i>divided by</i>	
Annual instructional hours per FTES	525	Annual census units per FTES	30
<i>equals</i>		<i>equals</i>	
Annual FTES	1,000	Annual FTES	1,000

Display 3. Calculation of Fall Term Full-Time Equivalent Students

Method used by the Community College Chancellor's Office		Method used by UC, CSU, the Department of Finance and the Commission	
Step	Example	Step	Example
Fall term student instructional hours	262,000	Undergraduate census units for fall term	15,000
<i>divided by</i>		<i>divided by</i>	
Annual instructional hours per FTES	525	Annual census units per FTES	15
<i>equals</i>		<i>equals</i>	
Annual FTES	500	Annual FTES	1,000

In Display 2, both methods result in a 1,000 FTES figure. In Display 3, however, the 500 FTES figure derived using the Chancellor's Office methodology is equivalent to 1,000 students taking a full Fall-term load of 15 units, as shown by the UC, CSU, DOF, and CPEC methodology. Notice that the Chancellor's Office methodology does not reflect the observation that a student taking a full unit load in a fall-term would attend 262.5 hours of instruction, as opposed to 525 hours. If the divisor were 262.5, then its fall-term enrollment figure would total 1,000 FTES.