

**Work Group Title:**

**FINANCIAL WORK GROUP**

**Work Group Members:**

**Chris Leivas**

**Salman Ahmed**

**Executive Summary:** (Include a short summary of your findings.)

The Financial Workgroup was given the charge to determine the impact the compressed calendar would have on the District's revenue and expenditures. The Financial Workgroup focused its review on a conversion to a 16 week calendar since it was the compressed calendar used by most of the districts in the State of California.

Colleges can increase revenues by converting to a compressed calendar the following two ways:

1. Using the State FTES formula to maximize FTES during the fall and spring semesters.
2. Increasing intersession course offerings by using the extra weeks gained in the conversion to a compressed calendar.

How the compressed calendar impacts a District's FTES depends greatly on developing an academic calendar and course schedule that will take advantage of the opportunities for FTES growth provided by a compressed calendar. Accordingly, if a goal of converting to a compressed calendar is FTES growth then we need to take great care to develop an academic calendar and course schedules that maximize FTES.

Our review indicated the following:

- Most districts converting to a compressed calendar experienced FTES growth rates greater than the State average. These districts grew approximately 3.89% more than the State average.
- The Scheduling Workgroup estimates that the District could increase its FTES for fall and spring by approximately one percent.
- In the long run the District could increase its FTES by as much as five percent by increasing course offerings in a winter or summer intersession.
- The District receives approximately \$1 million from the State for a one percent increase in FTES.

Measuring the impact on expenditures was very difficult. While several work groups identified some areas where people said they would need additional resources we could not develop generalizations about district wide cost increases due the following factors:

- Whether costs increase due to the implementation of a compressed calendar will depend on the unique circumstances in each department and many vary widely between locations. Also, the circumstances can change dramatically depending on how we implement the compressed calendar including intersessions.
- Our District has endured several years of significant budget reductions. It was difficult to determine whether people's request for additional resources was related directly to the conversion to a compressed calendar or the general need for additional resources.

As the issue of going to a compressed calendar moves forward developing a list of needed resources is critical. This project would be the next step in the fiscal area.

The Financial Workgroup did note one area of potential expenditure savings. Section 20.4.5.2 of the Collective Bargaining Agreement with United Faculty states that for all semester length AC and C course sections we compensate instructors for an 18 week semester. This results in compensating instructors for 36 weeks per academic year; however, the State only funds the District for a 35 week academic year. If we aligned our compensation formula to the actual weeks in an academic year we would save approximately \$440,000 based on information provided by District IT.

**Introduction:** (Include the background, information on the general question you were attempting to answer and the process you used.)

The Financial Workgroup was given the charge to determine the impact the compressed calendar would have on the District's revenue and expenditures. The Financial Workgroup focused its review on a conversion to a 16 week calendar since it was the compressed calendar used by most of the districts in the State of California.

### **Impact on Revenues**

Colleges can increase revenues by converting to a compressed calendar the following two ways:

- Using the State FTES formula to maximize FTES during the fall and spring semesters.
- Increasing intersession course offerings by using the extra weeks gained in the conversion to a compressed calendar.

To estimate the impact on CCCCD's revenues, the Financial Workgroup explored the following issues:

- Issue #1: Have most districts converting to a compressed calendar experienced an increase in FTES? If so, what was the increase?
- Issue #2: How much could CCCCD increase its fall and spring FTES by converting to a 16 week compressed calendar.
- Issue #3: How much could CCCCD increase its FTES by expanding its intersession course offerings with the extra weeks gained in the conversion to a 16 week compressed calendar?

#### **Issue #1: State Information**

The FTES growth rates for 14 districts that recently converted to a compressed calendar were reviewed to determine whether their growth rates were greater than the State average. The FTES numbers used includes both credit and noncredit FTES. The FTES reported to the State for apportionment funding purposes was used as the source for the FTES information. The following schedules were created for this review:

- Schedule A shows the difference between a district's FTES growth rate compared to the State average.
- Schedule B shows the FTES growth rates for the selected districts.
- Schedule C shows the FTES data for the selected districts.

Schedule A shows the following trends related to FTES growth for the selected districts that recently converted to a compressed calendar:

- 10 out of 14 (71%) districts FTES growth rate was greater than the State average for the year they converted to a compressed calendar.
- From the 10 districts that grew greater than the State average in the first year 6 districts maintained or added to the growth amount in subsequent years.
- Only 2 districts showed an FTES growth rate below the State average during the year of conversion and all subsequent years.
- For the 10 districts that grew greater than the State average, on the average, their growth rates exceeded the State average by approximately 3.89%.

Based on the above information the following conclusions were drawn:

- In general most districts that convert to a compressed calendar have growth rates that exceed the State average.
- The majority of districts maintained or added to the initial increase in FTES.

### Issue #2 – FTES for the Fall and Spring Semesters:

The Scheduling Workgroup estimates that the District's fall and spring semester FTES would increase by approximately 1%.

### Issue #3 – Intersessions

Many districts have used the extra weeks gained by converting to a compressed calendar to expand intersession course offerings. The expanded course offerings contributed to the increased FTES these districts experienced when converting to a compressed calendar. If the District converted to a 16 week semester we would gain 3 weeks and these weeks could be used as follows to increase intersession course offerings:

1. Offer a 3 week winter intersession.
2. Offer a winter intersession greater than 3 weeks and reduce the summer intersession to gain the additional weeks.
3. Add weeks to the summer intersession to provide more scheduling opportunities in the summer.
4. Provide no instruction during the additional 3 weeks and use the time to do projects that can be only done when classes are not in session.

### Overview of Other Districts

Currently there are 20 districts in California that have compressed calendars. Only 5 of these districts do not have a winter intersession. Of the 15 districts that have a winter intersession, they offer them in the following format:

- Two districts have a 3 week intersession.
- Five districts have a 4 week intersession.
- Three districts have a 5 week intersession.

- Five districts have a 6 week intersession.

Option 1: Three Week Intersession

This option would have the following advantages/disadvantages:

Advantages:

- A winter intersession would provide more and varied educational opportunities to our students.
- A winter intersession would increase the District's FTES.
- A 3 week intersession would not require us to reduce the weeks of our current summer session.

Disadvantages:

- Having only three weeks to provide the curriculum for an entire class will limit the number of course sections you can offer in a winter intersession.
- No extra weeks are added to the time instruction is not occurring. Consequently, the time to do projects that can only occur when classes are not in session is not increased.

Impact on FTES:

Each college in our district does provide summer classes that begin and end before June 30<sup>th</sup>. This would give us an estimate of the amount of FTES we could earn with a three week intersession. District records show the following FTES history for these classes:

Fiscal Year	District Total	CCC	DVC	LMC
04-05	161	26	125	10
03-04	311	28	180	103
02-03	123	12	109	2
01-02	131	32	99	0

When looking at the above history it should be noted that our district discourages classes that end before June 30<sup>th</sup> because they eliminate the opportunity to be counted in either the fiscal year the class begins or the fiscal year the class ends.

Nonetheless, it appears that the District could generate approximately 150 FTES with a three week winter intersession. This translates into a .5% increase in FTES.

Other Issues to Consider:

If we created a winter intersession we would need to consider the following:

- We should probably settle on the length of that intersession and be consistent year to year.
- During the initial years we would have to fund a promotional campaign to stimulate the demand for a winter intersession.

Option #2: A Winter Intersession Greater Than 3 weeks

This option would have the following advantages/disadvantages:

Advantages:

- A winter intersession would provide more and varied educational opportunities to our students.
- A winter intersession would increase the District's FTES.
- A longer intersession would provide opportunities for more course sections than a three week intersession.

Disadvantages:

- We may need to reduce the number of weeks in our summer intersession to increase the weeks for the winter intersession.
- No extra weeks are added to the time instruction is not occurring. Consequently, the time to do projects that can only occur when classes are not in session is not increased.

Impact on FTES:

During the summer the District generates approximately 2,900 FTES in the summer. Approximately 2,000 of the total summer FTES is earned from six week course sections (based on course section information for summer 2006). However, this option would probably reduce the weeks available for the summer intersession especially time available for eight week course sections. Currently, we earn about 500 FTES for eight week course sections. Consequently, the District could generate about 1,500 FTES with this option. This translates into a 5% increase in District FTES. However, it will take awhile to build interest in a winter intersession so the immediate increase in FTES would be much less.

Other Issues to Consider:

To offer a winter intersession greater than 3 weeks, we would need to take weeks away from the summer intersession. Currently, we have approximately 12 weeks between the end of the spring semester and the beginning of the fall semester. During summer 2006 we will be offering instruction for 10 of those 12 weeks.

During the two weeks when classes are not in session we do a variety of projects in the computer labs, science labs, maintenance and custodial areas that can only be done when classes are not in session. If we offer a winter intersession greater than three weeks we would need to significantly reduce or eliminate the number of weeks we dedicated to these projects.

If we created a winter intersession we would need to consider the following:

- We should probably settle on the length of that intersession and be consistent year to year.
- During the initial years we would have to fund a promotional campaign to stimulate the demand for a winter intersession.

### Option 3: Increase the Summer Session

This option would have the following advantages/disadvantages:

Advantages:

- Provide a greater number of scheduling options for summer classes.
- Increase FTES for the District.
- Could increase the number of weeks school is not in session; thereby adding to the time available to do projects that can only be done when classes are not being conducted.

Disadvantages:

- May limit the number of summer classes that can be accounted for in two different fiscal years.

Impact on FTES:

If we increased the time between the spring and fall semesters by 3 weeks we would have 15 weeks between semesters. This would open up a variety of scheduling opportunities such as:

- Two separate six week summer intersessions.
- 12 week option for science or other lab classes.

While it is difficult to determine how many extra course sections could be offered under this option, it appears to have the same potential as a six week winter intersession or 1,500 FTES.

#### Other Issues to Consider:

If you have 15 weeks between semesters and you scheduled classes for 12 weeks, you would have three weeks when classes were not in session. This would give us an extra week to do projects that can only be done when classes are not being held.

To the greatest extent possible the District encourages the Colleges to schedule classes with census dates that occur before June 30<sup>th</sup>; but end after June 30<sup>th</sup>. For these classes the law allows you to count the FTES for the class in either fiscal year. This allows the District to maximize its revenue by ensuring that it captures all growth revenue opportunities available to it. If we had two separate 6 week intersessions during the summer, the number of courses we could count in either fiscal year may be reduced.

#### Option 4: Use the Additional Weeks as Non Instructional Weeks

This option would have the following advantages/disadvantages:

##### Advantages:

- Increase the time for campus wide projects (i.e., maintenance, carpet cleaning, lab setups, facility moves) that can only be done when classes are not in session.

##### Disadvantages:

- Would not provide more and varied educational opportunities to our students.
- Would not increase the District's FTES.

##### Impact on FTES:

This option would have no impact on FTES.

#### Other Issues to Consider:

This option would provide five weeks per year when classes were not in session. During this time various projects could be done that can only be accomplished when classes are not in session.

#### Impact on Revenues Summary

Most districts converting to a compressed calendar experience FTES growth rates greater than the State average. These Districts grew 3.89% more than the State average.

How the compressed calendar impacts the District's FTES depends greatly on academic calendar development and class scheduling. The Scheduling Workgroup has determined that the District's FTES for fall and spring would increase approximately 1%. Depending on which option we use for an intersession the increase could be as much as 5% over time. The District receives approximately \$1 million from the State for a one percent increase in FTES.

### **Impact on Expenditures**

Measuring the impact on expenditures was very difficult. While several work groups identified some areas where people said they would need additional resources we could not develop generalizations about district wide cost increases due to the following factors:

- Whether costs increase due to the implementation of a compressed calendar will depend on the unique circumstances in each department and many vary widely between locations. Also, the circumstances can change dramatically depending on how we implement the compressed calendar including intersessions.
- Our District has endured several years of significant budget reductions. It was difficult to determine whether people's request for additional resources was related directly to the conversion to a compressed calendar or the general need for additional resources.

As the issue of going to a compressed calendar moves forward developing a list of needed resources is critical. This project would be the next step in the fiscal area.

One situation that would definitely result in a need for additional resources would be going to a summer intersession with two six week sessions. Some support services only need to fully support instruction during the six week day/night summer session. Consequently, these services would incur additional costs to fully support instructional programs for a twelve week period.

The Financial Workgroup received the following information related to the impact on expenditures. These items were not fully investigated and are presented here for information purposes only:

- Some classified positions that work less than 12 months may need to work 12 months if the compressed calendar results in more weeks of instruction during the year.
- Extra staff would be needed to complete large reports due to at the end of a semester.
- CCC's print shop would need extra resources due the shorter semester.
- If we added a winter intersession, department chair duties would increase. Consequently, department chair compensation may need to be increased.
- Depending on the actual schedule, faculty load might change.

- Police services would need more staff to patrol parking lots and support increases in calls for support/back-up.
- Increase staffing for the assessment center.

The Financial Workgroup did note one area of potential expenditure savings. Section 20.4.5.2 of the Collective Bargaining Agreement with United Faculty states that for all semester length AC and C course sections we compensate instructors for an 18 week semester. This results in compensating instructors for 36 weeks per academic year; however, the State only funds the District for a 35 week academic year. If we aligned our compensation formula to the actual weeks in an academic year we would save approximately \$440,000 based on information provided by District IT.

## Sources

The Financial Workgroup consulted with the following people when gathering information for this report:

- Doug Roberts
- Bruce Cutler
- Carol Maga
- Alice Murillo
- Don Penrose
- Maria Barno

The following information sources to gather information for this report:

- Statewide FTES information came from Exhibit E which is included in the State apportionment packages on the State Chancellor's Office website.
- Information concerning course schedule offerings in summer 2006 came the course schedules in the Datatel system.
- Historical FTES information by college for CCCCD came from a FTES trend report prepared by Doug Roberts.
- Information about winter/summer intersessions at other districts on a compressed calendar came from information provided by the Scheduling workgroup.
- Information about spring break at other districts on a compressed calendar came from their websites.
- Growth revenue data came from information provided by Doug Roberts.
- Impact on expenditure examples came from other workgroups.
- Data used to calculate potential salary savings came from data in the Datatel system and was provided by District IT.