

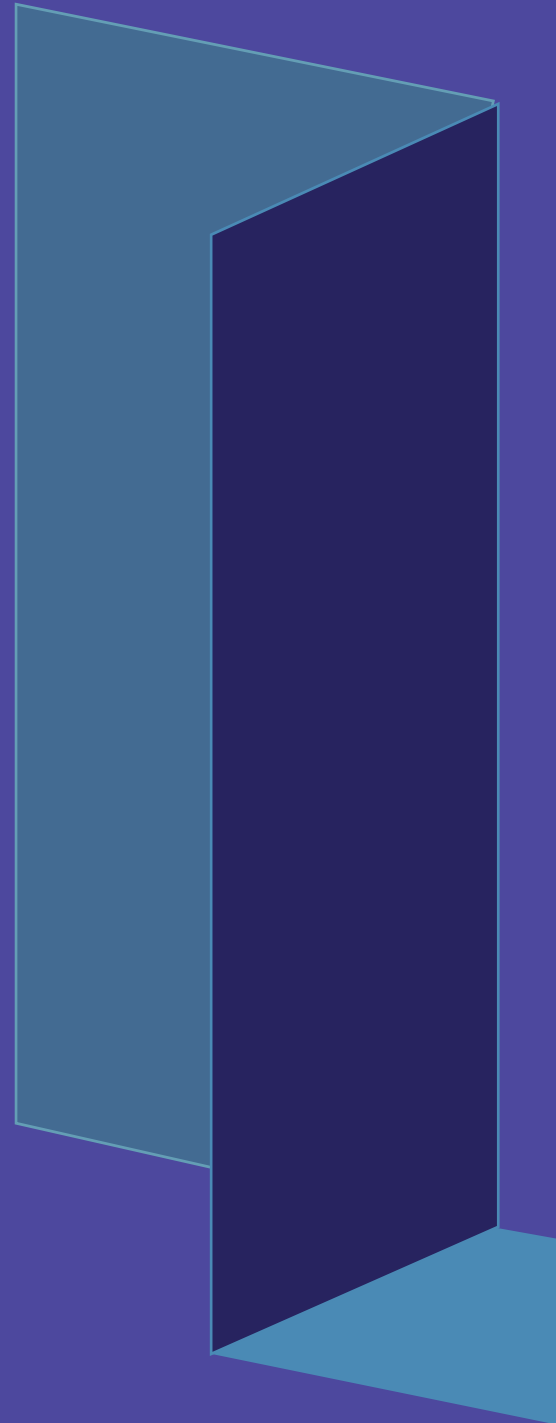
When Less is More: Prioritizing Open Access

Christopher M. Mullin

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AMERICAN
ASSOCIATION OF
COMMUNITY
COLLEGES





About the American Association of Community Colleges

As the voice of the nation's community colleges, the American Association of Community Colleges (AACCC), delivers educational and economic opportunity for 12 million diverse students in search of the American Dream. Uniquely dedicated to access and success for all students, AACCC's nearly 1,200 member college provide an on-ramp to degree attainment, skilled careers, and family-supporting wages. Located in Washington, D.C., AACCC advocates for these not-for-profit, public-serving institutions to ensure they have the resources and support they need to deliver on the mission of increasing economic mobility for all.

About the Author

Dr. Christopher M. Mullin is a national expert in the areas of higher education finance and policy. His expertise informs numerous advisory boards and workgroups including those of the National Science Foundation, the National Center for Education Statistics, the State Higher Education Executive Officers, The Hamilton Project at the Brookings Institution, and the Institute for Higher Education Policy.

Related Publications by Dr. Mullin and Collaborators

- 2016 Role Clarity: The Interplay of Entities Funding Higher Education
- 2015 Community College Finance: A Guide for Institutional Leaders
- 2014 Higher Education Finance Research: Policy, Politics, and Practice
- 2013 Community College Contributions
- 2012 Preventing Abuse in Federal Student Aid: Community College Practices

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EXECUTIVE SUMMARY

Students are the reason colleges exist. It is their dreams, their hopes, their aspirations, and their desire to improve themselves and the lives of their loved ones, that compel students to enroll. College provides students with a pathway to their academic and career goals. For nearly half of undergraduate students in the United States, it is the community college that affords them an opportunity to attain their goal.

Faculty, staff, and administrators of community colleges eagerly anticipate their arrival each semester. Providing access is the key tenet of the American community college. Open access means that all members of a community—not just a select few—are afforded a pathway to attain a college education, be it workforce training or through the pursuit of advanced degrees. For some, this access to higher education serves to disrupt the cycle of intergenerational poverty and provide civic and fiscal benefits to both students and communities.

In policy circles, the first question of the year often relates to college enrollment. Most common is the question: “Are you up or down in enrollment?” Enrollment to a community college professional is a yard stick by which to measure more than just the number of students enrolled in classes. Enrollment numbers can provide indications related to funding, the economy, and local workforce issues.

Open access means that all members of a community—not just a select few—are afforded a pathway to attain a college education.

The enrollment question is often answered in terms of full-time equivalent (FTE) enrollment. While the answer does have programmatic implications, the initial interest is more directly related to its implications on funding. This is because the majority of public college revenues originate in part from tuition and fee revenues which are, in most cases, charged on a per credit hour basis.

It may therefore seem logical to quantify all sources of support on a per FTE basis. However, doing so may be damaging to community colleges in terms of funding and the support services needed for all students. For the purpose of this report, we will focus on the following:

1. One FTE does not equal one person, which, if not understood, can contribute to underfunding.
2. Community colleges don’t stabilize enrollment through selective admissions.
3. Community colleges are affected by shifts in their community, which contribute to FTE enrollment fluctuations that may be used as a rationale to cut college budgets.

Understanding these ways in which enrollment is discussed and perceived is important if we are to ultimately reframe the way community colleges as a sector discuss the critical role they play in providing access to the middle class for more than 12 million students each year.



Moving forward, community college leaders must work locally and regionally to transition to a new way of thinking about per FTE funding that honors their open-access mission and provides fully for the resources needed by all students served. The new vernacular must include discussions regarding fluctuations in enrollments that are a function of outside influence (e.g., population shifts, unemployment, etc.) and how to account properly for the services required by all students regardless of the FTE figures that are used to determine funding. These enrollment shifts are often the catalyst for budget determinations and serve as the justification for budget cuts, rendering the need for reframing these discussions as critical. In effect, discussions about FTEs disregard the student as a whole person.

Collectively, a new vocabulary can be developed. How we talk about enrollment needs to be clearer, more direct, and inclusive of data relating to both FTE enrollment and headcounts showing clearly that sometimes what is less is actually more when it comes to educating our students.

INTRODUCTION

In policy circles, the first question of the year often relates to college enrollment. Most common is the question: “Are you up or down in enrollment?”

More often than not, the enrollment question may be answered in terms of full-time equivalent (FTE) enrollment. While the answer does have programmatic implications, the initial interest is more directly related to its implications on funding. This is because the majority of public college revenues originate in part from tuition and fee revenues which are, in most cases, charged on a per credit hour basis.¹

It may, therefore, seem logical to quantify all sources of support on a per FTE basis.² However, doing so may be damaging to community colleges in terms of funding and the support services needed for all students. For the purpose of this report, the focus is on the following:

1. One FTE does not equal one person, which can contribute to underfunding.
2. Community colleges are open access; they don’t stabilize enrollment through selective admissions.
3. Community colleges are affected by shifts in their community, which contributes to FTE enrollment fluctuations that may be used as a rationale to cut college budgets.

Understanding these ways in which enrollment is discussed and perceived is important if we are to ultimately reframe the way community colleges as a sector discuss the critical role community colleges play in providing access to the middle class for more than 12 million students each year.



MISMATCHED PAIRS

The credit hour is simplistic in its design and universal in its application. It is a time-based measure that allows for a certain amount of time for instruction and learning and serves as the boundaries within which courses are developed. For practitioners and students, the credit hour standardizes units of learning. It allows for the transfer of credit, equalizes the offerings of educational institutions, increases operational efficiencies when credits articulate, and can be organized into a direct pathway to a college credential.³ For policymakers, the credit hour serves as both a standard unit of measurement allowing for within and cross-institutional and sector comparisons and the foundation upon which policy conversations begin, most frequently in its derived form: the FTE.

FULL-TIME EQUIVALENT (FTE) STUDENTS

The full-time equivalent (FTE) student is built upon a fundamental element of college: the credit hour. This is because an FTE is the result of adding up credit hours and dividing by the number of credit hours that constitute a full-time student—typically 30.⁴ This is to say that a college with 30,000 credit hours of instructional activity in a year enrolls 1,000 FTE students.

The dominance of the FTE in the analytical community is due in part to its omnipresence in annual publications, including the *Digest of Education Statistics*, state factbooks, institutional factsheets, and countless academic and policy research publications.⁵ Yet, not only are FTE counts reported as a stand-alone account of college enrollment, they are used as a denominator to arrive at array of analytical staples, including the cost per FTE, expenditures per FTE, tuition and fees per FTE, and completions per FTE. These values are reported in the trade press and prominent publications such as the College Board's annual *Trends in Student Aid and Trends in College Pricing* publications,⁶ the State Higher Education Executive Officer's annual *State Higher Education Finance report*,⁷ and *Trends in College Spending* reports of the Delta Cost Project⁸ among others. It is no surprise, then, that national, state, and institutional policy conversations are largely informed by FTE student enrollment and their derivations. In reality FTE students are mythical beings; they are not human.

STUDENT HEADCOUNTS

In elementary and secondary education, a student is a student. Higher education's proxy for a student is the FTE. The use of the FTE as a standard measure across higher education is why the difference between an FTE and a headcount matters immensely. When the FTE serves as a proxy for a student (a headcount), the ratio between FTE students and actual students must be the same.

However, as Figure 1 illustrates, one FTE equals 1.2 students (headcounts) at land-grant public universities which serve "traditional" students, whereas one FTE equals 2.2 students (headcounts) at community colleges nationally.⁹ It is therefore appropriate to suggest that an FTE is neither a reliable universal measure of enrollment across sectors nor a valid proxy for a college student.

Student Headcounts per FTE



FIGURE 1. The Number of Unduplicated Headcount Students That Comprise One Full-time Equivalent Student (FTE) at Community Colleges and Land-Grant Universities: 2005-06 to 2014-15

Source. Author's analysis of Integrated Postsecondary Education Data System

More importantly, it means that for every one FTE student, there are 2.2 real students who need a counselor, an advisor, a parking space, or an apprenticeship opportunity. It means that funding per FTE is really split across 2.2 students, not one. It also helps to explain why the amount of funding that colleges have available to offer students may be insufficient.

Consider that for every faculty member, there are 0.8 other employees—employees supporting student success as registrars, financial aid officers, academic advisors, test administrators, deans, department chairs, public safety officers, and those who ensure campus facilities are safe and accessible. At public universities, there are 2.1 employees for every faculty member by comparison.¹⁰

Augmenting a fundamental focus on access with student success requires new actions, some of which can be accomplished with existing levels of support by reorganizing institutions through the repurposing of job roles. Others cannot: Adding college coaches, leveraging technology solutions such as degree audit systems that ensure students are taking the right courses, or employing staff to analyze data to make evidence-based decisions are just a few examples of the new fiscal demands colleges are looking for ways to support.¹¹

SELECTIVE ADMISSIONS AND SERVING AT-RISK STUDENTS

Substantial gains in educational attainment and the accompanying benefits of a college education have been well documented to support the vital contributions of college education to individual and societal advancement.¹² And when the term college is used, it extends beyond the philosopher contemplating Socrates on the quad to include vital workforce programs that lead directly to jobs in areas such as computer integrated manufacturing, lasers and photonics, or phlebotomy.

ESCHEWING SELECTIVITY

These advancements are the result of democratizing higher education. They are the result of 2-year colleges being so dedicated to their communities that they commit to empower the latent potential in every member of the community through open enrollment. A condition of this commitment, however, is instability in a college's enrollment. A draconian and simple approach for colleges to create some stability could be to limit opportunity by closing their open doors. It works for universities. By being selective and managing enrollment so that entering classes remain consistent in size, universities have side-stepped the annual anxiety that comes with enrollment swings. Restricted-access institutions focus on a particular population to mitigate their risk. Through predictive analytics and enrollment management strategies, institutions curate entering cohorts of students. In such cases, it may be that a student with a risk factor is not something to overcome, but rather a reason to place a barrier to opportunity. Community colleges do not work that way.

TAKING RISKS

Seventy percent of all undergraduates who have zero risk factors enroll at public and private 4-year institutions, while community colleges only enroll 16% (Figure 2). It is these risk factors—such as delaying college enrollment, having others dependent on the student for their well-being, or working while enrolled—that have been shown to impact persistence and completion. Moreover, community colleges enroll a large and disproportional share of students with risk factors, with the proportion of students served by community colleges increasing, from 16% to 53%, as the number of risk factors increases.

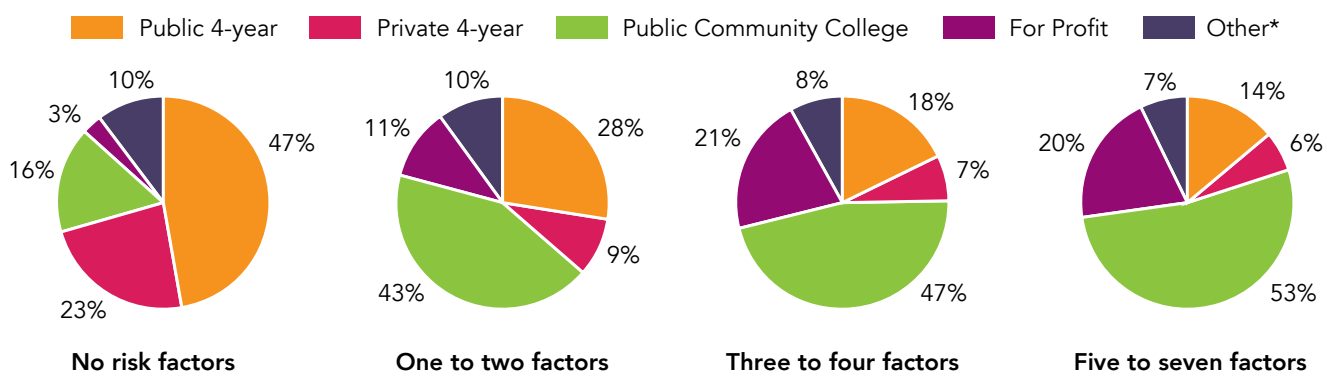


Figure 2. Distribution of Risk Factors by Sector: 2011-2012

Source. Author's analysis of National Postsecondary Student Aid Study (NPSAS:12) using PowerStats (<https://nces.ed.gov/datalab/powerstats/default.aspx>).

If community colleges only enrolled students without risk factors they would likely have more students who enrolled through to graduation and a college's enrollment predictions would be more stable, making the ability to plan fiscal expenditures all the more strategic. Figure 3 depicts 6-year outcomes for students, and while the sharp decline in graduation grabs one's eyes as the number of risk factors increases, this

discussion is about the impact of student stop-outs on a college’s enrollment. Furthermore, because of the turnover within colleges, there is a stronger need to focus on headcounts over FTE so that colleges have the resources in place to support new and existing students.

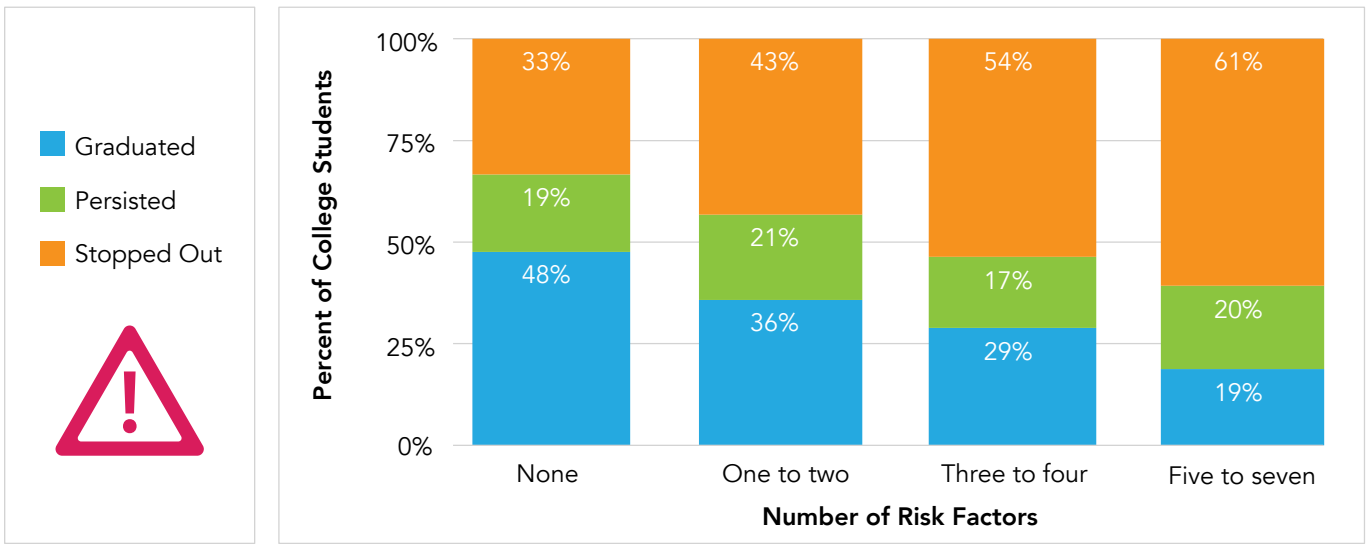


Figure 3. Six-year Outcomes for Students Starting at Colleges, by Number of Risk Factors

Source. Author’s Analysis of Beginning Postsecondary Student Study (BPS04/09) using PowerStats (<https://nces.ed.gov/datalab/powerstats/default.aspx>).

At the same time, colleges must—and many are—change their practices to focus on providing and monitoring a student’s progression to a credential, rethink the job roles of staff to support students, reinforce the importance of instruction taking place in the classroom, use data to help at-risk students rather than shun them, and ultimately create a culture of a student-ready college rather than a college-ready student.¹³ While colleges undertake this work, it is imperative stakeholders understand community colleges proudly employ a risky business model and that in the era of accountability, the risk is becoming evermore palatable.

COMMUNITY SHIFTS

Community colleges develop plans informed by enrollment projections, but plans are not always able to materialize when shifts in communities occur. For example, when an institution abruptly closes its doors, community colleges respond to serve the displaced student. Or when large employers in a college’s service area close, when new economic development projects suddenly materialize, or the decision to allow high school students to maximize their inherent potential through dual enrollment occurs, community colleges respond with open doors. Community shifts happen when more students return to college during economic downturns—most of whom are likely to need developmental education as they have been out of school for some time.

In all of these examples, the students typically are not full-time students. They have multiple demands on their time—work, family, etc.—meaning they have limited time available for classes.

ENROLLMENT INTENSITY

This is a problem because when demands on time result in fewer courses taken, the number of credit hours, and ultimately FTE students, decrease. Figure 4 shows that the percentage of college students enrolling part time decreased during the economic downturn and has since increased as the economy improved.

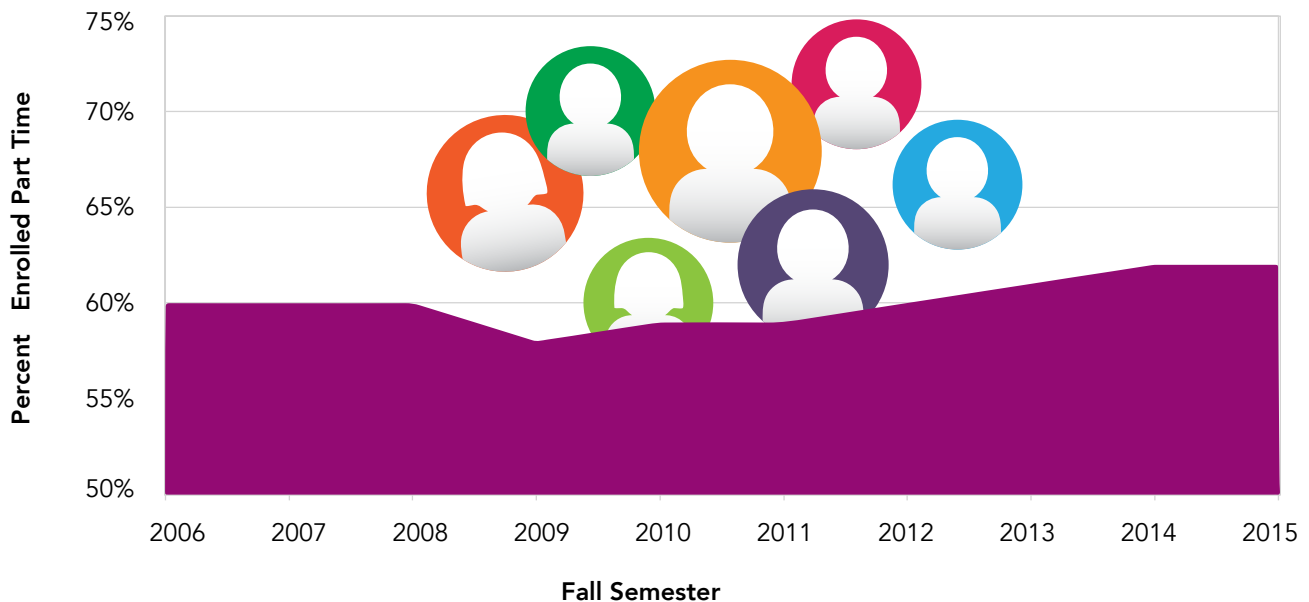


FIGURE 4. Enrollment Intensity at Community Colleges: Fall 2006 to 2015

Source. American Association of Community College Fact Sheets (Various)

Reframing the discussion with regard to student headcount and FTE is crucial for community colleges. Because FTE calculations are determined by using credit hours, the shift in the percentage of students going part time has a direct impact on the number of FTE students reported.

FUNDING AND FUNDING MODELS

Over the past decade, the FTE student has been viewed as a “butt in the seat,” that serves to support an antiquated approach to funding colleges. This lens serves primarily as the opening salvo in an attack on



enrollment-based funding to advocate for outcome-based funding models. To be clear, outcome-based models are critical tools driving meaningful change in higher education, but positioning enrollment-based funding as the enemy is incomplete.

Most colleges are funded on a base-plus approach,¹⁴ where the “base” accounts a set amount of funds, while the “plus” part of funding may take into account various factors such as program enrollments with associated costs, multi-institutional supplements, inflationary factors, and equity components.¹⁵ These factors, built in part upon decades of research into unit cost studies to identify cost centers within colleges, are largely overlooked.

A more robust conversation that values a college’s decision to serve all students needs to occur.¹⁶ The reality that funding models, by and large, do not fund on an FTE basis is further evidence—along with the shift to funding based upon outcomes—that a “funding per FTE” frame to how colleges are funded is problematic.

MOVING FORWARD

Students are the reason colleges exist. It is their dreams, their hopes, their aspirations, and their desire to improve themselves and the lives of their loved ones, that compel students to enroll. College provides students with a pathway to their academic and career goals. For nearly half of undergraduate students in the United States, it is the community college that affords them an opportunity to attain their goal.

Faculty, staff, and administrators of community colleges eagerly anticipate their arrival each semester. Providing access is the key tenet of the American community college. Open access means that all members of a community—not just a select few—are afforded a pathway to attain a college education, be it workforce training or through the pursuit of advanced degrees. For some, this access to higher education serves to disrupt the cycle of intergenerational poverty and provide civic and fiscal benefits to both students and communities.

The way college stakeholders frame conversations about enrollment must change. Too often, the college community equates all students with full-time equivalents (FTE). This occurs even when it is well known that, unlike other sectors of education, the majority of community college students simply do not enroll full time.

No longer should colleges be penalized for providing access. The community college movement is about effort, and finding a way despite the hurdles. It is what is expected of our students and what we must expect of ourselves.

Moving forward, community college leaders must work locally and regionally to transition to a new way of thinking about per FTE funding that honors their open-access mission and provides fully for the resources needed by all students served. The new vernacular must include discussions regarding fluctuations in enrollments that are a function of outside influence (e.g., population shifts, unemployment, etc.) and how to account properly for the services required by all students regardless of the FTE figures that are



used to determine funding. These enrollment shifts are often the catalyst for budget determinations and serve as the justification for budget cuts, rendering the need for reframing these discussions as critical.¹⁷ In effect, discussions about FTEs disregard the student as a whole person.

Collectively, a new vocabulary can be developed. How we talk about enrollment needs to be clearer, more direct, and inclusive of data relating to both FTE enrollment and headcounts showing clearly that less is sometimes more when it comes to educating our students.

NOTES

1. Less frequent in the college space are flat fees charged to students irrespective of enrollment intensity, save the user fees such as graduation fees, late library fees, or other such fees.
2. In 25 states, colleges receive local support that varies greatly across the states. For the most recent discussion, see Palmer (2008).
3. For more information on the credit hour, see Wellman & Erlich (2003). While some, such as Laitinen (2012), have critiqued the credit hour for how it captures time rather than learning, the arguments are incomplete and beyond the scope of this paper.
4. In some cases, a state may derive an FTE by dividing by 24 or 40. In other cases, an FTE may be 45 credit hours for institutions on the quarter system or for clock hour programs, 37.5 clock hours equals one credit.
5. See for example, <https://nces.ed.gov/programs/digest> or www.higheredinfo.org
6. See www.collegeboard.org/trends
7. See www.sheeo.org
8. See www.deltacostproject.org
9. Land-grant universities are used for comparative purposes because they enroll the types of students that stakeholders most often associate with college: traditional-aged and enrolled full time.
10. By comparison, at public universities there are 2.1 administrators, staff members, or graduate assistants for every faculty member. Data are the result of the author's analysis of Table 314.20 of the *Digest of Education Statistics* available from https://nces.ed.gov/programs/digest/d16/tables/dt16_314.20.asp?current=yes
11. See, for example, Mullin (2014).
12. See, for example, Ma, Pender, and Welch (2016), Belfield and Bailey (2012) and Mullin and Phillippe (2013).
13. See, for example, McNair, Albertine, Cooper, McDonald and Major (2016).
14. McKeown-Moak and Mullin (2014).
15. Mullin and Honeyman (2007).
16. The work of Baime and Baum (2016), Palmer and Romano (2015), Kahlenberg (2015), Katsinas (2015), and Head, Bers, and Palmer (2014) are recent examples.



17. Colleges tend to receive less money when enrollment dramatically increases. Desrochers and Hurlbert (2014) observed, "Community colleges continued to show the greatest financial strain across higher education (even amid slower enrollment growth), with declines in revenue per student accompanied by widespread spending cuts" (p.1).

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