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# Ensuring Accurate Enrollment Data for Public Community, Technical, and State Colleges

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## Purpose of This Guide

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This guide can help public community, technical, and state colleges reinforce the accuracy of enrollment data they submit to the Higher Education Coordinating Board (Coordinating Board) for state funding purposes. This, in turn, will provide more accurate statewide information about student enrollment.

Designed to supplement the guidance the Coordinating Board provides to colleges, the guide is organized by the three primary phases for ensuring enrollment data accuracy:

- **Initial Data Collection and Reporting**  
This section outlines the major components of enrollment data and identifies the key requirements with which colleges must comply when they report this data. To provide more detail on these requirements, the guide also includes links to relevant rules and regulations and other useful resources.
- **Self Reported Errors**  
This section explains the self-reported error process that colleges have historically been allowed to use to report enrollment data errors. The guide emphasizes the importance of having processes in place to capture data errors and report them using the self-reported error process.
- **State Auditor's Office (SAO) Review for Accuracy**  
This section summarizes the SAO's role in auditing enrollment data to ensure accuracy and to facilitate funding adjustments.

**Section 4**, Reviewing Controls Over Computer-Processed Data, provides suggestions for ensuring that automated enrollment data is accurately collected and reported. As colleges place more emphasis on automated systems to collect and report enrollment data, it is critical that they ensure that automated systems controls are in place to minimize the risk of inaccurate data.

This guide also provides background information on the college funding process. See **Section 5**, Overview of the Public Community, Technical, and State College Reporting of Enrollment Data.

By comparing current practices with the requirements described herein, a college can identify areas for improvement in its collection, review, and reporting of enrollment data.

### Why is it important to report accurate enrollment data?

Reporting accurate enrollment data ensures that state funds are appropriated in the most effective manner possible.

It is critical that colleges report enrollment data that meets all requirements set forth by the Coordinating Board, the Texas Education Code, the General Appropriations Act, and their governing boards.

If a college does not report accurate data in compliance with all requirements, its state appropriations could be adjusted.

**This guide highlights key factors for colleges to consider when collecting and reporting enrollment data. It is not intended to serve as a complete guide detailing all enrollment data reporting requirements.**

Section 1:

## Initial Data Collection and Reporting

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The first step in ensuring accurate enrollment data involves the initial collection and reporting of enrollment data by colleges. Colleges must follow various rules and regulations regarding each student and contact hour they report to the Coordinating Board to ensure accurate reporting of enrollment data. To qualify for state funding, colleges must comply with the following:

- Coordinating Board Rules and Regulations
- Provisions of the Texas Education Code
- Article III, of the General Appropriations Act
- Additional requirements established by individual college governing boards

Colleges should ensure that they comply with all applicable requirements in key areas affecting enrollment data, such as:

- Student admissions
- Texas Academic Skills Program (TASP)
- Registration
  - Official reporting date (ORD)
  - Concurrent credit courses
  - Adds and drops
  - Classes organized after the ORD
- Residency status
- Collection of proper tuition by the ORD
  - Tuition exemptions and waivers
- Refunds

The remainder of this section outlines the key requirements for each of the areas listed above. Colleges should regularly review their data collection and reporting processes to ensure that they comply with all applicable requirements.

**For more detailed information on initial data collection and reporting:**

Coordinating Board Rules and Regulations at [http://www.theccb.state.tx.us/CBRules/readtac\\$ext4d45.html](http://www.theccb.state.tx.us/CBRules/readtac$ext4d45.html).

Texas Education Code at <http://www.capitol.state.tx.us/statutes/edtoc.html>.

Article III, the General Appropriations Act at [http://www.lbb.state.tx.us/The\\_LBB/Menu.htm#Pubs](http://www.lbb.state.tx.us/The_LBB/Menu.htm#Pubs).

## Student Admissions

Colleges must adhere to all applicable admission requirements set by the college. To report a student's

### For more detailed information on the Texas Academic Skills Program:

Texas Education Code, Section 51.306, at <http://www.capitol.state.tx.us/statutes/ed/ed005100toc.html>.

Coordinating Board Rules and Regulations, Subchapter P, Sections 5.311 through 5.318, at [http://www.theccb.state.tx.us/CBRules/readtac\\$ext6fea.html](http://www.theccb.state.tx.us/CBRules/readtac$ext6fea.html).

*Texas Academic Skills Program Policy Manual* at <http://www.theccb.state.tx.us/reports/pdf/0425.pdf>.

Texas Education Code, Sections 51.803 through 51.805, specify requirements for automatic and other types of admissions:

- Automatic admission is granted to applicants who graduated with a grade point average in the top 10 percent of their high school graduating class in one of the two school years preceding the academic year for which the applicant is applying for admission. The high school must be either a public or private Texas high school that is accredited by a generally recognized accrediting organization or a high school operated by the United States Department of Defense.
- For other first-time freshman admissions, each public general academic teaching institution is required to consider several factors, including the following:
  - The applicant's academic record
  - The applicant's performance on standardized tests
  - The applicant's region of residence
  - The applicant's extracurricular activities

Each college's board-approved admission policy should specify the factors to be considered.

### For more detailed information on student admissions:

Coordinating Board Rules and Regulations, Section 5.9, at [http://www.theccb.state.tx.us/CBRules/readtac\\$extc0e4.html](http://www.theccb.state.tx.us/CBRules/readtac$extc0e4.html).

Coordinating Board Rules and Regulations, Section 9, at [http://www.theccb.state.tx.us/CBRules/readtac\\$extdd95.html](http://www.theccb.state.tx.us/CBRules/readtac$extdd95.html).

Texas Education Code, Sections 51.803 through 51.805, at <http://www.capitol.state.tx.us/statutes/ed/ed005100toc.html>.

## Texas Academic Skills Program (TASP)

Coordinating Board Rules and Regulations, Subchapter P, Section 5.314, requires most students who entered public institutions of higher education in the fall of 1989 and thereafter to be tested for reading, writing, and mathematics skills. To be accurately reported for funding purposes, students must meet one of the following criteria:

- Be exempt from taking the TASP test
- Meet minimum performance standards on the TASP test
- Participate in a remediation program if he/she did not meet minimum performance standards on the TASP test

To report a student's contact hours for formula funding purposes, a college must ensure that the student meets all applicable TASP requirements.

## Registration

### Official Reporting Date (ORD)

Students must be registered on or before the ORD (also referred to as the census date).

Table 1 shows official reporting dates for courses reported on the CBM-004 Class Report (see [CBM Reports in Section 5, Overview of Public Community, Technical, and State College Reporting of Enrollment Data](#)). Determination of the ORD is made based on the length of the term in weeks.

To report a student's contact hours for formula funding purposes, a college must ensure that the student was officially registered on the official reporting date for that semester.

Table 1

Official Reporting Dates	
Length of Term in Weeks	ORD in Class Day Number
2 or Less	1
3	2
4	3
5-6	4
7	5
8	6
9-10	7
11	8
12	9
13-14	10
15	11
16	12

#### **For more detailed information on the official reporting date:**

Coordinating Board *Reporting & Procedures Manual for Public Community, Technical, and State Colleges* at <http://www.thecb.state.tx.us/reports/pdf/0410.pdf>.

For CBM-00C Continuing Education Class Report courses (see [CBM Reports in Section 5, Overview of Public Community, Technical, and State College Reporting of Enrollment Data](#)), the third class meeting is the ORD for all students enrolled in classes that have three or more scheduled class meetings. If there are less than three scheduled class meetings, the last class meeting should be considered the ORD.

### Concurrent Credit Courses

A college may claim funding for all high school students earning college credit in concurrent credit courses if it has established a valid agreement with a secondary school. State funding for concurrent credit courses is available to both public school districts and public two-year associate-degree-granting institutions based on an agreement between the Commissioner of Education and the Commissioner of Higher Education.

To report a student's concurrent credit course contact hours for formula funding purposes, a college must ensure that it has established the proper arrangement with the student's secondary school.

Coordinating Board Rules and Regulations, Section 9.144, specifies that any instructional partnership between a secondary school and a public two-year associate-degree-granting institution must be approved by the governing boards or designated authorities of both institutions prior to offering such courses. The concurrent credit course arrangement must address the following elements:

**For more detailed information on adds and drops:**

Coordinating Board Rules and Regulations, Section 9.31, at [http://www.theccb.state.tx.us/CBRules/readtac\\$ext09f7.html](http://www.theccb.state.tx.us/CBRules/readtac$ext09f7.html).

- Student composition of class
- Faculty qualifications
- Provision of student learning and support services
- Grading criteria
- Transcribing of credit
- Funding provisions

Specific guidelines for concurrent credit course eligibility and participation may be found in Coordinating Board Rules and Regulations, Section 9.145.

**For more detailed information on concurrent credit courses:**

See Coordinating Board Rules and Regulations, Section 9.144 and 9.145, at [http://www.theccb.state.tx.us/CBRules/readtac\\$ext4826.html](http://www.theccb.state.tx.us/CBRules/readtac$ext4826.html).

Adds and Drops

Only those students enrolled on or before the ORD may be reported for contact hour funding. Coordinating Board Rules and Regulations, Section 9.31, specifies that students who add classes after the ORD and students who drop classes prior to the ORD may not be reported for those classes for funding purposes. Colleges should review add/drop documentation and ensure that only those students officially enrolled on the ORD are reported.

To report a student's contact hours for formula funding purposes, a college must ensure that the student enrolled on or before the ORD. In addition, the college must ensure that it properly refunds tuition and fees when students drop courses or withdraw from the college.

Prior to the census date, colleges may allow hours to be dropped and re-added without penalty to the student if the exchange is an equal one. When the charges for the hours dropped are greater than the charges for the hours added, the refund is to be applied to the difference in charges between the classes being added and those being dropped. If the charges for hours added exceed the charges for hours dropped, the student is liable for paying the net additional charges.

Classes Organized After the ORD

Enrollments in classes organized after the ORD (otherwise known as flexible entry classes) should be included in the data a college submits in the following semester. Any student enrolled as of the ORD who subsequently enrolls in a flexible entry class organized in the same semester must be assessed tuition and fees as though another class were being added to the student's current course load.

Classes organized after the 12<sup>th</sup> class day of the fall semester, for example, will be reported in the spring semester CBM-004 report; classes organized after the 12<sup>th</sup> class day of the spring semester will be reported in the first summer session. The ORD for a flexible entry class is calculated according to the procedures described in the introduction section of the CBM-001 Report, The Student Report (see [CBM Reports in Section 5](#), Overview of Public Community, Technical, and State College Reporting of Enrollment Data). See the Coordinating Board's *Reporting and Procedures Manual for Public Community, Technical, and State Colleges* for instructions on completing the CBM-001 Report.

**For more detailed information on classes organized after the official reporting date:**

Coordinating Board *Reporting & Procedures Manual for Public Community, Technical, and State Colleges* at <http://www.thecb.state.tx.us/reports/pdf/0410.pdf>.

## Residency Status

While state government provides funds for both resident and nonresident students, colleges are required to provide accurate information on student residency status. To properly assess tuition rates colleges must identify each student as a "resident" or a "nonresident," following the guidelines below:

To report a student's contact hours for formula funding purposes, the college must ensure that it has classified the student within the proper residency status.

- Coordinating Board Rules and Regulations, Section 21.22, and Texas Education Code, Section 54.052(e), specify that individuals who move into the state and are gainfully employed within the state for 12 months prior to enrolling in an institution of higher education are entitled to classification as residents.
- Coordinating Board Rules and Regulations, Section 21.25(c), requires each student to provide substantiating documentation to affirm residence for tuition purposes.
- Texas Education Code, Section 54.0521, states that an individual must sign an oath of residency prior to registration in order to pay the tuition rate for residents.
- There are no residency requirements for non-fundable workforce continuing education courses. However, Coordinating Board Rules and Regulations, Section 9.123(f), specifies that workforce continuing education and contract courses for which credits or continuing education units (CEUs) are earned are subject to residency requirements.
- Each public institution of higher education is responsible for incorporating a core of residency questions and an oath to be used during registration to document a student's residency status and ensure compliance with Coordinating Board Requirements and the Texas Education Code. If questions arise based on a student's answers to the core questions, the institution is obligated to take additional steps to appropriately determine and document the student's residency status.

**For more detailed information on residency status:**

Texas Education Code, Section 54.052, at <http://www.capitol.state.tx.us/statutes/ed/ed005400toc.html>.

Coordinating Board Rules and Regulations, Sections 21.22 and 21.25(c), at [http://www.thecb.state.tx.us/CBRules/readtac\\$exta35b.html](http://www.thecb.state.tx.us/CBRules/readtac$exta35b.html).

Coordinating Board Rules and Regulations, Section 9.123(f), at [http://www.thecb.state.tx.us/CBRules/readtac\\$extfcc7.html](http://www.thecb.state.tx.us/CBRules/readtac$extfcc7.html).

Coordinating Board Rules and Regulations, Subchapter B, Chapter 21, (Determining Residency Status) at <http://www.collegefortexans.com/library/pdf/006.pdf>.

## Collection of Proper Tuition by the Official Reporting Date (ORD)

Colleges should collect proper tuition by the Official Reporting Date (ORD). Colleges can collect either full payment of tuition or half payment of tuition (if the student has an appropriate installment plan with the college) by the ORD. Texas Education Code, Section 54.007, explains tuition payment by installment.

Only students who have paid the proper tuition by the ORD may be reported to the state for funding purposes. Items currently considered as tuition include the following:

- In-district tuition
- Out-of-district fee tuition
- Building use tuition
- Non-resident tuition

To report a student's contact hours for formula funding purposes, a college must ensure that it has charged the student the correct tuition and that it has collected tuition and fees within the required timeframe.

Coordinating Board Rules and Regulations, Section 21.4, states that colleges shall collect proper tuition from each student on or before the dates for reporting official enrollment data to the Coordinating Board.

Proper tuition collection can be confirmed by viewing documentation of a paid receipt or bank deposits, or by information in the Student Account System.

### For more detailed information on collection of proper tuition by the official reporting date:

Texas Education Code, Section 54, (Tuition payment by installment and reductions in tuition, waivers, and exemptions) at <http://www.capitol.state.tx.us/statutes/ed/ed005400toc.html>.

Coordinating Board Rules and Regulations, Section 21.4, at [http://www.theccb.state.tx.us/CBRules/readtac\\$ext520b.html](http://www.theccb.state.tx.us/CBRules/readtac$ext520b.html).

### Tuition Exemptions and Waivers

Students receiving tuition exemptions are not required to pay tuition charges. Tuition waivers allow nonresident students to pay resident tuition. Tuition exemptions and waivers should only be granted if the basis for the exemption or waiver is appropriate and documentation is maintained. The Texas Education Code provides a list of valid reasons for granting a tuition exemption or waiver. See the following:

- Chapter 54, Various sections on reductions in tuition, waivers, and exemptions
- Section 56.203, on the Early High School Graduation Exemption Program
- Section 51.930, on the National Student Exchange Program
- Sections 130.008 and 130.0032, on courses for joint high school and junior college credit, and tuition for students residing outside of district
- Section 160.07, on the Academic Common Market

#### **For more detailed information on tuition exemptions and waivers:**

Texas Education Code, Section 51.930, (National Student Exchange Program) at <http://www.capitol.state.tx.us/statutes/ed/ed005100toc.html>.

Texas Education Code, Section 54, (Tuition payment by installment and reductions in tuition, waivers, and exemptions) at <http://www.capitol.state.tx.us/statutes/ed/ed005400toc.html>.

Texas Education Code, Section 56.203, (Early High School Graduation Exemption Program) at <http://www.capitol.state.tx.us/statutes/ed/ed005600toc.html>.

Texas Education Code, Sections 130.008 and 130.0032, (Courses for joint high school and junior college credit and tuition for students residing outside of district) at <http://www.capitol.state.tx.us/statutes/ed/ed013000toc.html>.

Texas Education Code, Section 160.07, (Academic Common Market) at <http://www.capitol.state.tx.us/statutes/ed/ed016000toc.html>.

### **Refunds**

Coordinating Board Rules and Regulations, Section 21.5, requires that colleges refund as soon as practical any mandatory fees and tuition collected for courses from which students drop or withdraw. Colleges may not delay a refund until later in the semester or term on the grounds that the student may withdraw from the college. Colleges may assess up to \$15 as a matriculation fee if a student withdraws from the college before the first day of class.

A college must ensure that it properly refunds tuition and fees when students drop courses or withdraw from the college.

Coordinating Board Rules and Regulations, Section 21.5, establishes the schedule used to determine the proper amount of tuition and fee refund for Coordinating Board-approved semester-length courses for which credit hours are awarded.

Tuition and fees paid directly to a college by a sponsor, donor, or scholarship will be refunded to the source rather than directly to a student. Separate refund schedules may be established for optional fees such as intercollegiate athletics, cultural entertainment, parking, and yearbooks. *Colleges are allowed to set their own refund policies for workforce continuing education courses.*

#### **For more detailed information on refunds:**

Coordinating Board Rules and Regulations, Section 21.5, at [http://www.theccb.state.tx.us/CBRules/readtac\\$ext7cde.html](http://www.theccb.state.tx.us/CBRules/readtac$ext7cde.html).

Section 2:

## Self-Reported Errors

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To maintain accurate enrollment data colleges need a monitoring process to promptly and regularly detect and correct errors. If errors are not corrected before a college certifies its enrollment data to the Coordinating Board, the college can report these errors as self-reported errors (SREs). Under an agreement among the Legislative Budget Board, the State Auditor's Office, and the Coordinating Board, colleges have historically been given the opportunity to correct inaccuracies using the self-reported error process prior to audits by the SAO. Colleges report SREs to the SAO upon request.

***It is usually to a college's advantage to self-report errors. A self-reported error adds only its own dollar value to the net error amount subject to the two percent tolerance limit. In contrast, the dollar value of an error found during sample testing in audit fieldwork is multiplied to reflect the probable net dollar error amount in all hours reported.***

The following is a simplified example to illustrate the dollar impact of not discovering and reporting errors prior to an SAO audit.

Our example college receives \$20 million in formula funded appropriations. It initially reports three contact hours (CH) for one student taking a Business Administration class at a rate of \$150 per hour. The college later discovers that the 3 CH do not qualify for formula funding. If the college self-reports the error, the biennial formula funding value of those three hours is:

**\$900** (3 CH \* \$150 per hour funding rate] \* 2 years in the biennium)

If, however, the error is not identified until an audit by the SAO, the cost to the college will be much more significant. In our audit example the SAO looks at 1000 records and finds only that one error. Because the SAO uses a sampling methodology, the error will now be projected across the entire population of records. The probability of errors now becomes 1 in every 1000 records. If the college has not self-reported the error and it is identified during an audit, the cost of the error would be:

**\$20,000** (error rate of 1/1000 \* \$20 million total biennial appropriation)

In our example, the college's formula funding would not be adjusted for self-reported errors or for SAO identified errors. In both situations, the error would fall within the two percent tolerance level and an adjustment would not be required.

Section 3:

## State Auditor's Office Review For Accuracy

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Since the 1960s, the General Appropriations Act has authorized the SAO to audit the accuracy of the contact hours colleges report to the Coordinating Board. Contact hours are used by the Legislature to determine college appropriations. In the late 1980s, legislation directed the SAO to expand the audit to review the contact hours reported by the vocational/technical education program at the Lamar State College campuses and reported by the Texas State Technical College campuses.

The SAO works with the Coordinating Board, the Legislative Budget Board, and the Texas Association of Community Colleges to develop the scope of the audit and identify issues that may

warrant audit procedures. In 1997 the Legislature agreed to allow institutions a maximum reporting error rate of two percent.

Historically, the SAO has conducted biennial enrollment audits to determine compliance with Coordinating Board Rules and Regulations, provisions of the General Appropriations Act, and provisions of the Texas Education Code. Compliance is determined by examining the accuracy of enrollment data submitted by the colleges for funding purposes. The SAO reports to the Coordinating Board any differences between college records and enrollment data the colleges submit. The audit helps to ensure that colleges receive only those appropriations to which they are entitled.

To perform this audit, the SAO prepares a risk assessment to determine which colleges to audit. The risk assessment process may include consideration of the following factors:

- Appropriation amounts per college
- Time passed since the college was last audited
- Unrestricted fund balance changes
- Changes in contact hours compared to headcount
- Self-reported errors
- Timeliness of reporting enrollment data to the Coordinating Board

Attributes tested during past enrollment audits include:

- Student admissions
- Texas Academic Skills Program (TASP)
- Residency status
- Tuition exemptions and waivers
- Proper tuition collected by the official reporting date (ORD)
- Add/drops and refunds
- Other attributes as deemed appropriate

After conducting its audit, the SAO compiles biennial Community College Enrollment Audit information in order to determine the dollar error amount of the inaccuracies in contact hour reporting. The SAO notifies the Coordinating Board about the amounts that were funded based on inaccurately reported contact hours. This information is then used by the Coordinating Board and the Legislative Budget Board to determine adjustment amounts. As of 1997 only amounts in excess of the two percent reporting error rate are recommended for deletion.

Spring semester estimate calculations and adjustments are processed separately. They are not included within the two percent allowable error rate.

**For more detailed information on the SAO review for accuracy:**

Article III, the General Appropriations Act at [http://www.lbb.state.tx.us/The\\_LBB/Menu.htm#Pubs](http://www.lbb.state.tx.us/The_LBB/Menu.htm#Pubs).

Section 4:

## Reviewing Controls Over Computer-Processed Data

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Increasingly, enrollment data affecting formula funding is stored in and reported directly from automated systems. Colleges need to ensure that accurate information is entered into and maintained in these systems. This includes, but is not limited to, determining whether:

- All relevant information is entered accurately into automated files
- Unauthorized changes to programs or data are prevented and detected
- Output is checked for accuracy
- Computer programs correctly process data (for example, the programs calculate tuition properly for each student)
- Documentation exists to ensure that users understand how to use the automated system properly

Understanding how automated enrollment data is used and reviewing the system that collects, stores, and reports the data is critical in assessing enrollment data reliability. Reviewing an automated system includes examining pertinent controls or practices within the system that help ensure it can consistently produce reliable enrollment information.

Automated systems may include all or only some of the enrollment data described in Section 1 of this guide. A college's Student Information System (SIS) could include various applications related to enrollment, including, but not limited to, the following:

- Admissions
- Registration
- Billing and collecting
- Refunding

**For more detailed information on reviewing controls over computer-processed data:**

General Accounting Office *Assessing the Reliability of Computer-Processed Data* at [http://www.gao.gov/policy/8\\_1\\_3.pdf](http://www.gao.gov/policy/8_1_3.pdf).

### General and Application Controls

There are two levels of automated system controls to review. General controls include the methods and procedures that apply in general to overall computer operations. Application controls focus on methods and procedures for a particular automated system, such as an admissions application system or a student billing application system.

General controls are categorized into organizational and management controls, security controls, and systems software and hardware controls. These controls tend to operate interdependently with each other and can be classified as preventive, detective, and corrective. Preventive controls exist to stop errors from occurring, detective controls identify errors after they have occurred, and corrective controls attempt to ensure that identified errors are corrected. Examples of each include:

- Preventive - The computer system allows only pre-authorized personnel to view or change information on automated files (security control). Management establishes policies on system use and authorization (organizational and management control).
- Detective - Failed attempts to access restricted software or functions are logged and reviewed to identify possible problems with security or attempts to obtain unauthorized access to the system (security control).
- Corrective - Management establishes policies and procedures to correct errors once detected (organizational and management control).

Application controls are designed for specific automated information system applications. The major functions of an application include documentation, input, processing, and output. As with general controls, there can be preventive, detective, and corrective application controls. Examples of each include:

- Preventive - Data entry computer programs perform tests to ensure that the entered information is reasonable and not duplicated (input control). Documentation of how to use the automated system ensures that users know how to enter data properly and how to review output information for accuracy and completeness (documentation control).
- Detective - Totals on output reports are reviewed and compared to help detect whether the output information is inaccurate (output control).
- Corrective - An automated file keeps track of transactions entered in error to help ensure corrected data is entered (processing control).

After reviewing general and application controls, conclusions about the reliability of the data and the controls can be reached for each type of enrollment data stored in an automated system.

### **Automated Controls Self-Assessment Guide (SAG)**

The SAO provides a resource to help managers at state agencies and institutions perform a self-assessment of the status of their computer operations general control environment. SAG results will highlight strong areas and areas that need improvement. SAG will help managers decide where to focus resources for any needed improvement. SAG does not assess application controls. However, the SAO does have materials that are useful in review of this area. Contacts are available on the SAO Web site.

**For more detailed information on automated controls self-assessment guide:**

SAO *Automated Controls Self-Assessment Guide* at <http://www.sao.state.tx.us/apps/autoassess>.

SAO Web site at <http://www.sao.state.tx.us>.

Section 5:

## Overview of the Public Community, Technical, and State College Reporting of Enrollment Data

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### Background

Fifty-seven entities receive state appropriations based on their student enrollment data: 50 public community college districts, 4 Texas State Technical College campuses, and 3 Lamar State College campuses. These institutions are governed by locally elected boards that have the authority to levy property taxes in their districts. The Lamar State College campuses and the Texas State Technical College campuses both have boards appointed by the Governor. The state appropriations the colleges receive are used to fund administrative and instructional (educational and general) services for post-secondary academic and vocational/technical education.

State financing of higher education programs for public community, technical, and state colleges is provided from the State's General Revenue Fund. The Coordinating Board and the Comptroller of Public Accounts distribute these appropriations to colleges based on allocations made by the Legislative Budget Board. Each college submits enrollment reports (CBM Reports) to the Coordinating Board to document the number of contact hours taught by the college in each semester. The formula for state funding involves multiplying the base period contact hours submitted by colleges by the applicable funding rates per contact hour set by the Coordinating Board. (Base period is explained in detail in [Reporting of Contact Hours](#) in this section.)

### Reporting of Contact Hours

Colleges receive funding based on the number of contact hours taught. Each hour that a faculty member spends teaching one student is one contact hour. Colleges report total contact hours to the Coordinating Board for each semester in the base period using the instructions in the *Reporting & Procedures Manual for Public Community, Technical, and State Colleges*. The Legislature then determines each college's biennial appropriations based on the number of contact hours reported in the base period.

Colleges submit enrollment data reports to the Coordinating Board. These reports include the following:

- Student Report - CBM-001 - This report contains data for all students enrolled at the reporting institution in courses (for which semester credit hours or quarter credit hours are awarded) as of the ORD/census date. The ORD/census date is the 12<sup>th</sup> class day for the fall and spring semesters (16-week sessions) and the 4<sup>th</sup> class day for each of the summer terms (6-week sessions). Students who withdraw from a class on or before the census date are excluded from this report for that class for those hours.
- Class Report - CBM-004 - This report contains enrollment data for all classes in Coordinating Board-approved (academic and technical) courses (for which semester credit hours or quarter credit hours are awarded) as of the ORD/census date. The ORD/census date is the 12<sup>th</sup> class day for the fall and spring semesters, and the 4<sup>th</sup> class day for each summer session. Students who withdraw from a class on or before the census date are excluded from this report.
- Continuing Education Courses Report - CBM-00A - This report contains data for all students enrolled as of the ORD/census date in continuing education courses (reported on the CBM-00C for state funding) when the ORD occurs within the reporting period. Students who are enrolled in non-credit courses that do not result in continuing education units being awarded are not listed in this report. Students who withdraw from a class on or before the census date are excluded from this report.

- Continuing Education Class Report - CBM-00C - This report contains data for all students enrolled in Coordinating Board-approved continuing education courses. This report is submitted each quarter (see Table 2). This report includes all specially approved continuing education courses as listed in the college's inventory, courses listed in the current *Continuing Education Guidelines and Common Course Manual*, the *Lower Division Academic Course Guide Manual*, and courses listed in the continuing education section of the *Workforce Education Course Manual*. The courses reported on the CBM-00C should also be reported on the CBM-00A Report. Students who withdraw from a class on or before the census date are excluded from this report.

Table 2

Quarterly Class Report Submission Schedule		
Quarter	Time Period	Due Date
First Quarter	September 1 - November 30	December 15
Second Quarter	December 1 - February 28	March 15
Third Quarter	March 1 - May 31	June 15
Fourth Quarter	June 1 - August 31	September 15

**For more detailed information on reporting of contact hours:**

Coordinating Board Reporting & Procedures Manual for Public Community, Technical, and State Colleges at <http://www.theccb.state.tx.us/reports/pdf/0410.pdf>.

Base Period

Each biennium, the Legislature determines colleges' appropriations based on the number of contact hours reported in a base period. For courses that generate contact hours, the base period begins with the first summer session and ends with the spring semester prior to the beginning of the biennium. The base period for courses that generate continuing education units runs from March to the February prior to the beginning of the biennium. For example:

- The base period for reporting and computing academic contact hours and vocational/technical contact hours for 2004-2005 appropriations in credit courses consists of all Summer 2002 sessions, the Fall 2002 session, and the Spring 2003 session.
- The base period for reporting and computing contact hours in continuing education courses is based on quarterly terms. The quarters used for the 2004-2005 appropriations are March through May 2002, June through August 2002, September through November 2002, and December 2002 through February 2003.

Because the Coordinating Board requests contact hour information before colleges can get an accurate count, the hours it uses to calculate funding for the spring semester are estimated. The Coordinating Board makes funding adjustments after actual contact hour information is available. Appropriations are reduced from those colleges that overestimate their contact hours. These deductions are redistributed to those colleges that underestimated their contact hours up to the certified contact hour level. Any excess is returned to the State's General Revenue Fund (see the [Spring Semester Estimates](#) section).

**For more detailed information on base period appropriations:**

Article III, the General Appropriations Act at [http://www.lbb.state.tx.us/The\\_LBB/Menu.htm#Pubs](http://www.lbb.state.tx.us/The_LBB/Menu.htm#Pubs).

[Reporting Class Hours for Continuing Education Classes](#)

All contact hours for classes that generate continuing education units should be reported in the quarter in which the ORD occurs.

**For more detailed information on reporting class hours for continuing education classes:**

Coordinating Board *Reporting & Procedures Manual for Public Community, Technical, and State Colleges* at <http://www.thecb.state.tx.us/reports/pdf/0410.pdf>.

## Contracted Classes

Coordinating Board Rules and Regulations, Section 9.123, states that reported contact hours that result in either credit hours or continuing education units (CEUs) shall be eligible for formula funding. In addition, courses earning CEUs are subject to guidelines published by the Southern Association of Colleges and Schools (SACS) Commission on Colleges as a condition of eligibility for formula funding. Contract training courses that are non-credit and do not result in the award of CEUs are not eligible for any state appropriations funding. Colleges are free to market non-credit or non-CEU training to business, industry, and government at whatever rate can be negotiated.

Coordinating Board Rules and Regulations, Section 9.124, specifies that contract courses must be under the sole and direct control of the college if state reimbursement is requested. In addition, contract courses must be taught by instructors that meet institutional requirements.

For each contract course, the college should ensure it has documentation of a valid contract. The contract should specify the work to be performed, the period of the agreement, and the conditions under which any renewal or renegotiations will occur.

**For more detailed information on contracted classes:**

Southern Association of Colleges and Schools at <http://www.sacs.org>.

Coordinating Board Rules and Regulations, Section 9.123, at [http://www.thecb.state.tx.us/CBRules/readtac\\$extfcc7.html](http://www.thecb.state.tx.us/CBRules/readtac$extfcc7.html).

Coordinating Board Rules and Regulations, Section 9.124, at [http://www.thecb.state.tx.us/CBRules/readtac\\$ext235c.html](http://www.thecb.state.tx.us/CBRules/readtac$ext235c.html).

## Workforce Continuing Education

In recent years, Texas has emphasized the role of the State's two-year colleges in providing effective workforce continuing education for its citizens and economic development for its communities and the state as a whole. To meet the need for high-quality and consistent workforce education, the Coordinating Board approved a grant project in 1995 to develop the *Workforce Education Course Manual (WECM)*. Updated annually, the WECM is the state inventory of workforce continuing education courses for public two-year colleges.

The Coordinating Board's *Guidelines for Instructional Programs in Workforce Education* specifies that a workforce continuing education course is a Coordinating Board-approved higher education technical course offered for continuing education units and conducted in a competency-based format. Such a course provides a quick and flexible response to business, industry, and student needs for intensive preparatory, supplemental, or upgrade training and education. These courses also have specific occupational and/or apprenticeship training objectives. Coordinating Board Rules and Regulations, Section 9.114, requires that all workforce continuing education courses shall meet the guidelines outlined in the Coordinating Board's *Guidelines for Instructional Programs in Workforce Education*, the *Continuing Education Guidelines and Common Course Manual*, the *Lower Division Academic Course Guide Manual*, and the *WECM*.

WECM courses, written by discipline-specific instructional specialists from the colleges, may be available for award of semester credit hours (SCHs), CEUs, or both. Courses that award SCHs are suitable as part of a degree/certificate program. Courses that award CEUs are only related to specific occupations.

Coordinating Board Rules and Regulations, Section 9.115, states that contact hours reported for workforce continuing education courses that result in CEUs are eligible for formula funding. These requirements also specify that all workforce education courses shall include no fewer than seven contact hours of instruction for colleges to receive state funding. For workforce continuing education courses, colleges must use a ratio of 1 CEU to 10 contact hours. To convert semester credit hours to contact hours, use the following guidelines as published in Table 4-2 in WECM:

1 SCH =	16-64 Contact Hours
2 SCH =	32-96 Contact Hours
3 SCH =	48-96 Contact Hours
4 SCH =	64-112 Contact Hours

Calculations of contact hours for workforce continuing education courses may include the following:

- In-class time with direct participation between the student and the instructor.
- Field activities, lab assignments, and projects in which the instructor is present.
- Activities in which there is no instructor present, such as supervised independent study activities, computer-assisted instruction, or project-based assignments.

Some activities are excluded from in the calculation of contact hours for workforce continuing education courses. Time spent in the following activities is excluded: study, assigned reading, meetings devoted to business or organizational activities, and breaks.

Coordinating Board Rules and Regulations, Section 9.113, requires that tuition and fees for state-funded workforce continuing education courses shall be assessed according to policies established by the Coordinating Board. The governing board of the college shall establish tuition and fees for workforce education courses not eligible for state reimbursement.

**For more detailed information on workforce continuing education:**

*Workforce Education Course Manual* at <http://www.theccb.state.tx.us/ctc/ip/WECM2000/main.html>.

Coordinating Board's *Guidelines for Instructional Programs in Workforce Education* at <http://www.theccb.state.tx.us/ctc/ip/GIPWE2001/>.

Coordinating Board Rules and Regulations, Section 9.114, at [http://www.theccb.state.tx.us/CBRules/readtac\\$ext099c.html](http://www.theccb.state.tx.us/CBRules/readtac$ext099c.html).

Coordinating Board Rules and Regulations, Section 9.115, at [http://www.theccb.state.tx.us/CBRules/readtac\\$ext4fb4.html](http://www.theccb.state.tx.us/CBRules/readtac$ext4fb4.html).

Coordinating Board Rules and Regulations, Section 9.113, at [http://www.theccb.state.tx.us/CBRules/readtac\\$ext10fb.html](http://www.theccb.state.tx.us/CBRules/readtac$ext10fb.html).

## Spring Semester Estimates

College funding is adjusted for the over/under-estimation of spring semester contact hours. Appropriations are calculated using the number of contact hours taught during the base period. When "formula" contact hour appropriations are established by the Legislature, actual certified contact hours are used for the summer and fall semesters, but they are only estimated for the spring semester. An estimate is necessary because contact hour information must be submitted to the Coordinating Board prior to spring semester data certification. Once the college certifies the spring semester contact hours to the Coordinating Board, an adjustment is necessary for the difference between the "formula" amount and the certified amount. The spring semester estimate errors are not part of the two percent allowable error rate.

**For more detailed information on spring semester estimates:**

Article III, the General Appropriations Act at [http://www.lbb.state.tx.us/The\\_LBB/Menu.htm#Pubs](http://www.lbb.state.tx.us/The_LBB/Menu.htm#Pubs).

Appendix 1:

## **Useful Resources**

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### **The State Auditor's Office**

<http://www.sao.state.tx.us>

- Susan Riley, Contact Manager, (512) 936-9500 or [sriley@sao.state.tx.us](mailto:sriley@sao.state.tx.us)
- Jan Engler, Technical Contact, (512) 936-9500 or [jengler@sao.state.tx.us](mailto:jengler@sao.state.tx.us)

### **Texas Higher Education Coordinating Board - Community Colleges**

<http://www.thecb.state.tx.us/ctc>

### **Texas Education Code**

<http://www.capitol.state.tx.us/statutes/edtoc.html>

### **Attorney General Opinions**

<http://www.oag.state.tx.us/opinopen/opinhome.htm>

Appendix 2:

## Glossary

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**2 Percent Reporting Error Rate** - Established by the 75<sup>th</sup> Legislature, appropriation amounts are not subject to revision unless a college error rate exceeds 2 percent.

**Academic Year** - A 12-month period that may vary from institution to institution. For state reporting purposes, the academic year generally begins on September 1 and ends on August 31.

**Accreditation** - A process signifying that an institution has a purpose appropriate to higher education and has resources, programs, and services sufficient to accomplish its purpose on a continuing basis. Institutions in Texas should refer to the *Criteria for Accreditation Handbook* by the Commission on Colleges of the Southern Association of Colleges and Schools (SACS).

**Applied Associate Degree** - A type of degree program designed to lead the individual directly to employment in a specific career. It refers to the associate of applied arts, associate of applied science, and the associate of occupational studies degrees. The term "applied" in an associate degree title is the distinguishing characteristic of the technical nature of the college work.

**Base Contact Hours** - The amount of contact hours reported during a base period.

**Base Year** - The school year prior to funding reauthorization during which a census is taken for use in funding the following biennium. Example: Summer 2002, Fall 2002, and Spring 2003 is the base year for the fiscal year 2004-2005 biennium funding.

**CBM Reports** - Reports required from institutions as a condition of eligibility to receive appropriations made by the Legislature. Examples include CBM-001 (Student Report), CBM-00C (Quarterly Class Report), and CBM-004 (Class Report). These reports are submitted to the Coordinating Board.

**Census Date** - The official date by which public community and technical colleges must report enrollment data to the Coordinating Board for state funding. Also referred to as Official Reporting Date (ORD).

**Certificate Program** - A technical program designed for entry-level employment or for upgrading skills and knowledge within an occupation. This award is approved by the Coordinating Board at one of three levels, is subject to the Coordinating Board program evaluation process, and appears on the *Workforce Program Clearinghouse Inventory*.

**Classification of Instruction Programs (CIP) Code** - A federal taxonomy developed by the U.S. Department of Education and used by government agencies and professional associations to establish standard terminology and record keeping.

**Commission on Colleges** - Recognized regional accrediting body in the 11 U.S. southern states including Texas. The Commission on Colleges is part of the Southern Association of Colleges and Schools (SACS).

**Community Colleges** - Institutions that grant only associate's (2-year) degrees or 1-year certifications, are governed by locally elected boards, receive local funding through property taxes (traditionally used for facilities), and receive instructional funding through the Legislature based on contact hours.

**Concurrent Credit Courses** - An arrangement whereby a high school student (who has passed the TASP test or a Board-approved alternative assessment instrument) is allowed to enroll in courses at a public two-year associate degree-granting institution.

**Contact Hours** - A time unit of instruction consisting of 60 minutes, 50 minutes of which must be direct instruction. Contact hours are used to calculate instructional funding for community and technical colleges. For example, a 3-hour class with a 16-week duration equals 48 contact hours.

**Continuing Education Course** - A Coordinating Board-approved higher education technical course offered for continuing education units (CEUs) and conducted in a competency-based format. These courses provide a quick and flexible response to business, industry, and student needs for intensive preparatory, supplemental or upgrade training and education. These courses also have specific occupational and/or apprenticeship training objectives.

**Continuing Education Unit (CEU)** - One continuing education unit (CEU) equals 10 contact hours of participation in an organized continuing education program under responsible sponsorship, capable direction, and qualified instruction. Also refer to *The Continuing Education Unit: Guidelines* from the Commission on Colleges of the Southern Association of Colleges and Schools (SACS).

**Contract Instruction** - The delivery of a course or courses to meet the needs of a contracting entity. The entity may be a business, industry, or external agency. For current Coordinating Board policies on contract instruction, refer to Chapter 9 of the Texas Higher Education Coordinating Board Rules and Regulations.

**Coordinating Board** - A reference to the Texas Higher Education Coordinating Board (THECB). Created by the Legislature in 1965, the Coordinating Board is "the highest authority of the state in matters of public higher education." The Coordinating Board is made up of 18 members appointed by the Governor for six-year terms.

**Education & General (E&G)** - A category of revenues and expenditures pertaining to instruction, research, public service, academic and institutional support, student services, operations and maintenance, and scholarships/fellowships.

**Flex-Entry** - A delivery mechanism that allows students to enter and exit at various points in the academic year and/or competency-based curriculum, regardless of the beginning and ending dates of the terms.

**Full-Time Equivalent (FTEs)** - The total number of semester credit hours reported by an institution divided by 12 semester credit hours.

**Funding Rate** - Dollar rate, as approved by the Legislature, at which institutions are funded per contact hour.

**Guidelines for Instructional Programs in Workforce Education** - The Coordinating Board's official policy manual for workforce continuing education programs offered at public higher education institutions and degree-granting proprietary institutions.

**Institutions of Higher Education** - Community or junior colleges, technical colleges, medical education programs, health centers, health-science centers, and universities.

**Legislative Appropriations Request (LAR)** - Request that includes expected expenses and expected revenues from tuition and fees.

**Non-Credit Courses** - Courses that result in the award of continuing education units (CEUs) as specified by the Southern Association of Colleges and Schools (SACS). Criteria may be submitted for state funding and are subject to state evaluation processes. Non-credit courses that do not result in the award of CEUs may not be submitted for state funding or skills development funding and are not subject to state evaluation processes.

**Official Payment Date (OPD)** - The census date for community colleges. The 20<sup>th</sup> class day for the fall/spring semesters and the 15<sup>th</sup> class day for the summer semester(s) for universities.

**Official Reporting Date (ORD)** - The official day of record on which colleges must determine the enrollments that qualify for reporting to the Higher Education Coordinating Board for state funding. Set by the Coordinating Board as the 12<sup>th</sup> class day for full sessions. Differs from Official Payment Date set by the Legislature. Also referred to as the Census Date.

**Out-of-District Course** - A course offered by an institution at any location outside the boundaries of its district and subject to prior approval by the appropriate Higher Education Regional Council and the Texas Higher Education Coordinating Board.

**Post-Secondary Institution (PSI)** - A public community or technical college, university or proprietary institution offering certificate programs, associate degree programs, and baccalaureate programs.

**Program** - An organized unit of instruction directly related to the acquisition and/or upgrading of technical skills and for which a Coordinating Board-approved certificate or an applied associate degree is awarded.

**Program Funding** - The rate per base period contact hour generated in a particular subject field as recommended by the Coordinating Board and approved by the Legislature.

**Proprietary Institution** - A nonpublic post-secondary educational institution offering applied associate degree programs under the authority of Chapter 12 of the Coordinating Board Rules and Regulations (see [http://www.theccb.state.tx.us/CBRules/readtac\\$ext803b.html](http://www.theccb.state.tx.us/CBRules/readtac$ext803b.html)). Also known as private career college.

**Remediation** - An activity designed to teach basic competencies in such areas as reading, writing, oral communication, and mathematics.

**Self-Reported Errors (SREs)** - Reporting errors in data that has already been certified to the Coordinating Board. Historically, colleges have reported SREs to the State Auditor's Office upon request.

**Southern Association of Colleges and Schools (SACS)** - A regional agency that sets standards for colleges and schools desiring accreditation. Also see Commission on Colleges. The SACS Web site address is <http://www.sacs.org>.

**Technical Colleges** - Institutions that grant associate's degrees and certificates, but have no locally elected boards. Instruction is funded based on contact hours, and facilities are funded by the Legislature using formulas similar to those used for university facility support. Technical colleges are grouped with community colleges for audit purposes because the majority of their funding comes from contact hours.

**Texas Academic Skills Program (TASP)** - Program that assesses students' reading, writing and mathematical skills to help determine whether they are prepared to successfully complete college level course work. The program also requires all institutions to provide developmental courses to prepare students to complete such course work.

**Texas Education Code** - Statutes of the State of Texas dealing with education. In general, the statutes dealing with higher education are within Title III of the code.

**Workforce Continuing Education Program** - A coherent sequence of courses that prepares students for employment in a career field and leads to initial or continuing licensure, certification, or associate degree-level accreditation. These programs are subject to: (1) initial and ongoing state approval or regional/specialized accreditation; (2) a formal state evaluation that provides the basis for program continuation or termination; (3) state accountability and performance standards; and (4) regional or statewide industry-based labor market demand documentation. Workforce continuing education includes courses and programs that are subject to Coordinating Board approval, listing on Coordinating Board inventories, and ongoing Coordinating Board evaluation.

**Workforce Development** - The process for coordinating training, retraining, and improved technical education through funding for post-secondary educational service in partnership with business, labor education and government.

**Workforce Education Course Manual (WECM)** - The state inventory of workforce education courses for public two-year institutions. It contains a generic catalog of course descriptions and specifics for each course (minimum and maximum contact hours; semester credit hours and/or continuing education units; and minimum learning outcomes).

Appendix 3:

## **Acknowledgements**

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