

# California Community Colleges Chancellor's Office

**CACCRAO**

**Annual Conference 2017**

## ***Overview and Current Issues in Attendance Accounting and Student Residency***

**Presented by  
Natalie Wagner  
CCCCO**

**April 24, 2017**



# Part 1

# Student Attendance Accounting



# Part 1 AGENDA

- **Fundamentals of Student Attendance Accounting and Reporting**
- **Recently Passed Legislation and other Current Updates**
- **Questions/comments**



# Student Attendance Accounting and Reporting for California Community Colleges

## The Fundamentals

- 1) **What is FTES?**
- 2) **How is FTES computed?**
- 3) **Where is FTES reported?**  
CCFS-320 Online Reporting System
- 4) **When is FTES reported?**  
Reporting periods
- 5) **What does the Chancellor's Office do with the information reported?**
- 6) **Where the money flows, compliance goes...**
- 7) **Where's the supporting documentation?**
- 8) **What could affect apportionment eligibility?**



# The Fundamentals

## 1. What is FTES?

**California community college apportionment is primarily driven by the Full-Time Equivalent Student (FTES) workload measure.**

- FTES is not a headcount
- Equivalent to 525 hours of student instruction
  - Derived from one full-time student enrolled in 15 units per semester, which would normally equate to 15 Class hours per week
  - 15 Class hours per week x traditional 35-week academic year = 525
- 1 FTES can be generated by 1 student or multiple part-time students
- Districts are required to report all resident and nonresident FTES, regardless of whether funding is available for some of those FTES
- Only resident FTES can be claimed for state apportionment



# The Fundamentals

## 2. How is FTES Computed?

**FTES is computed under one of the four available attendance accounting procedures ( T5 §58003.1).**

- **Weekly Census** (T5 §§ 58003.1(b); 58004)
- **Daily Census** (T5 §§ 58003.1(c); 58004)
- **Actual Hours of Attendance (Positive Attendance)** (T5 §§ 58003.1(d), (e), (g); 58006)
- **Alternative Attendance Accounting Procedure** (T5 §§ 58003.1(f); 58009)
  - Credit Independent Study, Work Experience Education, and Certain Distance Education Courses
  - Noncredit Independent Study / Noncredit Distance Education Courses
- Title 5 prescribes the FTES computation formulas for each procedure. The “divisor” for each procedure 525.

The majority of FTES are generated in Weekly Census procedure courses (available only to Credit primary term length courses scheduled the same amount of hours each week of the term)



# The Fundamentals

## 3. Where is FTES reported?

**FTES data is reported to the State Chancellor's Office via the Apportionment Attendance Report (aka CCFS-320)**

- Required by California Code of Regulations (CCR), title 5, section 58003.4
- Prepared in accordance with deadlines and instructions prescribed by the Chancellor's Office (T5 § 58003.4(d))
- Districts utilize an online reporting system to submit their CCFS-320 Reports:

<https://misweb.cccco.edu/CCCFS320/Login.aspx>



# The Fundamentals

## 4. When is FTES reported?

**Timely submissions and corrections of attendance accounting reports is critical (T5 §58003.4).**

- First Period – July 1 thru December 31 (data is annualized)
  - Due to Chancellor's Office by January 15
- Second Period – July 1 thru April 15 (data is annualized)
  - Due to Chancellor's Office by April 20
- Annual Report – July 1 thru June 30
  - Due to Chancellor's Office by July 15
- Recal Report – Revisions to Annual Report
  - Due to Chancellor's Office by November 1
- Timely submission of the CCFS-320 is very important!



# The Fundamentals

## 5. What does the Chancellor's do with the information reported?

**Each reporting period corresponds to an apportionment allocation**

- CCFS-320 FTES data is forwarded to the Chancellor's Office Apportionment Section at each reporting period
- The Chancellor's Office calculates State General Apportionment allocations
- Allocations are based primarily on the number of FTES that districts report on the CCFS-320



# The Fundamentals

## 6. Where the money flows, compliance goes...

### **FTES reported by districts is subject to an annual audit.**

- FTES calculations for the CCFS-320 must be tested by independent contracted auditors every year.
- Contracted District Audit Manual (CDAM) compliance item 424 is the main compliance item related to FTES reported for state apportionment purposes
- Other compliance test areas that may affect the calculation of funding from the state are:
  - Instructional Services Agreements (423)
  - Residency for Credit Enrollment (425)
  - Students Actively Enrolled (426)
  - Dual Enrollment (427)
  - Open Enrollment (435)
  - To Be Arranged (TBA) Hours (479)



# The Fundamentals

## 7. Where's the supporting documentation?

**Per T5 §58030, districts are required to adopt procedures and internal controls that will document all:**

- Course enrollment
- Attendance
- Disenrollment

This information is necessary for the creation of appropriate support documentation (records) that will enable an independent determination of the accuracy of FTES submitted by the district to the Chancellor's Office as the basis of its claim for state support.



# The Fundamentals

## 7. Where's the supporting documentation? (Cont.)

**Among other things, the required T5 § 58030 procedures to document attendance and FTES should speak to the retention and destruction of support records. T5 § 59020 et seq.**

- Support records relating to attendance and FTES are considered “**Records Basic to an Audit**” (RBA) under the “Class3–Disposable” classification, which means that they cannot be destroyed until after the third (3<sup>rd</sup>) July 1 succeeding the completion of the Annual Audit required by EC § 84040. T5 § 59025; 59026(b)
- Example: 2015-16 RBA records cannot be destroyed until after July 1, 2019
  - 2015-16 – Annual Audit for this FY to be completed 12/31/16 T5 59106
  - July 1, 2017
  - July 1, 2018
  - July 1, 2019 – RBA records may be destroyed after this date
- Note: Extended record retention rules apply when support records relate to a Chancellor’s Office review/investigation or where there is deliberate district misrepresentation. T5 § 59118



# The Fundamentals

## 8. What could affect apportionment eligibility?

### Conditions Affecting Apportionment (T5§ 58050)

Only FTES that meets statutory and regulatory apportionment conditions may be claimed for state apportionment. Some of these conditions include:

- Open course requirements
- Enrollment limits
- Immediate supervision and control by an appropriately qualified faculty member
- Course repetition, withdrawal, and overall apportionment enrollment limits
- Instructional service agreements (ISAs)
- Full-funding provisions
- Residency status
- Appropriate course and program approval
- Distance education
- In-service training courses for police, fire, corrections, etc.
- Clearing of census rosters



# Annual Financial and Compliance Audit

- All public local education agencies, including community college districts, are required to have an annual audit conducted by a CPA firm
- Annual audits for community college districts are required by EC § 84040.5
- The Contracted District Audit Manual (CDAM) prescribes the requirements and procedures for the annual audit



# Annual Financial and Compliance Audit (Cont.)

- Updated CDAM issued for every FY Annual Audit
  - Individual tests are periodically rotated out and replaced with other ones
- Section 400 of CDAM prescribes the various State Compliance Tests (18 tests in 2016-17)
- Of the 18 State tests, 7 directly relate to verifying FTES eligibility for State general apportionment



# Annual Financial and Compliance Audit (Cont.)

- FTES related audit requirements are intended to promote the following purposes:
  - Ensure adequacy of governing board-approved procedures, retention of supporting documentation, and independent verification of claimed FTES (§§ 58004, 58030)
  - To ensure that state aid is apportioned according to the same standards to all districts (§ 58052)
  - To ensure that the state, districts, and students receive a reasonable return for monies expended (§ 58052)



# Annual Financial and Compliance Audit (Cont.)

- State compliance tests that may affect the calculation of FTES must use a statistically significant sample
- To enable the required extrapolation of findings to the universe of transactions, a stratified sample is required wherever it will assist in an accurate extrapolation of sample results
- Potential state funds to be recovered may be calculated based on this extrapolation



# Selected State Compliance Audit Findings

- **Incorrect application of Attendance Accounting Procedures (T5 §§ 58000 et seq.)**
- Common deficiencies:
  - Example 1: Credit course does not meet the same amount of hours per week, so Weekly Census procedure incorrectly applied
  - Example 2: Credit course only meets 4 times, so Daily Census procedure incorrectly applied
  - Example 3: Claimed contact hours based on target course outline hours instead of calculated contact hours from class schedule



# Selected State Compliance Audit Findings (Cont.)

- **Incorrect application of Attendance Accounting Procedures (T5 §§ 58000 et seq.) (cont.)**
- Common deficiencies:
  - Example 4: Support records for positive attendance hours generated did not agree with hours claimed
  - Example 5: Claiming students that were required to be removed from census roster
  - Example 6: Apportionment claimed for cancelled “census-based” classes. For cancelled courses, the following rules apply:
    - Positive Attendance courses – Apportionment can be claimed for actual student contact hours generated by the student up to their drop.
    - Census-based classes (weekly or daily) cancelled before or after census, apportionment cannot be claimed for the entire course because it ceases to be regularly scheduled.



# Updates and Current Issues



# New Option for Dual Enrollment

## College and Career Access Pathways (CCAP) Partnerships: Dual Enrollment offered pursuant to AB 288 (Holden and Olsen, 2015 EC §76004)

- Effective January 1, 2016
- Reduces some of the restrictions on dual enrollment, including
  - Expands dual enrollment for HS students who may not already be college bound or underrepresented in higher education
  - Expands fee waivers for part-time special admit students in a CCAP agreement (up to 15 units per term/4 courses)
  - Waives open course requirements for CCAP courses offered at the HS campus during the regular school day

**References:** Legal Opinion 16-02, CDAM Dual Enrollment Compliance Test 424, CCAP Partnership Agreement Guidelines (modified ISA “checklist”), Dual Enrollment toolkit created by the RP Group.



# Comparison of Non-CCAP and CCAP Dual Enrollment

	Non-CCAP (original Dual Enrollment offered pursuant to Ed Code § 76001 and 76002 )	CCAP (Dual Enrollment offered pursuant to AB 288, Ed Code § 76004)
<b>Enrollment Fees</b>	Special part-time students (up to 11.99 units) District <u>may</u> establish policy to exempt special part-time students from paying enrollment fees pursuant to ECS 76300(f)	Special part-time students (up to 15 units/4 courses): District <u>must</u> exempt students from enrollment fee and other fees specified in ECS 76004(q)
<b>Nonresident tuition</b>	Districts must exempt all qualifying nonresident special part-time students from the nonresident tuition fee pursuant to ECS 76140(a)(4)	Districts must exempt all qualifying nonresident special part-time students from the nonresident tuition fee pursuant to ECS 76140(a)(4)
<b>Apportionment</b>	Districts <u>CAN</u> claim apportionment for resident and exempted nonresident FTES ECS 76002(a), 76140(j)	Districts <u>CAN</u> claim apportionment for resident and exempted nonresident FTES ECS 76004(s), 76140(j)
<b>Unit limits for special part-time status</b>	Up to 11.99 units ECS 76001(d)	Up to 15 units or 4 courses ECS 76004(p)
<b>Open Course Requirements</b>	Course must meet open course requirements regardless of whether it is held on a HS campus. If offered on a HS campus, may not be during time the campus is closed to the general public. 76002(a)	Courses not required to be open to the general public if offered on a high school campus during the regular school day ECS 76004(o)
<b>Written Agreement</b>	Not required to have a written agreement	Must have a College and Careers Access Pathways (CCAP) Partnership agreement pursuant to ECS 76004

# Recently Approved Legislation

## **AB 2364: Nonresident Tuition Fee Waiver for Special Part-Time Students (Holden EC §76004 and 76140)**

- Effective January 1, 2017, modified provisions of SB 150
- New nonresident tuition fee provisions are applicable to both CCAP and Non-CCAP tracks
- Requires community college districts to exempt all qualifying nonresident special “part-time” students (other than those with a non-immigrant status, such as those present in the United States on a B visitor Visa\*) from the nonresident tuition fee (ECS 76140(a)(4))
  - Under CCAP dual enrollment, qualifying special part-time student status is enrollment up to 15 units and the units constitute no more than four community college courses per term. Under Non-CCAP dual enrollment, qualifying special part-time student status permits enrollment up to 11.99 units.



# Recently Approved Legislation

## **AB 2364: Nonresident Tuition Fee Waiver for Special Part-Time Students (Holden EC §76004 and 76140)**

- Expressly allows districts to report the attendance of nonresident students who are exempted from the nonresident tuition fee pursuant to this section as resident FTES for apportionment purposes. (ECS 76140(j))
- As an interpretation of AB 2364, the CCCCO has determined nonresident special part-time students that hold a T or U non-immigrant visa would NOT be excluded from this required nonresident tuition fee exemption and qualifying special part-time students must reside in California during the period of attendance

See Question 23.2 in the Residency Overview Document



## Recently Approved Legislation

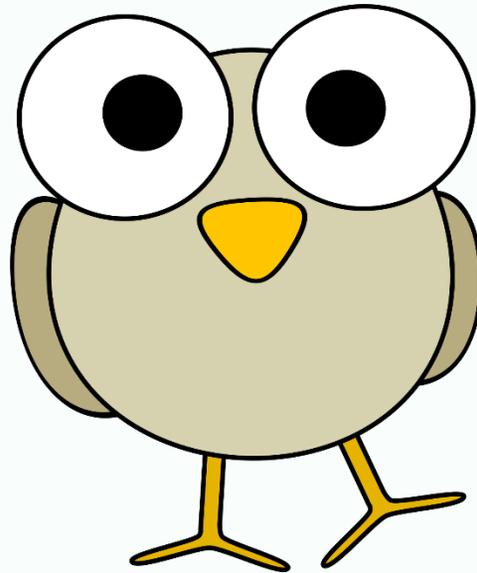
### **AB 526: 5% Principal Recommendation for Summer Courses (Holden, EC §48800)**

During the summer term, the HS principal may only recommend up to 5% of the students in each grade level for community college summer session attendance.

Effective immediately (September 21, 2016), AB 526 excludes qualified AB288 CCAP students from the 5% principal recommendation limit for summer courses.



# Questions or Comments related to Student Attendance Accounting



??



# Part 2

# Student Residency for Tuition Purposes



## Part 2 AGENDA

- **Basic Residency Definitions**
- **Primary Purposes for Residence Classification**
- **General Rules and Guidelines**
- **Current Updates and Reminders**
- **Questions/Comments**



# Basic Residency Definitions

- **Resident (for tuition purposes):**
  - Unless precluded, a “resident” is a student who has been physically present in the state for more than one year immediately preceding the residence determination date (one year and one day), and has demonstrated an intent to make California a permanent home. EC § 68017
  
- **Nonresident**
  - A “nonresident” is a student who does not have residence in the state for more than one year immediately preceding the residence determination date. EC § 68018



# Basic Residency Definitions

## **Residence:**

To establish or change a residence, a person capable of establishing residence must couple his or her physical presence with objective evidence that the physical presence is with intent to make California the home for other than a temporary purpose. EC §68062(d); Note: Physical presence alone is insufficient; intent alone is insufficient

## **Residence Determination Date:**

Residence determination date is the day immediately preceding the opening day of instruction of the quarter, semester, or other session as set by the district governing board, during which the student proposes to attend a college. Enrollments in late starting classes within a term are subject to this uniform residency determination date.



# Basic Residency Definitions

- ❑ **Exceptions to Residence Determination:**
  - Education Code prescribes several exceptions to residence determination—some are required (e.g. active military stationed in CA ECS 68075) and some are permitted (e.g. individuals hired as a peace officer by public agency ECS 76140.5)
  - These apply where an individual that is NOT otherwise eligible to be classified as a Resident for tuition purposes, can nonetheless be classified as a Resident and claimed for apportionment purposes if applicable requirements are met
- ❑ **Exceptions to Payment of Nonresident Tuition:**
  - Education Code also prescribes situations where the nonresident tuition is either required to be exempted (e.g., AB 540, AB 2364) or a district is given permission to exempt specified students (e.g., non resident students who take six or fewer units 76140(a)(1))
  - In some cases apportionment can be claimed for exempted student (e.g., AB 540, AB 2364) and in others apportionment is NOT claimable (e.g., non resident students who take six or fewer units 76140(a)(1) )



# Primary Purposes for Residence Classification

**Residence classification is necessary for**

**Proper charging of Nonresident Tuition**

(Note: Nonresident students must also be charged the basic enrollment fee)

**Proper claiming of State general apportionment**

Nonresident FTES is not included in state apportionment calculations (Note: certain nonresident students qualify to be reported as residents for apportionment purposes, such as AB 540 students or active military members stationed or domiciled in California)

**Student Eligibility for certain programs (Example: BOG fee waiver)**



# General Rules and Guidelines

## Residence Classification:

- Residency classification shall be made for each student, including noncredit-only or contract education enrollees, at the time applications for admission are accepted and whenever a student has not been in attendance for more than one semester or quarter (two, not one, semester or quarter of non-attendance). T5 § 54010(a)
- Timely student notification of the classification (within 14 calendar days) T5 § 54060(a)
- District must establish procedures for appeals of residency classification and refunds of nonresident tuition fees. T5 § 54060(b); 54070



# General Rules and Guidelines

## Rules For Determining Residence

- There can only be one residence (an established primary and permanent home). EC § 68062(a)
- A residence is the place when one remains when not called elsewhere for labor or other special or temporary purpose and to which he or she returns in seasons of repose. EC § 68062(b)
- A residence cannot be lost until another is gained. EC § 68062(c)
- The residence can be changed only by the union of act and intent. EC § 68062(d)



# General Rules and Guidelines

## Rules For Determining Residence (Cont.)

- A person's residence shall not be derived from that of his or her spouse. EC § 68062(e)
- The residence of the parent with whom an unmarried minor child resides is the residence of the unmarried minor child. When the minor lives with neither parent, his or her residence is that of the parent with whom he or she last resided. EC § 68062(f)
- Each student must be classified as a resident or nonresident, even when enrolling only in Noncredit courses. EC § 68040



# General Rules and Guidelines

## Rules For Determining Residence (Cont.)

- The one-year residence period necessary to be classified as a resident does not begin until the student both is present and has manifested clear intent to become a California resident.  
EC § 68062(d); T5 § 54020
- Moving to California primarily to attend school does not constitute establishing California residence, regardless of the length of that presence. T5 § 54022(c)



# General Rules and Guidelines

## Rules For Determining Residence (Cont.)

- If a student or the parents of a minor relinquish California residence after moving from the state, one full year of physical presence coupled with intent is required to reestablish residence.  
T5 § 54030
- Temporary absences will not result in a loss of California residence if, during the absence, the person always intended to return and did nothing inconsistent with that intent. T5 § 54022(b)



# General Rules and Guidelines

## Residency Reclassification and Financial Independence:

- EC § 68044; T5 § 54032 requires that financial independence status be included as one of the factors in residency reclassifications
- EC § 68044 focuses on parental support aspects, but also permits district governing boards to define other factors which may be considered in making residency reclassifications, such as support from family members other than the parent(s)



# General Rules and Guidelines

## Residency Reclassification and Financial Independence (cont.):

- A student who has established financial independence may be reclassified as a resident, if the basic physical presence and intent requirements are also met
- In determining intent, financial independence weighs in favor of California residence and financial dependence shall weigh against finding California residence
- Financial dependence in the current or preceding calendar year shall be overcome only if
  1. the parent on whom the student is dependent is a California resident, or
  2. there is no evidence of the student's continuing residence in another state



# General Rules and Guidelines

## Residency Reclassification and Financial Independence (cont.):

- T5 § 54032(d) permits a district to disregard a finding of financial dependence where there is not intent to establish (or maintain) residence elsewhere.
- The ultimate question is whether the student has demonstrated intent to become a California resident.
- Since financial status is only one factor to be considered, districts may still wish to require some further affirmative showing of objective intent to become a California resident



# Updates and Reminders

## **AB 540 Nonresident Tuition Exemption**

Original Eligibility Criteria: Attended HS in California for three or more years AND graduated from a California HS (or attained the equivalent).

- Effective January 1, 2013, AB 1899 (EC § 68122) expanded eligibility to include nonimmigrant alien students holding “T” or “U” Visas.
- Effective January 1, 2015, AB 2000 (EC § 68130.5) expanded eligibility to include students who:
  - Demonstrate attainment of credits earned in California from a California HS equivalent to three or more years of full-time HS coursework AND a total of three or more years of attendance in California elementary/secondary schools or a combination of those schools AND graduated from a California HS (or attained the equivalent).  
See Q&A 23.1
- Pending Legislation: SB 68 (Lara) proposes to further expand eligibility criteria for AB 540



# Updates and Reminders

## **DACA Status and Establishing residence for tuition purposes:**

- For residency determinations made for terms starting on or after June 5, 2014, DACA approved students who meet the requirements of California law related to physical presence and the intent to make California home for other than a temporary purpose, can be classified as residents
- Cannot be classified as a resident until DACA status granted, but once granted, the one-year durational requirement may be counted from the date of application for DACA status



# Updates and Reminders

## **DACA Status and Establishing residence for tuition purposes (Cont.):**

- While DACA status is conferred for only two years, subject to renewal, as a general rule residency classification will not be impacted by the renewal requirement.
- Once a student has been classified as a resident, colleges are not required to determine the student's classification again unless the student has not been in attendance for more than one semester or quarter. (T5 § 54010(a).)
- See Residency Overview Q&A 6, 15, and 16



# Updates and Reminders

## Reminders if DACA were to be eliminated:

1. **AB 540 Eligibility:** The elimination of the DACA executive order would have no effect on AB 540 eligibility.
2. **Residence Classification under DACA:** The elimination of DACA would not impact students that have already been granted residence status under DACA as long as they are continuously enrolled.



# Updates and Reminders

## Nonresident Veterans (VACA Act):

In August 2014, the Veterans Access, Choice, and Accountability Act of 2014 (VACA Act) signed into federal law See Q&A 18 (Nonresident Veterans section)

- Effective for terms beginning after July 1, 2015, made eligibility for VA education benefits for “covered individuals” as defined by Sec. 702 of the VACA Act **CONDITIONAL** on being charged “in-state” rates for tuition and fees

In June 2015, AB 81 approved, among other things to prevent VA disapproval of benefits

- Requires CSU’s and CCC’s to exempt “covered individuals” from nonresident tuition or any other fee that is exclusively applicable to nonresident students (EC § 68075.7)
- Allows CCC’s to report the FTES generated by these exempted students for purposes of state funding
- Resolves implementation issues from last year’s AB 13



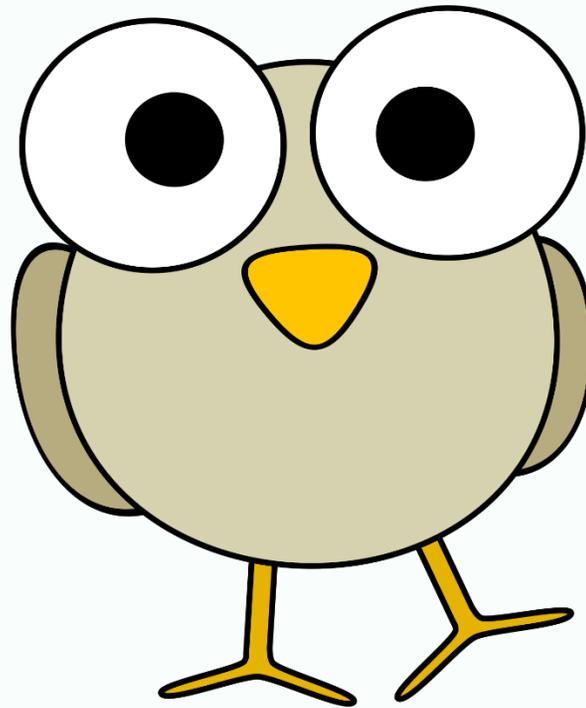
# Updates and Reminders

## Recently Approved Legislation

- **AB 2364** – Effective January 1, 2017, Nonresident Special Part-Time Admits must be exempted (see Q&A 23.2)
  - Can be claimed for apportionment
- **SB 141** – Effective January 1, 2014, Eligible U.S. Citizen Children of Deported Parents must be exempted. (see Q&A 23.3)
  - Can be claimed for apportionment
- **AB 801** – Success for Homeless Youth in Higher Education Act. Establishes priority enrollment for homeless students and extends priority enrollment for foster youth. Does not change residency requirements for homeless students.
- **AB 1850** – Replaces the term “illegal alien” with “undocumented foreign national” in education code, change is contingent upon conforming changes in federal law.



# Questions or Comments related to Student Residency for Tuition Purposes



??



# Chancellor's Office Website

**Chancellor's Office Web Address:**

**[www.cccco.edu](http://www.cccco.edu)**

- Primary Source for:**
  - **Board of Governors & Consultation Council Information**
  - **Notices of Recently Promulgated Title 5 Regulations and Implementation Guidelines**
  - **Legal Advisories/Opinions**
  - **Legal Resources (direct links to T5 and EC)**
  - **Handbooks and Manuals**
  - **Fiscal/FTES Data**
  - **Contact Information**



# Contact Information

**Natalie Wagner, Specialist**  
**(916) 327-1554**  
**nwagner@cccco.edu**

**Chancellor's Office**

