SHEF METRIC CALCULATIONS

THE PRIMARY SHEF METRICS ARE CALCULATED AS FOLLOWS:

1. **Net Full-Time Equivalent Enrollment (FTE):** Full-time equivalent (FTE) enrollment converts student credit hours to full-time academic year students. Net FTE includes dual enrollment but excludes non-degree enrollment and medical students.
   - Net FTE = Gross FTE - Medical FTE
   - Two-Year Net FTE = Gross FTE
   - Four-Year Net FTE = Gross FTE - Medical FTE

2. **Education Appropriations:** State and local support available for public higher education operating expenses and student financial aid excluding research, hospitals, and medical education. State-level education appropriations include federal stimulus and agency funding; sector-level education appropriations do not.
   - Two-Year Education Appropriations = Two-Year State General Operating + Two-Year Public Financial Aid + Two-Year Local Appropriations
   - Four-Year Education Appropriations = Four-Year State General Operating + Four-Year Public Financial Aid + Four-Year Local Appropriations

3. **State Public Financial Aid:** State appropriated student aid for tuition and mandatory fees for public institutions, excluding medical aid but including uncategorizable public aid. Includes all aid that is not expected to be repaid.
   - Two-Year State Public Financial Aid
   - Four-Year State Public Financial Aid
4. **Net Tuition and Fee Revenue**: The total amount of tuition and mandatory “education and general” fees at public institutions, minus state and institutional financial aid and medical tuition and fees.

- Net Tuition and Fee Revenue = Gross Tuition and Fee Revenue - Institutional Discounts and Waivers - State Public Financial Aid - Medical Tuition and Fee Revenue
- Two-Year Net Tuition and Fee Revenue = Two-Year Gross Tuition and Fee Revenue - Two-Year Institutional Discounts and Waivers - Two-Year State Public Financial Aid
- Four-Year Net Tuition and Fee Revenue = Four-Year Gross Tuition and Fee Revenue - Four-Year Institutional Discounts and Waivers - Four-Year State Public Financial Aid - Medical Tuition and Fee Revenue

5. **Total Education Revenue**: The sum of education appropriations and net tuition at public institutions, excluding net tuition revenue used for capital debt service.

- Total Education Revenue = Education Appropriations + Net Tuition and Fee Revenue - Tuition Used for Debt Service
- Two-Year Total Education Revenue = Two-Year Education Appropriations + Two-Year Net Tuition and Fee Revenue - Two-Year Tuition Used for Debt Service
- Four-Year Total Education Revenue = Four-Year Education Appropriations + Four-Year Net Tuition and Fee Revenue - Tuition Used for Debt Service

**THE CALCULATED METRICS ARE DIVIDED BY NET FTE AND BY THE ADJUSTMENT FACTORS:**

1. **HECA**: The Higher Education Cost Adjustment estimates inflation in the costs paid by colleges and universities. HECA adjusts for inflation from the state perspective. HECA is applied to prior-year data in trend comparisons.

2. **COLI**: The Cost of Living Index is calculated based on the weighted average of county-level data collected by the Council for Community and Economic Research. COLI is applied to state- and sector-level comparisons.

3. **EMI**: The Enrollment Mix Index adjusts for differences in the distribution of enrollment by sector in each state compared to the national enrollment distribution. EMI is applied to state-level comparisons only.

Example:

- Education Appropriations per FTE (Constant Adjusted Dollars) = Education Appropriations / Net FTE / (HECA * COLI * EMI)
- Two-Year Education Appropriations per FTE (Constant Adjusted Dollars) = Two-Year Education Appropriations / Two-Year Net FTE / (HECA * COLI)