Date: November 20, 2014
Title: Growth Funding Allocation Formula
Contact: Dan Troy, Vice Chancellor

Background

SB 860, the primary education trailer bill related to the 2014 Budget Act, included a requirement that the Chancellor develop and the Board of Governors adopt a revised formula for allocating growth funding to local districts that would be operational as of the 2015-16 fiscal year. The language expresses that the formula “shall support the primary missions of the segment, and shall be based on each community’s need for access to the community colleges, as determined by local demographics” (emphasis mine).

The language further specifies how the “need” shall be determined by requiring the “primary factors” to be 1) the amount people within district boundaries without a college degree, and 2) the amount of disadvantaged individuals within district boundaries, using factors such as unemployment and measures of poverty.

The Chancellor’s Office relied upon the Advisory Workgroup on Fiscal Affairs to advise and assist in the development of the new funding model required under state law. This body is a group of fiscal practitioners appointed by the ACBO Board that advises the CCCCO on matters of fiscal concern. More information about the Workgroup, including members, agendas, and meeting notes can be found at: http://extranet.cccco.edu/Divisions/FinanceFacilities/FiscalServices/AdvisoryWorkgrouponFiscalAffairs.aspx.

Attachments provided document the factors utilized in the proposed formula, the relevant statute from SB 860, initial district runs, and a PowerPoint presentation detailing the formula that was recently presented at the ACBO conference.

Proposal

This item is presented to Consultation Council to discuss the proposed formula, including concerns about potential unintended consequences.