

Budget Workshop

Overview of the Student Centered Funding Formula



Why We Needed to Change

- Most students who enter a community college never complete a degree or certificate or transfer.
- Achievement gaps persist (across student groups and across regions).
- College enrollments declining (58 of 72 districts have declined).

The Old Funding Formula

- Enrollment Driven (FTES)
- \$7 Billion Annually



Principles for Reforming Funding

- Align with state's priorities for education and training.
- Encourages progress toward the *Vision for Success* adopted by the Board of Governors.
- Provide additional resources to groups of students that have faced barriers to success.

New Student Centered Funding Formula (SCFF)

- The SCFF consists of three components:
 - *Base Allocation*—Enrollments (FTES).
 - *Supplemental Allocation*—Counts of low-income students.
 - *Student Success Allocation*—Counts of outcomes related to the *Vision for Success*, with “premiums” for outcomes of low-income students.

New Student Centered Funding Formula (SCFF)

- \$7 Billion Annually

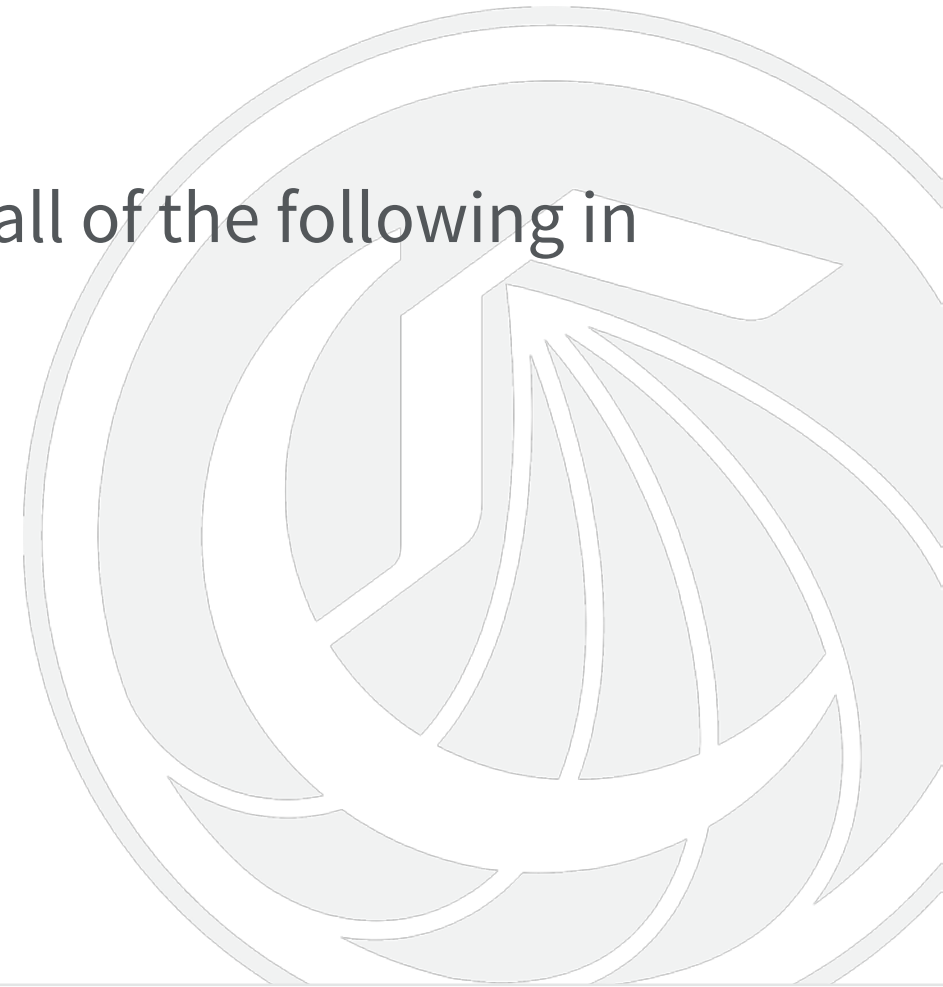
- | | |
|------------------------------|---------------------|
| • Base Allocation | \$4.9 billion (70%) |
| • Supplemental Allocation | \$1.4 billion (20%) |
| • Student Success Allocation | \$700 million (10%) |

(Phases in over time: 60%, 20%, 20%)



Supplemental Allocation

- District receives funding based on counts of all of the following in the prior year:
 - Pell Grant recipients.
 - California College Promise Grant recipients.
 - AB 540 students.



Student Success Allocation

Student Success Allocation—Measures	All Students	Promise Grant Premium (added to “All Students”)	Pell Grant Premium (added to “All Students”)
Associate degrees granted	3	3	4.5
Baccalaureate degrees granted	3	3	4.5
Associate degrees for transfer (ADT) granted	4	4	6
Credit certificates (16 units or more) granted	2	2	3
Completion of nine or more CTE units	1	1	1.5
Successful transfer to four-year university	1.5	1.5	2.25
Completion of transfer-level mathematics and English courses within first academic year of enrollment	2	2	3
Attainment of regional living wage	1	1	1.5

First Component: Base Allocation



Base Allocation

Basic Allocation

Title 5 regulations for funding for colleges and centers remains unchanged.



Base Allocation

Credit FTES

- 2018-19 Rate = \$3,727
- Base equals three year average of CY, PY and PY+1.
- CY will include any restoration of prior year declines (simulation doesn't show restoration).
- Three year average excludes Inmates in Correctional Facilities and Special Admit FTES.
- Growth will be calculated from this three year average base.

Base Allocation

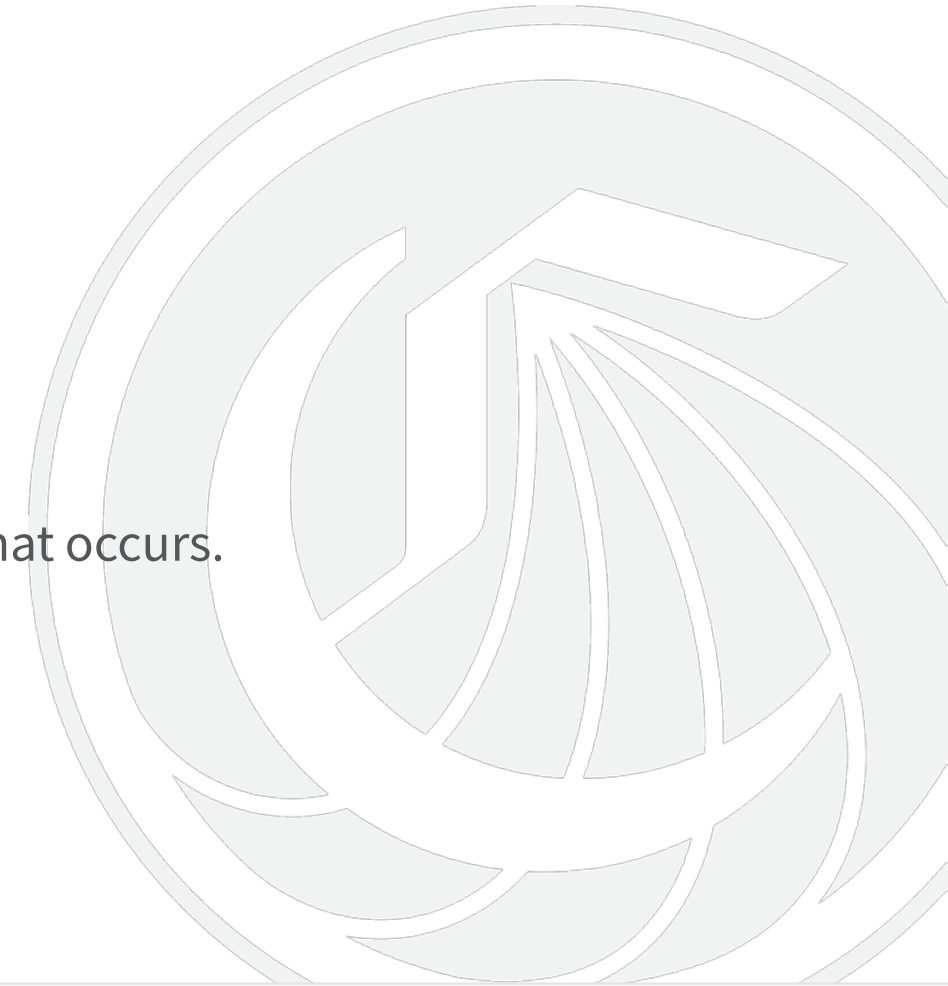
Noncredit FTES

- 2018-19 Rate = \$3,347
- Funding rate remains unchanged from SB 361 funding rate.
- Growth in 2018-19 will be calculated from PY FTES plus any restoration that occurs.

Base Allocation

Career Development College Preparation (CDCP) FTES

- 2018-19 Rate = \$5,457
- Funding rate remains unchanged from SB 361 funding rate.
- Growth will be calculated from PY FTES plus any restoration that occurs.



Base Allocation

Inmates in Correctional Facilities Credit FTES

- 2018-19 Rate = \$5,457
- Funding rate remains unchanged from SB 361 funding rate for this population of students.
- This workload measure will be identified on both the 320 attendance report and Exhibit C.

Base Allocation

Inmates in Correctional Facilities Noncredit FTES

- 2018-19 Rate = \$3,347
- Funding rate remains unchanged from SB 361 funding rate for this population of students.
- This workload measure will be identified on both the 320 attendance report and Exhibit C.

Base Allocation

Special Admit Credit FTES

- 2018-19 Rate = \$5,457
- Funding rate remains unchanged from SB 361 funding rate for this population of students.
- This workload measure will be identified on both the 320 attendance report and Exhibit C.

Second Component: Supplemental Allocation



Supplemental Allocation

Three Elements

- Pell student counts
- California College Promise student counts (BOG Fee Waivers)
- AB 540 student counts



Supplemental Allocation

- 2018-19 Rate = \$919 per count
- Counts are from 2016-17.
- Counts will be updated in fall (October, November of 2018).



Third Component: Student Success Allocation

Student Success Allocation

1. Associate Degrees

All Students: Rate = \$1,320

Promise Students: Rate = \$333

Pell Students: Rate = \$500

Duplicated count of all associate degrees by district. District granting degree gets the count. No minimum unit requirement for student to be counted.



Student Success Allocation

2. Baccalaureate Degrees

All Students:	Rate = \$1,320
Promise Students:	Rate = \$333
Pell Students:	Rate = \$500

No Baccalaureates granted in 2016-17.

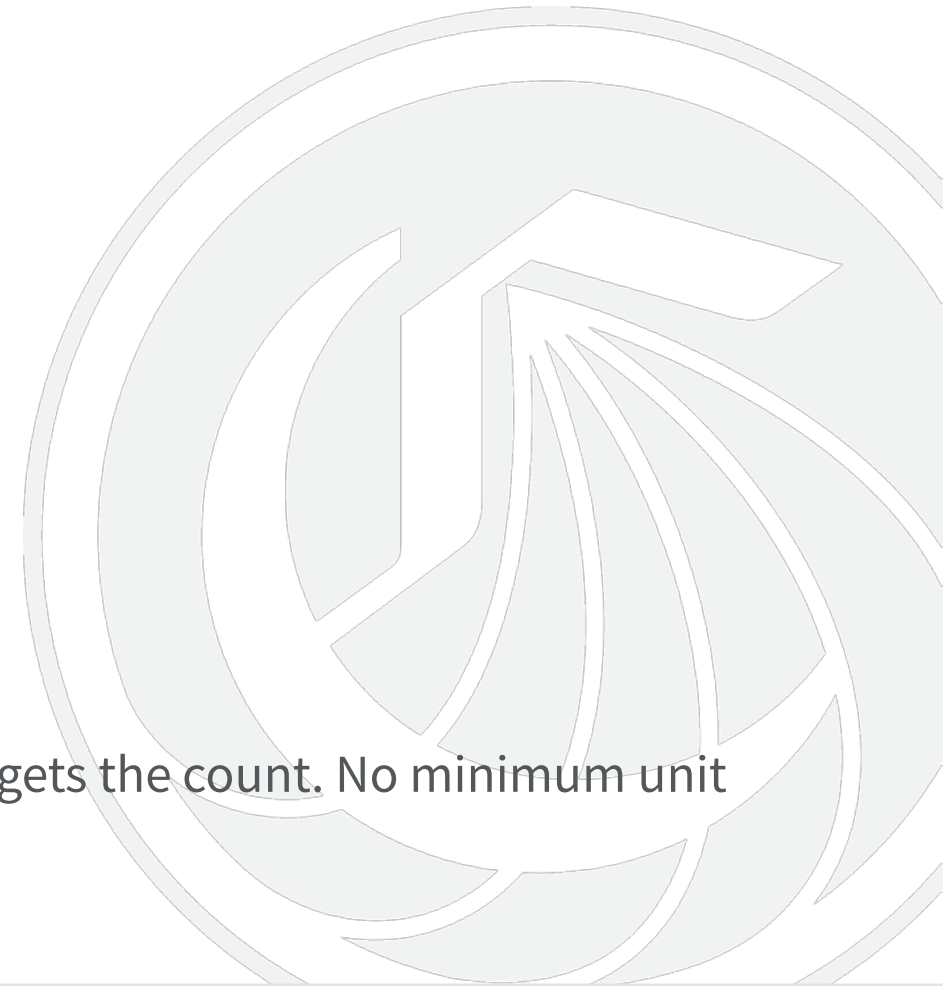


Student Success Allocation

3. Associate Degrees for Transfer (ADT)

All Students:	Rate = \$1,760
Promise Students:	Rate = \$444
Pell Students:	Rate = \$666

Duplicated count of all ADTs by district. District granting degree gets the count. No minimum unit requirement for student to be counted.



Student Success Allocation

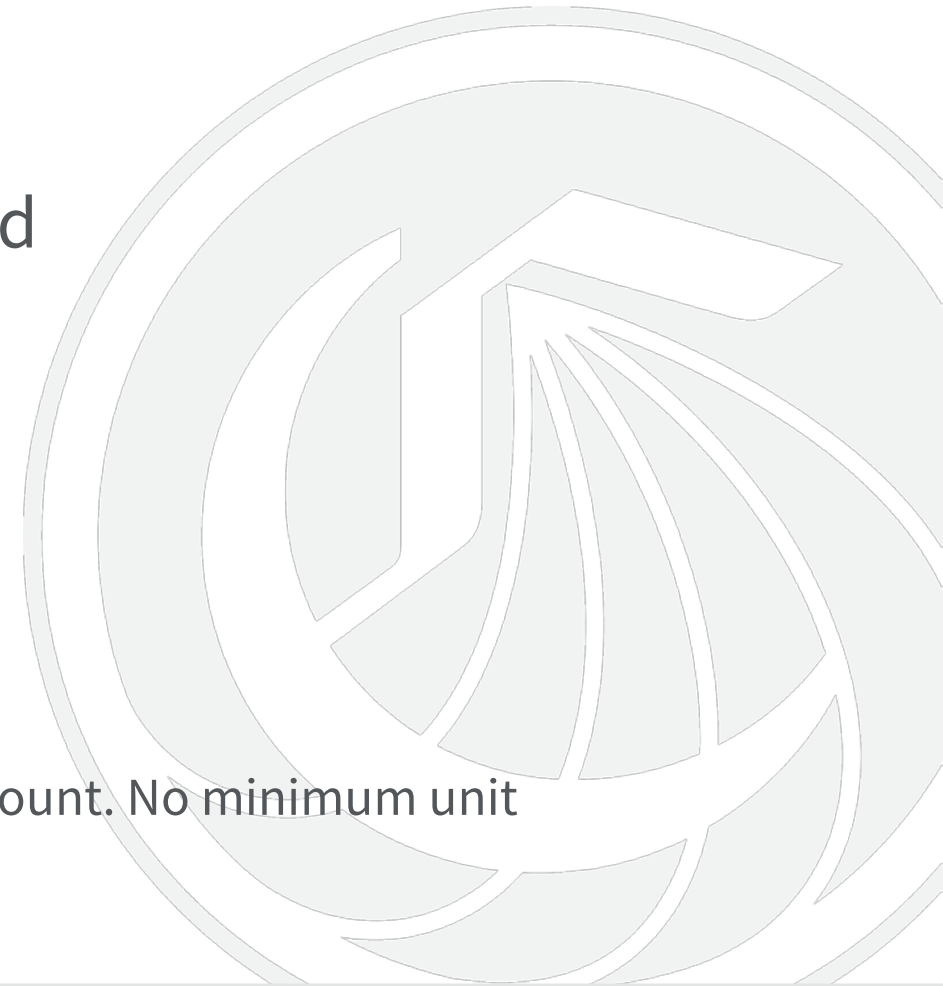
4. Credit Certificates (16 units or more) Granted

All Students: Rate = \$880

Promise Students: Rate = \$222

Pell Students: Rate = \$333

Duplicated student counts. District granting certificate gets the count. No minimum unit requirement for student to be counted.



Student Success Allocation

5. Completion of nine or more CTE units

All Students:	Rate = \$440
Promise Students:	Rate = \$111
Pell Students:	Rate = \$167

- MIS special data run. Unduplicated count of students.



Student Success Allocation

6. Successful Transfer to Four-Year University

All Students: Rate = \$660

Promise Students: Rate = \$167

Pell Students: Rate = \$250

Chancellor's Office MIS special data run. Students must have 12 or more units at a community college to count. Direct match with CSU, UC and Clearinghouse.



Student Success Allocation

7. Completion of transfer-level mathematics and English courses within first academic year of enrollment

All Students:	Rate = \$880
Promise Students:	Rate = \$222
Pell Students:	Rate = \$333

MIS special data run. Completion of both math and English in the same academic year (summer, fall, winter, spring).

Student Success Allocation

8. Attainment of Regional Living Wage

All Students:	Rate = \$440
Promise Students:	Rate = \$111
Pell Students:	Rate = \$167

Chancellor's Office MIS special data run. Count of students enrolled in 2015-16 and then attained their county living wage in 2016-17.



Data Information

- All the supplemental and success data in the simulation are from 2016-17.
- Per the Data dictionary Tab in the simulation, these metrics will be updated with 2017-18 data this fall, which will be used in the 2018-19 P1 general apportionment calculation.
- We are working on access for districts to the unitary data used in the simulation for all the Chancellor's Office "MIS special runs."

Policy Issues

- Districts retain ability to move summer enrollments between fiscal years (status quo on “summer shift”).
- Restoration related to FTES workload reductions remains unchanged. Districts will still have three years to restore prior year declines.

STUDENT CENTERED FUNDING FORMULA

In any given year, a district's funding under the new Student Centered Funding Formula (SCFF) would be the highest of the amounts included in the lines below:

Line	Statutory Reference	2018-19	2019-20	2020-21	2021-22
1	Education Code section (ECS) 84750.4(b), 84750.4(c), 84750.4(d), 84750.4(e), and 84750.4(f)	SCFF calculation.	SCFF calculation.	SCFF calculation.	SCFF calculation.
2	ECS 84750.4(g)(1)	2017-18 total computational revenue (TCR).	2017-18 TCR.	N/A	N/A
3	ECS 84750.4(g)(2)	N/A	N/A	2017-18 credit, noncredit, and CDCP noncredit rates, multiplied by 2020-21 FTES, with basic allocation.	2017-18 credit, noncredit, and CDCP noncredit rates, multiplied by 2021-22 FTES, with basic allocation.
4	ECS 84750.4(g)(4)	N/A	Greater of lines 1 or 2 as calculated in 2018-19.	Greater of lines 1 and 2, as calculated in 2019-20.	Greater of lines 1 and 3, as calculated in 2020-21.
5	ECS 84750.4(h)	2017-18 TCR, adjusted by 2018-19 COLA.	2017-18 TCR, adjusted by 2018-19 and 2019-20 COLAs.	2017-18 TCR, adjusted by 2018-19, 2019-20, and 2020-21 COLAs.	N/A

Simulations and Apportionments

The Simulations are ESTIMATES! The numbers will change!



Simulations and Apportionments

- We will update the July Advance with the TCRs from the simulations in August.
- We will certify your state apportionment from this TCR.
- We do not plan to recertify the apportionment until P1 in February of 2019.

Simulations and Apportionments (cont.)

- We have updated your restoration eligibility (prior 3-years of FTES declines), which is shown in the apportionment tab of the binder.
- We also updated your growth eligibility for 2018-19, which is also shown in the apportionment tab of the binder.
- Restoration and growth eligibility are not included in the simulations and thus those revenues will not be included in the August advance apportionment.

Simulations and Apportionments (cont.)

- Given the new funding formula and the new metrics, we didn't produce an Exhibit C.
- We plan to work with the ACBO Board in the fall creating a new Exhibit C to incorporate the new workload measures from the new funding formula.
- Chancellor's Office Fiscal Standards Unit will also look to update the Contracted District Audit Manual to accommodate the changes brought by the new funding formula.

More Information

The Chancellor's Office will post updates, including responses to frequently asked questions, at <http://extranet.cccco.edu/Divisions/FinanceFacilities/StudentCenteredFundingFormula.aspx>.

To receive responses to questions or to provide comments on implementation, please email SCFF@cccoco.edu.