Overview of the Student Centered Funding Formula
“…California’s state leaders have truly delivered on a promise to put students first and set an example for the rest of the nation by adopting a new funding formula that incentivizes student success…”

–Chancellor Eloy Ortiz Oakley

August 27, 2018
Current Challenges

• While the system has made significant strides in improving student success, serious challenges remain.
  • Most students who enter a community college never complete a degree or certificate or transfer.
  • Students who do reach an educational goal take a long time to do so.
  • Achievement gaps persist (across student groups and across regions).

• Discussions about a new funding formula began more than a year ago, given concerns among system stakeholders that enrollment—the traditional driver of funding—has been stagnant in many districts.
Principles for Reform

- In reforming funding for community college districts, we aim to do the following:
  - Encourage progress toward the *Vision for Success* adopted by the Board of Governors.
  - Provide groups of students that have faced barriers to success with additional support to meet our goals.
  - Make resources most useful to community college districts by making them stable, predictable, and flexible.
- We want community college finance to further the activities the Chancellor’s Office is undertaking through the Guided Pathways framework.
Student Centered Funding Formula

• The new formula calculates apportionments generally using three allocations:
  • *Base Allocation*—Current factors (primarily credit 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.

• Noncredit FTES (and some other FTES) would be funded at current rates.

• The rates are calculated to provide a three-year transition.
Supplemental Allocation

- For the supplemental allocation, a district would receive one “point” based on the counts of all of the following in the prior year:
  - Pell Grant recipients.
  - California College Promise Grant recipients.
  - AB 540 students.
## Student Success Allocation

<table>
<thead>
<tr>
<th>Student Success Allocation—Measures</th>
<th>All Students</th>
<th>Promise Grant Premium</th>
<th>Pell Grant Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate degrees for transfer granted</td>
<td>4</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Associate degrees granted (excluding ADTs)</td>
<td>3</td>
<td>3</td>
<td>4.5</td>
</tr>
<tr>
<td>Baccalaureate degree granted</td>
<td>3</td>
<td>3</td>
<td>4.5</td>
</tr>
<tr>
<td>Credit certificates (16 units or more) granted</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Completion of transfer-level mathematics and English courses within first academic year of enrollment</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Successful transfer to four-year university</td>
<td>1.5</td>
<td>1.5</td>
<td>2.25</td>
</tr>
<tr>
<td>Completion of nine or more CTE units</td>
<td>1</td>
<td>1</td>
<td>1.5</td>
</tr>
<tr>
<td>Attainment of regional living wage</td>
<td>1</td>
<td>1</td>
<td>1.5</td>
</tr>
</tbody>
</table>
## Point Values

<table>
<thead>
<tr>
<th>Allocation</th>
<th>2018-19</th>
<th>2019-20 /1</th>
<th>2020-21 /1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Allocation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dollars per Credit FTES</td>
<td>$3,727</td>
<td>$3,387</td>
<td>$3,046</td>
</tr>
<tr>
<td>Basic Allocation</td>
<td>See Note</td>
<td>See Note</td>
<td>See Note</td>
</tr>
<tr>
<td>Supplemental Allocation—Dollars per Point</td>
<td>$919</td>
<td>$919</td>
<td>$919</td>
</tr>
<tr>
<td>Student Success Allocation - Dollars per Point</td>
<td>$440</td>
<td>$660</td>
<td>$880</td>
</tr>
<tr>
<td>Student Success Equity Allocation—Dollars per Point</td>
<td>$111</td>
<td>$167</td>
<td>$222</td>
</tr>
</tbody>
</table>

1/ These totals will also be adjusted by the changes in the cost-of-living in those years.

Note: These amounts will be calculated based on the numbers of colleges and comprehensive centers consistent with the current formula.

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Implementation

• In 2018-19, 2019-20, and 2020-21, a district would receive the greater of the formula total or the amount the district received in 2017-18, adjusted by the changes in the cost-of-living.

• The formula includes a “stability” provision that delays any decreases in revenues by one year.

• Further, the bill would require the following of districts:
  • Goals—Adoption, by January 1, 2019, of goals that are aligned with the Vision for Success.
  • Comprehensive Plans—Alignment of comprehensive plans with those goals and alignment of annual budgets with the comprehensive plans.
  • Capacity—If directed by the chancellor (with approval by the Board of Governors), use of funds for technical assistance or professional development.
Implementation Team

- Board of Governors
- Legislature
- Governor
- Oversight Committee
- Advisory Groups
Work Streams

- Enactment of Systemwide Policies
- Apportionments
- Alignment of District Plans and Budgets with Vision for Success
- Alignment Across State Categorical Programs
- Curriculum Review
- Professional Development
- Data Systems
- Capacity of Chancellor’s Office
- Engagement with System Stakeholders
- Evaluation

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More Information

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

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

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