

Chancellor's Office

Overview of the Student Centered Funding Formula



Milestone

“...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

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

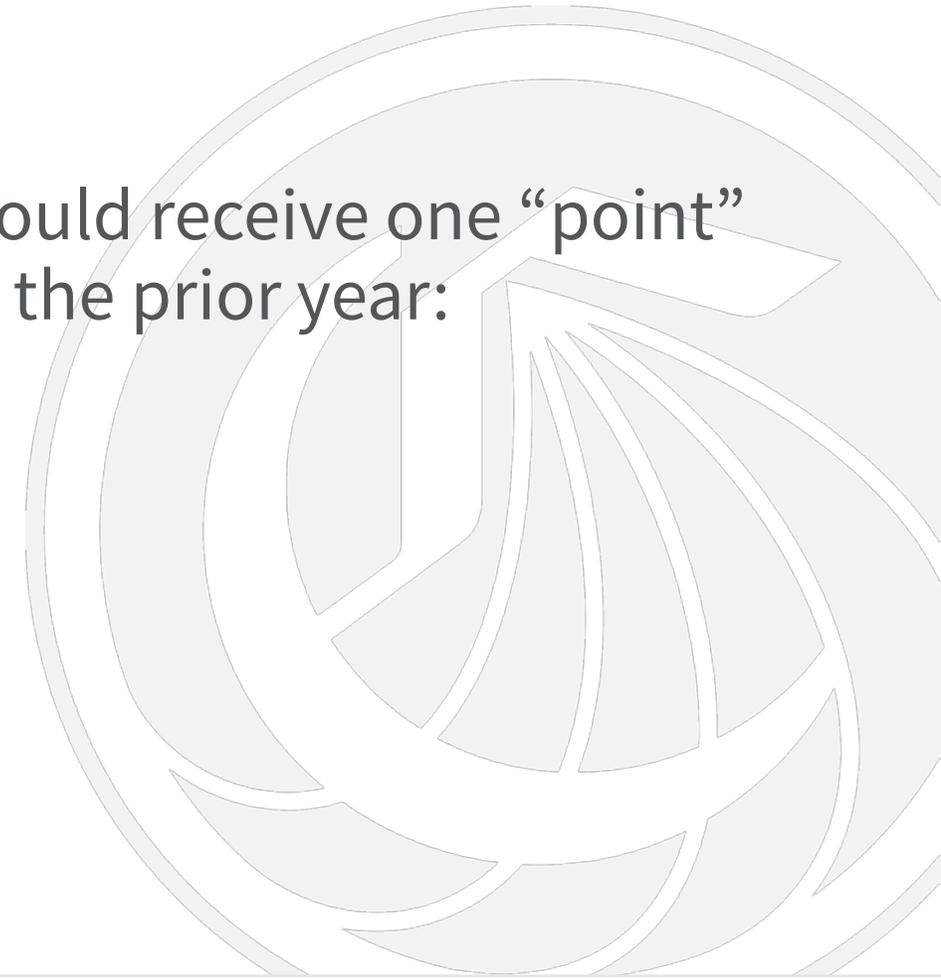
- In reforming funding for community college districts, we aim to do the following:
 - Encourage progress toward the *Vision for Success* adopted by the Board of Governors.
 - Provide groups of students that have faced barriers to success with additional support to meet our goals.
 - Make resources most 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

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

Point Values

| | 2018-19 | 2019-20 ^{1/} | 2020-21 ^{1/} |
|---|-----------------|-----------------------|-----------------------|
| Base Allocation | | | |
| Dollars per Credit FTES | \$3,727 | \$3,387 | \$3,046 |
| Basic Allocation | <i>See Note</i> | <i>See Note</i> | <i>See Note</i> |
| Supplemental Allocation—Dollars per Point | \$919 | \$919 | \$919 |
| Student Success Allocation - Dollars per Point | \$440 | \$660 | \$880 |
| Student Success Equity Allocation—Dollars per Point | \$111 | \$167 | \$222 |

^{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.

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



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>.