



Overview of Student Centered Funding Formula Budget Impact

2017-18 Apportionment Old Formula (SB361)

	P2	Recalc	Additional
	<u>June 2018</u>	<u>February 2019</u>	<u>One-time</u>
			<u>Funds</u>
2017-18 Apportionment	\$175,668,539	\$176,424,297	\$755,758

- The final apportionment (Unrestricted General Fund) for the fiscal year 2017-18 is \$176,424,297.
- This is the base for the “hold harmless” guarantee funding for the fiscal year 2018-19.
- In 2018-19 this figure is adjusted by the 2.71% COLA to arrive to the “hold harmless” total of \$181,205,395.
- The District will receive one-time funds in 2018-19 for a total of \$755,758.
- These funds are mainly the result of additional 171 noncredit and CDCP FTES.

2018-19 Apportionment

New Student Centered Funding Formula (AB1809)

	<u>Advance July 2018</u>	<u>P1 March 2019</u>	<u>Difference</u>
Base Allocation	\$138,138,718	\$142,477,203	\$4,338,485
Supplemental Allocation	34,974,383	35,202,295	227,912
Student Success Allocation	12,604,220	13,827,450	1,223,230
Total Funding per SCFF	\$185,717,321	\$191,506,948	\$5,789,627
Hold Harmless	\$180,429,156	\$181,205,395	

2018-19 Apportionment

New Student Centered Funding Formula (AB1809)

- The first principal (P1) apportionment shows an increase of \$5,789,627.
- The \$5,789,627 is the result of increases: in the Base Allocation for \$4,338,485, Supplemental Allocation \$227,912, and Student Success Allocation \$1,223,230.
- The Supplemental Allocation of \$227,912 and Student Success Allocation of \$1,223,230 are very solid numbers as these are the actual counts for the fiscal year 2017-18, as stipulated in legislation, and the District has verified this data.
- The Supplemental Allocation net increase of \$227,912 is primarily due to:
 - Increase in Pell grants of \$684,655
 - Decrease in Promise grants of (\$543,129)

2018-19 Apportionment

New Student Centered Funding Formula (AB1809)

- The Student Success Allocation increase of \$1,223,229 is mainly attributed to increases in:
 - Associate Degrees for \$129,360
 - Associate Degrees for Transfer for \$575,520
 - Regional living wage within one year of completion for \$191,400
 - Pell students getting Associate Degree for Transfer for \$150,616
 - Promise students getting Associate Degree for Transfer for \$127,428
- The **Increase of the Base Allocation for \$4,338,485 is subject to change** because the calculation includes the FTE average of the 2016-17 actuals, 2017-18 actuals, and the projected 2018-19. The regulation calls for a three year average of actuals. Districts have until November 1, 2019 to submit their final FTE counts for 2018-19.

Hold Harmless

- In 2018-19, the College will receive the higher of the “hold harmless” guarantee funding of \$181,205,395 or the amount calculated under the SCFF regulations, **currently estimated** at \$191,506,948.
- The hold harmless for the fiscal year 2019-20 is the result of applying the COLA for 2018-19 at 2.71% and then the COLA of 3.46% (currently an estimate) for 2019-20. The hold harmless for 2019-20 is estimated to be \$187,475,102.

Major Concern

- P1 2018-19 shows an apportionment deficit of \$9,644,639 for Mt. SAC, which is 5.04% of the total apportionment of \$191,506,948 calculated under the new SCFF rules.
- The Chancellor's Office (CCCCO) explained that this shortfall is due to:
 - Revised estimates of the hold harmless due to final FTE submittals for 2017-18 being higher than anticipated.
 - The CCCCCO used the June 2017-18 FTEs data, which was much lower than the final FTES.
 - FTES for 2018-19 increased by 10,000, which is greater than the assumptions for the Advance apportionment.
 - The CCCCCO estimates that revenues available to offset the SCFF costs are \$323 million lower than those assumed in the Governor's Budget.
- There is no appropriation in the budget to cover the higher costs to fully fund the SCFF.

Major Concern

- While the Governor and the legislature deliberate on a final budget and expectations for 2018-19, the CCCCO will fund at least the hold harmless for each District. This represents about \$10.3 million less for Mt. SAC when comparing P1 2018-19 at \$191,506,948 and the 2018-19 hold harmless of \$181,205,395.
- Getting paid for only the “hold harmless” portion could potentially have cash flow implications if the remaining funds of \$10.3 million are not disbursed timely or at all.
- Similar to recent years, the CCCCO will work with the Governor and the Legislature to obtain backfill funds to fully fund the SCFF.
- 88

Questions

