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The Student Centered Funding Formula Oversight Committee's Recommendations on Priority Area One

Recommendations on the Possible Inclusion of First-Generation Students, Defining Low-Income Students Relative to Cost of Living, and Incoming Students' Level of Academic Proficiency in the California Community Colleges' Student Centered Funding Formula

Prepared for the California State Legislature and the Department of Finance

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Executive Summary

The 12-member Student Centered Funding Formula (SCFF) Oversight Committee (“the Oversight Committee”) was established by budget legislation, with four members selected by the Senate Committee on Rules, four members selected by the Speaker of the Assembly, and four members selected by the Governor. The Oversight Committee was charged with evaluating and reviewing the implementation of the SCFF and providing recommendations to the California State Legislature and the Department of Finance on two priority areas, each consisting of multiple components. The components of Priority Area One, which the Oversight Committee was charged with considering, are: (1) the inclusion of first-generation students in the Supplemental Allocation of the SCFF; (2) the definition of a low-income student and whether to adjust the point system to better reflect low-income students in regions of the state with a high cost of living; and (3) the inclusion of students’ incoming level of academic proficiency in the Supplemental Allocation of the SCFF.

The Oversight Committee began meeting in March 2019. After nearly nine months of deliberation and discussion, the committee has made recommendations on each of the three components of Priority Area One. The issues under discussion were complex, and the Oversight Committee did not come to its recommendations lightly. Committee members based their decisions on research and on input from students, faculty, and system leaders, and were guided by their commitment to student success and to increasing equity in the California Community Colleges (CCC) system. This executive summary and the full report contain the Oversight Committee’s recommendations to the Legislature and the Department of Finance on the three components for Priority Area One. Each recommendation is followed by an overview of the rationale for the recommendation and, as appropriate, the implementation plan for inclusion of the component. Following the sections on each of the three components are general comments from the Oversight Committee regarding overall funding adequacy.

Guiding Principles

The Oversight Committee used the “Principles for Reform for the SCFF” from the CCC Chancellor’s Office¹ as a framework to guide discussion and consideration of the committee’s emerging recommendations. The principles are:

1. Encourage progress toward the *Vision for Success*.
2. Provide additional support to student groups that face barriers to success.
3. Ensure that resources provided to community college districts are stable, predictable, and flexible.

As the Oversight Committee worked through the priority areas outlined in the statute, these principles helped guide the committee’s research and its deliberation on recommendations and implementation plans. Moreover, in addressing these principles, the Oversight Committee

¹ https://iepi.cccco.edu/Portals/0/OverviewStudentCenteredFundingFormula8-27-2018_ADA.pdf

clarified and deepened its understanding of equity. The Oversight Committee has defined equity² as follows:

- Equity is a process of ensuring that all students are provided with the resources and opportunities required to reach equivalent outcomes, to meet rigorous academic expectations, and to succeed in an ever-changing and fast-paced society.³
- Equity is about ending systemic discrimination against individuals based upon their identity or background, particularly for students who have been historically underserved.⁴
- Racial equity is the condition that would be achieved if one's racial identity were no longer predictive of student success in a statistical sense.⁵ Achieving racial equity would require work to address root causes that reinforce or fail to eliminate differential outcomes by race/ethnicity.
- Equity is not about "equal." Equity means closing gaps in opportunity for the purpose of closing gaps in outcomes. Equity requires listening to what students tell us they need.
- Resource equity is the allocation and use of resources — people, time, and money — to create student experiences that enable all students to reach empowering, rigorous learning outcomes, no matter their race, ethnicity, socioeconomic status, disability, sexual orientation or gender identity/expression, or income.

The Oversight Committee's definition of equity for students will require a commitment of the CCC system to make changes to policies, practices, attitudes, and cultural messages. The work of the Oversight Committee is guided by this commitment to equity, and the recommendations outlined in this report have been discussed and evaluated in light of this commitment.

First-Generation College Students

In addition to serving a large number of low-income students and students of color, community colleges serve a large number of first-generation students (the first in their families to attend college). A large body of research indicates that students whose parents have not attended college are likely to experience substantial barriers to accessing postsecondary education, succeeding academically once enrolled, and completing a degree.⁶ Although some needs of first-generation college students may be similar to those of low-income students, first-generation students also have distinct needs.⁷

² The Oversight Committee's definition of equity is derived primarily from three sources: (1) *Strategic Diversity Leadership* by Damon Williams, (2) the Center for Assessment and Policy Development, and (3) *What Is Resource Equity?* by ERS (October 2018), as well as from the meeting discussions of Subcommittees One and Two of the Oversight Committee.

³ <https://www.erstrategies.org/cms/files/4039-what-is-resource-equity-oct-2018.pdf>

⁴ Williams, D. A. (2013). *Strategic diversity leadership: Activating change and transformation in higher education*. Sterling, VA: Stylus Publishing.

⁵ Center for Assessment and Policy Development.

⁶ <https://nces.ed.gov/pubs2005/2005171.pdf>; <https://nces.ed.gov/pubs2001/2001153.pdf>; <https://studentsuccess.unc.edu/files/2016/02/75.3pascarella-1.pdf>; <https://nces.ed.gov/pubs2018/2018009.pdf>

⁷ Rosenbaum, J. E., Deil-Amen, R., & Person, A. E. (2009). *After admission: From college access to college success*. New York, NY: Russell Sage Foundation.

Recommendations

The Oversight Committee voted, at its September 4, 2019, meeting, to approve the following recommendations regarding the inclusion of first-generation students in the Supplemental Allocation of the SCFF:

- The SCFF Oversight Committee recommends including first-generation students in the funding formula.
- The SCFF Oversight Committee recommends defining first-generation students as students for whom neither parent has a bachelor's degree.

Defining first-generation students

The CCC system's student success metrics currently define first-generation students as students whose parents have not earned an associate degree or higher.⁸ Under this definition, in the most recent year of data, 59 percent of CCC students are first-generation students.⁹ The Oversight Committee recommends adoption of the more expansive definition of first-generation students that is used by the U.S. Department of Education's Office of Postsecondary Education. Under this definition, the percentage of first-generation students in the CCC system rises to 69 percent.¹⁰ By this definition, a first-generation college student is:¹¹

- (1) A student neither of whose parents received a baccalaureate degree;
- (2) A student who, prior to the age of 18, regularly resided with and received support from only one parent and whose supporting parent did not receive a baccalaureate degree; or
- (3) An individual who, prior to the age of 18, did not regularly reside with or receive support from a parent.

This definition, which is used for eligibility in some federal aid programs, would consider the daughter of two community college graduates a first-generation student. Both the University of California and California State University systems similarly define a student as first-generation when neither of the student's parents holds a four-year college degree.¹²

Implementation Plan

Data collection on first-generation status

According to the CCC Chancellor's Office, full student parent/guardian education level data for all terms in the 2019–2020 academic year (with leading summer term) will be available in August 2020, and “[d]istricts are responsible for collecting this data through CCCApply, where it is self-reported by the student applicants, or other data collection methods.”¹³ Therefore, data

⁸ <https://lao.ca.gov/Publications/Report/3724>

⁹ Based on an analysis of data from the Chancellor's Office.

¹⁰ Only 65 percent of students in the Chancellor's Office data had a reported value for parent education in 2017–2018. Those figures are relatively stable even five years back from 2017–2018, when there were 32 percent of cases with a reported value for parent education.

¹¹ <https://www.govinfo.gov/content/pkg/CFR-2018-title34-vol3/xml/CFR-2018-title34-vol3-part646.xml>

¹² <https://lao.ca.gov/Publications/Report/3724>

¹³ Personal communication, October 22, 2019.

on first-generation status will be available by next summer for the purpose of calculating funding in the Supplemental Allocation for first-generation students.

Implementation in 2021–2022

The Oversight Committee recommended that first-generation status be included in the Supplemental Allocation beginning in the 2021–2022 fiscal year. The Oversight Committee was directed by statute to consider incorporation of first-generation status into the funding formula by “no later than the 2022–2023 fiscal year.” Given that data on first-generation status for all students will be available in August 2020, the Oversight Committee’s recommendation is intended to give college districts some time to understand and plan for the addition of first-generation status in the funding formula.

Unduplicated count

The Oversight Committee recommended the use of an unduplicated count to calculate the Supplemental Allocation for first-generation students and low-income students. The committee voted 6 to 4 in support of an unduplicated count based on the 39 percent overlap between low-income and first-generation students. Members who spoke in support of an unduplicated count expressed concern that a duplicated count would expand the number of points in the system overall and dilute the per-student allocation for low-income students. The dissenting voters on this recommendation noted that a student who is both low-income and first-generation likely faces additional challenges to academic achievement, in comparison to a student who is either low-income or first-generation, but not both.

One point per first-generation student

The Oversight Committee also recommended that a first-generation student is counted as one point in the Supplemental Allocation. The vote on this recommendation was unanimous, with the rationale that additional supports for first-generation students should be valued at the same level as those for low-income students.

Inclusion in the Success Allocation

Although the Oversight Committee’s charge was to determine whether or not to include first-generation students in the Supplemental Allocation, the committee also recommended the inclusion of first-generation status in the Success Allocation as an unduplicated count with low-income students. Eight members voted in favor of the motion, expressing support for providing college districts with additional funding when first-generation students achieve the outcomes outlined in the Success Allocation.

Defining Low-Income Relative to Cost of Living

The Oversight Committee understands that this component is included in Priority Area One in an attempt to ensure that the definition of low-income in the SCFF directs additional resources to those students who face the greatest barriers to success in the system. Therefore, one of the fundamental questions that the Oversight Committee has considered is whether students who do not qualify as low-income, but who may still be struggling financially because they live in high

cost of living areas, face the same or similar barriers to academic achievement in community colleges as those students currently defined as low-income under the SCFF.

Recommendations

The Oversight Committee voted, on November 7, 2019, to recommend further research on the Supplemental Allocation before additional changes are made to the funding formula, and to extend the Hold Harmless provision until 2022–2023. This recommendation was made after extensive debate and multiple votes on whether to consider regional cost of living in the definition of a low-income student in the funding formula. On November 7, 2019, six committee members voted in favor of excluding cost of living from the Supplemental Allocation, and six members voted to include cost of living in the Supplemental Allocation. In fact, despite repeated votes on this issue between late August and early November 2019, the Oversight Committee was not able to come to agreement on whether or not to incorporate cost of living in the definition of a low-income student. Those members in favor of inclusion of an adjustment in the low-income definition based on cost of living expressed concern that students in some districts do not qualify as low-income even though they face financial hardship, and that, without supplemental funding, college districts may have to cut support programs for these students due to a permanent loss of funding. The members who did not support inclusion of a cost of living adjustment in the low-income definition expressed concern that such a change would reallocate funding from college districts serving more students with the greatest needs to college districts in higher-cost areas and serving smaller populations of low-income students. The mechanism to support students facing financial hardship is primarily through state and federal financial aid. Oversight Committee members acknowledged and accepted that they could not come to agreement on this issue.

Many Oversight Committee members acknowledged the need to stabilize the funding formula and avoid major shifts in funding while districts are still adjusting to the new formula. All members also acknowledged, regardless of their position on this issue, that the issue is complex. The committee received extensive public comment both for and against inclusion of cost of living in the funding formula, indicating strong public sentiment about this issue.

The Oversight Committee also recommended extending the Hold Harmless provision to avoid severe financial strains that the new funding formula would place on some colleges. The Hold Harmless provision is intended to insulate college districts from sudden reductions in funding due to the SCFF. There is also a need to examine whether or not SCFF is the reason for reductions in these college districts' apportionment funding, or whether these reductions are due to other factors. Currently, the Hold Harmless provision extends through 2021–2022. The committee believes that an additional year of Hold Harmless would provide more time for studying the impact of current funding formula changes on college budgets and outcomes, and would allow colleges to create multiyear budget projections.

Implementation Plan for the Supplemental Allocation Study

The committee recommended that a study of the Supplemental Allocation commence during the 2020–2021 fiscal year, before the expiration of the recommended Hold Harmless extension in 2022–2023. The purpose of the study is, at a minimum, to assess the impacts of the SCFF and

the Supplemental Allocation on colleges, low-income students, student success, and racial equity gaps. The Oversight Committee suggested that this study could be used to inform any future adjustments to the funding formula.

Students' Incoming Academic Proficiency

Currently, college districts do not receive additional funding based on students' incoming level of academic proficiency as part of the Supplemental Allocation. As the Legislature was debating the funding formula policy, some stakeholders raised the concern that more resources are required to support students who enter college with low academic proficiency, compared to the resources needed for their more proficient peers. With a focus on racial equity, legislative staff were also concerned about the demographics of students entering community college with low academic proficiency — in particular, whether these students are disproportionately students of color. The Legislature asked that this issue be considered further by the Oversight Committee.

Recommendations

The Oversight Committee voted, at its September 4, 2019, meeting, to approve the following recommendations regarding inclusion of students' incoming academic proficiency in the Supplemental Allocation of the SCFF:

- While the Oversight Committee considers students' incoming academic proficiency an important issue, the Oversight Committee recommends that it not be included in the Supplemental Allocation of the SCFF at this time.
- The Oversight Committee further recommends that the issue of students' incoming academic proficiency be reconsidered when there are consistent and reliable data to model the impact of including this factor in the SCFF, and when there is additional funding to support colleges' services for students with low academic proficiency.

Intersection of Low-Income Students and Students with Low Academic Proficiency

In making its recommendation, the Oversight Committee noted that students' low-income status is already funded through the SCFF Supplemental Allocation. Both the Multiple Measures Assessment Project (MMAP)¹⁴ and WestEd research have found a considerable overlap between low-academic-proficiency students and low-income students. MMAP data indicate that participation in financial aid and Extended Opportunity Programs and Services is greater for community college students who were in the lower performance bands in high school. WestEd's analysis of data from the Chancellor's Office similarly demonstrates that low-income students tend to be enrolled in at least one remedial or basic course. For lack of a stronger measure, enrollment in these courses was used as a proxy for determining the number of students entering

¹⁴ MMAP is a collaborative effort led by the RP Group and Educational Results Partnerships' Cal-PASS Plus system. It engaged with more than 90 pilot colleges statewide to implement multiple-measures assessment using high school performance to maximize student performance in college courses. For more information, see <https://rpgroup.org/Portals/0/Documents/Archive/Multiple-Measures-Assessment-Project-Spring-2015-Status-Report.pdf>.

with low academic proficiency. Given the overlap between low-income students and students entering with low academic proficiency, the Oversight Committee believes that low academic proficiency is already taken into consideration to some degree in the Supplemental Allocation.

Data Limitations

Multiple studies have found that high school grade point average (GPA) is the best measure of students' incoming academic proficiency.¹⁵ However, high school GPA data are not currently available for all community college students statewide. The Oversight Committee recommends that the Legislature and the Department of Finance not reconsider this component (incoming low academic proficiency) until statewide student-level data on incoming students' high school GPA are available. Consistent and reliable statewide data on incoming students' GPA will allow policymakers to make well-informed decisions that take into account both intended and unintended consequences of the inclusion of students' incoming academic proficiency in the funding formula for the community college districts and their students.

The recent state budget allocation for planning to create a “cradle-to-career” data sharing system offers an opportunity for the comprehensive data collection that is needed to inform policy. Specifically, this system is expected to include data about community college students' incoming academic proficiency, which can be disaggregated by student characteristics. This longitudinal data system may allow for more accurate analyses of the demographic profiles of students entering college with low academic proficiency, based on high school GPA. In addition, the data system will allow policymakers to model how providing additional funding on the basis of students' incoming academic proficiency would shift resources between college districts.¹⁶ The Oversight Committee believes that, if more funding were available, in combination with GPA data for all students, the additional costs of educating students who enter college with low levels of academic proficiency would warrant consideration for inclusion in the funding formula. However, in order to promote stability in funding for the CCC system, the Oversight Committee does not recommend including students' incoming academic proficiency in the Supplemental Allocation if it would result in large shifts in funding between college districts.

Race/Ethnicity of Incoming Students with Low Academic Proficiency

In their consideration of this issue, the committee reviewed analyses of the relationship between students' incoming academic proficiency and race. MMAP's analysis of student demographics found disproportionate representation of students of color in the lowest high school performance bands. Specifically, community college students in the lowest prior-performance band were more likely to be Hispanic/Latinx (56 percent, versus 36 percent of students in the highest band) and

¹⁵ For example, see <https://edpolicyinca.org/publications/predicting-college-success-how-do-different-high-school-assessments-measure-2019/>; <http://www.aei.org/spotlight/what-matters-most-for-college-completion/>; and <https://rpgroup.org/Portals/0/Documents/Archive/Multiple-Measures-Assessment-Project-Spring-2015-Status-Report.pdf>.

¹⁶ For more information and support for the creation of a cradle-to-career data system in California, see <https://www.ppic.org/blog/interview-filling-the-gaps-in-californias-education-data/>; <https://edsources.org/2019/california-finally-to-move-ahead-with-cradle-to-career-data-system/614220/>; and <https://edsources.org/2019/lack-of-effective-state-education-data-system-holds-students-back/610683/>.

African American (11 percent, versus 3 percent) and less likely to be Asian (5 percent, versus 12 percent) or White (16 percent, versus 34 percent). Similarly, WestEd researchers analyzed data from the CCC Chancellor's Office on the numbers of students enrolled in basic or remedial classes between 2013 and 2018.¹⁷ Enrollment in these courses was used as a proxy for determining the number of students entering the CCC system with low academic proficiency. Although this is not a perfect proxy, as some students are enrolled in remedial courses for reasons other than needing remediation, the analysis showed that these students are more likely to be Hispanic/Latinx (56.2 percent, compared to 47.5 percent of the overall population), Asian (15.4 percent, versus 14.5 percent), or African American (6.3 percent, versus 6.0 percent), and less likely to be White (18.2 percent, versus 27.2 percent). With statewide data on incoming student GPA, policymakers and practitioners would be able to better define and understand the apparent overlap between students' race/ethnicity and their incoming academic proficiency. The committee recommends additional study of the relationship between race and academic proficiency in the next few years as college districts implement changes required by AB 705.

Fully Funding the SCFF

Oversight Committee members repeatedly expressed concerns about the overall level of funding for California Community Colleges, particularly in relation to the *Vision for Success* (see Appendix A for the *Vision for Success* goals) and members' commitment to educational equity. The Oversight Committee also raised concerns about dividing finite funding across additional categories, which could result in a lower amount allocated for each targeted student group (low-income students, first-generation students, and students with low incoming academic proficiency). This concern was particularly salient in discussions of students' incoming academic proficiency, in discussions about possible reallocation of funding to account for regional cost of living, and in discussions regarding the duplicated or unduplicated count for first-generation students.

Committee members have heard from college leaders that, although the colleges have begun to implement new programs to support improved student outcomes (per the goal of the SCFF), the current level of funding from the state cannot adequately sustain these efforts. The Oversight Committee shares these concerns and believes that college districts should receive full funding based on their success in meeting the metrics established by the SCFF.

¹⁷ Includes unduplicated students who met the full-term reporting criteria in at least one of the terms during each 2017–2018 academic year.

Information to Inform the SCFF Oversight Committee's Recommendations on Priority Area One

This report describes the background, research, and options that the Oversight Committee considered in making its recommendations. By providing this information, the Oversight Committee hopes to deepen stakeholders' understanding of the complexity of these issues and of the context for their decisions.

A New Funding Formula for California Community Colleges

California's community college system, with 115 community colleges serving 2.1 million students, is the largest higher education system in the United States.¹⁸ The California Community Colleges (CCC) system has long been viewed as a key pathway to success for students and praised for its commitment to open access and opportunity to higher education for all of California's students. Indeed, the CCC system offers immense benefit to students who earn a certificate or degree by increasing their job opportunities and earnings, as well as yielding a large economic benefit to the state.¹⁹ Yet, community colleges in the state have also struggled for years with continued achievement gaps based on race/ethnicity and income,²⁰ as well as with low persistence and transfer rates.²¹

To address these challenges, state lawmakers approved a major overhaul of the funding formula for the CCC system in 2018. The Student Centered Funding Formula (SCFF) was signed into law by Governor Jerry Brown on June 27, 2018, as part of the higher education trailer bill to the 2018 Budget Act (Assembly Bill [AB] 1809).²² Passage of the budget act triggered implementation of the formula right away in the 2018–2019 school year. The funding formula was intended to improve outcomes for community college students by tying a portion of funding to student equity and success, rather than relying on a funding system focused primarily on enrollment. Specifically, the new funding formula moved away from funding based solely on enrollment to a formula that also includes funding based on outcomes and the number of low-income students served by each college district. The SCFF is also tied to the CCC's *Vision for Success* (see Appendix A for the *Vision for Success* goals).²³

¹⁸ <https://www.cccco.edu/About-Us/State-of-the-System>

¹⁹ <https://www.cccco.edu/About-Us/Key-Facts>; <https://foundationccc.org/About-Us/About-the-Colleges>

²⁰ https://www.ppic.org/content/pubs/report/R_1116MMR.pdf

²¹ <https://scorecard.cccco.edu/scorecardrates.aspx?CollegeID=000#home>

²² Chapter 33, Statutes of 2018 (Assembly Bill 1809).

²³ AB 1809 requires that each college district adopt local goals that are aligned to the CCC's *Vision for Success*, including increasing the number of students who transfer to a four-year university and increasing the number of students who attain degrees and jobs in their field of study (see Appendix A for more information).

Mechanics

AB 1809 added Education Code section 84750.4, which details the specific components of the new funding formula. Whereas the prior funding formula provided funding based solely on enrollment, the SCFF stipulates that 70 percent of funding is based on enrollment, 20 percent is based on the number of low-income students in each college district, and 10 percent is based on student performance measures.²⁴ The state has also dedicated resources to hold community colleges “harmless” during the transition to the new funding formula.²⁵

The SCFF currently has three allocations:²⁶

- **Base Allocation:** The sum of (1) its student count, measured by Full-Time Equivalent Student (FTES),²⁷ and (2) its Basic Allocation, determined by the number of colleges and centers in a district, as well as by the district’s size.
- **Supplemental Allocation:** Head counts of low-income students.
- **Student Success Allocation:** Head counts of students with outcomes related to the CCC’s *Vision for Success*, with premiums for positive outcomes from low-income students.

The Supplemental Allocation recognizes that districts must provide additional support to remove barriers to access and success for certain groups of students. It is determined based on the number of low-income students in each district — specifically, the number of students in the previous year who received a federal Pell Grant, students who received the state’s College Promise Grant fee waiver, and an additional measure for undocumented students who qualified for resident tuition rates (AB 540). The SCFF uses a “duplicated” count of low-income students, whereby college districts receive twice as much supplemental funding for students who qualify for two of these categories (one point per category, \$919 per point).²⁸ The Chancellor’s Office also proposed a measure based on colleges’ enrollment of first-generation college-going students, but this measure was not adopted in the final legislation.

The Student Success Allocation is intended to spur continued improvement in student outcomes by tying a portion of funding for community college districts to student outcomes. These outcomes include attaining degrees and certificates, transferring to a four-year college, and obtaining a living wage. Different points are assigned based on the metric, and for the 2018–2019 fiscal year, college districts received \$440 per point²⁹ and earned an additional \$111 per point for low-income students.³⁰

²⁴ The SCFF initially had a three-year phase-in: a 70/20/10 split for 2018–2019, a 65/20/15 split for 2019–2020, and a 60/20/20 split for 2020–2021 and beyond. The Governor’s 2019 budget, however, maintains the 70/20/10 split for 2019–2020. Debate on the split between the factors is ongoing. In Governor Brown’s January 2018 budget proposal, the Governor had suggested a 50/25/25 split between the three factors, rather than a 60/20/20 split for 2018–2019.

²⁵ As of March 2019, the Legislative Analyst’s Office estimated that there will be a shortfall of \$324 million.

²⁶ https://www.ccleague.org/sites/default/files/pdf/events/ce_-_funding_formula.pdf

²⁷ FTES is not a head count, but a workload measure of 525 hours of student instruction. So, for example, 1 FTES might consist of several part-time students whose combined workload equals 525 hours of student instruction.

²⁸ Section 84750.4(e)(1).

²⁹ Section 84750.4(f)(1).

³⁰ Section 84750.4(f)(2).

The SCFF closely mirrors the key concepts that California embraced when revising K–12 funding through the Local Control Funding Formula (LCFF) in 2013–2014, including providing additional funding based on the number of students in each district from targeted student groups (e.g., low-income students), and maximizing the usefulness of resources by providing local flexibility on how funds can be spent.³¹ However, key differences between the SCFF and the LCFF are that funding in the SCFF is tied to student success metrics, and that the additional funding provided through the Supplemental and Success Allocations for low-income students is not required to be spent solely on programs for low-income students. Colleges have the flexibility to use this funding as needed by the district overall.

The SCFF Oversight Committee

The 2018–2019 state budget authorized the creation of an SCFF Oversight Committee (“the Oversight Committee”), charged with reviewing and evaluating the implementation of the formula. The committee consists of 12 members, with diverse expertise and geographic representation, with four members appointed by the Governor, four members appointed by the Senate President Pro Tempore, and four members appointed by the Assembly Speaker. Education Code 84750.41 describes the Oversight Committee’s priorities of focus. For each priority, the Oversight Committee must submit recommendations and an implementation plan to the Legislature and the Department of Finance by legislation-established dates.

Priority Area One

Priority Area One for the Oversight Committee is to provide recommendations regarding the potential inclusion of three elements in the Supplemental Allocation of the SCFF:

1. First-generation college students, with a timeline for data collection and incorporation into the funding formula no later than FY 2022–2023.
2. The definition of a low-income student, and whether it should be adjusted for regions of the state with a high cost of living.
3. Incoming students’ levels of academic proficiency.

This report includes the Oversight Committee’s deliberations, recommendations, and implementation plans for these three components. The report is due to the Legislature and the Department of Finance by January 1, 2020.³²

³¹ <http://www.ebudget.ca.gov/2018-19/pdf/BudgetSummary/HigherEducation.pdf>

³² Recommendations on Priority Area Two are due on June 30, 2021. This priority includes two elements: whether noncredit instruction and instructional service agreements should be incorporated as part of the Base and Supplemental Allocations of the SCFF, and how district allocations could be adjusted if a recession were to occur.

Guiding Principles

The Oversight Committee used the “Principles for Reform for the SCFF” from the CCC Chancellor’s Office³³ as a framework to guide discussion and consideration of the committee’s emerging recommendations. The principles are:

1. Encourage progress toward the *Vision for Success*.
2. Provide additional support to student groups that face barriers to success.
3. Ensure that resources provided to community college districts are stable, predictable, and flexible.

As the Oversight Committee worked through the priority areas outlined in the statute, these principles helped guide the committee’s research and its deliberation on recommendations and implementation plans. Moreover, in addressing these principles, the Oversight Committee clarified and deepened its understanding of equity. The Oversight Committee has defined equity³⁴ as follows:

- Equity is a process of ensuring that all students are provided with the resources and opportunities required to reach equivalent outcomes, to meet rigorous academic expectations, and to succeed in an ever-changing and fast-paced society.³⁵
- Equity is about ending systemic discrimination against individuals based upon their identity or background, particularly for students who have been historically underserved.³⁶
- Racial equity is the condition that would be achieved if one’s racial identity were no longer predictive of student success in a statistical sense.³⁷ Achieving racial equity would require work to address root causes that reinforce or fail to eliminate differential outcomes by race/ethnicity.
- Equity is not about “equal.” Equity means closing gaps in opportunity for the purpose of closing gaps in outcomes. Equity requires listening to what students tell us they need.
- Resource equity is the allocation and use of resources — people, time, and money — to create student experiences that enable all students to reach empowering, rigorous learning outcomes, no matter their race, ethnicity, socioeconomic status, disability, sexual orientation or gender identity/expression, or income.

The Oversight Committee’s definition of equity for students will require a commitment of the CCC system to make changes to policies, practices, attitudes, and cultural messages. The work of the Oversight Committee is guided by this commitment to equity, and the recommendations outlined in this report have been discussed and evaluated in light of this commitment.

³³ https://iepi.cccco.edu/Portals/0/OverviewStudentCenteredFundingFormula8-27-2018_ADA.pdf

³⁴ The Oversight Committee’s definition of equity is derived primarily from three sources: (1) *Strategic Diversity Leadership* by Damon Williams, (2) the Center for Assessment and Policy Development, and (3) *What Is Resource Equity?* by ERS (October 2018), as well as from the meeting discussions of Subcommittees One and Two of the Oversight Committee.

³⁵ <https://www.erstrategies.org/cms/files/4039-what-is-resource-equity-oct-2018.pdf>

³⁶ Williams, D. A. (2013). *Strategic diversity leadership: Activating change and transformation in higher education*. Sterling, VA: Stylus Publishing.

³⁷ Center for Assessment and Policy Development.

First-Generation College Students

Oversight Committee Charge

During legislative debate on the SCFF in 2018, the Chancellor’s Office proposed including a measure of first-generation students (the first in their families to attend college), but that language did not make it into the final bill.³⁸ Information on first-generation status was considered unreliable because it was based on students’ self-reporting and was not consistently collected across campuses.³⁹ The final language in Assembly Bill 1809, Section 33, stated the following for the Supplemental Allocation in the new formula: “At a minimum, one of the duties of the oversight committee shall be developing an implementation plan, including a timeline for collecting data on the number of first-generation college students enrolled at community colleges for the purpose of including this information in the student success metrics by the 2022–2023 fiscal year.”

Rationale for This Priority

In addition to serving a large number of low-income students and students of color, community colleges serve a large number of first-generation students. A large body of research indicates that students whose parents have not attended college are likely to experience substantial barriers to accessing postsecondary education, succeeding academically once enrolled, and completing a degree.⁴⁰ Accordingly, the Oversight Committee’s consideration of the inclusion of first-generation students in the Supplemental Allocation of the SCFF was examined in light of the committee’s equity commitment.

Recommendation

The Oversight Committee voted, at its September 4, 2019, meeting, to approve the following recommendations regarding the inclusion of first-generation students in the Supplemental Allocation of the SCFF:

- The SCFF Oversight Committee recommends including first-generation students in the funding formula.
- The SCFF Oversight Committee recommends defining first-generation students as students for whom neither parent has a bachelor’s degree.

³⁸ Fain, P. (2018, June 12). As California goes? *Inside HigherEd*. Retrieved from <https://www.insidehighered.com/news/2018/06/12/calif-finalizes-performance-funding-formula-its-community-colleges>

³⁹ Technical Student Centered Funding Formula FAQs (updated March 7, 2019): <https://www2.palomar.edu/pages/fiscalservices/files/2019/05/Technical-FAQ-with-Webinar-revise-March-19.docx>

⁴⁰ <https://nces.ed.gov/pubs2005/2005171.pdf>; <https://nces.ed.gov/pubs2001/2001153.pdf>; <https://studentsuccess.unc.edu/files/2016/02/75.3pascarella-1.pdf>; <https://nces.ed.gov/pubs2018/2018009.pdf>

Rationale for the Oversight Committee’s Recommendation

Although some needs of first-generation college students may be similar to those of low-income students, first-generation students also have distinct needs. James Rosenbaum of Northwestern University and colleagues find that although first-generation students may have cultural capital and academic know-how, they often lack what is referred to as “college knowledge” — knowledge of how to make curricular choices, how to consult with faculty, and so on.⁴¹ Since first-generation students often do not have family members with specific knowledge of the college landscape who can offer assistance on how to navigate through the college system, these students may require additional support from their community colleges.

Among the most important support services that can help first-generation students choose a program of study and stay on track are academic advising, technology-based advising resources, and student success courses,⁴² but these resources are too often in short supply on community college campuses.⁴³ A lack of clear college guidance can have a negative impact on outcomes, such as taking credits that are not accepted for transfer or that do not count toward a degree.⁴⁴ Accordingly, the Oversight Committee recommends inclusion of first-generation status in the funding formula, based on the unique needs of first-generation students.

The Oversight Committee understands that if first-generation students are included in the funding formula, the 20 percent of funding dedicated to the Supplemental Allocation will likely be divided among a greater number of students. Including first-generation students in the funding formula may also result in the redistribution of funding from one college district to another. (See Appendix B for the proportion of total revenue that is from the Supplemental Allocation, by college district.)

The following sections include more detailed information on the analyses provided to the Oversight Committee to support its decision-making process on a recommendation about whether or not to include first-generation status in the SCFF.

Defining First-Generation Students

The CCC system’s Student Success metrics currently define first-generation students as students whose parents have not earned an associate degree.⁴⁵ Under this definition, in the most recent year of data, 59 percent of CCC students are first-generation students.⁴⁶ The Oversight Committee recommends that the CCC system adopt the more expansive definition of first-

⁴¹ Rosenbaum, J. E., Deil-Amen, R., & Person, A. E. (2009). *After admission: From college access to college success*. New York, NY: Russell Sage Foundation.

⁴² Student success courses provide students with an introduction to the college experience, as well as an orientation to strategies for success in college, such as time management and study skills.

⁴³ Bailey, T. R., Jaggars, S. S., & Jenkins, D. (2015). *Redesigning America’s community colleges: A clearer path to success*. Cambridge, MA: Harvard University Press.

⁴⁴ <https://collegecampaign.org/wp-content/uploads/2017/09/CCO-2017-TransferMazeReport-27.pdf>

⁴⁵ <https://lao.ca.gov/Publications/Report/3724>

⁴⁶ In 2017–2018, the most recent year of full data from the Chancellor’s Office, about 41 percent of students have no parent with any college experience beyond high school. Similar estimates of first-generation students can be found here: <https://foundationccc.org/About-Us/About-the-Colleges>

generation students that is used by the U.S. Department of Education's Office of Postsecondary Education. By this definition, a first-generation college student is:⁴⁷

- (1) A student neither of whose parents received a baccalaureate degree;
- (2) A student who, prior to the age of 18, regularly resided with and received support from only one parent and whose supporting parent did not receive a baccalaureate degree; or
- (3) An individual who, prior to the age of 18, did not regularly reside with or receive support from a parent.

This definition, which is used for eligibility in some federal aid programs, would consider the daughter of two community college graduates a first-generation student. Both the University of California (UC) and California State University (CSU) systems similarly define a student as first-generation when neither of the student's parents holds a four-year college degree.⁴⁸ Under this definition, the percentage of first-generation students in the CCC system rises to 69 percent.⁴⁹ The Oversight Committee supports defining first-generation students as those students for whom neither parent has a bachelor's degree, given that such a definition is used by the U.S. Department of Education and the UC and CSU systems. The committee also supports use of the more expansive definition of first-generation students because of this student population's need for additional support while navigating the college system.⁵⁰ Table 1 shows the breakdown of data reporting by year and the proportion of students who qualify as first-generation under the two definitions.

⁴⁷ <https://www.govinfo.gov/content/pkg/CFR-2018-title34-vol3/xml/CFR-2018-title34-vol3-part646.xml>

⁴⁸ <https://lao.ca.gov/Publications/Report/3724>

⁴⁹ Only 65 percent of students in the Chancellor's Office data had a reported value for parent education in 2017–2018. Those figures are relatively stable even five years back from 2017–2018, when there were 32 percent of cases with a reported value for parent education.

⁵⁰ For more on defining first-generation students, see <https://firstgen.naspa.org/blog/defining-first-generation>.

Table 1. First-generation students in California community colleges, under multiple definitions

Year	% of students with parent education reported	Total number of students with parent education reported	Students with parents with some college but not an associate degree	Students with parents with some college but not a bachelor's degree
2013–2014	32%	670,990	59%	68%
2014–2015	42%	893,243	60%	69%
2015–2016	54%	1,146,495	60%	70%
2016–2017	61%	1,305,194	60%	70%
2017–2018	65%	1,412,464	59%	69%
<i>Note: Students are included in this inquiry, and all annual inquiries within this report, if they meet the full-term reporting criteria as defined by the CCC Chancellor's Office (CCCCO) in at least one academic term during the academic year. This count includes unduplicated students with a head-count status of A, B, C, and F as designated by the CCCCCO. Total students under this restriction match those presented within the Annual Student Count in CCCCCO's DataMart, although those counts are duplicated within institutions. For more information, see https://datamart.cccco.edu/Students/Student_Term_Annual_Count.aspx.</i>				

Among students in the CCC system for whom parental education is reported, first-generation students (defined as neither parent having earned a bachelor's degree) are predominantly Hispanic/Latinx (59 percent). Nearly 21 percent of first-generation students are White, and about 11 percent are Asian (see Table 2 for the full breakdown by race/ethnicity).

Table 2. First-generation students in California community colleges, by race/ethnicity

	Total unduplicated CCC full-term reporting head count	Students with parents with some college but not an associate degree	Students with parents with some college but not a bachelor's degree
African American	6.0%	5.2%	5.4%
Asian	14.5%	11.1%	11.3%
Hispanic/Latinx	47.5%	59.1%	56.2%
Native American	0.4%	0.5%	0.6%
Native Hawaiian/ Pacific Islander	0.4%	0.5%	0.5%
Two or More Races/Ethnicities	3.9%	3.0%	3.4%
White	27.2%	20.6%	22.6%
<i>Note: Includes unduplicated students who met the full-term reporting criteria in at least one of the terms during the 2017–2018 academic year and have reported values for parent education and student race/ethnicity.</i>			

The Chancellor's Office data also indicate some overlap between first-generation and low-income students (see Table 3),⁵¹ with first-generation students more likely to be low-income (as defined by Pell Grant or College Promise Grant recipient status).⁵²

Table 3. Overlap between low-income CCC students and parent education level

Year	Percentage of total students with parent education reported	Total number of students with parent education reported	Total percentage of students with parents with some college but not an associate degree	Within low-income students, parents with some college but not an associate degree	Total percentage of students with parents with some college but not a bachelor's degree	Within low-income students, students with parents with some college but not a bachelor's degree
2013–2014	32%	670,990	59%	70%	68%	79%
2014–2015	42%	893,243	60%	70%	69%	79%
2015–2016	54%	1,146,495	60%	70%	70%	80%
2016–2017	61%	1,305,194	60%	71%	70%	80%
2017–2018	65%	1,412,464	59%	70%	69%	80%

Note: Includes unduplicated students who met the full-term reporting criteria in at least one of the terms during the 2017–2018 academic year and have reported values for parent education. Level of parents' education is not collected uniformly across California community colleges, but has been collected more commonly in recent years. Only 32 percent of students in the Chancellor's Office data had a reported value for parent education in 2013–2014, in comparison to 65 percent in 2017–2018. Figures from 2017–2018 should be considered most accurate, but are not perfectly representative of the entire population.

Inclusion of First-Generation Status in Funding Formulas in Other States

Relatively few states currently incorporate first-generation status into their higher education funding formulas. Two that do so are Virginia and Ohio. The Virginia Community Colleges system defines first-generation as neither parent having attended college.⁵³ Ohio, which only incorporates this factor into its funding formula for four-year institutions,⁵⁴ uses the more expansive definition, defining a first-generation student as one for whom neither parent has

⁵¹ For information on the importance of considering intersectionality, see Whitley, S. E., Benson, G., & Wesaw, A. (2018). *First-generation student success: A landscape analysis of programs and services at four-year institutions*. Washington, DC: Center for First-generation Student Success, NASPA–Student Affairs Administrators in Higher Education, and Entangled Solutions.

⁵² https://www.mtsac.edu/president/cabinet-notes/2017-18/Chancellors_Recommendations-on-Funding-Formula_050718.pdf

⁵³ <https://www.nvcc.edu/oir/files/39-18FirstGenerationStudentsatNOVAFINALWEB.pdf>

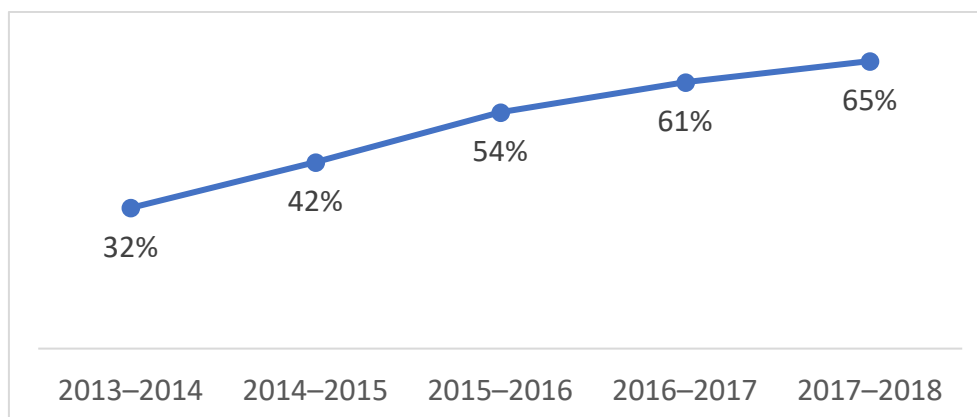
⁵⁴ https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/financial/FY2018_SSIHandbookUniversity.pdf

completed a bachelor's degree.⁵⁵ Ohio's funding formula includes first-generation as one of several "at-risk" factors, with additional weighting given for progress and degree completion for students with "at-risk" factors. Virginia's funding formula similarly includes a weight for award completions by "underserved populations," which include first-generation students. Ohio's funding formula uses duplicated counts (e.g., a student who is both low-income and first-generation would generate funding for both statuses), while Virginia uses unduplicated counts (e.g., a student who is both low-income and first-generation would generate only one additional funding weight).

Data Collection on First-Generation Status

In the past, data on first-generation status have not been consistently collected across all 115 CCC campuses. The most commonly used method to identify first-generation students in the CCC system is to ask on the application form, CCCApply, for the highest level of schooling completed by an applicant's parents. According to the Chancellor's Office, only 65 percent of students reported their parents' education level in the 2017–2018 year. Notably, the percentage of students reporting their parents' education level has increased considerably over the last few years, up from just 32 percent in 2013–2014 (Figure 1).⁵⁶

Figure 1. Percentage of California community college students with parental education reported



Note: Includes unduplicated students who met the full-term reporting criteria in at least one of the terms during the 2017–2018 academic year and have reported values for parent education.

The Chancellor's Office recently made changes to reporting requirements for parent/guardian education levels, and expects that data on this subject for all students will be available by August 2020. According to the Chancellor's Office:⁵⁷

⁵⁵ Ohio's Department of Higher Education handbook states: "This is determined by using the student's first FAFSA [Free Application for Federal Student Aid] application based on the highest grade level of the parents being High School or less." For the FAFSA, parents who have attended college but have not completed a bachelor's degree are required to mark "High School" as their highest level completed.

⁵⁶ Includes unduplicated students who met the full-term reporting criteria in at least one of the terms during the 2017–2018 academic year and have reported values for parent education.

⁵⁷ Personal communication, October 22, 2019.

The student parent/guardian education level data element was added to Management Information System (MIS) special population reporting as a mandatory element (SG09) beginning with the 2012-2013 reporting year. Despite documentation and guidance from the Chancellor's Office, some districts misinterpreted the reporting domain for the special populations file and only included student parent/guardian education level data for students who were included in another special population.

In an effort to clarify the reporting requirements and improve the volume of data collected for student parent/guardian education level, the element was moved to MIS student characteristics reporting as a mandatory element (SB33) beginning with the 2017–2018 reporting year. Districts are responsible for reporting this data through the MIS data submission process for all students who meet the student characteristic reporting requirements each term. The student characteristic reporting requirements include all students who are reported in enrollment, student services, or financial aid reporting for the term. Districts are responsible for collecting this data through CCCApply, where it is self-reported by the student applicants, or other data collection methods. For the 2018–2019 academic year, all districts reported at least some students with known parent/guardian education levels. 62 districts reported known parent/guardian education levels for more than 50% of their student records and only San Diego and Feather River reported less than 1% of student characteristic records with a known education level for either parent/guardian.

Implementation Plan

Data Collection on First-Generation Status

Since data on parents' education level will be available starting in August 2020, these data can be used for calculating funding in the Supplemental Allocation for first-generation students.

Timing

The Oversight Committee recommended that first-generation status be included in the Supplemental Allocation beginning in the 2021–2022 fiscal year. The Oversight Committee was directed by statute to consider incorporation of first-generation status into the funding formula by “no later than the 2022–2023 fiscal year.” The Oversight Committee recommended inclusion of first-generation status in the 2021–2022 fiscal year, to allow time, after the data become available in August 2020, for college districts to understand and plan for the addition of first-generation status in the funding formula.

Unduplicated Count

The Oversight Committee recommended the use of an unduplicated count to calculate the Supplemental Allocation for first-generation students and low-income students. Currently, a

duplicated count is used for low-income students, based on three possible metrics for identifying low-income students: students who received federal Pell Grants, students who received the state's College Promise Grant fee waivers, and undocumented students who qualified for resident tuition rates (AB 540). Under this definition, a student can qualify for up to two points under the low-income definition: one point for the College Promise Grant fee waiver and one point for either Pell Grant receipt or AB 540, because AB 540 students do not qualify for federal Pell Grants.⁵⁸ Table 4 outlines the options that were presented to the Oversight Committee for a recommendation on whether to include first-generation students as duplicated or unduplicated counts.⁵⁹

Table 4. Scenarios based on a duplicated or unduplicated count

	Duplicated count for low-income and first-generation	Unduplicated count for low-income and first-generation
Description	A student generates points in both categories if they are first-generation and low-income (i.e., they would qualify for points separately for each metric).	A student generates 1 point if the student is first-generation but not already counted as low-income.
Points per metric	1 point for each first-generation student plus 1 point for each low-income metric (2 total possible points). AB 540 is counted separately.	A first-generation student is eligible for up to 2 points if the student is low-income (based on receipt of College Promise and/or Pell Grant) or 1 point if not low-income. AB 540 is counted separately.
Total possible points	3	2
Change to student population supported by Supplemental Allocation	Approx. 1.6 million students (69% of total population) generate an additional point per student for their college district.	Approx. 700,000 students (30% of total population) who are not low-income but who are first-generation generate an additional point per student for their college district.
Approximate change to point value	This changes the estimated funding per point from \$919 to \$441.63.	This changes the estimated funding per point from \$919 to \$625.19.

The committee voted 6 to 4 in support of an unduplicated count based on the 39 percent overlap between low-income and first-generation students. Members who spoke in support of an

⁵⁸ There may be a limited number of exceptions to how these points are allotted, but specific numbers are not possible to determine, because AB 540 data are reported at the college district level, whereas Pell Grant and College Promise receipts are reported at the student level.

⁵⁹ For the sake of simplicity, these scenarios assume that a single point will be assigned for each first-generation student in the Supplemental Allocation.

unduplicated count expressed concern that a duplicated count would expand the number of points in the system overall and dilute the per-student allocation for low-income students. The dissenting voters on this recommendation noted that a student who is both low-income and first-generation likely faces additional challenges to academic achievement, in comparison to a student who is either low-income or first-generation, but not both.

One Point per First-Generation Student

The Oversight Committee also recommended that a first-generation student is counted as one point in the Supplemental Allocation. The committee did consider the possibility of counting a first-generation student as more than or less than one point. After discussing the implications of the various options, the vote on this recommendation was unanimous, with the rationale that additional supports for first-generation students should be valued at the same level as those for low-income students.

Inclusion in the Success Allocation

Although the Oversight Committee's charge was to determine whether or not to include first-generation students in the Supplemental Allocation, the committee recommended the inclusion of first-generation status in the Success Allocation as an unduplicated count with low-income students. Eight members voted in favor of the motion, expressing support for providing college districts with additional funding when first-generation students achieve the outcomes outlined in the Success Allocation.

Low-Income Student Definition and Adjustment for Cost of Living

Oversight Committee Charge

The second element of the Oversight Committee's charge for Priority Area One was to review and make recommendations on "the definition of a low-income student and whether to adjust the point system to better reflect low-income students in regions of the state with a high cost of living"⁶⁰ in the Supplemental Allocation of the SCFF.

The Oversight Committee defined this charge in two parts. First, the Oversight Committee reviewed the current definition of low-income⁶¹ used for the SCFF, including the metrics that are currently used to identify students as low-income. Second, the Oversight Committee reviewed various options for adjusting the definition of low-income students by region,⁶² to account for the fact that students in regions of the state with high costs of living experience financial strain despite having incomes that are above the current low-income definition.

⁶⁰ <https://www.scffoversightcommittee.org/>

⁶¹ Section 84750.4(e).

⁶² Section 84750.41(b)(7)(A).

Rationale for This Priority

The Oversight Committee understands the inclusion of this component as an attempt to ensure that the definition of low-income in the SCFF directs additional resources to those students who face the greatest barriers to success in the system. Accordingly, the principle of equity was central to the committee's review and recommendation on whether to adjust the definition of low-income used in the SCFF and whether to adapt it to account for differences in the cost of living in the region. The central consideration for the Oversight Committee was to ensure that the definition is inclusive enough to accurately represent the low-income status of students in a district.

Inclusion of cost of living as a consideration for the Oversight Committee may be a response to concern from some community college leaders that students in their districts have financial need because they live in a high-cost area but do not qualify as low-income. Despite these students' needs, the college districts do not receive funding to provide additional support services for those students through the Supplemental Allocation.

Recommendation

After much deliberation, the Oversight Committee voted, on November 7, 2019, to recommend further research on the Supplemental Allocation before additional changes are made to the funding formula, and to extend the Hold Harmless provision until 2022–2023.

Rationale for the Oversight Committee's Recommendation

The Oversight Committee was divided on the issue of whether to adjust the current definition of low-income in the SCFF relative to cost of living. At the November 7, 2019, Oversight Committee meeting, six members voted in favor of excluding cost of living from the Supplemental Allocation, and six members voted to include cost of living in the Supplemental Allocation. In fact, despite repeated votes on this issue between late August and early November 2019, the Oversight Committee was not able to come to agreement on whether or not to incorporate cost of living in the definition of a low-income student. Those members in favor of inclusion of an adjustment in the low-income definition based on cost of living expressed concern that students in some districts do not qualify as low-income even though they face financial hardship, and that, without supplemental funding, college districts may have to cut support programs for these students due to a permanent loss of funding. The members who did not support inclusion of a cost of living adjustment in the low-income definition expressed concern that such a change would reallocate funding from college districts serving more students with the greatest needs to college districts in higher-cost areas and serving smaller populations of low-income students. The mechanism to support students facing financial hardship is primarily through state and federal financial aid. Oversight Committee members acknowledged and accepted that they could not come to agreement on this issue.

Many Oversight Committee members acknowledged the need to stabilize the funding formula and avoid major shifts in funding while districts are still adjusting to the new formula. All members also acknowledged, regardless of their position on this issue, that the issue is complex. The committee received extensive public comment both for and against inclusion of cost of living in the funding formula, indicating strong public sentiment about this issue.

The Oversight Committee recommended extending the Hold Harmless provision to avoid severe financial strains that the new funding formula would place on some colleges. The Hold Harmless provision is intended to insulate college districts from sudden reductions in funding due to the SCFF. There is also a need to examine whether or not SCFF is the reason for reductions in these college districts' apportionment funding, or whether these reductions are due to other factors. Currently, the Hold Harmless provision extends through 2021–2022. The committee believes that an additional year of Hold Harmless would provide more time for studying the impact of current funding formula changes on college budgets and outcomes, and would allow colleges to create multiyear budget projections.

Changing the Current Definition of Low-Income

As described earlier in this report, the Supplemental Allocation of the SCFF focuses on supporting equity by allocating additional funding based on the number of low-income students in each district. Students are currently defined as low-income under the SCFF if they receive a Pell Grant, a College Promise Grant, and/or an AB 540 waiver for the payment of nonresident tuition.⁶³ If a student falls into more than one of these categories, the district receives additional funding per student (one point per category, \$919 per point under the Supplemental Allocation,⁶⁴ and \$111 per point under the Success Allocation⁶⁵).

The data source for the counts of Pell Grant recipients and College Promise Grant recipients is the Management Information System Data Mart of the Chancellor's Office. The data source for the AB 540 students is the 320 Attendance Reports of the Chancellor's Office.

Nearly every state using low income as a funding factor refers to Pell Grant eligibility or receipt as its definition and data source. California's definition is broader, because it also includes College Promise Grants and AB 540. Nevertheless, the Oversight Committee settled on two central ideas in its discussion about whether or not to change the current definition of low-income in the SCFF.

Oversight Committee members agreed on the importance of using Pell Grant receipt to define students' low-income status, as doing so incentivizes colleges to encourage students to fill out the Free Application for Federal Student Aid (FAFSA). Not accessing financial aid may have a negative impact on students' persistence and success in college. Research suggests that need-

⁶³ The majority of AB 540 students are undocumented students who have attended high school in California but are ineligible for a Pell Grant because of their immigration status. Under AB 540, students are exempted from having to pay tuition at the higher, nonresident rate for community colleges and universities in California. Source: https://extranet.cccco.edu/Portals/1/Legal/Advisories/AB_540_Flyer.pdf

⁶⁴ Section 84750.4(e)(1).

⁶⁵ Section 84750.4(f)(2).

based aid increases enrollment and completion for low- and moderate-income students.⁶⁶ An April 2018 research report from Wheelhouse, the Center for Community College Leadership and Research, found that “Pell Grant take-up rates vary widely across campuses statewide, even after controlling for student and campus characteristics, suggesting a crucial role for campus-level policies and practices.”⁶⁷

Despite agreement on the value of incentivizing Pell Grant applications, committee members acknowledged challenges with the Pell Grant system that result in some students not receiving the grant despite being eligible. For example, Wheelhouse research found that some students fail to complete what can be a complex verification process after completing the FAFSA, and therefore, these students do not receive financial aid, despite being eligible. The study also found that more than 20 percent of CCC students who complete the FAFSA and appear to be eligible for aid do not receive Pell Grants.⁶⁸ National research similarly indicates that many eligible students ultimately do not receive Pell Grants, and that barriers to financial aid receipt remain even after students successfully complete the FAFSA.⁶⁹

Further complicating the use of Pell Grant receipt, versus eligibility, in the low-income definition is the fact that some students may opt not to accept Pell Grants in community college even though they are eligible. One reason may be that the application for California’s College Promise Grant (formerly known as the BOG Fee Waiver), which waives low-income students’ tuition fees, is simpler to complete than the FAFSA. Some students may not realize that with the College Promise Grant covering their tuition, the Pell Grant can still be used to pay for textbooks and living expenses, which can reduce their need to work and thus allow them to focus more on their studies and take more courses at a time.

In addition, because of the six-year lifetime limit on Pell Grants, eligible students may choose to wait to receive the grants until they transition to a four-year institution and/or know how long it will take to achieve their degrees. According to the 2018 Wheelhouse report:

[S]ome eligible students might be counseled to decline their current Pell award because they are entitled to no more than six years of federal aid. If they (or others) think their higher education path may take longer than six years, they may opt to save aid for a time when it could have higher value to them, helping cover higher tuition and expenses if they eventually transfer to a four-year university. However, given now low rates of completion and/or transfer among CCC students, for many this strategy may not pay off in the long run. It is important to note that we are not aware of any research in California that has quantified this problem. However, given CCC students’ low completion and/or transfer rates, for many students, this strategy does not pay off.⁷⁰

⁶⁶ <http://www.nber.org/papers/w19306.pdf>; <http://www.wiche.edu/info/publications/InformingPublicPolicy.pdf>

⁶⁷ https://education.ucdavis.edu/sites/main/files/ucdavis_wheelhouse_research_brief_vol3no3_online_1.pdf

⁶⁸ https://education.ucdavis.edu/sites/main/files/ucdavis_wheelhouse_research_brief_vol4no2_final_online_0.pdf

⁶⁹ <https://www.brookings.edu/research/the-pell-grant-proxy-a-ubiquitous-but-flawed-measure-of-low-income-student-enrollment/>

⁷⁰ Ibid. (p. 6).

A survey of CCC financial aid administrators indicates that “Financial aid offices sometimes counsel students to decline their Pell Grants, even when they have 5 or more years of aid eligibility remaining.”⁷¹ Some students may not be aware that part-time enrollment does not count as a full year of Pell Grant funding, and that Pell Grants can be used only for undergraduate education or certain postbaccalaureate programs that lead to teacher certification or licensure.⁷² Given this research, the Oversight Committee determined that Pell Grant receipt, not just eligibility, should continue to be used as a metric for low-income status in order to incentivize college districts to encourage and support students in becoming Pell Grant recipients.

Another policy option to ensure that the SCFF provides funding to support students with the greatest need is to consider adding a requirement that supplemental dollars be spent on low-income students. This is a requirement under the K–12 funding system in California, the Local Control Funding Formula (LCFF). Currently, college districts are required to report their progress toward the *Vision for Success*, but do not need to account for how the Supplemental Allocation is used specifically to support low-income students. One Oversight Committee member expressed support for a requirement that supplemental dollars be spent on low-income students, but the idea was not taken up for debate by the committee.

Defining Low-Income Based on Cost of Living

Currently, the SCFF does not consider differences in regional costs of living. However, differences in regional cost of living are being discussed as part of student aid reform efforts.⁷³ Other states have included regional cost of living considerations in determining base funding levels for community colleges, usually justified by the higher cost of “doing business” (e.g., staff salaries) for those colleges. There is currently no precedent for the inclusion of a cost of living consideration in defining low-income status within a funding formula. A preliminary review of online sources suggests that difference in cost of living is not a consideration in funding for institutions in the UC system or the CSU system.

WestEd staff conducted a number of analyses to model different options, or scenarios, for the Oversight Committee, based on its members’ suggestions for adjusting the definition of low-income based on cost of living. These scenarios include adding metrics to the current definition to make it more expansive (Scenarios 1–3), as well as a scaled or tiered adjustment to the points assigned to students currently defined as low-income (Scenarios 4 and 5). All five of these scenarios are included in Appendix C.

The data models for these scenarios resulted in the redistribution of the Supplemental Allocation from college districts in lower-cost regions to those in higher-cost regions. The extent of this redistribution varied by scenario, with some scenarios predicting large shifts — up to 7 percent of funding — and others predicting more modest shifts, such as 2 percent. Members who supported the inclusion of an adjustment to the low-income definition favored Scenario 3, in which the Perkins definition of economically disadvantaged was added as a measure of low-

⁷¹ https://education.ucdavis.edu/sites/main/files/ucdavis_wheelhouse_research_brief_vol4no2_final_online_0.pdf

⁷² <https://www2.ed.gov/programs/fpg/index.html>

⁷³ For example, see <https://tcf.org/content/commentary/creating-fair-formula-allocating-financial-aid-cost-living-etc/>.

income, and Scenario 4, which includes tiered adjustments to supplemental funding for low-income students, based on county-level cost of living. Both of these scenarios include more modest redistribution of funding to college districts in areas with high costs of living. However, as previously noted, half of the Oversight Committee recommended that no change should be made to the current low-income definition, based on a belief that any cost of living consideration would undermine the SCFF commitment to equity by redistributing funds away from institutions serving the highest-need students. In addition, several members raised the important role of state and federal financial aid in supporting students with the full cost of college.

Table 5 groups the states' counties based on their costs of living as indicated by the California Budget and Policy Center's estimated budget of a single individual household in each county.⁷⁴ If more students were defined as low-income in the areas of the state categorized as having the highest cost of living, then additional dollars would be directed to college districts in those areas and away from college districts in areas with lower costs of living. Exact details of the distribution would depend on the cost of living measure used and the number of students in those counties' community colleges who qualify as low-income. Ultimately, the committee could not come to agreement on a recommendation on whether to include or exclude consideration of regional cost of living in the low-income definition.

Table 5. Groupings of California counties by highest, medium, and lowest cost of living

Highest	Medium	Lowest
Alameda	Amador	Alpine
Contra Costa	Del Norte	Butte
Los Angeles	El Dorado	Calaveras
Marin	Fresno	Colusa
Monterey	Humboldt	Glenn
Napa	Inyo	Imperial
Orange	Madera	Kern
Riverside	Mendocino	Kings
San Benito	Mono	Lake
San Diego	Nevada	Lassen
San Francisco	Placer	Mariposa
San Luis Obispo	Sacramento	Merced
San Mateo	San Bernardino	Modoc
Santa Barbara	San Joaquin	Plumas
Santa Clara	Sierra	Shasta
Santa Cruz	Stanislaus	Siskiyou
Solano	Sutter	Tehama
Sonoma	Tulare	Trinity
Ventura	Tuolumne	
Yolo	Yuba	

⁷⁴ Any number of figures could be used to make this comparison, and more detailed indices will provide a more specific picture of cost of living differences. This table illustrates the general differences across the state based on only one measure: average expenses for a single individual household. Data for the table are from the California Budget and Policy Center: <https://calbudgetcenter.org/resources/making-ends-meet-much-cost-support-family-california/>.

Implementation Plan

The committee recommended that a study of the Supplemental Allocation commence during the 2020–2021 fiscal year, before the expiration of the recommended Hold Harmless extension in 2022–2023. The purpose of the study is, at a minimum, to assess the impacts of the SCFF and the Supplemental Allocation on colleges, low-income students, student success, and racial equity gaps. The Oversight Committee suggested that this study could be used to inform any future adjustments to the funding formula.

Students’ Incoming Academic Proficiency

Oversight Committee Charge

The third component of the Oversight Committee’s charge for Priority Area One was to review and make recommendations to the Legislature and the Department of Finance on whether the SCFF Supplemental Allocation should include “incoming students’ level of academic proficiency — which may include, but is not limited to, measures such as performance on a nationally recognized high school assessment, high school coursework, high school grades or grade point average, or achievement of a high school diploma” — and on a proposed implementation plan for any such inclusion.⁷⁵

Rationale for This Priority

Currently, college districts do not receive additional funding based on students’ incoming level of academic proficiency as part of the Supplemental Allocation. As the Legislature was debating the funding formula policy, some stakeholders raised the concern that more resources are required to support students who enter college with low academic proficiency, compared to the resources needed for their more proficient peers. Nationally, 52 percent of students entering two-year colleges are placed in remedial classes. With a focus on racial equity, legislative staff were also concerned about the demographics of students entering community college with low academic proficiency — in particular, whether these students are disproportionately students of color. The rates of students entering two-year colleges in remedial classes are significantly higher for students of color (68 percent for African American students; 58 percent for Hispanic/Latinx students) and for low-income students (65 percent). These students tend to have low completion rates, with only 62 percent completing their remedial coursework, 22 percent completing transfer-level math and English courses, and 10 percent graduating from community college within three years.⁷⁶ The annual cost of remediation in community colleges is estimated to be \$4 billion per year.⁷⁷ Given the need to improve outcomes for students who enter college with low academic proficiency, the Legislature asked that the Oversight Committee consider

⁷⁵ Education Code 84750.41(c).

⁷⁶ https://www.insidehighered.com/sites/default/server_files/files/CCA%20Remediation%20ES%20FINAL.pdf

⁷⁷ Scott-Clayton, J., & Rodriguez, O. (2012, August). *Development, discouragement, or diversion? New evidence on the effects of college remediation* [NBER Working paper no. 18328]. National Bureau of Economic Research.

whether additional resources should be directed to students with low incoming academic proficiency, through the Supplemental Allocation.

While the Oversight Committee was considering the inclusion of students' incoming academic proficiency in the funding formula, college districts began implementing AB 705, which took effect on January 1, 2018, and requires all community colleges to be in compliance by fall 2019.⁷⁸ The bill requires that a community college district or college maximize the probability that a student will enter and complete transfer-level coursework in English and math within a one-year time frame and “use, in the placement of students into English and math courses, one or more of the following: high school coursework, high school grades, and high school grade point average.”⁷⁹ This legislation results from a growing body of research showing that standardized tests — which were frequently used for course placement — underestimate students' ability to succeed in college-level courses and result in their misplacement in remedial or basic coursework.⁸⁰ Both the Legislature and the Chancellor's Office cautioned that any policy recommendations from the Oversight Committee regarding students' incoming academic proficiency should be mindful of possible conflicting incentives with AB 705. In other words, they want to ensure that the AB 705 intention — to maximize students' access to, and progress through, transfer-level courses — is not counteracted by any financial incentive to identify students entering college with low academic proficiency. This component of the Oversight Committee's work, in addition to a focus on increasing equity in student outcomes, aligns with the CCC's *Vision for Success*.

Recommendation

The Oversight Committee voted, at its September 4, 2019, meeting, to approve the following recommendations regarding inclusion of students' incoming academic proficiency in the Supplemental Allocation of the SCFF:

- While the Oversight Committee considers students' incoming academic proficiency an important issue, the Oversight Committee recommends that it not be included in the Supplemental Allocation of the SCFF at this time.
- The Oversight Committee further recommends that the issue of students' incoming academic proficiency be reconsidered when there are consistent and reliable data to model the impact of including this factor in the SCFF, and when there is additional funding to support colleges' services for students with low academic proficiency.

Rationale for the Oversight Committee's Recommendation

In making its recommendation, the Oversight Committee noted that students' low-income status is already funded through the SCFF Supplemental Allocation. Both the Multiple Measures

⁷⁸ <https://assessment.cccco.edu/ab-705-implementation>

⁷⁹ Ibid.

⁸⁰ Bahr, P. R., Fagioli, L. P., Hetts, J., Hayward, C., Willett, T., Lamoree, D., Newell, M. A., Sorey, K., & Baker, R. B. (2019). Improving placement accuracy in California's Community Colleges using multiple measures of high school achievement. *Community College Review*, 47(2), 178–211.

Assessment Project (MMAP)⁸¹ and WestEd research have found a considerable overlap between low-academic-proficiency students and low-income students. MMAP data indicate that participation in financial aid and Extended Opportunity Programs and Services is greater for community college students who were in the lower performance bands in high school. WestEd's analysis of data from the Chancellor's Office similarly demonstrates that low-income students tend to be enrolled in at least one remedial or basic course. For lack of a stronger measure, enrollment in these courses was used as a proxy for determining the number of students entering with low academic proficiency. Given the overlap between low-income students and students entering with low academic proficiency, the Oversight Committee believes that low academic proficiency is already taken into consideration to some degree in the Supplemental Allocation.

Multiple studies have found that high school grade point average (GPA) is the best measure of students' incoming academic proficiency.⁸² However, high school GPA data are not currently available for all community college students statewide. The Oversight Committee recommends that the Legislature and the Department of Finance not reconsider this component (incoming low academic proficiency) until statewide student-level data on incoming students' high school GPA are available. Consistent and reliable statewide data on incoming students' GPA will allow policymakers to make well-informed decisions that take into account both intended and unintended consequences of the inclusion of students' incoming academic proficiency in the funding formula for the community college districts and their students.

The recent state budget allocation for planning to create a "cradle-to-career" data sharing system offers an opportunity for the comprehensive data collection that is needed to inform policy. Specifically, this system is expected to include data about community college students' incoming academic proficiency, which can be disaggregated by student characteristics. This longitudinal data system may allow for more accurate analyses of the demographic profiles of students entering college with low academic proficiency, based on high school GPA. In addition, the data system will allow policymakers to model how providing additional funding on the basis of students' incoming academic proficiency would shift resources between college districts.⁸³

The Oversight Committee believes that, if more funding were available, in combination with GPA data for all students, the additional costs of educating students who enter college with low levels of academic proficiency would warrant consideration for inclusion in the funding formula. However, in order to promote stability in funding for the CCC system, the Oversight Committee

⁸¹ MMAP is a collaborative effort led by the RP Group and Educational Results Partnerships' Cal-PASS Plus system. It engaged with more than 90 pilot colleges statewide to implement multiple-measures assessment using high school performance to maximize student performance in college courses. For more information, see <https://rpgroup.org/Portals/0/Documents/Archive/Multiple-Measures-Assessment-Project-Spring-2015-Status-Report.pdf>.

⁸² For example, see <https://edpolicyinca.org/publications/predicting-college-success-how-do-different-high-school-assessments-measure-2019/>; <http://www.aei.org/spotlight/what-matters-most-for-college-completion/>; and <https://rpgroup.org/Portals/0/Documents/Archive/Multiple-Measures-Assessment-Project-Spring-2015-Status-Report.pdf>.

⁸³ For more information and support for the creation of a cradle-to-career data system in California, see <https://www.ppic.org/blog/interview-filling-the-gaps-in-californias-education-data/>; <https://edsources.org/2019/california-finally-to-move-ahead-with-cradle-to-career-data-system/614220/>; and <https://edsources.org/2019/lack-of-effective-state-education-data-system-holds-students-back/610683/>.

does not recommend including students' incoming academic proficiency in the Supplemental Allocation if it would result in large shifts in funding between college districts.

Measuring Students' Incoming Academic Proficiency

As noted previously, high school GPA has been found to be the best predictor of student progress in college. For example, when investigating how well high school GPA, Smarter Balanced Assessment (SBAC) scores, and SAT scores predicted the first-year college GPA and second-year persistence of CSU students, GPA was found to be the greatest predictor. This finding was consistent across all racial/ethnic groups, for low-income students, and across high schools of varying quality. Moreover, when predicting the top of the UC applicant pool, using high school GPA results in a much higher representation of low-income and underrepresented minority students, compared to using SAT or SBAC scores.⁸⁴ Another study similarly found that GPA is more predictive of success in four-year colleges than are the SAT and the ACT.⁸⁵ Research from the MMAP Research Team and REL Northwest⁸⁶ also suggests that GPA is a better predictor of college success in two-year colleges than standardized tests are.

The Oversight Committee asked how, if GPA were to be used to define students' incoming academic proficiency level, the academic proficiency of students over age 25, who make up about 40 percent of the community college population,⁸⁷ would be identified, given that these students have likely been out of high school for many years. According to the MMAP Research Team, high school GPA is still the most valid measure of academic proficiency, even for older students.⁸⁸

Demographic Characteristics of Students with Low Incoming Academic Proficiency

The Oversight Committee requested demographic information for students within the “third band” of the MMAP analysis — i.e., the lowest level of academic proficiency, as measured by high school GPA (see Appendix D). The third band consists of students entering community college with a high school GPA of 1.9 or lower, whereas the highest level, or the “first band,” consists of those with a GPA of 2.6 or higher. The committee was specifically interested in the proportion of low-income students and students of color included in the third band, to understand how the inclusion of students' incoming academic proficiency in the Supplemental Allocation would support the equity goals of the funding formula.

Analyses conducted by MMAP indicate that community college students in the third band were more likely to be Hispanic/Latinx (56 percent of third-band students, versus 36 percent of first-band students) and African American (11 percent, versus 3 percent) and less likely to be Asian

⁸⁴ <https://edpolicyinca.org/publications/predicting-college-success-how-do-different-high-school-assessments-measure-2019>

⁸⁵ <http://www.aei.org/spotlight/what-matters-most-for-college-completion/>

⁸⁶ https://ies.ed.gov/ncee/edlabs/regions/northwest/pdf/REL_2017250.pdf

⁸⁷ <https://foundationccc.org/About-Us/About-the-Colleges/Facts-and-Figures>

⁸⁸ Personal communication with MMAP Research Team, June 20, 2019.

(5 percent, versus 12 percent) or White (16 percent, versus 34 percent). See Appendix D for a full description of race/ethnicity demographics within these bands of incoming GPA.

In addition to MMAP's analysis of data from a sample of California community colleges, WestEd research analyzed data from the California Community Colleges Chancellor's Office on the numbers of students enrolled in basic or remedial classes between 2013 and 2018.⁸⁹ Enrollment in these courses was used as a proxy for determining the number of students entering the CCC system with low academic proficiency. There are, however, some significant limitations to this proxy, including variation in how colleges place students, as well as the over-placement of students into basic/remedial classes associated with standardized tests often used by colleges in those years. In addition, colleges have different ways of coding and categorizing basic/remedial classes, which may have led to some lack of consistency in the data. Splitting basic/remedial courses by subject matter within these data was also not possible, so remedial mathematics and English language arts courses are grouped with courses such as English as a Second Language.

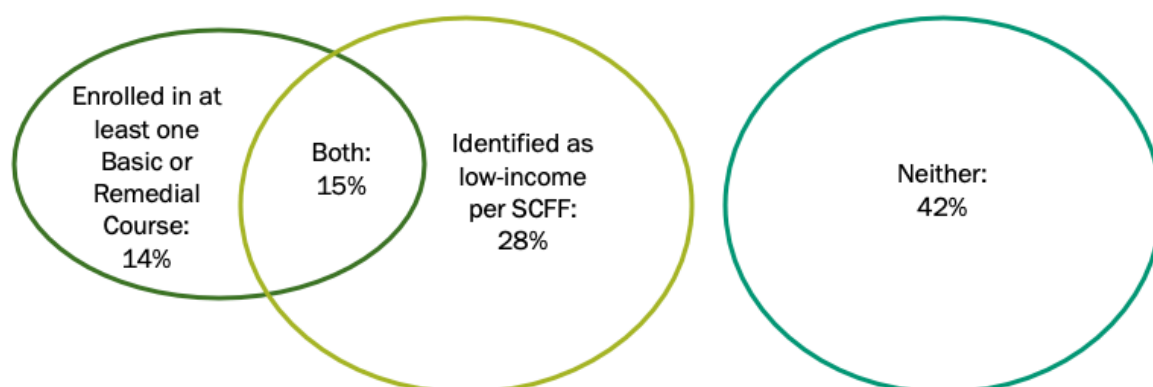
With those caveats, the analysis indicated that nearly 30 percent of students were enrolled in a basic/remedial course during the 2017–2018 school year. The analysis also showed that 52.0 percent of students in basic and remedial courses were low-income (by the current SCFF definition of low-income), compared to 43.6 percent of the entire population. These students are also more likely to be Hispanic/Latinx (56.2 percent, compared to 47.5 percent of the overall population), Asian (15.4 percent, versus 14.5 percent), or African American (6.3 percent, versus 6.0 percent), and less likely to be White (18.2 percent, versus 27.2 percent). Although this source of data provides a possible profile of students entering community college with low academic proficiency, it is not a reliable or consistent source for making predictions about the impact of different policy decisions.

A secondary analysis of all students indicates that there is an overlap between taking basic/remedial courses and qualifying as low-income. Fifteen percent of the total population is both low-income and enrolled in a basic or remedial course, while 42 percent of students fall into only one of the two categories (Figure 2).

⁸⁹ Includes unduplicated students who met the full-term reporting criteria in at least one of the terms during each 2017–2018 academic year.

Figure 2. Overlap of low-income students with low academic proficiency

Of full-term reporting students reported in the 2017–2018 year (n=2,156,554):



Note: Percentages are rounded to the nearest one percent. Low-income includes students who received a Cal Promise or Pell grant at some point in the year by SCFF standards. These figures do not include students who would also qualify under AB540 as those students can not be identified individually.

The committee recommends additional study of the relationship between race and academic proficiency in the next few years as college districts implement changes required by AB 705.

Potential Impacts of Inclusion of Students' Incoming Academic Proficiency in the SCFF

Without consistent and reliable statewide GPA data for California's community college students, it is impossible to enumerate the impact that including students' incoming academic proficiency in the SCFF would have on the distribution of funding across specific college districts. However, possible consequences, in broad brushstrokes, of including students' incoming academic proficiency might include the following:

- The finite amount of SCFF money would be divided across more categories, which would result in a lower per-factor funding amount for each targeted student group (low-income students, first-generation students, and students with low incoming academic proficiency).
- Greater attention and resources could be directed to the needs of students who enter college with low academic proficiency, including students of color.
- College districts could be incentivized to label students with low incoming academic proficiency in order to qualify for additional funding. Doing so could have adverse effects on course placement.
- Funding to college districts with larger populations of students with low academic proficiency could increase. These may or may not be the same college districts with higher numbers of low-income and first-generation students.

Currently, statewide data on students' incoming academic proficiency are not available to answer these questions for all districts. However, in addition to the development of an improved "cradle-to-career" data system, all of California's publicly funded higher education institutions will be required to use common student identifiers by fall 2020. Legislation also calls for the first phase

of the data system development to focus on linking K–12 and postsecondary data. This newly linked data system would allow for a more accurate analysis of the demographic profiles of students entering college with low academic proficiency based on high school GPA, and for simulations to predict how funding distribution across college districts would change if incoming academic proficiency were included in the funding formula.

Use of Students’ Incoming Academic Proficiency in Other States’ Funding Formulas

To understand how academic proficiency could be defined and measured for funding purposes, WestEd also researched the practices of other states. States have a variety of methods and standards for student placement, including high school performance indicators and standardized tests. WestEd identified five states that provide additional funding for students categorized as “underprepared” or needing remediation.⁹⁰ In all of these states, additional funding is provided through performance-based funding to community colleges, based on students’ demonstrating progress out of their remedial status. In the SCFF, adopting this funding approach would fall under the Success Allocation, potentially similar to the way in which the low-income designation triggers additional dollars for each success factor. However, current statute directs the Oversight Committee to consider whether to include students’ incoming academic proficiency only in the Supplemental Allocation — or the “equity” component of the SCFF.

Another consideration is that California colleges are required by AB 705 to dramatically limit the number of remedial placements, and instead place students into transfer-level courses with additional services or “co-curricular” supports. Some states provide additional funding to college districts when students transition out of remedial classes into college-level classes. If college districts are not using remedial classes, there would need to be different success factors in the SCFF tied to student progress.

Based on the studies and analyses described in this section, the Oversight Committee recommends that students’ incoming academic proficiency not be included in the Supplemental Allocation of the SCFF at this time.

Other Considerations: Fully Funding the SCFF

In addition to conveying its recommendations on the Priority Area One elements, the Oversight Committee believes it is important to emphasize the need to fully fund the SCFF. In the period since the SCFF was first implemented — as well as during the implementation of the prior

⁹⁰ The five states are Illinois, Indiana, Washington, Ohio, and Tennessee: https://www.iccb.org/iccb/wp-content/pdfs/performance_funding/FY17_PerformanceFunding_FAQ.pdf; <https://www.in.gov/cbe/files/2017-19%20Per%20Unit%20Values.pdf>; http://ohiocommunitycolleges.org/wp-content/uploads/2016/11/Performance-Based-Funding-Model_Overview-Institutional-Outcomes.pdf?x57939; https://www.tn.gov/content/dam/tn/thec/bureau/fiscal_admin/fiscal_pol/obff/2015-2020_Formula_Review_Website_101615.docx; <https://www.sbctc.edu/resources/documents/about/agency/initiatives-projects/student-achievement-initiative-sai3-criteria-and-coding-may-2018.pdf>.

funding system — college leaders have expressed concern about the overall level of funding for the CCC system. Furthermore, Oversight Committee members have heard from college leaders that, although the colleges have begun to implement new programs to support improved student outcomes (per the goal of the SCFF), the current level of funding from the state does not adequately support sustained implementation of these new programs.

Another key area of consideration for the Oversight Committee has been how to distribute funding in order to create the greatest benefit for disadvantaged students. Unfortunately, without a cost adequacy study to show how much funding is needed to adequately serve low-income students, even funding amounts such as the current Supplemental Allocation of \$919 per point are somewhat arbitrary. To answer the question “How much supplemental funding is required for a low-income student to be successful in community college?” the Oversight Committee recommends conducting a comprehensive study of the adequacy and equity of CCC’s current funding model. This study would include defining what constitutes “adequate” per-pupil funding, as well as research on the amount of funding necessary to ensure success for low-income students and other students facing barriers to success in the CCC system. Such a study would help establish a research base for decisions about how to weight any additional elements included in the SCFF.

Appendix A: Alignment to the *Vision for Success*

In the beginning of 2019, California Community Colleges (CCC) districts were required to adopt goals that are aligned with the CCC system's *Vision for Success*, along with comprehensive plans that align the goals with their annual budgets. The *Vision for Success* aims for the following goals to be achieved by 2022:

1. **Increase by at least 20 percent the number of CCC students annually who acquire associate degrees, credentials, certificates, or specific skill sets that prepare them for an in-demand job.**
2. **Increase by 35 percent the number of CCC students transferring annually to a UC or CSU.**
3. **Decrease the average number of units accumulated by CCC students earning associate degrees**, from approximately 87 total units (the most recent systemwide average) to 79 total units — the average among the quintile of colleges showing the strongest performance on this measure. (Associate degrees typically require 60 units.)
4. **Increase the percentage of exiting Career-Technical Education students who report being employed in their field of study**, from the most recent statewide average of 60 percent to an improved rate of 76 percent — the average among the quintile of colleges showing the strongest performance on this measure — and ensure the median earning gains of the exiting students are at least twice the statewide consumer price index.
5. **Reduce equity gaps across all of the above measures through faster improvements among traditionally underrepresented student groups**, with the goal of cutting achievement gaps by 40 percent within 5 years and fully closing those achievement gaps within 10 years.
6. **Reduce regional achievement gaps across all of the above measures through faster improvements among colleges located in regions with the lowest educational attainment of adults**, with the ultimate goal of fully closing regional achievement gaps within 10 years.

The SCFF was designed to support the goals of the *Vision for Success*, particularly through its inclusion of the Student Success Allocation and the Supplemental Allocation. The Student Success Allocation incentivizes and supports achievement of the student outcomes detailed in the *Vision for Success*, and both the Supplemental Allocation and Student Success Allocation offer additional funding based on the number of low-income students served, thereby providing districts with targeted resources to help close achievement gaps.

Appendix B: Supplemental Allocation by College

- Data in Table B-1 are reported for the 2018–2019 Second Principal Apportionment for Community College Districts.
- The proportion of supplemental funding received by community college districts ranges from 10 to 28 percent.
- Supplemental funding made up less than 20 percent of total funding for 37 community college districts (of the 72 community colleges reported). Thirty-five had supplemental funding of 20 percent or greater.

Table B-1. Supplemental Allocation by college, 2018–2019

Community College	Base Allocation (FTES + Basic Allocation)	Supplemental Allocation	Student Success Allocation	Student Centered Funding Formula (SCFF) Calculated Revenue	Proportion of Total Revenue That Is From Supplemental Allocation	African-American Student Enrollment (2018–2019)	Hispanic Student Enrollment (2018–2019)
Victor Valley CCD	\$39,249,376	\$17,465,595	\$5,386,811	\$62,101,782	28%	1,695 (10.3%)	9,352 (56.6%)
Antelope Valley CCD	\$47,349,815	\$20,626,036	\$8,166,053	\$76,141,904	27%	2,887 (15.4%)	10,480 (55.7%)
Cerritos CCD	\$67,969,927	\$27,940,357	\$12,301,363	\$108,211,647	26%	478 (1.5%)	21,557 (69.5%)
Imperial CCD	\$31,672,746	\$12,729,988	\$5,971,970	\$50,374,704	25%	150 (1.4%)	10,034 (91.6%)
Mt. San Jacinto CCD	\$50,832,524	\$19,564,591	\$8,466,192	\$78,863,307	25%	1,475 (6.3%)	10,930 (46.8%)
Barstow CCD	\$14,401,325	\$5,080,232	\$1,695,621	\$21,177,178	24%	703 (15.7%)	1,824 (40.7%)

Long Beach CCD	\$82,337,737	\$29,040,400	\$8,992,674	\$120,370,811	24%	3,901 (11.2%)	20,531 (58.7%)
State Center CCD	\$130,149,013	\$46,226,619	\$19,777,559	\$196,153,191	24%	2,645 (3.9%)	39,980 (59.1%)
Yosemite CCD	\$69,722,502	\$25,789,897	\$10,226,308	\$105,738,707	24%	960 (3.3%)	13,923 (47.6%)
Chaffey CCD	\$69,578,643	\$25,063,887	\$13,123,393	\$107,765,923	23%	2,427 (8.0%)	19,933 (65.3%)
Grossmont- Cuyamaca CCD	\$76,048,193	\$26,130,846	\$13,913,951	\$116,092,990	23%	2,299 (6.2%)	12,944 (34.9%)
Kern CCD	\$105,002,613	\$36,123,133	\$15,179,061	\$156,304,807	23%	2,247 (4.5%)	32,072 (64.0%)
San Bernardino CCD	\$66,092,275	\$22,221,420	\$9,451,100	\$97,764,795	23%	2,615 (9.2%)	17,404 (61.3%)
Sequoias CCD	\$46,028,411	\$15,358,328	\$6,718,828	\$68,105,567	23%	366 (2.2%)	11,164 (67.9%)
Shasta-Tehama- Trinity CCD	\$31,719,152	\$10,745,867	\$5,163,006	\$47,628,025	23%	218 (1.6%)	2,342 (17.6%)
Los Angeles CCD	\$437,080,390	\$141,295,331	\$64,993,160	\$643,368,881	22%	20,892 (9.2%)	131,264 (57.9%)
Los Rios CCD	\$213,155,340	\$70,988,155	\$31,953,396	\$316,096,891	22%	8,989 (8.3%)	29,247 (27.1%)
Riverside CCD	\$126,493,673	\$42,152,692	\$21,739,285	\$190,385,650	22%	4,992 (8.3%)	37,298 (61.6%)
San Joaquin Delta CCD	\$62,646,520	\$21,106,673	\$11,591,599	\$95,344,792	22%	1,901 (8.0%)	11,065 (46.7%)
Southwestern CCD	\$64,473,407	\$20,831,892	\$8,134,048	\$93,439,347	22%	1,560 (5.5%)	17,977 (63.5%)
Coast CCD	\$129,611,756	\$41,538,800	\$25,840,738	\$196,991,294	21%	2,228 (3.5%)	20,369 (32.2%)
Compton CCD	\$25,600,507	\$7,316,159	\$2,263,993	\$35,180,659	21%	2,676 (23.3%)	6,950 (60.6%)
Desert CCD	\$49,551,293	\$14,297,802	\$5,453,792	\$69,302,887	21%	406 (2.5%)	11,851 (73.8%)
El Camino CCD	\$81,591,458	\$24,508,811	\$12,906,482	\$119,006,751	21%	4,825	17,859

						(14.0%)	(51.8%)
Hartnell CCD	\$32,094,892	\$10,577,690	\$6,764,188	\$49,436,770	21%	472 (2.5%)	11,563 (62.3%)
Merced CCD	\$45,031,505	\$13,373,288	\$6,535,494	\$64,940,287	21%	472 (2.8%)	9,493 (56.6%)
Rio Hondo CCD	\$52,896,329	\$16,449,181	\$9,879,614	\$79,225,124	21%	634 (2.0%)	22,908 (72.5%)
San Jose- Evergreen CCD	\$52,721,871	\$15,747,065	\$6,964,550	\$75,433,486	21%	1,081 (3.7%)	11,491 (39.2%)
Santa Monica CCD	\$86,271,450	\$26,565,533	\$16,437,637	\$129,274,620	21%	3,418 (8.0%)	15,155 (35.5%)
Yuba CCD	\$38,048,232	\$11,296,348	\$5,212,489	\$54,557,069	21%	395 (2.6%)	6,309 (41.9%)
Butte-Glenn CCD	\$44,603,330	\$12,593,057	\$7,097,843	\$64,294,230	20%	343 (2.3%)	4,083 (27.2%)
Citrus CCD	\$49,970,436	\$15,171,771	\$12,448,375	\$77,590,582	20%	727 (3.7%)	12,442 (63.0%)
Copper Mountain CCD	\$10,608,026	\$2,849,819	\$964,729	\$14,422,574	20%	183 (6.9%)	988 (37.1%)
Pasadena Area CCD	\$98,976,395	\$28,460,511	\$18,005,953	\$145,442,859	20%	1,552 (3.8%)	18,942 (46.9%)
Peralta CCD	\$81,667,762	\$22,606,481	\$10,071,312	\$114,345,555	20%	9,943 (19.1%)	14,161 (27.2%)
West Hills CCD	\$32,108,568	\$8,877,540	\$4,180,425	\$45,166,533	20%	626 (4.6%)	8,858 (65.0%)
Allan Hancock Joint CCD	\$42,400,714	\$11,414,899	\$6,732,963	\$60,548,576	19%	321 (1.7%)	11,623 (61.1%)
Glendale CCD	\$64,616,509	\$16,747,856	\$6,179,110	\$87,543,475	19%	551 (2.2%)	6,881 (27.5%)
MiraCosta CCD	\$46,335,249	\$13,050,719	\$8,151,959	\$67,537,927	19%	704 (3.2%)	8,901 (40.1%)
Mt. San Antonio CCD	\$138,996,474	\$35,202,295	\$13,428,627	\$187,627,396	19%	1,856 (2.8%)	36,465 (54.8%)
North Orange County CCD	\$139,744,890	\$36,151,622	\$17,504,299	\$193,400,811	19%	2,043 (2.8%)	32,901 (45.0%)

Redwoods CCD	\$20,777,632	\$5,387,178	\$2,503,444	\$28,668,254	19%	228 (3.2%)	1,611 (22.6%)
Sierra Joint CCD	\$58,375,888	\$16,647,685	\$10,517,371	\$85,540,944	19%	746 (2.9%)	6,789 (26.2%)
Lassen CCD	\$13,067,447	\$3,142,980	\$959,103	\$17,169,530	18%	721 (16.2%)	1,521 (34.1%)
Mendocino-Lake CCD	\$17,157,628	\$4,013,273	\$1,699,785	\$22,870,686	18%	131 (2.0%)	2,460 (36.9%)
San Diego CCD	\$190,200,550	\$45,017,215	\$20,158,644	\$255,376,409	18%	7,703 (6.9%)	41,118 (36.7%)
Ventura County CCD	\$113,902,853	\$30,973,976	\$24,832,413	\$169,709,242	18%	1,015 (2.1%)	25,559 (52.4%)
Contra Costa CCD	\$114,697,772	\$27,359,549	\$18,951,177	\$161,008,498	17%	5,321 (10.1%)	17,728 (33.5%)
Lake Tahoe CCD	\$11,304,816	\$2,494,166	\$935,558	\$14,734,540	17%	331 (4.5%)	1,951 (26.3%)
Palo Verde CCD	\$14,472,380	\$3,266,126	\$1,038,519	\$18,777,025	17%	568 (9.6%)	2,235 (37.6%)
Palomar CCD	\$77,961,756	\$18,605,155	\$10,640,824	\$107,207,735	17%	1,119 (3.1%)	16,577 (46.0%)
Santa Barbara CCD	\$54,874,828	\$12,882,542	\$9,979,763	\$77,737,133	17%	501 (2.2%)	7,408 (32.8%)
Solano CCD	\$32,878,833	\$7,571,641	\$5,185,780	\$45,636,254	17%	1,848 (13.6%)	4,256 (31.2%)
Cabrillo CCD	\$44,443,670	\$9,279,143	\$5,483,105	\$59,205,918	16%	233 (1.4%)	7,018 (42.7%)
Chabot-Las Positas CCD	\$71,331,256	\$15,350,057	\$9,243,782	\$95,925,095	16%	2,419 (7.6%)	11,296 (35.5%)
Monterey Peninsula CCD	\$28,329,559	\$6,141,677	\$4,066,709	\$38,537,945	16%	393 (3.1%)	5,215 (41.2%)
Napa Valley CCD	\$23,843,665	\$5,190,512	\$3,459,970	\$32,494,147	16%	380 (4.7%)	3,307 (40.7%)
San Luis Obispo County CCD	\$36,317,446	\$7,625,862	\$5,033,341	\$48,976,649	16%	393 (2.3%)	5,991 (34.6%)
West Kern CCD	\$19,292,333	\$4,425,904	\$3,157,228	\$26,875,465	16%	591	5,353

						(6.5%)	(59.2%)
San Mateo County CCD	\$72,450,097	\$14,718,704	\$10,179,975	\$97,348,776	15%	968 (2.6%)	12,032 (32.3%)
Santa Clarita CCD	\$69,581,352	\$14,499,982	\$11,794,595	\$95,875,929	15%	2,010 (5.7%)	15,992 (45.5%)
Foothill-DeAnza CCD	\$104,480,829	\$20,206,972	\$17,100,658	\$141,788,459	14%	1,630 (2.8%)	14,649 (25.1%)
Gavilan Joint CCD	\$24,749,127	\$4,738,364	\$3,462,445	\$32,949,936	14%	205 (2.0%)	5,815 (57.7%)
Rancho Santiago CCD	\$130,684,861	\$25,290,880	\$19,926,062	\$175,901,803	14%	1,404 (1.6%)	48,370 (56.1%)
Marin CCD	\$19,304,124	\$3,155,846	\$1,527,354	\$23,987,324	13%	294 (3.0%)	3,259 (33.7%)
San Francisco CCD	\$100,954,312	\$16,079,743	\$9,288,696	\$126,322,751	13%	3,908 (6.0%)	17,636 (27.0%)
Sonoma County CCD	\$79,834,642	\$13,864,953	\$10,235,540	\$103,935,135	13%	732 (2.0%)	12,969 (35.8%)
South Orange County CCD	\$115,341,631	\$20,141,723	\$18,338,688	\$153,822,042	13%	974 (1.6%)	13,724 (22.4%)
Ohlone CCD	\$32,989,456	\$5,055,419	\$4,365,987	\$42,410,862	12%	413 (2.7%)	3,440 (22.0%)
West Valley-Mission CCD	\$53,960,047	\$8,378,523	\$6,517,866	\$68,856,436	12%	702 (2.5%)	6,503 (23.1%)
Feather River CCD	\$11,807,255	\$1,508,079	\$982,290	\$14,297,624	11%	287 (8.5%)	1,165 (34.7%)
Siskiyou Joint CCD	\$15,640,686	\$1,942,766	\$1,381,909	\$18,965,361	10%	119 (2.2%)	2,566 (47.9%)
Total	\$4,950,459,959	\$1,396,235,781	\$738,918,531	\$7,085,614,271	20%	137,143 (5.8%)	1,077,026 (45.3%)

Appendix C: Cost of Living Data Modeling, Five Scenarios

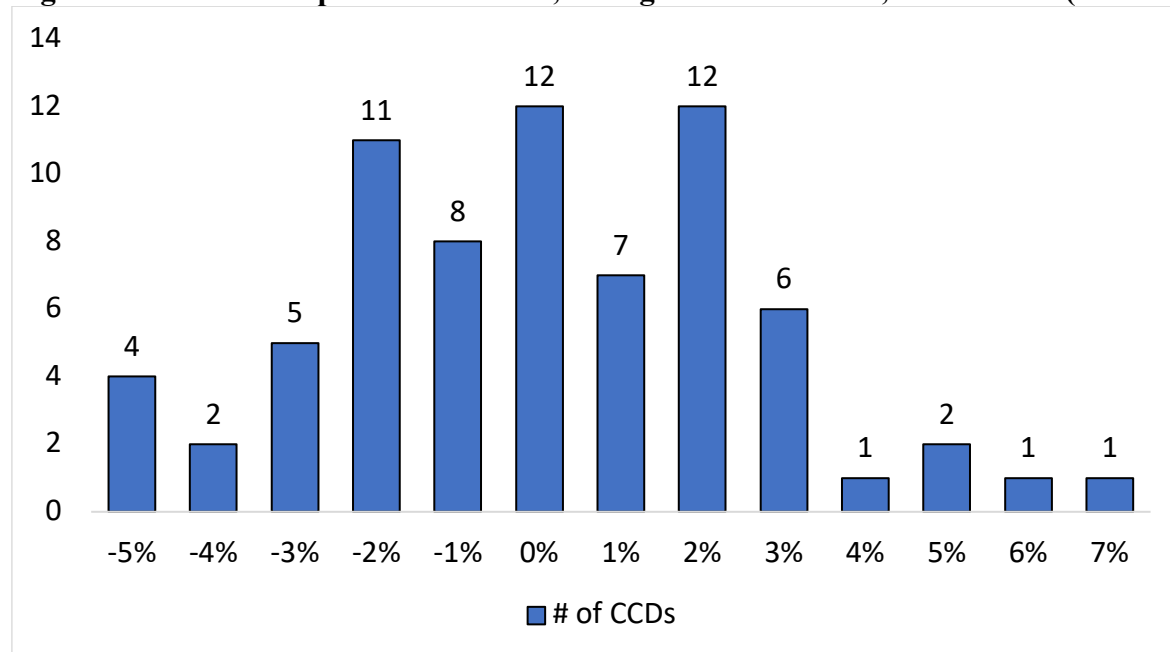
Disclaimer

These cost of living scenarios are solely approximations. There is no guarantee that these would be the actual district-level changes in funding, should a scenario be recommended. The details would change depending on the metrics used by the Chancellor's Office during final calculations.

Scenario 1: Perkins *in place of* Pell Grant, College Promise Grant, and AB 540

Under Scenario 1, Perkins student counts are substituted for Pell Grant, College Promise Grant, and AB 540 student counts to determine a new student count and per-point funding amount to redistribute the Supplemental Allocation (Figure C-1). Under this scenario, the funding per point would increase to \$1,032.89, 30 college districts would receive an increase in funding, 30 college districts would receive a decrease in funding, and 12 college districts' funding would remain the same. Furthermore, 69 percent of community college districts would fall between a -2 percent change and a 2 percent change in funding under Scenario 1. This scenario represents a relatively large redistribution of funding for some college districts.

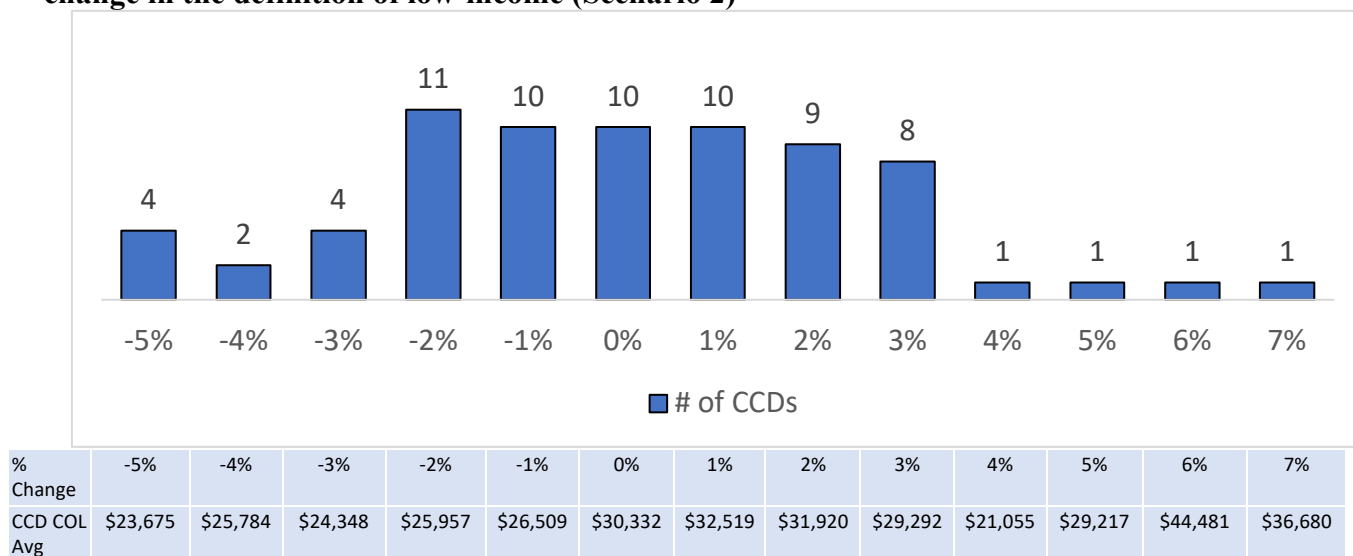
Figure C-1. Perkins replaces Pell Grant, College Promise Grant, and AB 540 (Scenario 1)



Scenario 2: Perkins and AB 540 *in place of* Pell Grant, College Promise Grant, and AB 540

Under Scenario 2, Perkins and AB 540 student counts are substituted for Pell Grant, College Promise Grant, and AB 540 student counts to determine a new student count and per-point funding amount to redistribute the Supplemental Allocation (Figure C-2). Under this scenario, the funding per point would be reduced to \$988.64, 31 college districts would receive an increase in funding, 31 college districts would receive a decrease in funding, and 10 college districts' funding would remain the same. Furthermore, 69 percent of community college districts would fall between a -2 percent change and a 2 percent change in funding under Scenario 2. This scenario represents a relatively large redistribution of funding for some college districts.

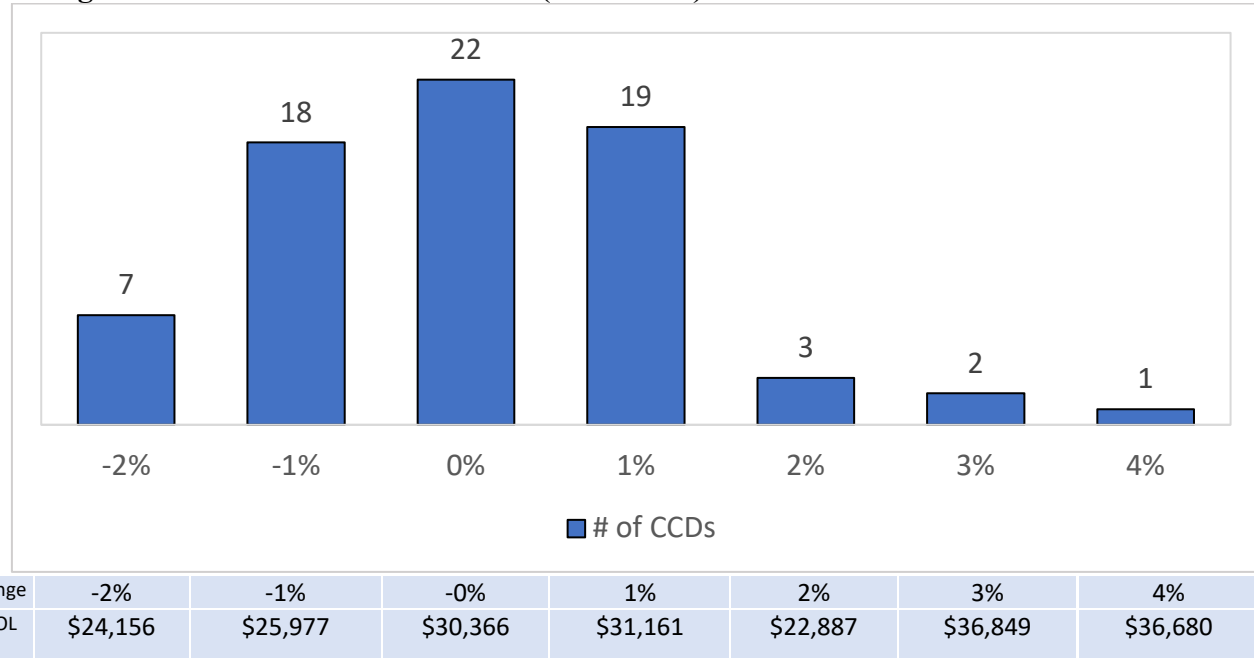
Figure C-2. Generally, high cost of living community college districts will gain based on a change in the definition of low-income (Scenario 2)



Scenario 3: Perkins *added to* Pell Grant, College Promise Grant, and AB 540

Under Scenario 3, Perkins would be added to Pell Grant, College Promise Grant, and AB 540 as one of the measures used to define low-income students (Figure C-3). Under this scenario, the funding per point would be reduced to \$486.31, 25 college districts would receive an increase in funding, 25 college districts would receive a decrease in funding, and 22 college districts' funding would remain the same. Furthermore, 96 percent of community college districts would fall between a -2 percent change and a 2 percent change in funding under Scenario 3. Although the 4 percent change band is lower than the trend would suggest, it includes only one college district. A potential consequence is that this scenario would remove the incentive for colleges to push students to apply for Pell Grants.

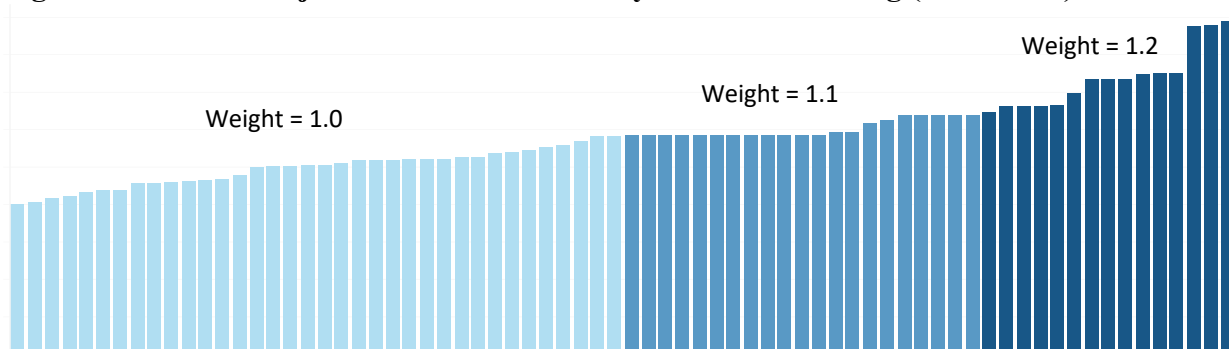
Figure C-3. Generally, high cost of living community college districts will gain based on a change in the definition of low-income (Scenario 3)



Scenario 4: Tiered adjustment based on county-level cost of living

Scenario 4 includes tiered weights to community college districts, based on the average cost of living across the counties where the community college districts are located (Figure C-4). In this scenario, each community college district with a cost of living in the bottom two quartiles would continue to receive the same number of points per low-income student. Community college districts in the third quartile would have their low-income student point total weighted by 1.1, and community college districts in the fourth quartile would have their low-income student point total weighted by 1.2. Under this scenario, the funding per point would be reduced to \$851.63, 15 college districts would receive an increase in funding, 36 college districts would receive a decrease in funding, and 21 college districts' funding would remain the same.

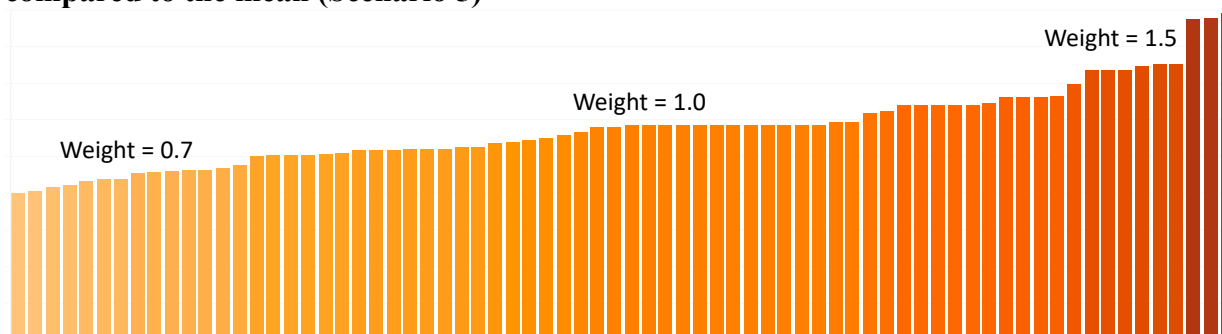
Figure C-4. Tiered adjustment based on county-level cost of living (Scenario 4)



Scenario 5: Scaled cost of living adjustment weighted by how high or low cost of living is, compared to the mean

Scenario 5 includes a scaled approach to cost of living (Figure C-5). The total cost of living mean would be divided by each community college district's cost of living. The 2017–2018 low-income count would then be multiplied by that percentage to calculate a new total count and funding amount per point. Under this scenario, the funding per point would be reduced only slightly to \$909, 33 college districts would receive an increase in funding, 22 college districts would receive a decrease in funding, and 17 college districts' funding would remain the same. However, only 67 percent of community college districts would fall between a -2 percent change and a 2 percent change in funding under Scenario 5.

Figure C-5. Scaled cost of living adjustment weighted by how high or low cost of living is, compared to the mean (Scenario 5)



Appendix D: MMAP Analysis of Grade Point Average Performance Bands, by Race/Ethnicity and Gender

In July 2018, the California Community Colleges (CCC) Chancellor's Office issued an AB 705 Implementation Memo outlining recommended supports for students in each of three high school performance bands for College Composition, Statistics/Liberal Arts Math, and Precalculus, as shown in Table D-1. (Information and text for this appendix were provided by the MMAP research team. Small edits were made by WestEd staff so that formatting is consistent with the rest of the paper.)

Table D-1. College composition high school performance bands by race/ethnicity and gender

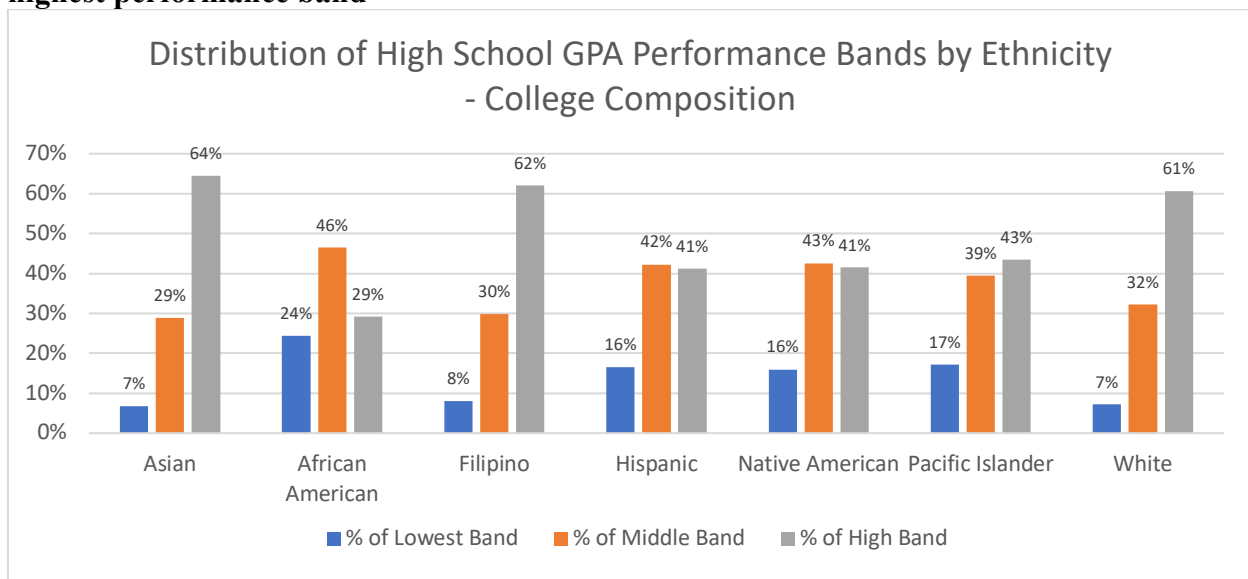
		Count			Percentage		
		Female	Male	<i>Total</i>	Female	Male	<i>Total</i>
High school grade point average < 1.9	African American	1,279	1,759	3,038	5%	6%	11%
	Asian	399	918	1,317	1%	3%	5%
	Filipino	117	372	489	0%	1%	2%
	Hispanic/Latinx	6,564	8,845	15,409	24%	32%	56%
	Multiple	165	292	457	1%	1%	2%
	Native American	76	101	177	0%	0%	1%
	Pacific Islander	96	126	222	0%	0%	1%
	White	1,498	2,855	4,353	5%	10%	16%
	Unknown	910	1,309	2,219	3%	5%	8%
	<i>Total</i>	11,104	16,577	27,681	40%	60%	100%
High school grade point average >= 1.9 & high school grade point average < 2.6	African American	3,076	2,732	5,808	4%	3%	7%
	Asian	2,087	3,540	5,627	3%	4%	7%
	Filipino	724	1,082	1,806	1%	1%	2%
	Hispanic/Latinx	20,553	18,945	39,498	25%	23%	48%
	Multiple	820	917	1,737	1%	1%	2%
	Native American	230	242	472	0%	0%	1%
	Pacific Islander	251	260	511	0%	0%	1%
	White	8,609	10,907	19,516	11%	13%	24%
	Unknown	3,162	3,312	6,474	4%	4%	8%
	<i>Total</i>	39,512	41,937	81,449	49%	51%	100%

High school grade point average \geq 2.6	African American	2,396	1,256	3,652	2%	1%	3%
	Asian	6,602	5,964	12,566	6%	6%	12%
	Filipino	2,094	1,664	3,758	2%	2%	3%
	Hispanic/Latinx	23,824	14,742	38,566	22%	14%	36%
	Multiple	1,465	1,031	2,496	1%	1%	2%
	Native American	305	155	460	0%	0%	0%
	Pacific Islander	331	232	563	0%	0%	1%
	White	20,550	16,229	36,779	19%	15%	34%
	Unknown	5,227	3,724	8,951	5%	3%	8%
	<i>Total</i>	62,794	44,997	107,791	58%	42%	100%

Table D-1 shows the distribution of race/ethnicity groups within each performance band, including a breakout by gender. Notably, Asian students represent 12 percent of the first band (i.e., those with a high school grade point average [GPA] greater than or equal to 2.60), 7 percent of the second band (those with a high school GPA of less than 2.60 but greater than or equal to 1.90), and only 5 percent of the third band (those with less than a 1.90 high school GPA). By contrast, African American students represent just 3 percent of the first band, 7 percent of the second band, and 11 percent of the third band.

Figure D-1 presents the information in Table D-1 from a different perspective; for each race/ethnicity group, it shows that group's distribution across the three high school performance nodes used for the default transfer-level English placement.

Figure D-1. More than 50 percent of Asian, Filipino, and White students place into the highest performance band



As shown in Figure D-1, there are large differences among race/ethnicity groups in how these groups are represented in the various performance bands. While 24 percent of African American students and 16 percent of Hispanic/Latinx students are in the lowest band, only 7 percent of Asian students and 7 percent of White students are in the lowest band. Conversely, only 29 percent of African American students and 41 percent of Hispanic/Latinx students are in the highest band, compared to 64 percent of Asian students and 61 percent of White students.

Socioeconomic Status: Financial Aid Receipt and Participation in Extended Opportunity Programs and Services

The following three figures provide participation rates for three socioeconomic status (SES) indicators, disaggregated by the English and math high school performance bands.

Figure D-2. Participation in financial aid and Extended Opportunity Programs and Services is greater for community college students in the lower high school performance bands — English

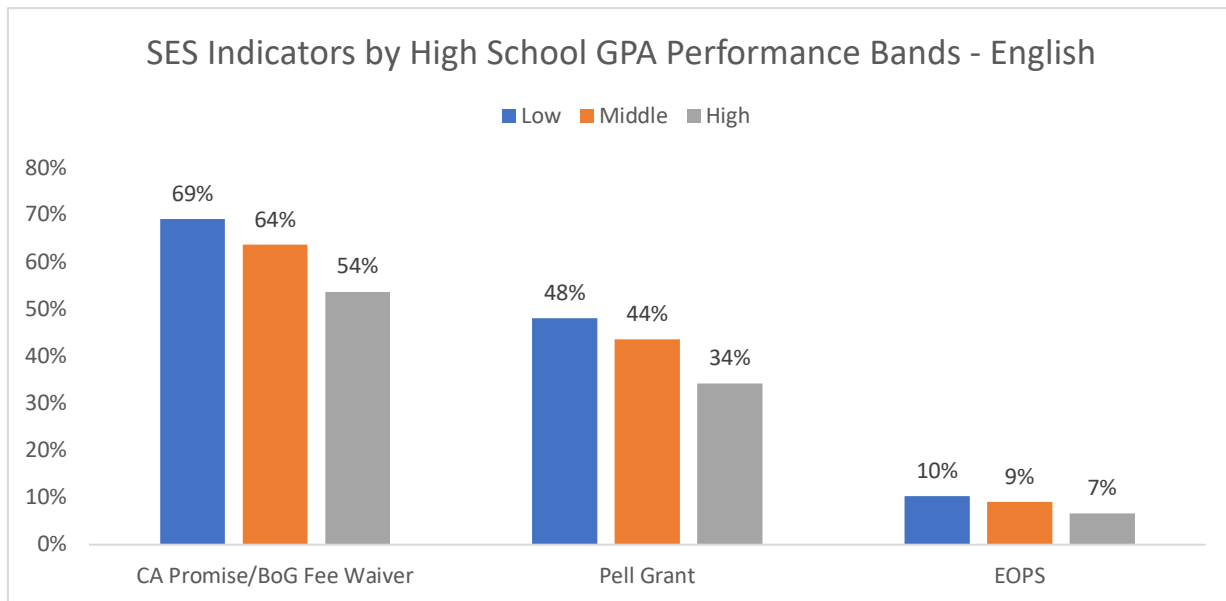


Figure D-3. Participation in financial aid and Extended Opportunity Programs and Services is greater for community college students in the lower high school performance bands — Statistics/Liberal Arts Math (SLAM)

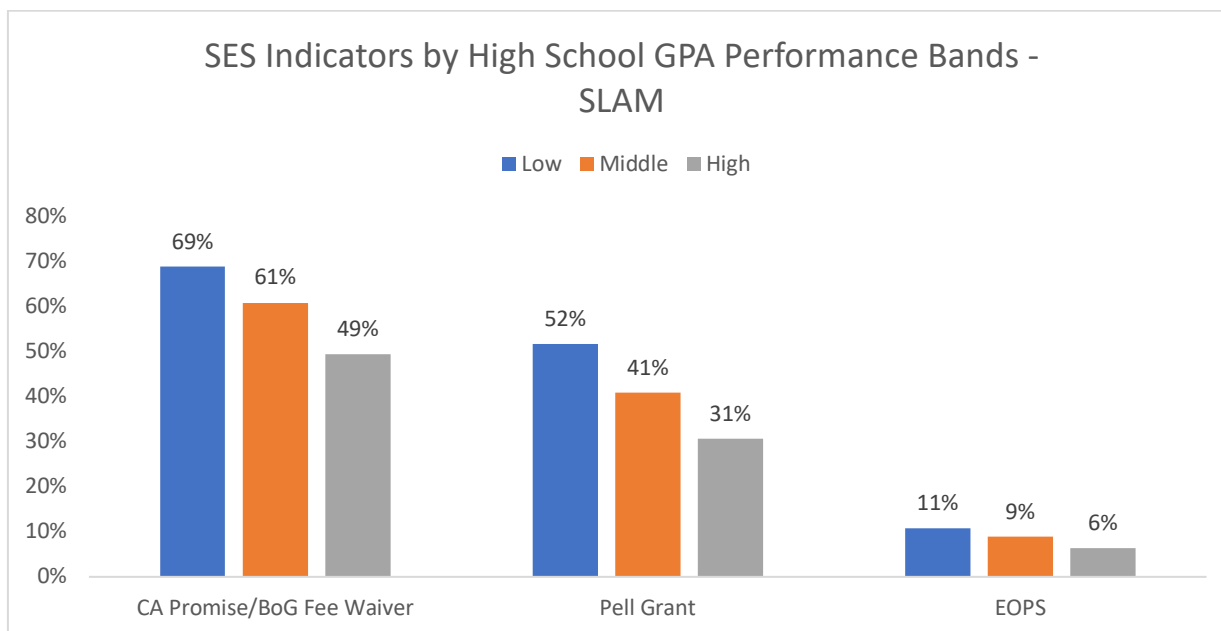


Figure D-4. Participation in financial aid and Extended Opportunity Programs and Services is greater for community college students in the lower high school performance bands — Precalculus

