



California Community Colleges

MEMORANDUM

August 9, 2019

Apportionments 18-09 | Via Website

TO: Chief Executive Officers
Chief Business Officers
District Staff

FROM: Fiscal Services Unit
College Finance and Facilities Planning Division

RE: 2019-20 Advance Principal Apportionment

The 2019 Budget Act ([Assembly Bill 74](#)) appropriates funds for various purposes, including the Student Centered Funding Formula and other apportionments to the California Community Colleges. The 2019-20 advance principal apportionment exhibits reflect those apportionments and are now available on the Chancellor's Office's [website](#). For support with any issues obtaining needed information, please email apportionments@cccco.edu.

APPORTIONMENT EXHIBITS

The available 2019-20 exhibits are:

- Exhibit A: District Apportionments and Payments by Program
- Exhibit B-4: Monthly Payment Schedule by County and District
- Exhibit R: 2019-20 Advance Apportionment
- Exhibit B-4c: Apprenticeship Training and Instruction, Monthly Payment by County and LEA
- Exhibit B-4o: Reimbursements, Temporary Assistance for Needy Families (TANF), July 2019 Quarterly Payment by County and District

Chancellor's Office, College Finance and Facilities Planning

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STUDENT CENTERED FUNDING FORMULA

MAJOR POLICY CHANGES

Overview

Legislation enacted with the 2019 Budget Act continues implementation of the Student Centered Funding Formula (SCFF) with some adjustments that would primarily be implemented beginning in the 2019-20 apportionments. (Adjustments made to the 2018-19 apportionments were described in the [2018-19 second principal apportionment memorandum](#).)

Recalculation of Funding Rates

The 2019 Budget Act requires that funding rates in the base, supplemental, and student success allocations be determined so that, in the 2019-20 fiscal year, of the funds described in the statute:

- 70 percent are allocated for the base allocation.
- 20 percent are allocated for the supplemental allocation.
- 10 percent are allocated for the student success allocation.

In the 2020-21 fiscal year and subsequent years, the funding rates determined in 2019-20 would simply be adjusted by the cost-of-living adjustment (COLA). Therefore, the distribution of funds across the three allocations will be determined by changes in the underlying factors, and that distribution may deviate from the percentages specified above.

Student Success Allocation Measures and Calculation

The 2019 Budget Act makes three primary substantive changes to the student success allocation:

- It counts the factors using a three-year averages of each of the measures in the allocation. That is, for 2019-20, the data used for the calculation are from prior year (2018-19), the prior prior year (2017-18), and the prior prior prior year (2016-17).
- It specifies the SCFF counts only the highest of all awards (i.e., associate degree for transfer, associate degree, baccalaureate degree, and credit certificate requiring 16 units or more) a student earns in the same year, and it counts the awards only if the student was enrolled in the district in the year the award was granted. For example, for a student who was enrolled in the prior year and earned an associate degree for transfer, an associate degree, and a credit certificate in that year, the district would receive SCFF points only for the associate degree for transfer.
- It amends the definition of a successful transfer to a four-year university. Under the definition that will be used beginning with the 2019-20 apportionment, a student

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must have completed 12 or more units in the district, exited the CCC system in the following year, and be enrolled in a four-year university in that year of exit. For example, a student who completed 12 or more units in the district in 2017-18, exited, and was enrolled in a four-year university in 2018-19 would be counted in the district's SCFF count of successful transfer to a four-year university for 2018-19. The 2018-19 data, then, is one of the three years used in the 2019-20 apportionment.

Minimum Revenues

Finally, the 2019 Budget Act extends the existing minimum revenue provision of the SCFF, specifying that districts will receive at least the 2017-18 total computational revenue (TCR), adjusted by COLA each year, through 2021-22. In making these changes, the budget also modifies the stability provisions for 2019-20. In 2019-20, a district will receive the higher of 1) the district's minimum revenue commitment or 2) the SCFF calculation.

Implementation

The 2019 Budget Act charges the Chancellor's Office with determining the final funding rates for 2019-20 consistent with these policy adjustments. The Chancellor's Office intends to make new apportionments, and specify new funding rates, no later than the first principal apportionment.

ADVANCE APPORTIONMENT CALCULATION

For the advance apportionment, the Chancellor's Office has used a limited set of calculations to provide resources that districts may use to meet immediate costs. For most districts, the TCR does not represent the funds that would be available under the calculation specified under the existing statutes.

In the advance apportionment, districts will receive one of the following:

- The minimum revenue provided under the formula, which is 2017-18 TCR, with the 2018-19 COLA of 2.71% and 2019-20 COLA of 3.26%, compounded.
- The "constrained TCR," which was displayed in the 2018-19 second principal apportionment exhibits. That amount represents the lesser of the 2018-19 TCR or the 2017-18 TCR adjusted by 8.13% (three times the 2018-19 COLA of 2.71%).

With regard to revenues, the advance apportionment reflects the state appropriations included in the 2019 Budget Act and the state's estimates for property taxes and enrollment fees. Consistent with prior years, the budget does not formalize any increase in state appropriations in the case that other revenue collections are lower than collected.

The Exhibit R is a summary document that shows each district's TCR and the various revenue components (i.e., general appointment, property taxes, enrollment fees, FTFH, and EPA) used by the Chancellor's Office to fund each district's TCR. This year, the exhibit has been updated to include explanatory language on its various components.

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MANDATES

The 2019 Budget Act appropriates \$33.881 million for the Mandated Programs Block Grant to be distributed to districts electing to participate in the block grant on the basis of funded FTES as of the 2018-19 second principal apportionment. As described in the 2018-19 second apportionment memorandum, districts were erroneously apportioned funds for FTES above growth targets. The FTES will be corrected at the final recalculation apportionment. For purposes of calculating the estimated block grant funding, the correct FTES data was used. Because total funding provided was insufficient to fully fund at the specified rate of \$30.16, the Chancellor's Office proportionately reduced the rate to approximately \$30.14 to conform to available funding. These amounts are estimates and will be adjusted once written notification from districts choosing to participate in the block grant is obtained.

As a reminder, the Chancellor's Office must be notified if districts choose to opt in. Each year is handled separately. Therefore, opting in for the block grant funding this year does not affect any prior years' claims districts have already submitted or eliminate the option of filing claims in future years. Letters stating intent to opt in must be signed and emailed to apportionments@cccco.edu by August 30. These funds will be distributed in November 2019.

QUESTIONS

For questions about general apportionments, contact apportionments@cccco.edu or the staff listed below.

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Categorical Program Apportionments Contacts

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Student Equity and Achievement	Barbara Lezon	blezon@cccco.edu	(916) 323-5275
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