

# Assessing Equity & New Inequities in the SCFF

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**Association of Chief Business Officers  
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# Outline

1. Inequities in the SCFF
2. Forerunners of inequity in the SCFF
3. What is to be done statewide?
4. What is to be done locally?

# What would you do if you got a huge raise in one year?

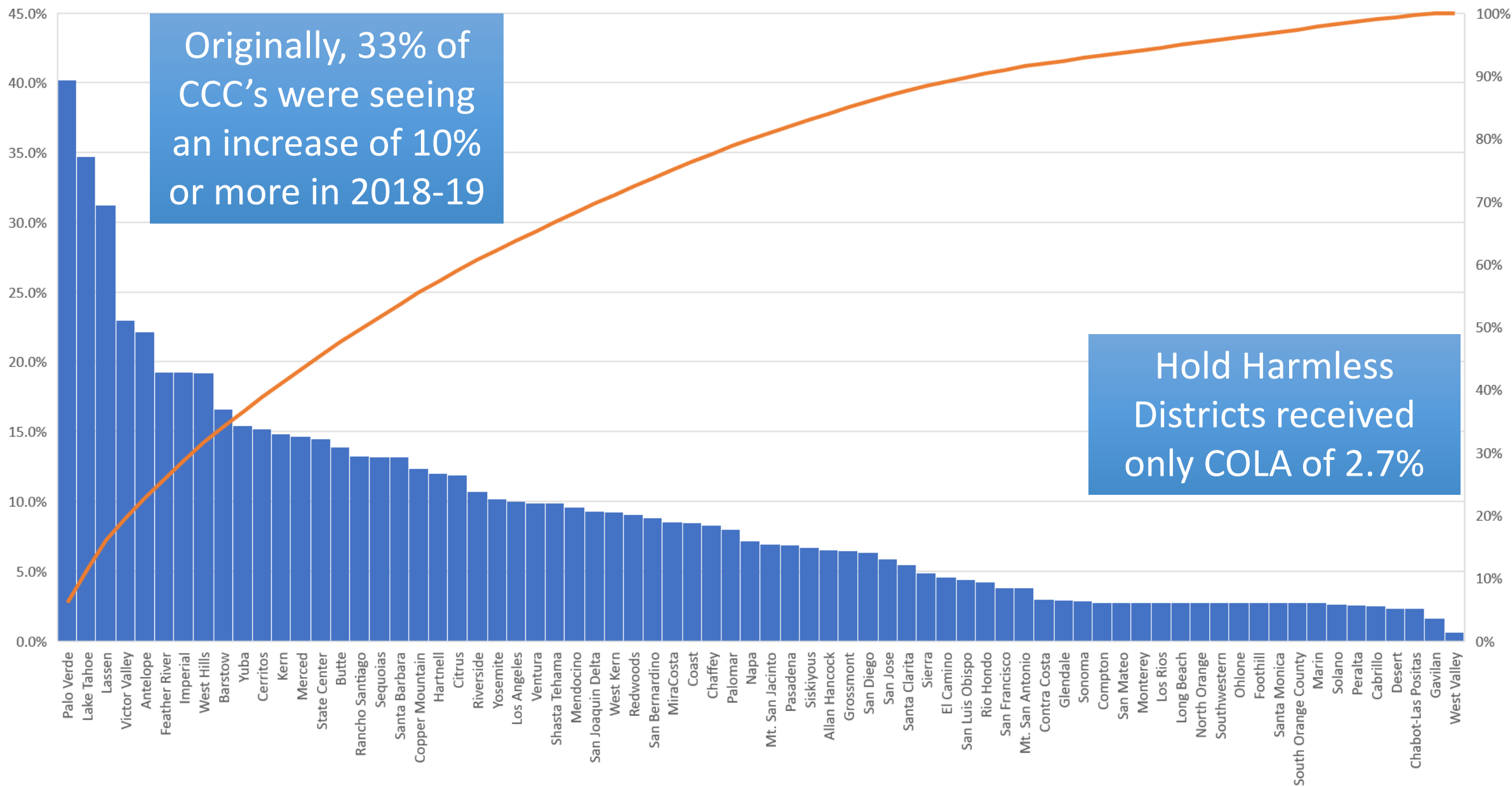


Photo: Matt Hardy @Pixels.com



Photo: Oliver Sjostrom @ Pexels.com

# Year over Year Increases in Funding for California Community Colleges under the SCFF Funding Formula, 2017-18 & 2018-19



# The Chancellor's Office started to recognize some problems...

## In September 2018...

- I sent a CEO-wide email about problems with the SCFF
- 45 minutes later... Chancellor Oakley was on the phone

## By March 2019...

- Not enough funding to “fully fund” the SCFF
- 10% Cap on increase
- Metric Reform: 12 units in prior year for the transfer metric



# The SCFF put pressure on Boards for compensation increases...

## 10%

Pay increase for faculty at Yosemite CCD

## 5%

Increase in avg. salary for CEO of a single college (2018, 4% for multi-college CEO)

## 3.1%


Increase in avg. faculty salary (F 2018: CCCO MIS)

NEWS

### Modesto Junior College instructors get big raise; other unions strike for better pay

BY KEN CARLSON AND ADAM ASHTON


JANUARY 16, 2019 05:00 PM | UPDATED JANUARY 17, 2019 07:46 PM

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#### ACCCA Salary Survey

Benefits



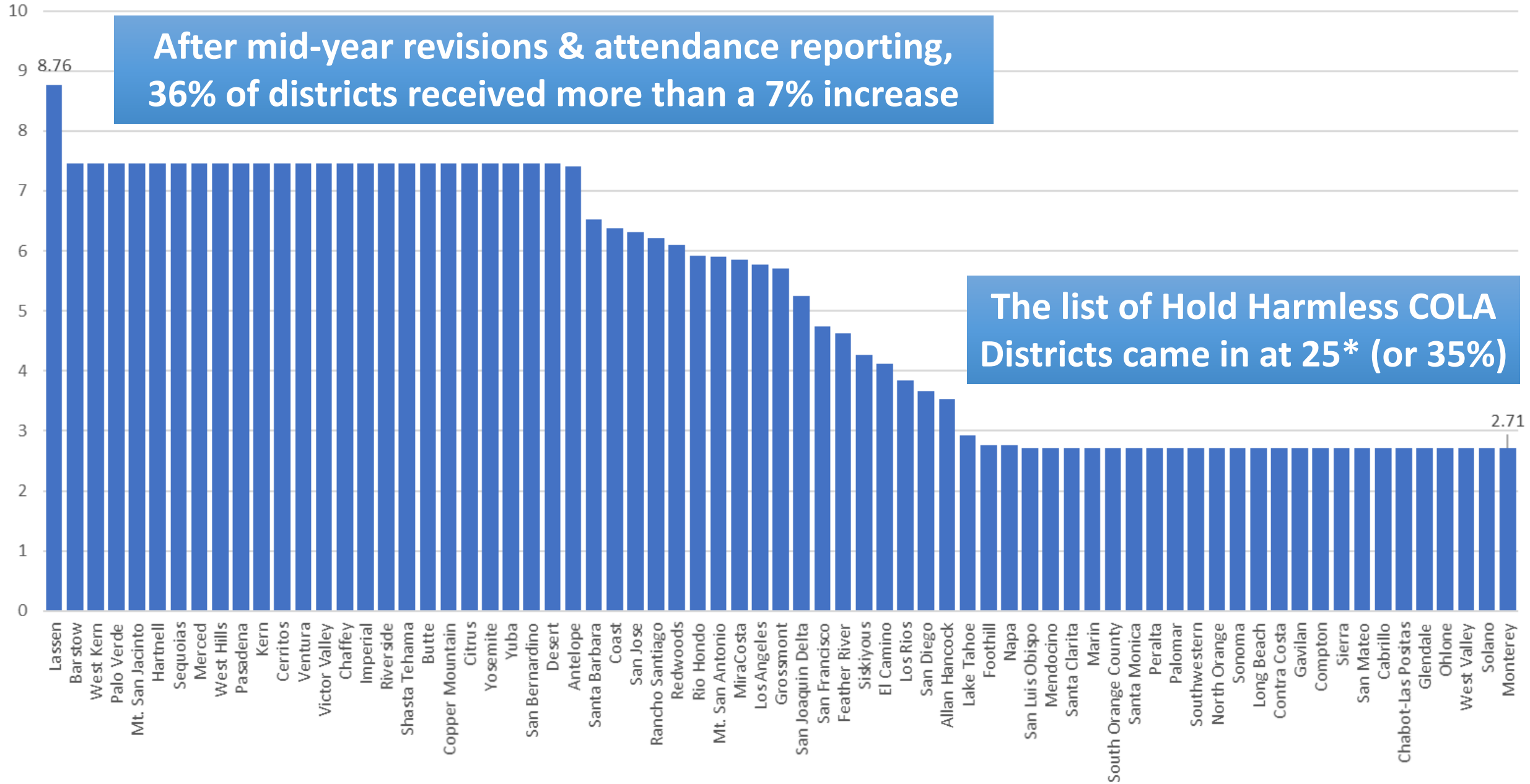
#### Faculty & Staff

- Fall 2018 Age Distribution by District
- Fall 2018 EEO6 Occupational Activity by District/Primary Location
- Fall 2018 Ethnicity/Gender Distribution by District
- Fall 2018 Full-time Equivalency (FTE) by District/College
- Fall 2018 Headcount by District
- Fall 2018 Headcount by District/Primary Location
- Fall 2018 Hourly Rate Distribution by District
- Fall 2018 Salary Distribution by District
- Fall 2018 Status Distribution by District
- Fall 2018 Summary of FTE by Taxonomy of Programs (TOP) Code
- Fall 2018 Summary of FTE by Administrative and Support Activities (ASA) Code

# % Annual Change in 2018-19 Revenue after June 2019 Revision

After mid-year revisions & attendance reporting,  
36% of districts received more than a 7% increase

The list of Hold Harmless COLA  
Districts came in at 25\* (or 35%)



# A Refresher on *Serrano v. Priest*, 1971

## Per Pupil Spending in 1968-69 in *Serrano v. Priest*, 1971

**\$577.49**



*Baldwin Park*

**\$840.19**



*Pasadena*

**\$1,231.72**



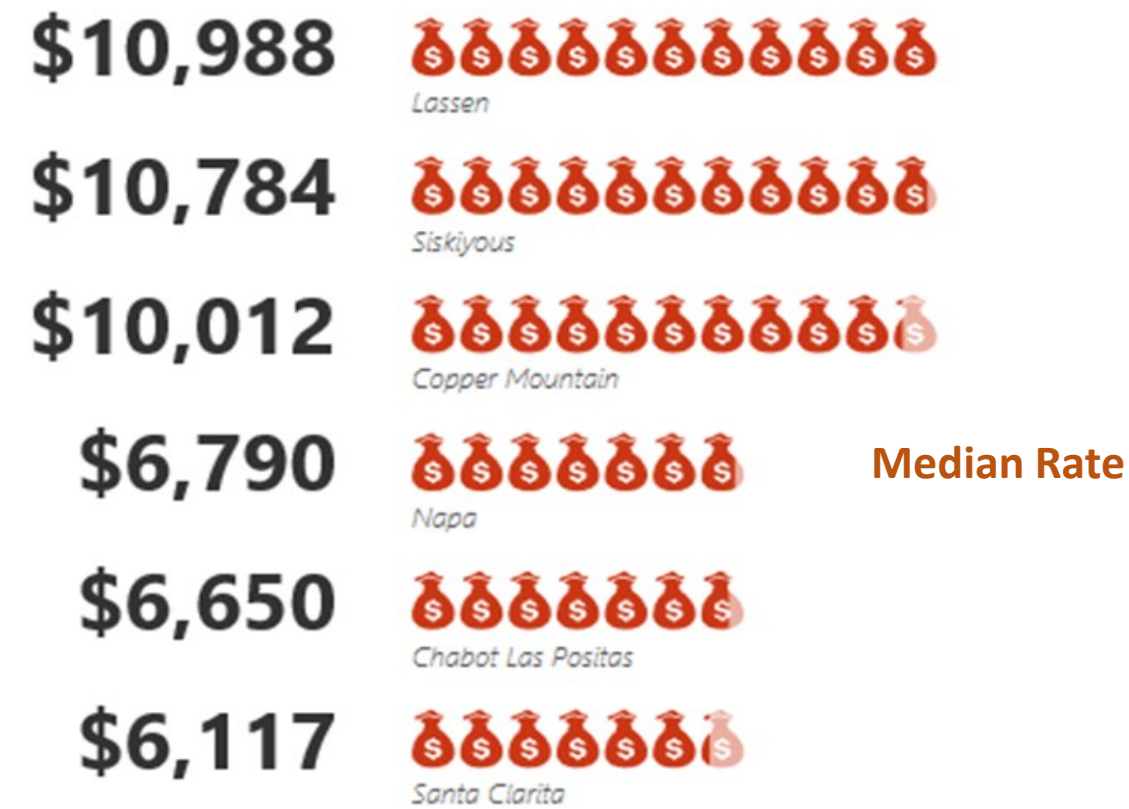
*Beverly Hills*

“...affluent districts can have their cake and eat it too; they can provide a high quality education for their children while paying lower taxes. Poor districts, by contrast, have no cake at all.” *Serrano v. Priest*, 5 Cal.3d 584 (1971)



# A Refresher on *Serrano v. Priest*, 1971

## Funding Per 3-Year Avg. FTES



Can a system that establishes unequal funding rates for similarly situated community college students withstand constitutional scrutiny?

# What inequities from prior years are embedded in the SCFF?

1. Grand-fathered FTES rates for some districts
2. Base allocations for 11 rural districts
3. Incarcerated prisoner rate is higher
4. Dual enrollment HS special admit rate is higher

**These components are not evenly or randomly distributed across the system**

# What inequities from prior years are embedded in the SCFF?

5. The SCFF does not adjust for cost of living differences across the colleges

## Making Ends Meet: How Much Does It Cost to Support a Family in California?

Work, Income & Poverty · December 2017 · By Sara Kimberlin and Amy Rose

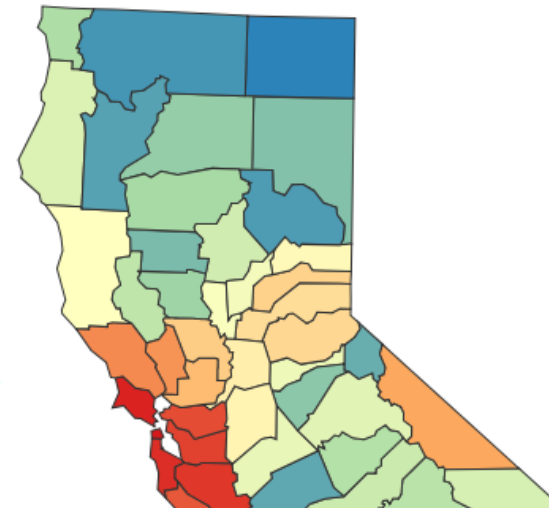
*Making Ends Meet* shines a light on the economic challenges faced by many Californians by showing the cost of supporting a family or a single individual in different parts of the state. This analysis presents basic family budgets for each of California's 58 counties for four types of households: a single adult, a single-parent family, a two-parent family with one parent working, and a two-working-parent family. (All family types except single adult are assumed to have one preschool-aged child and one school-aged child.) These family budgets estimate the amount of income that households would need to cover basic expenses through earnings only, without publicly funded benefits or supports. [Read the \*Making Ends Meet\* report, including methodology details.](#)

<https://calbudgetcenter.org/resources/making-ends-meet-much-cost-support-family-california/>

What does it cost to make ends meet in your county?

California, \$75,952

San Francisco, \$110,984  
Marin, \$110,544  
San Mateo, \$108,109  
Santa Clara, \$93,451  
Alameda, \$92,267  
Contra Costa, \$91,407  
Santa Cruz, \$81,612  
Orange, \$80,765  
Ventura, \$79,209  
San Diego, \$77,223  
Sonoma, \$75,913  
Napa, \$75,567  
Los Angeles, \$74,679  
Mono, \$74,628  
San Benito, \$72,946  
Santa Barbara, \$72,838  
Solano, \$72,482  
Monterey, \$70,942  
San Luis Obispo, \$69,665  
Yolo, \$69,568  
Nevada, \$69,153  
El Dorado, \$67,873  
Placer, \$67,594  
Riverside, \$67,513



Two-Working-Parent Family ▼

Statewide Average ▼

Annual Total \$75,952

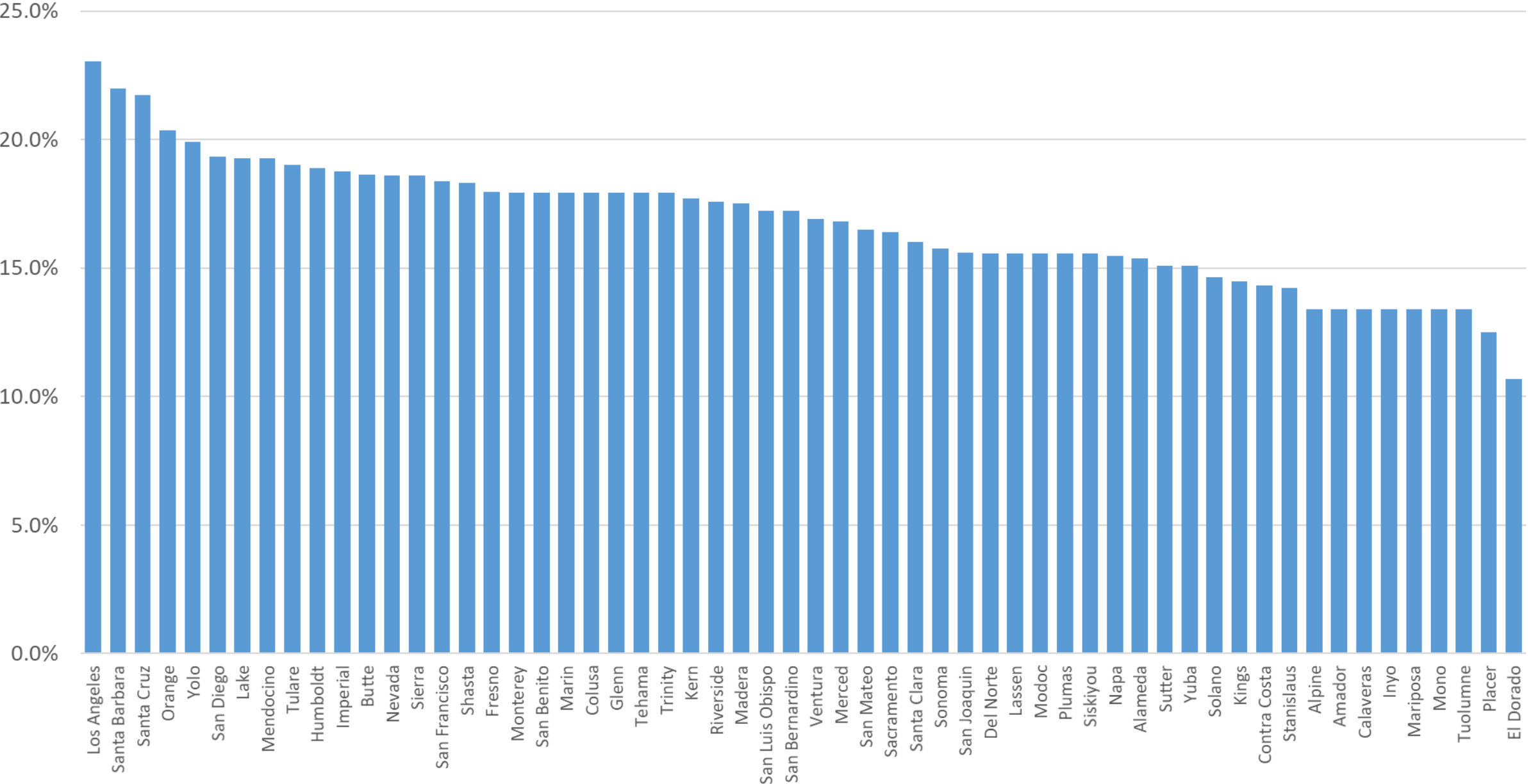
### Basic Monthly Budget

Housing and Utilities	\$1,568	24.8%
Food	\$773	12.2%
Child Care	\$1,300	20.5%
Health Care	\$522	8.2%
Transportation	\$556	8.8%
Miscellaneous	\$787	12.4%
Taxes	\$824	13.0%
Total	\$6,329	100.0%

Download State Fact Sheet



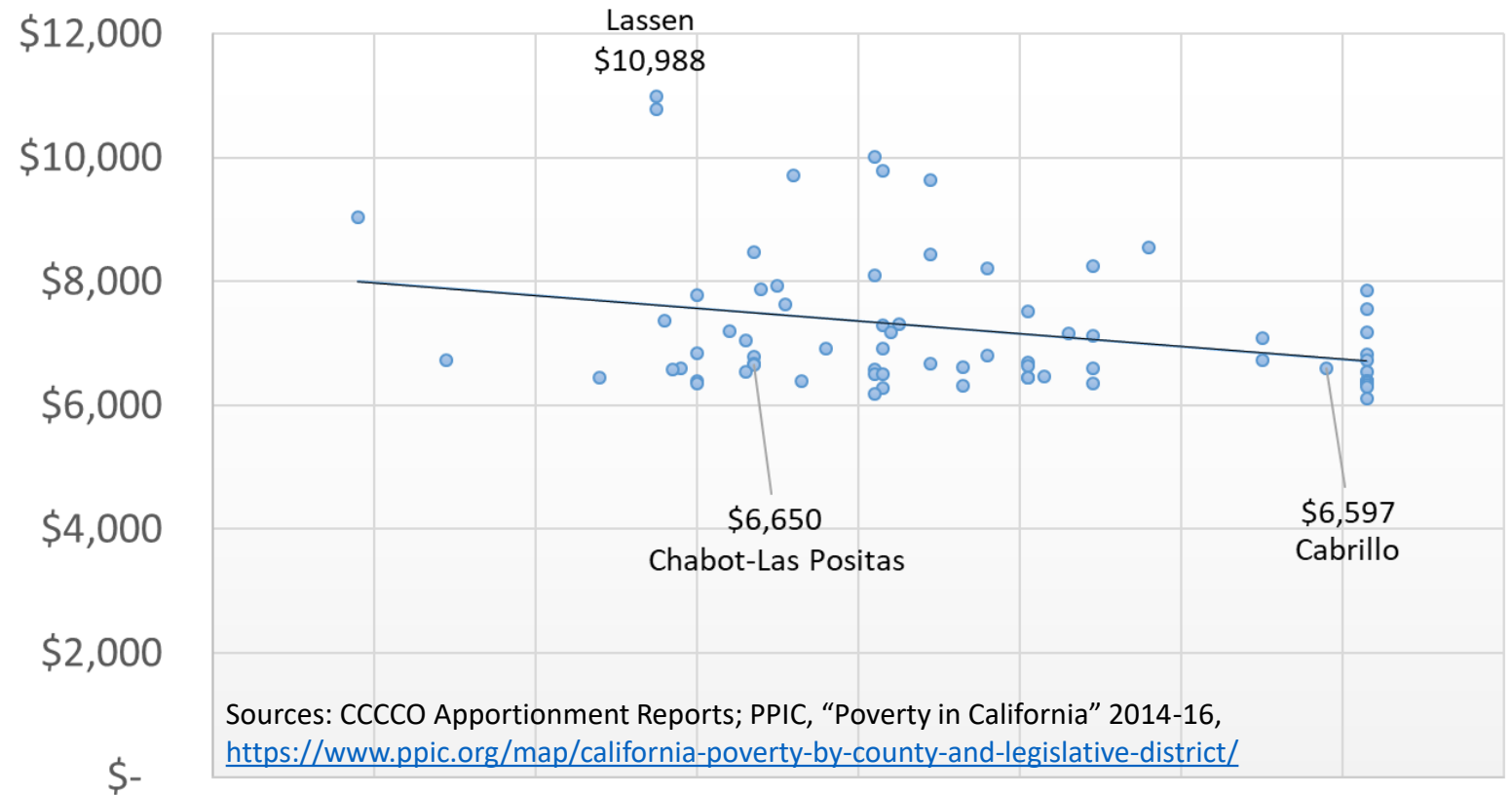
# California Poverty Rate by County, 2015-17 (PPIC and Stanford)



# What inequities from prior years are embedded in the SCFF?

5. The SCFF does not adjust for cost of living & poverty differences across the colleges

Funding per 3-Year Avg. FTES in 2018-19 (June 2019) Plotted against the California Poverty Measure (%) for Each County

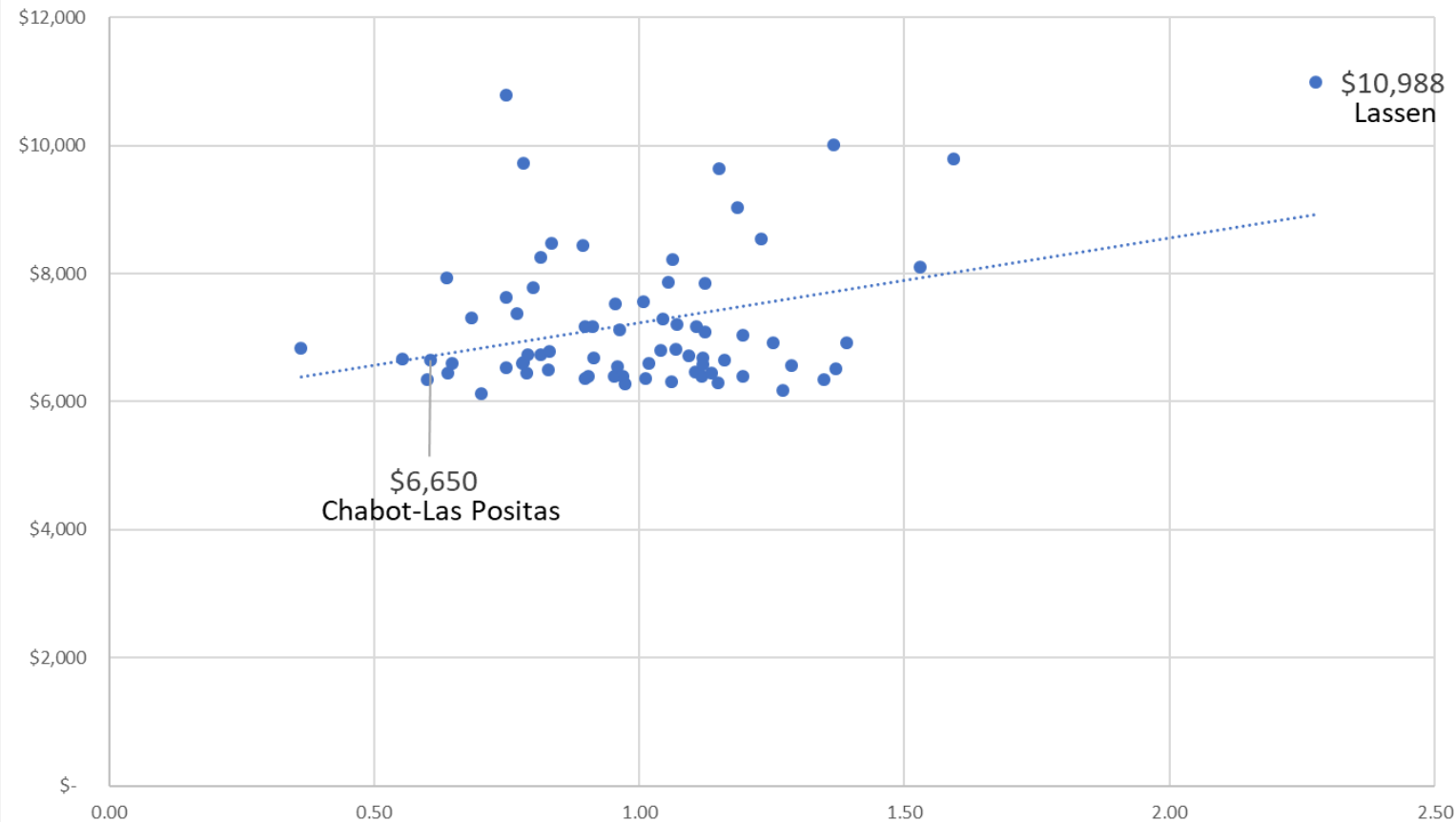




# The fundamental ethical question...

**Should Chabot & Las Positas Colleges, having higher proportions of students in real poverty (but fewer BOG students), receive \$4,300 less per student than Lassen College?**

Funding per FTES (3-Yr Credit Avg, June 2019) Plotted Against the Ratio of BOG/Promise Students to FTES



# Correlation Matrix Demonstrates the Flaws

Indicator	Pell	AB 540	Promise	AA Degrees	ADT's	Certifi- cates	CTE Units	Math English	Transfers 16-17	Living Wage 16- 17	3 yr Credit FTES Avg	18-19 SCFF funds
Pell Students	1.000											
AB 540 Students	0.921	1.000										
Promise	0.982	0.943	1.000									
AA Degrees	0.849	0.843	0.880	1.000								
ADT's	0.850	0.853	0.863	0.847	1.000							
Certificates	0.757	0.807	0.804	0.834	0.824	1.000						
CTE Units	0.935	0.984	0.963	0.864	0.871	0.831	1.000					
Math English	0.612	0.642	0.639	0.757	0.849	0.657	0.710	1.000				
Transfers 16-17	0.837	0.863	0.884	0.864	0.905	0.832	0.935	0.856	1.000			
Living Wage 16-17	0.831	0.862	0.878	0.760	0.765	0.701	0.886	0.598	0.849	1.000		
3yr Credit FTES Avg	0.953	0.949	0.978	0.905	0.911	0.829	0.982	0.741	0.946	0.884	1.000	
SCFF 18-19 Funds	0.949	0.958	0.976	0.890	0.892	0.826	0.985	0.715	0.939	0.897	0.994	1.000

# Regression Demonstrates the Flaws – Predicting Associates Degrees Awarded

**What are the best predictors  
for the number of associate's  
degrees awarded in 2018-19?  
(besides prior year degrees)**

- 1. Total Revenue (positive)**
- 2. Number of Students over  
the Age of 50 (negative  
coefficient)**

# Regression Demonstrates the Flaws – Predicting Associates Degrees Awarded

Independent Variable	Coefficient	Std. Error	p value
2018-19 Revenue (TCR Constrained, per 100K)	2.81 ***	.24	.000
Rural College? (1=yes)	-388.90	404.80	.340
Hold Harmless? (1=yes)	-322.46	281.81	.257
California Poverty Index	29.54	43.51	.500
Students Over 50 (per 100)	-15.02 **	5.25	.006
Constant	-182.15	870.39	.835
Adjusted R Square	.80 ***	1099.53	.000
F Test	57.41 ***		

# Regression Demonstrates the Flaws – Predicting Associates Degrees Awarded

Independent Variable	Coefficient	Std. Error	p value
2018-19 Revenue (TCR Constrained, per 100K)	2.94	.03	.000
Students Over 50 (per 100)	-16.20	5.13	.002
Constant	117.24	194.56	.549
Adjusted R Square	.80	1096.95	.000
F Test	142.84 ***		

Two variables predict 80 percent of the variance in degrees awarded: Total revenue and the number of students over the age of 50. Because age/demographics are not randomly distributed through our system, the funding model penalizes some districts that serve retirees and older adults more than others

**Districts with 19% or more students over the age of 50**

**Lake Tahoe, San Francisco, Siskiyou, South Orange CCD, West Valley/Mission**



# What is to be done statewide?

- **Legislative Oversight Committee**
  - First Generation students
  - Define low-income & how to adjust for differences across the state
  - Entering student skills
  - Non-credit, ISA's & recession

## Committee Composition

- 3 CEO's (2 Hold Harmless)
- 2 CBO's (1 Hold Harmless)
- 1 CSSO
- 1 Faculty
- 1 Student
- 1 Classified
- 3 Advocacy Organizations

# What is to be done statewide?

- UNITE and advocate for significant changes in the SCFF Funding Formula
- One idea: Index the FTES reimbursement rates to better control for costs of operation & service
  - For example...Index high real poverty districts at 1.05 x FTES rate and low real poverty districts at .95 x FTES rate

# What is to be done statewide?

- Stop funding incarcerated FTES at 100% and others at 70% These are not good optics...



100% FTES Rate



70% FTES Rate

# What is to be done statewide?

- **Ensure a narrower band of per-FTES spending across districts – i.e., no single district gets reimbursed at a rate \$3,000 more than the lowest**

# What is to be done at local colleges?



## Money Left on the Table

An Analysis of Pell Grant Receipt Among Financially-Eligible Community College Students in California

**FINANCIAL BARRIERS MAKE IT HARDER** for many students to pursue and persist in higher education.<sup>1</sup> While numerous financial aid programs have been shown to

- Increase the Pell Grant rate at the college
- Financial aid automated “nudges” by text
- Move to 15 unit load as the new normal
- Auto-enroll new students in math & English

**75%**  
Pell Up-  
take rate  
in 2016



# Thank You!

## Q&A

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