

TO: Chief Executive Officers
Chief Business Officers

FROM: Fiscal Services Unit
College Finance and Facilities Planning Division
Office of Institutional Supports & Success

RE: 2023-24 First Principal Apportionment

This memo describes the 2023-24 First Principal (P1) apportionment calculations for the Student Centered Funding Formula (SCFF) and various categorical programs. Associated exhibits are available on the Chancellor's Office [Fiscal Services Unit Apportionment Reports website](#).

SCFF General Background

The SCFF consists of three principal components – the base allocation, supplemental allocation, and student success allocation with the following parameters:

- The base allocation relies primarily on college and center size based on prior year data and current year Full Time Equivalent Student (FTES) enrollment. The base allocation consists of the basic allocation and FTES allocation.
- The supplemental allocation is based on prior year data.
- The student success allocation is based on an average of three prior years of data.

Generally, the Chancellor's Office certifies apportionments three times per year with the Advance Apportionment (AD) released in July, First Principal (P1) and Recalculation (R1) in February, and Second Principal (P2) in June. Additional certification revisions are completed as necessary.

SCFF 2023-24 P1

At 2023-24 P1, SCFF calculations reflect district reported FTES estimates, supplemental and student success metric data reported as of January 17, 2024, transfer metric data as of January 24, 2024, county reported property tax, district reported enrollment fees, estimated 2023-24 Education Protection Account (EPA) resources, and available general fund.

FTES Allocation

If a district was opted-in to an optional Title 5 COVID-19 emergency conditions allowance in 2021-22 and/or 2022-23, the emergency conditions allowance credit FTES are used as data point(s) in calculating the credit FTES three-year average.

Growth has been applied to districts that reported an increase in FTES value above the prior year base value (2022-23 Applied #3) that exceeds the available restoration balance. Statewide growth

need exceeded the statewide growth budget at 2023-24 P1. Growth applied beyond districts' growth targets was proportionally adjusted to not exceed the budget. Growth will be reassessed at 2023-24 P2 with updated FTES data.

Basic Allocation

Prior year FTES data is used to determine the current year basic allocation for college and center size. If a district's reported FTES for a college or center is below the prior year funding size, the prior three FTES data years are used to determine eligibility for a stability protection. If a district was opted-in to the COVID-19 emergency conditions allowance in prior years, the emergency conditions allowance FTES is used to determine stability funding size. Declines in college or center FTES will not result in a reduction to base revenue until the third year after the decline, and there is no base revenue reduction if the college or center FTES has been restored back to or above the pre-decline amount.

Supplemental and Student Success Allocations

The supplemental and student success allocations at 2023-24 P1 reflect metric data updates provided by districts through January 17, 2024, and transfer metric data received through January 24, 2024.

Total Computational Revenue

The 2023-24 P1 Total Computational Revenue (Max TCR) consists of the highest of the following three TCR calculations for each district: (A) TCR calculated by formula in 2023-24, (B) TCR stability protection (2022-23 calculated TCR plus COLA), or (C) Hold Harmless (2017-18 TCR plus yearly COLAs). At 2023-24 P1, the statewide SCFF Max TCR is \$9.54. billion.

The revenue deficit at 2023-24 P1 for non-basic aid districts increased to 3.55% compared to 2.29% at 2023-24 Advance. Factors contributing to the increased deficit are an increase in statewide Max TCR and a net decrease in estimated local property tax revenues statewide at 2023-24 P1. The revenue deficit may change at each apportionment cycle depending on updated data and revenues.

SCFF Component	2023-24 P1 Amount (Statewide) (In Millions)
FTES Allocation	\$5,861
Basic Allocation	\$986
Supplemental Allocation	\$1,434
Student Success Allocation	\$1,029
SCFF Calculated Revenue (TCR A)	\$9,310

SCFF Component	2023-24 P1 Amount (Statewide) (In Millions)
TCR Stability (TCR B)	\$9,387
Hold Harmless Revenue (TCR C)	\$8,697
2023-24 TCR (Max of A, B, or C)	\$9,545
Stability Protection Adjustment	\$122
Hold Harmless Protection Adjustment	\$113
Property Tax & ERAF	\$4,376
Less Property Tax Excess	(\$455)
Student Enrollment Fees	\$405
Education Protection Account (EPA)	\$1,716
State General Fund Allocation	\$3,194
Deficit Factor	3.55%
Surplus (Deficit)	(\$310)

2023-24 P1 TCR Status	Number of Districts
SCFF Calculated Revenue (TCR A)	25
TCR Stability (TCR B)	36
Hold Harmless Revenue (TCR C)	11

2023-24 P1 Exhibits

- Exhibit A (District Monthly Payments by Program)
- Exhibit B4 (County Monthly Payment Schedule)
- Exhibit C (Statewide and District SCFF details)
- Educational Revenue Augmentation Fund (ERAF) Memo
- ERAF and Property Tax Distribution by County and District

SCFF 2022-23 R1

At 2022-23 R1, SCFF calculations were updated with actual FTES data (including an optional Title 5 COVID-19 emergency conditions allowance), offsetting revenues, including district reported property tax, district reported student enrollment fees, and an updated annual certification of the Education Protection Account (EPA), and other minor adjustments.

Growth has been applied to districts that increased in actual reported FTES value above the prior year base value (2021-22 Applied #3) and above the available restoration balance. Growth was allowed to exceed districts' growth authority up to a total growth applied of 10% of districts' preceding fiscal year's FTES base value, in alignment with Education Code 54750.5.

The 2022-23 R1 Total Computational Revenue (Max TCR) consists of the highest of the following three TCR calculations for each district: (A) TCR calculated by formula in 2022-23, (B) TCR stability protection (2021-22 calculated TCR plus COLA), or (C) Hold Harmless (2017-18 TCR plus yearly COLAs). At 2022-23 R1, the statewide SCFF Max TCR is \$8.75. billion.

SCFF Component	2022-23 R1 Amount (Statewide) (In Millions)
FTES Allocation	\$5,492
Basic Allocation	\$921
Supplemental Allocation	\$1,295
Student Success Allocation	\$966
SCFF Calculated Revenue (TCR A)	\$8,674
TCR Stability (TCR B)	\$8,012
Hold Harmless Revenue (TCR C)	\$8,036
2022-23 TCR (Max of A, B, or C)	\$8,747
Stability Protection Adjustment	\$0
Hold Harmless Protection Adjustment	\$74

SCFF Component	2022-23 R1 Amount (Statewide) (In Millions)
Property Tax & ERAF	\$4,345
Less Property Tax Excess	(\$471)
Student Enrollment Fees	\$466
Education Protection Account (EPA)	\$503
State General Fund Allocation	\$3,905
Deficit Factor	0.00%
Surplus (Deficit)	\$0

2022-23 R1 TCR Status	Number of Districts
SCFF Calculated Revenue (TCR A)	60
TCR Stability (TCR B)	0
Hold Harmless Revenue (TCR C)	12

SCFF Funding Protections

Fiscal year 2022-23 was the final year for the optional Title 5 COVID-19 emergency conditions allowance. However, there are several funding protections applicable under the SCFF, summarized below.

Protection	Description
Hold Harmless (EDC 84750.4(h))	Districts receive no less than their 2017-18 TCR plus applicable cumulative annual cost of living adjustments through 2024-25. The 2022 Budget Act extended the Hold Harmless protection in a modified form. Starting in 2025-26, the Hold Harmless provision will no longer reflect cumulative COLAs over time. A district's 2024-25 TCR will represent its new "floor," below which it cannot drop.
Stability Protection (EDC 84750.4(g)(4)(A))	Commencing in 2020-21, declines in the SCFF TCR (excluding the hold harmless) are applicable in the year after the decline and include any applicable COLA. This protection is similar to the former FTES stability protection provided under SB 361, however is based on SCFF calculated revenue TCR.
FTES Restoration Protection (EDC 84750.4(d)(2)(D))	Ability to restore FTES that have declined in the previous 3 years. This protection is converted to a funding amount to provide flexibility.
Basic Allocation Protection (Title 5 § 58776)	Declines in college and center basic allocation tiers are effective 3 years after the initial decline. Increases or new colleges or centers are eligible for funding in the year following the increase or establishment.

SCFF Dashboard

Since the adoption of the SCFF, the Chancellor's Office has collaborated with system partners to develop tools and resources to support SCFF implementation. The [SCFF Dashboard](#) provides analytics and visualizations about the California Community Colleges funding formula. There are three dashboard interfaces:

- Dashboard 1: Presents an analysis and comparison of the prior funding formula (SB 361) and SCFF. This data is updated each year after Recalculation. Data last updated February 2023.
- Dashboard 2: Provides analysis and trends in the SCFF supplemental and student success counts, funding protections, and race and ethnicity analyses. This data is updated each year after Recalculation. Data last updated February 2023.
- Dashboard 3: Provides districts with a planning tool, known as the SCFF Resource Estimator. This data is updated after each apportionment period. Data last updated August 2023.

Dashboard 3, the SCFF Resource Estimator, allows users to modify assumptions about levels of general enrollment, low-income student enrollment, and student success, in addition to cost of living adjustments to generate projections of funding levels in future years. The SCFF Resource Estimator is designed to provide five-year estimates. The SCFF Resource Estimator will be updated with 2023-24 P1 data in the coming weeks.

Categorical Programs

A total of 51 categorical programs certified their district allocations at 2023-24 P1 totaling over \$2.9 billion. The following exhibits pertaining to 2023-24 P1 categorical program allocations can be found on our [website](#):

- Exhibit A (District Monthly Payments by program)
- Exhibit A/B4 (Apprenticeship Training and Instruction, Local Education Agencies)
- Exhibit B4 (Healthcare Focused Vocational Pathways, Local Education Agencies)
- Exhibit A/B-4 (Statewide Community College)
- Exhibit B4 (Reimbursement, Vocational Education (Perkins))

Additional information regarding categorical programs can be found in the Compendium of Allocations and Resources (the Compendium) on the [Budget News](#) web page.

Contacts

For questions regarding the SCFF please email scff@cccco.edu.

For general questions regarding apportionment payments please email apportionments@cccco.edu.

For questions regarding specific categorical programs, please contact the appropriate staff specified in Appendix B: Summary of Categorical Program Accounting of the Compendium on the [Budget News](#) web page.

California Community Colleges

2023-24 First Principal

Southwestern CCD

Exhibit C - Page 1

Total Computational Revenue and Revenue Sources

Total Computational Revenue (TCR)									
I. Base Allocation (FTES + Basic Allocation)								\$	95,082,766
II. Supplemental Allocation									24,440,933
III. Student Success Allocation									13,071,782
						Student Centered Funding Formula (SCFF) Calculated Revenue (A)		\$	132,595,481
						2022-23 SCFF Calculated Revenue + COLA (B)			129,502,927
						Hold Harmless Revenue (C)			119,013,531
						Stability Protection Adjustment			-
						Hold Harmless Protection Adjustment			-
						2023-24 TCR (Max of A, B, or C)		\$	132,595,481
Revenue Sources									
Property Tax & ERAF								\$	40,453,349
Less Property Tax Excess									-
Student Enrollment Fees									5,583,744
Education Protection Account (EPA)	Minimum of at least \$100 x Funded FTES			Funded FTES: 15,231.41	x	Rate: \$1,763.73			26,864,142
State General Fund Allocation									54,985,565
State General Fund Allocation									
General Fund Allocation				\$	53,955,495				
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)					1,030,070				
				Subtotal State General Fund Allocation	\$54,985,565				
Adjustment(s)					-				
				Total State General Fund Allocation (Exhibit A)	\$54,985,565				
								Available Revenue	\$ 127,886,800
								2023-24 TCR (Max of A, B, or C)	132,595,481
						3.5512%	Revenue Deficit	\$	(4,708,681)

Supporting Sections

Section Ia: FTES Data and Calculations

variable	a	b	c	d	e	f = b + c + d + e	g = f (except credit = (a + b + f)/3)	h	i = g + h
FTES Category	2021-22 Applied #3	2022-23 Applied #3	2023-24 Restoration	2023-24 Decline	2023-24 Adjustment	2023-24 Applied #1	2023-24 Applied #2	2023-24 Growth	2023-24 Funded
Credit	14,688.02	14,688.02	-	-	-	14,688.02	14,688.02	149.99	14,838.01
Incarcerated Credit	30.98	30.98	-	-	14.75	45.73	45.73	16.27	62.00
Special Admit Credit	189.50	189.50	-	-	(82.89)	106.61	106.61	-	106.61
CDCP	50.82	50.82	-	-	(17.17)	33.65	33.65	-	33.65
Noncredit	49.27	49.27	-	-	141.87	191.14	191.14	-	191.14
Total FTES=>>>	15,008.59	15,008.59	-	-	56.56	15,065.15	15,065.15	166.26	15,231.41
Total Values=>>>		\$79,151,917	\$0	\$0	\$0				
Change from PY to CY=>>>		\$1,672,383							

variable	j = g x l 2023-24 Applied #2 Revenue	k = h x l 2023-24 Growth Revenue	l 2023-24 P1 Rate \$*	m = j + k 2023-24 Total Revenue
FTES Category				
Credit	\$76,941,326	\$ 785,716	\$5,238.37	\$77,727,042
Incarcerated Credit	335,926	119,521	\$7,345.93	455,447
Special Admit Credit	783,149	-	\$7,345.93	783,149
CDCP	247,190	-	\$7,345.93	247,190
Noncredit	844,325	-	\$4,417.31	844,325
Total	\$79,151,916	\$905,237		\$80,057,153

n	o = f + h	p = n - o	q = p x l
2023-24 Applied #0	2023-24 Applied #3	2023-24 Unfunded FTES	2023-24 Unfunded FTES Value
14,984.46	14,838.01	146.45	\$ 767,147
62.00	62.00	-	-
106.61	106.61	-	-
33.65	33.65	-	-
191.14	191.14	-	-
15,377.86	15,231.41	146.45	\$ 767,147

Total Value=>>>

\$80,824,300

Section Ib: 2023-24 FTES Emergency Conditions Allowance (ECA)

variable	r ECA FTES	s Reported 320 2023-24 P1 FTES	t ECA Applied	n = s + t 2023-24 Applied #0
FTES Category				
Credit	-	14,984.46	-	14,984.46
Incarcerated Credit	-	62.00	-	62.00
Special Admit Credit	-	106.61	-	106.61
CDCP	-	33.65	-	33.65
Noncredit	-	191.14	-	191.14
Total	-	15,377.86	-	15,377.86

Definitions:

PY: 2022-23	CY: 2023-24
PY App#3: PY App#1 plus PY Growth, is the base for CY. CY App#0: Reported FTES with any ECA or statutory protections. These FTES are used in the calculations of the CY funded FTES. CY App#1: Base for CY plus any restoration, decline or adjustment. CY App#2: FTES that will be funded not including growth. Includes Credit 3-year average. CY App#3: CY App#1 plus Growth. Used as the base for the following year. CY Adjustment: Alignment of FTES to available resources. Change Prior Year to Current Year: CY App#0 value minus PY App#3 value and is the sum of CY restoration, decline, growth and unapplied values	

Section Ic: FTES Restoration Authority				
<i>variable</i>	v	w	y	z = (v + w + y) x l
FTES Category	2020-21	2021-22	2022-23	Total \$
Credit	-	-	-	\$ -
Incarcerated Credit	-	-	-	-
Special Admit Credit	-	-	-	-
CDCP	-	-	-	-
Noncredit	-	-	-	-
Total	-	-	-	\$ -

Section Id: FTES Growth Authority			
<i>variable</i>	aa	ab 2022-23 Applied #3 FTES	ac = aa x ab 2023-24 Growth FTES
FTES Category	% target		
Credit	0.17%	14,688.02	24.54
Incarcerated Credit	0.17%	30.98	0.05
Special Admit Credit	0.17%	189.50	0.32
CDCP	0.17%	50.82	0.08
Noncredit	0.17%	49.27	0.08
Total		15,008.59	25.08
Total Growth FTES Value ==>>>		\$	131,910

Section Ie: Basic Allocation

District Type/FTES	Funding Rate	Number of Colleges	Basic Allocation	FTES	Funding Rate	Number of Centers	Basic Allocation
<u>Single College Districts</u>				<u>State Approved Centers</u>			
≥ 20,000	10,732,581.16	-	\$0	≥ 1,000	\$2,146,515.89	3	\$6,439,548
≥ 10,000 & < 20,000	8,586,065.27	1	8,586,065	<u>Grandparented Centers</u>			
< 10,000	6,439,546.00	-	-	≥ 1,000	2,146,515.89	-	-
<u>Multi-College Districts</u>				≥ 750 & < 1,000	1,609,886.50	-	-
≥ 20,000	8,586,065.27	-	-	≥ 500 & < 750	1,073,257.10	-	-
≥ 10,000 & < 20,000	7,512,806.48	-	-	≥ 250 & < 500	536,629.40	-	-
< 10,000	6,439,546.00	-	-	≥ 100 & < 250	268,316.39	-	-
Additional Rural \$	2,048,172.33	-	-	Subtotal			
Subtotal			\$8,586,065				
Total Basic Allocation							\$15,025,613
Total FTES Allocation							80,057,153
Total Base Allocation							\$95,082,766

Section II: Supplemental Allocation

Supplemental Allocation - Point Value \$1238.71		Points	2022-23 Headcount	Rate	Revenue
AB540 Students		1	692	\$1,238.71	\$857,185
Pell Grant Recipients		1	7,080	1,238.71	8,770,048
Promise Grant Recipients		1	11,959	1,238.71	14,813,700
Totals			19,731		\$24,440,933

Section III: Student Success Allocation

All Students - Point Value \$730.42		Points	2020-21 Headcount	2021-22 Headcount	2022-23 Headcount	Three Year Average	Rate = Point Value x Points	Revenue
Associate Degrees for Transfer		4	968	874	826	889.33	\$ 2,921.68	\$2,598,344
Associate Degrees		3	740	739	689	722.67	2,191.26	1,583,549
Baccalaureate Degrees		3	0	0	0	0.00	2,191.26	0
Credit Certificates		2	137	160	158	151.67	1,460.84	221,560
Transfer Level Math and English		2	550	593	641	594.67	1,460.84	868,712
Transfer to a Four Year University		1.5	904	913	775	864.00	1,095.63	946,623
Nine or More CTE Units		1	2,367	2,143	2,308	2,272.67	730.42	1,659,999
Regional Living Wage		1	1,752	2,055	2,206	2,004.33	730.42	1,464,003
All Students Subtotal			7,418	7,477	7,603	7,499.33		\$9,342,790
Pell Grant Recipients - Point Value \$184.24								
Associate Degrees for Transfer		6	607	557	513	559.00	\$ 1,105.43	\$617,935
Associate Degrees		4.5	452	462	439	451.00	829.07	373,911
Baccalaureate Degrees		4.5	0	0	0	0.00	829.07	0
Credit Certificates		3	78	82	93	84.33	552.71	46,612
Transfer Level Math and English		3	246	273	323	280.67	552.71	155,128
Transfer to a Four Year University		2.25	512	501	444	485.67	414.54	201,326
Nine or More CTE Units		1.5	1,377	1,211	1,327	1,305.00	276.36	360,646
Regional Living Wage		1.5	587	832	878	765.67	276.36	211,597
Pell Grant Recipients Subtotal			3,859	3,918	4,017	3,931.33		\$1,967,155
Promise Grant Recipients - Point Value \$184.24								
Associate Degrees for Transfer		4	793	707	658	719.33	\$ 736.95	\$530,114
Associate Degrees		3	608	599	571	592.67	552.71	327,575
Baccalaureate Degrees		3	0	0	0	0.00	552.71	0
Credit Certificates		2	115	118	122	118.33	368.48	43,603
Transfer Level Math and English		2	352	333	395	360.00	368.48	132,651
Transfer to a Four Year University		1.5	672	690	583	648.33	276.36	179,172
Nine or More CTE Units		1	1,866	1,584	1,716	1,722.00	184.24	317,258
Regional Living Wage		1	994	1,361	1,414	1,256.33	184.24	231,464
Promise Grant Recipients Subtotal			5,400	5,392	5,459	5,417.00		\$1,761,837
Total Headcounts			16,677	16,787	17,079	16,847.67		
Total Student Success Allocation								\$13,071,782