



TO: Chief Executive Officers
Chief Business Officers

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

RE: 2023-24 Second Principal Apportionment

This memo describes the 2023-24 Second Principal (P2) apportionment calculations for the Student Centered Funding Formula (SCFF) and various categorical programs. **The SCFF P2 apportionment includes a temporary 8.74% deficit factor due primarily to a decline in Education Protection Account (EPA) resources, as described below.** 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: consisting of 1) the basic allocation which relies on college and center size based on prior year data, and 2) the Full Time Equivalent Student (FTES) allocation which is based on current year FTES enrollment and a three-year average for credit FTES.
- 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 P2

At 2023-24 P2, SCFF calculations reflect district reported FTES estimates, supplemental and student success metric data reported as of March 13, 2024, county reported property tax, district reported enrollment fees, updated 2023-24 EPA resources, and currently available general fund.

Notably, there was a significant decline in anticipated EPA funding at 2023-24 P2, resulting in a point-in-time revenue deficit that will be reduced once additional general fund revenues are appropriated and available for expenditure in the 2024 Budget Act and/or associated legislation. This is discussed in greater detail in the Education Protection Account (EPA) section of this memo.

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 P2. Growth applied beyond districts' growth targets was proportionally adjusted to not exceed the budget. Growth will be reassessed at 2023-24 R1 when final FTES are reported.

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 P2 reflect metric data updates provided by districts through March 13, 2024. Aside from any pending audit adjustments, this is the final data set used for calculating the 2023-24 supplemental and student success allocations.

Compared to the metric data used at 2023-24 P1, there was a net decline in the regional living wage data; There was a delay in available transfer data at 2023-24 P1, which was nonetheless included in the SCFF calculations for the same period. However, this delay had a subsequent impact on the regional living wage data that is now being used at 2023-24 P2.

Total Computational Revenue

The 2023-24 P2 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 P2, the statewide SCFF Max TCR is \$9.55 billion.

SCFF Component	2023-24 P2 Amount (Statewide) (In Millions)
FTES Allocation	\$5,919
Basic Allocation	\$986

SCFF Component	2023-24 P2 Amount (Statewide) (In Millions)
Supplemental Allocation	\$1,434
Student Success Allocation	\$1,025
SCFF Calculated Revenue (TCR A)	\$9,364
TCR Stability (TCR B)	\$9,387
Hold Harmless Revenue (TCR C)	\$8,697
2023-24 TCR (Max of A, B, or C)	\$9,554
Stability Protection Adjustment	\$94
Hold Harmless Protection Adjustment	\$97
Property Tax & ERAF	\$4,493
Less Property Tax Excess	(\$463)
Student Enrollment Fees	\$414
Education Protection Account (EPA)	\$867
State General Fund Allocation	\$3,480
Deficit Factor	8.74%
Surplus (Deficit)	(\$764)

2023-24 P2 TCR Status	Number of Districts
SCFF Calculated Revenue (TCR A)	24
TCR Stability (TCR B)	37
Hold Harmless Revenue (TCR C)	11

Education Protection Account (EPA)

The Fiscal Year (FY) 2023-24 EPA funding allocation was updated by the Department of Finance in June 2024 from \$1.72 billion to \$867 million, a decrease of \$848 million. The California Community Colleges do not have a continuous appropriation (automatic backfill) for decreases in EPA and local revenues in the same manner that the K-12 system does. As is the case this year, historically, and upon discretion of the Governor and Legislature, community colleges have received backfills of needed general fund revenues in the subsequent Budget Act and/or associated legislation. Once enacted, the 2024 Budget Act and/or associated legislation is expected to provide the revenue to offset the June 2024 decrease in 2023-24 EPA funding. Since the Budget Act and/or associated legislation had not been enacted at the time of certification, 2023-24 P2 does not include the 2023-24 general fund revenue increases to offset the decrease in 2023-24 EPA funding, resulting in a temporary revenue deficit of 8.74% at 2023-24 P2.

As of the third quarter payment in March 2024, districts have received \$1.29 billion in 2023-24 EPA payments, resulting in \$419.5 million in payments above the revised June 2024 EPA funding allocation. To minimize the impact of the temporary revenue deficit at 2023-24 P2, 2023-24 EPA payments will not be processed in June 2024. The 2023-24 EPA payments will be accounted for by offsetting the first quarter and second quarter 2024-25 EPA payments in September and December 2024, respectively.

To offset the decrease in 2023-24 EPA funding, additional 2023-24 general fund revenues will be allocated to districts once funds are available at the State Controller's Office. Additional 2023-24 general fund payments will be processed through an early 2023-24 Recalculation apportionment, estimated to occur in September or October 2024.

2023-24 P2 Exhibits

- Exhibit A (District Monthly Payments by Program)
- 2023-24 Adjustment Report June 2024
- 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 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.
FTES Restoration Protection (EDC 84750.4(d)(2)(D))	Ability to restore FTES that have declined in the previous 3 years.
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:

- Prior Formula Comparison to SCFF: Presents an analysis and comparison of the prior funding formula (SB 361) and SCFF. Data was last updated February 2023 and will no longer be updated.
- Analysis of Counts and Patterns Across the SCFF: 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 June 2024.
- SCFF Resource Estimator: Provides districts with a planning tool to estimate funding amounts. This data is updated after each apportionment period. Data last updated March 2024.

The SCFF Resource Estimator allows users to modify assumptions regarding 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 P2 data in the coming weeks.

2019-20 State General Apportionment

\$5.7 million in State General Apportionment has been reappropriated to effectively close the remaining 2019-20 R1 SCFF revenue deficit consistent with Senate Bill 101, the Budget Act of 2023. Refer to the 2019-20 R1 June 2024 Revision Exhibit D on our [website](#) for allocations by district.

Categorical Programs

A total of 56 programs certified their district allocations at 2023-24 P2 totaling over \$3 billion. The following exhibits pertaining to 2023-24 P2 program allocations can be found on our [website](#):

- Exhibit A, B4, D (District Monthly Payments by program)
- Adjustment Report June 2024
- Exhibit A, B4, D (Apprenticeship Training and Instruction, Local Education Agencies)
- Exhibit A, B4 (Healthcare Focused Vocational Pathways, Local Education Agencies)
- Exhibit B4 (Statewide Community College)
- Exhibit B4 (Reimbursement, Vocational Education (Perkins))

Additional information regarding 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 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 Second Principal
Southwestern CCD
Exhibit C - Page 1**

Total Computational Revenue and Revenue Sources

Total Computational Revenue (TCR)									
I. Base Allocation (FTES + Basic Allocation)								\$	95,087,425
II. Supplemental Allocation									24,440,933
III. Student Success Allocation									13,030,417
							Student Centered Funding Formula (SCFF) Calculated Revenue (A)	\$	132,558,775
							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)	\$	132,558,775
Revenue Sources									
Property Tax & ERAF								\$	40,597,703
Less Property Tax Excess									-
Student Enrollment Fees									5,731,020
Education Protection Account (EPA)	Minimum of at least \$100 x Funded FTES			Funded FTES: 15,146.41	x	Rate: \$867.17			13,134,553
State General Fund Allocation									61,509,353
State General Fund Allocation									
General Fund Allocation				\$		60,479,283			
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)						1,030,070			
						Subtotal State General Fund Allocation			\$61,509,353
Adjustment(s)						-			
						Total State General Fund Allocation (Exhibit A)			\$61,509,353
							Available Revenue	\$	120,972,629
							2023-24 TCR (Max of A, B, or C)		132,558,775
							See memo for additional information regarding revenue deficit at 2023-24 P2.	8.7404%	Revenue Deficit \$ (11,586,146)

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	-	14,688.02
Incarcerated Credit	30.98	30.98	-	-	-	30.98	30.98	87.72	118.70
Special Admit Credit	189.50	189.50	-	-	-	189.50	189.50	-	189.50
CDCP	50.82	50.82	-	-	-	50.82	50.82	15.10	65.92
Noncredit	49.27	49.27	-	-	-	49.27	49.27	35.00	84.27
Total FTES=>>>	15,008.59	15,008.59	-	-	-	15,008.59	15,008.59	137.82	15,146.41
Total Values=>>>		\$79,151,917	\$0	\$0	\$0				
Change from PY to CY=>>>		\$2,110,536							

variable	j = g x l 2023-24 Applied #2 Revenue	k = h x l 2023-24 Growth Revenue	l 2023-24 P2 Rate \$*	m = j + k 2023-24 Total Revenue
FTES Category				
Credit	\$76,941,326	\$ -	\$5,238.37	\$76,941,326
Incarcerated Credit	227,577	644,365	\$7,345.93	871,942
Special Admit Credit	1,392,053	-	\$7,345.93	1,392,053
CDCP	373,321	110,923	\$7,345.93	484,244
Noncredit	217,641	154,606	\$4,417.31	372,247
Total	\$79,151,918	\$909,894		\$80,061,812

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
14,711.79	14,688.02	23.77	\$ 124,516
145.99	118.70	27.29	200,490
308.70	189.50	119.20	875,635
65.92	65.92	-	-
84.27	84.27	-	-
15,316.67	15,146.41	170.26	\$ 1,200,641

Total Value=>>> \$81,262,453

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

variable	r ECA FTES	s Reported 320 2023-24 P2 FTES	t ECA Applied	n = s + t 2023-24 Applied #0
FTES Category				
Credit	-	14,711.79	-	14,711.79
Incarcerated Credit	-	145.99	-	145.99
Special Admit Credit	-	308.70	-	308.70
CDCP	-	65.92	-	65.92
Noncredit	-	84.27	-	84.27
Total	-	15,316.67	-	15,316.67

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				
variable	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			
variable	aa	ab	ac = aa x ab
FTES Category	% target	2022-23 Applied #3 FTES	2023-24 Growth FTES
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
Single College Districts				State Approved Centers			
≥ 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	Grandparented Centers			
< 10,000	6,439,546.00	-	-	≥ 1,000	2,146,515.89	-	-
Multi-College Districts				≥ 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							80,061,812
Total Base Allocation							\$95,087,425

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	778	865.00	1,095.63	947,719
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	2,077	1,961.33	730.42	1,432,595
All Students Subtotal		7,418	7,477	7,477	7,457.33		\$9,312,478
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	446	486.33	414.54	201,603
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	814	744.33	276.36	205,702
Pell Grant Recipients Subtotal		3,859	3,918	3,955	3,910.67		\$1,961,537
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	586	649.33	276.36	179,448
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	1,321	1,225.33	184.24	225,753
Promise Grant Recipients Subtotal		5,400	5,392	5,369	5,387.00		\$1,756,402
Total Headcounts		16,677	16,787	16,801	16,755.00		\$13,030,417
Total Student Success Allocation							\$13,030,417