



California Community Colleges

MEMORANDUM

June 26, 2019

Apportionments 18-08 | Via Website

TO: Chief Executive Officers
Chief Business Officers
District Staff

FROM: Fiscal Services Unit
College Finance and Facilities Planning Division

RE: 2018-19 Second Principal Apportionment

The 2018-19 second principal apportionment exhibits are now available on the Chancellor's Office [Fiscal Services Unit, Apportionments Reports website](#). Because the Chancellor's Office will launch a redesigned website on June 29, and some files may be temporarily unavailable, we highly recommend that you download any necessary reports for your records. For support with any issues obtaining needed information, please email apportionments@cccco.edu.

APPORTIONMENT EXHIBITS

The following exhibits are now available:

2018-19 EXHIBITS

Exhibit A: District Apportionments and Payments by Program

Exhibit B-4: Monthly Payment Schedule

Exhibit C: 2018-19 Total Computational Revenue, Second Principal Apportionment

[The Exhibit C was updated to provide additional explanations, specifically in the TCR section.]

Chancellor's Office, College Finance and Facilities Planning

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www.CaliforniaCommunityColleges.cccco.edu

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2017-18 EXHIBITS

Exhibit D: District Apportionments and Payments by Program

Exhibit E: Recalculation State General Apportionment by District

2016-17 EXHIBITS

Exhibit D: District Apportionments and Payments by Program

EDUCATION PROTECTION ACCOUNT 2017-18 & 2018-19 EXHIBITS

Exhibit B-4b: Fourth Quarter 2018-19, Quarterly Payment Schedule

Exhibit B-4b: Adjustment 2017-18, Quarter Payment Schedule

Exhibit B-4b: Net to County and District

LEA APPRENTICESHIP TRAINING AND INSTRUCTION 2018-19

Exhibit B-4c: Monthly Payment by County and LEA

BACKGROUND

The second principal apportionment makes three primary sets of changes related to the Student Centered Funding Formula: 1) inclusion of new estimates of offsetting revenues, including property taxes and student enrollment fees; 2) changes included in the 2019 Budget Act and trailer legislation that has been sent to the Governor; and 3) routine adjustments to full-time equivalent students (FTES). The second principal apportionment also reflects corrections to calculations included in the first principal apportionment.

ESTIMATES OF AVAILABLE REVENUES

The second principal apportionment adjusts estimates of revenues that are used to fund the general apportionment. Specifically, the second principal apportionment assumes \$3.346 billion in property tax revenues, of which \$2.986 billion offset state funds. Therefore, property tax revenues are \$66.89 million higher than assumed in the first principal apportionment. Further, the second principal apportionment assumes \$466.281 million in enrollment fee revenues, \$7.367 million more than assumed in the first principal apportionment.

CHANGES INCLUDED IN THE 2019 BUDGET ACT AND TRAILER LEGISLATION

Although the Governor has not signed the 2019 Budget Act or related trailer bills as of this memorandum, the second principal apportionment assumes the budget agreement passed by the Legislature will be enacted. Specifically, for 2018-19, the budget increases state General Fund appropriations to \$3.647 billion, \$43.28 million more than reflected in the first principal apportionment.

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Further, the budget changes the definition of a transfer student to rely on different data than the Chancellor's Office had used as part of the first principal apportionment. **The transfer calculation described here applies to the 2018-19 apportionment only.**

The trailer legislation directs the Chancellor's Office to use publicly available University of California (UC) data to count transfers to UC campuses, California State University (CSU) data to count CSU transfers, and CCC Chancellor's Office data to count transfers to private and out-of-state institutions. This direction changes the statewide transfer count in the prior year (2017-18), which is the data used for the current-year apportionment.

For the equity component of the student success allocation, which counts the number of transfers who were Pell Grant recipients and California College Promise Grant recipients, the second principal apportionment calculates those counts by multiplying the total number of transfers, as of the second principal apportionment, by 1) the percentage of Pell Grant recipient transfers in the first principal apportionment and 2) the percentage of California College Promise Grant recipient transfers in the first principal apportionment.

Statewide, these changes result in a reduction in the total computational revenue (TCR) of \$47.072 million. (You will find more detail about the changes made to the Student Centered Funding Formula in a forthcoming analysis.)

ROUTINE ADJUSTMENTS

As with any year, the second principal apportionment reflects changes to FTES counts, which affects the base allocation. Statewide, from the first principal apportionment to the second principal apportionment:

- Credit FTES decreased by 6,036.66.
- Credit FTES for students in correctional facilities increased by 1,700.05.
- Credit FTES for special admit students increased by 8,393.67.
- Noncredit FTES increased by 948.83.
- Career development and college preparation (CDCP) FTES decreased by 620.91.

With these changes, statewide, the revenues allocated to the base allocation increased by \$32.825 million. This apportionment reflects an error by which districts were apportioned funds for FTES above their growth targets. Given the apportionment shortfall described below, as part of the final recalculation apportionment, the Chancellor's Office will reduce districts' FTES to no more than the growth target, unless sufficient funds are available to fund FTES above the target when the recalculation apportionment is made. Statewide, this correction will reduce the base allocation by \$17.073 million.

CORRECTIONS

The second principal apportionment makes the following corrections that had been made in the first principal apportionment:

- The grandparented rates for students in correctional institutions and special admit students were corrected for those districts for which the statute specifies unique higher rates.
- In “Section 1a: FTEs Allocation” of the Exhibit C, the “2017-18 Credit Used for the 3 Year Average” column was added to reflect the credit FTE workload used in the three-year calculation of credit FTES.

IMPLEMENTATION OF THE APPORTIONMENT GIVEN AVAILABLE RESOURCES

On April 26, 2019, the Chancellor’s Office issued a memorandum explaining the April version of the first principal apportionment. Consistent with the expectations communicated as part of the Student Centered Funding Formula, the Chancellor’s Office apportioned to each district at least their 2017-18 TCR, adjusted by the 2018-19 COLA. The second principal apportionment continues that approach.

The table on the following page displays the TCR and available revenues as of the first principal apportionment (April revision), the second principal apportionment, and the 2019 Budget Act, with a calculation of the differences in the TCR and available revenues between the second principal apportionment and the 2019 Budget Act.

2018-19 General Apportionment Estimates (In Millions)

	P1 April 019	P2 June 2019	2019 Budget Act	Difference: P2 & Budget Act
Student Centered Funding Formula Allocations				
Base	\$4,918	\$4,950	\$4,919	\$ (31)
Supplemental	1,396	1,396	1,391	(5)
Student Success	787	739	739	0
Total	\$7,101	\$7,085	\$7,049	\$ (36)
Minimum Revenue	113	123	116	(7)
Total Computational Revenue	\$7,214	\$7,208	\$7,165	\$ (43)
Available Revenues				
General Fund	\$3,604	\$3,647	\$3,641	\$ (6)
Local Property Tax	2,919	2,987	3,056	69
Enrollment Fees	459	466	464	(2)
Other Offsetting Revenues	4	5	4	(1)
Total Available Revenues	\$6,987	\$7,105	\$7,165	\$ 60
Surplus (Shortfall)	\$ (228)	\$ (103)	\$ 0	\$ 103

As of the second principal apportionment, statewide, the available revenues are insufficient to fund the TCR, and the Chancellor’s Office has apportioned less than the TCR. Consistent with the approach taken in the April revision of the first principal apportionment, a district’s apportionment is calculated as follows:

1. A district’s TCR was constrained to be no greater than 8.13 percent (three times the budgeted COLA) more than the 2017-18 TCR.
2. The difference between the “constrained TCR” and the 2017-18 TCR, adjusted by the COLA, was calculated.

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3. The difference was divided by the sum of all of the districts' differences to calculate each district's percentage.
4. Each district's percentage was multiplied by the remaining available revenues to calculate the district's proportionate share of those revenues.
5. The proportionate share was added to the district's 2017-18 TCR, adjusted by COLA, to determine the adjusted 2018-19 TCR at this point in time.

As with any year, the Chancellor's Office will again make adjustments in the recalculation apportionment. Should additional revenues be available then (e.g., if property tax revenues increase consistent with the state's assumptions), the Chancellor's Office would first apportion funds up to the constrained TCR and then apportion funds to those districts for which the TCR is above those totals.

FCMAT CALCULATOR

In partnership with the Fiscal Crisis and Management Assistance Team (FCMAT), FCMAT will update the [SCFF Calculator](#) to reflect the second principal apportionment and notify SCFF Calculator Listserv subscribers once those updates are made. The Chancellor's Office encourages districts to visit the FCMAT website to subscribe to the [Listserv](#), download the most updated version of the calculator, and use this tool for multi-year budgeting projections. As a reminder, a [help desk](#) is available to provide committed support to users related to the use of the calculator. Your questions and feedback received through the help desk informs FCMAT on challenges you face and allows for continued improvement.

QUESTIONS

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

General Apportionments:

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Categorical Program Apportionments Contacts

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Apprenticeship Instruction and Training	Nick Esquivel	nesquivel@cccco.edu	(916) 445-4670
Basic Skills	Chantée Guiney	cguiney@cccco.edu	(916) 322-4260
CalWORKs	Karen Baker	kbaker@cccco.edu	(916) 445-8504
California College Promise	Ruby Nieto	rnieto@cccco.edu	(916) 322-4300
Campus Child Care & Development	Jillian Luis	jluis@cccco.edu	(916) 322-5246
Certified Nurse Assistant Program	Brenda Fong	bfong@cccco.edu	(916) 323-2758
Chancellor's Office Tax Offset Program (COTOP)	Terence Gardner	tgardner@cccco.edu	(916) 322-7412
Cooperating Agencies for Foster Youth Education Support (CAFYES)	Colleen Ganley	cganley@cccco.edu	(916) 323-3865
Cooperative Agencies Resources for Education (CARE)	Jillian Luis	jluis@cccco.edu	(916) 322-5246
Disabled Student Programs and Services (DSPS)	Linda Vann	lvann@cccco.edu	(916) 322-3234
Equal Employment Opportunity	Legal Main Line	legaffairs@cccco.edu	(916) 445-4826
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Full-Time Faculty Hiring	Chay Yang	cyang@cccco.edu	(916) 445-8283
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Guided Pathways (apportionments contact)	Michael Quiaoit	mquiaoit@cccco.edu	(916) 327-6222
Guided Pathways (program contact)	Mia Keeley	mkeeley@cccco.edu	(916) 327-5898

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Mental Health Services	Nicole Alexander	nalexander@cccco.edu	(916) 322-7924
Nursing Program Support	Brenda Fong	bfong@cccco.edu	(916) 323-2758
Part-time Faculty Compensation	Michael Yarber	myarber@cccco.edu	(916) 322-5815
Part-time Faculty Health Insurance	Michael Yarber	myarber@cccco.edu	(916) 322-5815
Part-time Faculty Office Hours	Michael Yarber	myarber@cccco.edu	(916) 322-5815
Physical Plant and Instructional Support	Hoang Nguyen	hnguyen@cccco.edu	(916) 327-5363
Strong Workforce Program	Nita Patel	npatel@cccco.edu	(916) 327-6226
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Student Financial Aid Program	Ruby Nieto	rnieto@cccco.edu	(916) 322-4300
Student Success and Support Program	Rhonda Mohr	rmohr@cccco.edu	(916) 323-6894
Telecommunications and Technology Infrastructure Program (TTIP)	Gary Bird	gbird@cccco.edu	(916) 327-5904
Temporary Assistance Needy Families (TANF)	Karen Baker	kbaker@cccco.edu	(916) 445-8504
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**California Community Colleges
2018-19 Second Principal Apportionment
Southwestern CCD
Exhibit C - Page 1**

Total Computational Revenue and Revenue Source

Total Computational Revenue (TCR)		For Informational Purposes Only	
I. Base Allocation (FTES + Basic Allocation)	\$ 64,473,407		a
II. Supplemental Allocation	20,831,892		b
III. Student Success Allocation	8,134,048		c
Student Centered Funding Formula (SCFF) Calculated Revenue	\$ 93,439,347		d = a+b+c
2017-18 TCR + 2.71%	95,122,607		e
2018-19 TCR	95,122,607	The greater of SCFF or 2017-18 TCR + 2.71%.	f = Max(d,e)
Constrained 2018-19 TCR**	95,122,607	The greater of the 2017-18 TCR + 2.71% or 2017-18 TCR + (3*2.71%).	g
Difference between Constrained 2018-19 TCR and 2017-18 TCR + 2.71%	-		h = g - e
Funding above the 2017-18 TCR + 2.71%	-	Proportional share of "h" to fund above the 2017-18 TCR + 2.71%.	i = h * (Statewide i ÷ Statewide h)
Adjusted 2018-19 TCR Reflecting Available Revenues	\$ 95,122,607		j = e + i
Revenue Sources			
Property Tax	\$ 29,295,125	Reported by counties for P2.	k
Less Property Tax Excess	-		l
Student Enrollment Fees	4,678,183	Reported by districts for P2.	m
State General Apportionment			
General Apportionment	\$ 46,133,797	Only for non basic aid districts.	n
Full-Time Faculty Hiring (FTFH) Apportionment (2015-16 Funds Only)	823,293	All districts eligible for FTFH funds.	o
Total State General Apportionment	46,957,090	Also displayed on Exhibit A.	p = n + o
Education Protection Account (EPA)	14,192,209	All districts eligible for EPA, paid quarterly.	q
Total Available Revenue	\$ 95,122,607		r = k + l + m + p + q

**For all districts--2018-19 TCR, but no higher than 8.13% increase over 2017-18 TCR.

Supporting Sections

Section Ia: FTES Allocation

	Credit Used for 3 Year Average		Calculations of the 2018-19 Applied #1 that equals 2018-19 FTES before Growth & Stability Paid					Credit Used for 3 Year Average	Credit 3 Year Average
	2016-17	2017-18	2017-18 Funded	Stability*	Restoration	Stability Adjustment	Adjustment	2018-19 Applied #1	
Credit	15,442.30	12,778.47	13,083.04	-	1,161.74	-	-	14,244.78	14,155.18
Special Admit Credit	154.74	232.12	-	-	232.12	-	-	232.12	
Incarcerated Credit	28.75	72.45	-	-	62.87	-	-	62.87	
CDCP	38.97	38.40	38.40	-	(16.43)	-	-	21.97	
Noncredit	212.31	196.28	196.28	-	56.46	-	-	252.74	
Totals	15,877.07	13,317.72	13,317.72	-	1,496.76	-	-	14,814.48	14,155.18
	2018-19 Applied #2		Growth	Stability Paid*	2018-19 Paid	Rate \$	Revenue \$	2018-19 FTES Reported	2018-19 FTES Unapplied
Credit	14,155.18		-	-	14,155.18	\$ 3,727.00	\$ 52,756,368	14,244.78	-
Special Admit Credit	232.12		-	-	232.12	5,456.67	1,266,603	232.12	-
Incarcerated Credit	62.87		-	-	62.87	5,456.67	343,061	62.87	-
CDCP	21.97		-	-	21.97	5,456.67	119,883	21.97	-
Noncredit	252.74		-	-	252.74	3,347.49	846,045	252.74	-
Totals	14,724.88		-	-	14,724.88		\$ 55,331,960	14,814.48	-

*Only CDCP and Noncredit FTES workload eligible for stability.

Section Ib: FTES Allocation - Restoration Target

	2015-16	2016-17	2017-18	Total Target \$
Credit	-	-	2,542.75	\$ 9,476,829
Special Admit Credit	-	-	-	-
Incarcerated Credit	-	-	-	-
CDCP	-	-	0.57	3,110
Noncredit	-	-	16.03	53,660
Total	-	-	2,559.35	\$ 9,533,599

Section Ic: FTES Allocation - Growth Target

	FTES	2018-19 Growth FTES	0.50%
Credit	14,155.18	70.87	
Special Admit Credit	-	1.16	
Incarcerated Credit	-	0.36	
CDCP	38.40	0.19	
Noncredit	196.28	0.98	
Total	14,389.86	73.57	
Total \$ Equivalent	\$ 276,807		

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Southwestern CCD
Exhibit C - Page 2**

Section 1d: Basic Allocation

District Type/FTES	Funding Rate	Number of Colleges	Basic Allocation	Funding Rate	Number of Centers	Basic Allocation
<u>Single College Districts</u>				<u>State Approved Centers</u>		
≥ 20,000	\$ 6,529,604.71	-	\$ -	≥ 1,000	\$ 1,305,921.16	3 \$ 3,917,763
≥ 10,000 & < 20,000	5,223,683.55	1	5,223,684	<u>Grandparented Centers</u>		
< 10,000	3,917,761.32	-	-	≥ 1,000	\$ 1,305,921.16	-
<u>Multi-College Districts</u>				≥ 750 & < 1,000	979,440.06	-
≥ 20,000	5,223,683.55	-	-	≥ 500 & < 750	652,960.04	-
≥ 10,000 & < 20,000	4,570,723.51	-	-	≥ 250 & < 500	326,480.02	-
< 10,000	3,917,761.32	-	-	≥ 100 & < 250	163,241.08	-
					subtotal	\$ 3,917,763
Additional Rural \$	\$ 1,246,089.31	-	\$ -		Total Basic Allocation	\$ 9,141,447
		subtotal	\$ 5,223,684		Total FTES Allocation	55,331,960
					Total Base Allocation	\$ 64,473,407

Section II: Supplemental Allocation

	2017-18 Headcount	2018-19 Rate	Revenue
Pell Grant Recipients	6,752	\$ 919	\$ 6,205,088
AB540 Students	742	919	681,898
California Promise Grant Recipients	15,174	919	13,944,906
		Total Supplemental Allocation	\$ 20,831,892

Section III: Student Success Allocation

	2017-18 Headcount	2018-19 Rate	Revenue
All Students			
Associate Degrees for Transfer	750	\$ 1,760.00	\$ 1,320,000
Associate Degrees	1,045	1,320.00	1,379,400
Baccalaureate Degrees	-	1,320.00	-
Credit Certificates	570	880.00	501,600
Transfer Level Math and English	257	880.00	226,160
Transfer	1,096	660.00	723,360
Nine or More CTE Units	2,091	440.00	920,040
Regional Living Wage	1,726	440.00	759,440
	All Students subtotal		\$ 5,830,000
Pell Grant Recipients			
Associate Degrees for Transfer	457	\$ 666.00	\$ 304,362
Associate Degrees	621	499.50	310,190
Baccalaureate Degrees	-	499.50	-
Credit Certificates	359	333.00	119,547
Transfer Level Math and English	109	333.00	36,297
Transfer	525	249.75	131,215
Nine or More CTE Units	1,159	166.50	192,974
Regional Living Wage	563	166.50	93,740
	Pell Grant Recipients subtotal		\$ 1,188,323
California Promise Grant Recipients			
Associate Degrees for Transfer	596	\$ 444.00	\$ 264,624
Associate Degrees	857	333.00	285,381
Baccalaureate Degrees	-	333.00	-
Credit Certificates	476	222.00	105,672
Transfer Level Math and English	151	222.00	33,522
Transfer	803	166.50	133,706
Nine or More CTE Units	1,666	111.00	184,926
Regional Living Wage	972	111.00	107,892
	California Promise Grant Recipients subtotal		\$ 1,115,723
		Total Student Success Allocation	\$ 8,134,046