



TO: Chief Executive Officers
Chief Business Officers

FROM: Fiscal Services Unit
College Finance and Facilities Planning Division

RE: 2019-20 Recalculation and 2020-21 Second Principal Apportionment Calculations

This memo describes the 2019-20 Recalculation (R1) and 2020-21 Second Principal (P2) 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](#). For questions regarding SCFF calculations or any general matters within this memo, please contact the Fiscal Services Unit at apportionments@cccco.edu. For questions on specific categorical program apportionments, contact the appropriate staff identified in the contact list.

GENERAL BACKGROUND

The SCFF consists of three components: the base allocation, supplemental allocation, and student success allocation. The base allocation relies primarily on college and center size and enrollment, while the supplemental and student success allocations rely on prior year data. Generally, the Chancellor's Office certifies apportionments three times per year with the First Principal (P1) and R1 releases in February, P2 in June, and Advance Apportionment (Advance) in July; however additional certification revisions are completed as necessary.

2019-20 R1 JUNE REVISION

EXHIBITS

- Exhibit D (District Monthly Payments by Program)
- Exhibit B-4 (County Monthly Payment Schedule)
- Exhibit C (Statewide and district SCFF detail)

BACKGROUND

The 2019-20 R1 June revision includes minor adjustments to the prior certification related to revised FTES data. A total of \$23 million remains to be disbursed and cannot be allocated at this time due to a lack of cash flow caused by deferrals. These funds will be disbursed as a part of the 2021-22 Advance Apportionment. Pending 2019-20 audit adjustments may result in another revision or funding adjustments in a subsequent

fiscal year's SCFF calculation.

2020-21 P2

EXHIBITS

- Exhibit A (District Monthly Payments by Program)
- Exhibit B-4 (County Monthly Payment Schedule)
- Exhibit C (Statewide and district SCFF detail)
- Educational Revenue Augmentation Fund (ERAF) Memo
- ERAF and Property Tax Distribution by County and District

BACKGROUND

The 2020-21 P2 apportionment includes the following updates from P1:

- Updated full-time equivalent students (FTES) data.
- Updated offsetting revenues, including county reported property taxes, district reported student enrollment fees, and an updated annual certification of the Education Protection Account (EPA) from the Department of Finance (Finance).
- A deficit of 0.76% (\$52.3 million) which is addressed by applying a proportional reduction to Total Computational Revenue (TCR).
- Other minor adjustments.

DESCRIPTION

At P2, updated SCFF calculations reflect district reported FTES estimates (including an optional Title 5 COVID-19 emergency conditions allowance), supplemental and success metric data reported as of March 9, 2021, county reported property tax, district reported enrollment fees, updated EPA resources, and estimated available state general fund including adjustments proposed in the pending 2021-22 Budget. The proposed adjustments and a significant increase in EPA cause a reduction in available general fund of \$441.6 million. The TCR reflects the inclusion of the newly applicable TCR stability protection, which provides the greater of current year or prior year TCR excluding the hold harmless protection (2017-18 TCR + COLAs). Net offsetting property tax and enrollment fee revenues increased by \$81.8 and \$10.8 million from P1 to P2, respectively.

The TCR increased from P1 by \$2.97 million to \$7.494 billion while the general fund deficit decreased by \$110.7 million. The \$52.3 million deficit is addressed by applying a proportional reduction of 0.76% to non-excess tax district TCR and state general fund allocations.

Because excess tax districts do not receive general fund (with the exception of required minimum EPA payments and 2015-16 full-time faculty allocations), they do not participate in the proportional reduction. Consistent with past practice, revenue deficits are resolved through a proportional reduction to TCR to align with available general fund.

Challenges with revenue estimates are a long-standing issue for California Community Colleges and the

Chancellor’s Office has attempted to resolve this through discussions with the Governor and Legislature. Unlike K-12 education, there is no provision for automatic backfill to protect community colleges from variances in revenue estimates. We will continue to work with the Governor and the Legislature to seek an automatic adjustment to general fund revenues to offset any misaligned estimates used in the budget process and provide improved funding predictability for our system. Further, depending on the magnitude of the variance, the Governor and Legislature have at times backfilled offsetting revenue shortfalls with additional state general fund authority.

P1 vs. P2 Comparison (in millions)

SCFF Exhibit C Components	2020-21 P1	2020-21 P2
I. Base Allocation (FTES + Basic Allocation)	5,141.5	5,156.9
II. Supplemental Allocation	1,371.3	1,371.1
III. Student Success Allocation	762.4	762.4
2020-21 SCFF Calculated Revenue	7,275.2	7,290.5
2019-20 SCFF Calculated Revenue	7,293.2	7,298.2
2020-21 Hold Harmless Revenue	7,177.5	7,177.5
2020-21 Stability Adjustment	83.6	75.4
2020-21 Hold Harmless Protection Adjustment	132.5	128.2
2020-21 P2 TCR	7,491.2	7,494.2
Revenue Sources		
Property Tax	3,608	3,689.9
Property Tax Excess	-409.4	-422
Student Enrollment Fees	429.2	440
Education Protection Account	1,089.3	1,564.6
State general fund	2,611	2,169.5
Revenue Deficit	163	52.3
Revenue Deficit %	2.3826%	.7641%

DEFERRALS

Due to the impact of COVID-19 on state finances, the 2020 Budget Act included deferral of a significant portion of community college funding, including \$1.04 billion from the SCFF and \$415 million from the Student Equity and Achievement categorical program. A total of \$1.45 billion in apportionment funding was deferred from 2020-21 to 2021-22 with repayments to occur between July 2021 through November 2021.

As a result, no SCFF state general fund apportionment payments will be made based on the updated 2019-20 R1 and 2020-21 P2 certifications until the new state budget takes effect in July. Applicable categorical program payments will be made in June as specified on the posted Exhibit A.

Based on information included in the 2021 Budget Act, deferral repayments will be made ahead of schedule in July and August, but will likely differ from the original amounts deferred due to the increase in 2020-21 EPA payments made in June.

SCFF SUPPLEMENTAL AND SUCCESS DATA

The supplemental and success components of the SCFF are based on district reported data and determine over \$2.1 billion in funding. The supplemental component relies on three data points from the prior year. The success component relies on a prior year three-year average of 24 distinct categories of data. The P2 certification was based on updates provided through the last supplemental and success data validation cutoff of March 9. This data is subject to audit beginning in 2020-21.

FUNDING PROTECTIONS

There are several funding protections applicable under the SCFF, some of which have carried over from the prior funding formula known as Senate Bill (SB) 361. These are summarized below.

Hold Harmless (ECS 84750.4(h))	Districts receive no less than their 2017-18 TCR plus applicable cumulative annual cost of living adjustments. This protection is valid through 2023-24.
Stability Protection (ECS 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. This protection is similar to the former FTES stability protection provided under SB 361, however is based on total SCFF TCR.
SB 361 Rate Protection (ECS 84750.4(g)(2))	Commencing in 2020-21, funding based on current FTES and Basic Allocation eligibility using rates in place in 2017-18. This protection does not currently benefit any districts.
FTES Restoration protection	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	Declines in college and center Basic Allocation Tiers are effective 3 years after the initial decline.
Emergency Conditions Allowances (Title 5 58146)	Emergency conditions protection from apportionment declines due to a variety of factors including natural disasters and pandemic.

SCFF DASHBOARD

Since adoption of the SCFF in the 2018-19 state budget, the Chancellor’s Office has collaborated with system partners to develop tools and resources to support SCFF implementation. In early 2021, the Chancellor’s Office released the SCFF Dashboard, a three-phase project to empower districts to analyze and use data for local implementation. Phase 2 of the SCFF Dashboard provides details around the supplemental and student success funding allocations and student counts within each of those portions of the formula for 2018-19 through 2020-21. While funding allocations are based on three-year averages in the student success portion of the formula, the Dashboard allows users to view one year data or three-year average data. Phase 2 also includes an evaluation of funding protections including the minimum revenue guarantee/hold harmless detailing whether the protection amount or the amount as a percent of TCR has increased or decreased. Many of the pages in the Dashboard allow users to compare between two different districts or a single district to the statewide average. This provides context about whether district outcomes are similar to other districts with similar characteristics. A subsequent data release in Phase 2 will provide information about race and ethnicity in the supplemental and student success funding allocations. Phase 3 of the dashboard is anticipated to be available in late 2021 and will provide districts with SCFF projections and planning tools.

EDUCATION PROTECTION ACCOUNT

The 2020-21 EPA funding allocation was updated by the Department of Finance in June resulting in a significant \$475 million increase in annual funding to \$1,564 million. This results in a commensurate increase in 4th quarter payments for a total of \$748 million disbursed in the 4th quarter. See the 4th quarter EPA payment exhibit on our website for additional details.

CONTACTS

For any general questions regarding this memorandum, contact the Fiscal Services Unit at apportionments@cccco.edu. For questions regarding specific categorical programs, please contact the appropriate staff specified below.

Contact List for Categorical Programs

Program	Name	Email Address	Phone number
Access to Print and Electronic Info	Linda Vann	lvann@cccco.edu	(916) 322-3234
Adult Education Block Grant	Neil Kelly	nkelly@cccco.edu	(916) 324-8895
Apprenticeship Allowance	Nick Esquivel	nesquivel@cccco.edu	(916) 445-4670
Apprenticeship Instruction and Training	Nick Esquivel	nesquivel@cccco.edu	(916) 445-4670
Calfresh Outreach (SB 85)	Colleen Ganley	cganley@cccco.edu	(916) 323-3865
California College Promise	Gina Browne	gbrowne@cccco.edu	(916) 324-4744
CalWORKs	Nicole Alexander	nalexander@cccco.edu	(916) 324-7913
Childcare Tax Bailout	Rina Rojas	rrojas@cccco.edu	(916) 324-2564
College Promise (BOG Fee Waiver Admin)	Gina Browne	gbrowne@cccco.edu	(916) 324-4744
College Rapid Rehousing Funds	Colleen Ganley	cganley@cccco.edu	(916) 323-3865
Cooperative Agencies Resources for Education (CARE)	Jillian Luis	jluis@cccco.edu	(916) 322-5246
COVID-19 Response Block Grant (CRF)	Lorena Romero	lromero@cccco.edu	(916)322-3668
COVID-19 Response Block Grant (Prop 98)	Lorena Romero	lromero@cccco.edu	(916)322-3668
Deaf and Hard of Hearing	Linda Vann	lvann@cccco.edu	(916) 322-3234
Digital Course Materials	Leslie LeBlanc	lleblance@cccco.edu	(916) 323-2768
Disabled Student Programs and Services (DSPS)	Linda Vann	lvann@cccco.edu	(916) 322-3234
Disaster Relief Emergency Student Financial Aid	Gina Browne	gbrowne@cccco.edu	(916) 324-4744
Early Action Emergency Financial Aid (SB 85)	Financial Main Line	financialaid@cccco.edu	(916)327-5890
Equal Employment Opportunity	Legal Main Line	legalaffairs@cccco.edu	(916) 445-4826
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Extended Opportunity Programs and Services (EOPS)	Jillian Luis	jluis@cccco.edu	(916) 322-5246
Financial Aid Technology	Gina Browne	gbrowne@cccco.edu	(916) 324-4744
Foster and Kinship Care Education (FKCE)	Rina Rojas	rrojas@cccco.edu	(916) 324-2564
Full-Time Faculty Hiring	Rafael Artiga	artiga@cccco.edu	(916) 323-6899
Full-Time Student Success Grant	Ruby Nieto	rnieto@cccco.edu	(916) 322-4300
Guided Pathways	Michael Quiaoit	mquiaoit@cccco.edu	(916) 327-0749
Immigration Legal Services	Linda Vazquez	lvazquez@cccco.edu	(916) 322-6888
Integrated Technology	Gary Bird	gbird@cccco.edu	(916) 327-5904
K-12 Strong Workforce Program	Dalbir Singh	dsingh@cccco.edu	(916) 322-0935
Maintenance Allowance	Rafael Artiga	artiga@cccco.edu	(916) 323-6899
NextUp (CAFYES)	Colleen Ganley	cganley@cccco.edu	(916) 323-3865
Nursing Program Support	Brenda Fong	bfong@cccco.edu	(916) 323-2758
Part-time Faculty Compensation	Rafael Artiga	artiga@cccco.edu	(916) 323-6899
Part-time Faculty Health Insurance	Amanda Voie	avoie@cccco.edu	(916) 323-1759
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Retention and Enrollment Outreach (SB 85)	Paige Marlatt Dorr	pdorr@CCCCO.edu	(916) 327-5356
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Student Equity and Achievement	Michael Quiaoit	mquiaoit@cccco.edu	(916) 327-0749
Student Financial Aid Program	Ruby Nieto	rnieto@cccco.edu	(916) 322-4300
Student Success Completion Grant	Ruby Nieto	rnieto@cccco.edu	(916) 322-4300
Temporary Assistance Needy Families (TANF)	Nicole Alexander	nalexander@cccco.edu	(916) 324-7913
Undocumented Resource Liason	Gina Browne	gbrowne@cccco.edu	(916) 324-4744
Veteran Resource Center	Santiago Morales	smorales@cccco.edu	(916) 327-5890
Veteran's Program	Santiago Morales	smorales@cccco.edu	(916) 327-5890
Vocational Education, Perkins Reimbursement	Jean Claude Mbomeda	jmbomeda@cccco.edu	(916) 322-6883

**California Community Colleges
2020-21 Second Principal
Southwestern CCD
Exhibit C - Page 1**

Total Computational Revenue and Revenue Sources	
Total Computational Revenue (TCR)	
I. Base Allocation (FTES + Basic Allocation)	\$ 69,362,125
II. Supplemental Allocation	22,035,312
III. Student Success Allocation	9,169,195
	2020-21 Student Centered Funding Formula (SCFF) Calculated Revenue (A) \$ 100,566,632
	2019-20 SCFF Calculated Revenue + COLA (B) 96,409,727
	2020-21 Hold Harmless Revenue (C) 98,223,604
	2020-21 Stability Protection Adjustment -
	2020-21 Hold Harmless Protection Adjustment -
	2020-21 TCR (Max of A, B, or C) \$ 100,566,632
Revenue Sources	
Property Tax	\$ 32,761,632
Less Property Tax Excess	-
Student Enrollment Fees	6,855,121
Education Protection Account (EPA)	23,921,996
State General Fund Allocation	36,259,424
State General Fund Allocation	
General Fund Allocation	\$ 35,409,292
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)	850,132
Total State General Fund Allocation	\$36,259,424
Adjustment(s)	-
Total State General Fund Allocation	\$36,259,424
	Available Revenue \$ 99,798,173
	2020-21 TCR (Max of A, B, or C) 100,566,632
Revenue Deficit Percentage	0.7641%
Revenue Deficit	\$ (768,459)

Supporting Sections

Section Ia: FTES Data and Calculations									
FTES Category	a 2018-19 Applied #3	b 2019-20 Applied #3	c 2020-21 Restoration	d 2020-21 Decline	e 2020-21 Adjustment	f = b + c + d + e 2020-21 Applied #1	g = f (except credit = (a + b + f)/3) 2020-21 Applied #2	h 2020-21 Growth	i = g + h 2020-21 Funded
Credit	14,199.03	14,688.02	-	-	-	14,688.02	14,525.02	-	14,525.02
Incarcerated Credit	62.87	30.98	-	-	-	30.98	30.98	-	30.98
Special Admit Credit	201.63	189.50	-	-	-	189.50	189.50	-	189.50
CDCP	44.87	50.82	-	-	-	50.82	50.82	-	50.82
Noncredit	185.89	49.27	-	-	-	49.27	49.27	-	49.27
Total FTES=>>>	14,694.29	15,008.59	-	-	-	15,008.59	14,845.59	-	14,845.59
Total Values=>>>		\$60,576,069	\$0	\$0	\$0				
Change from PY to CY=>>>		\$0							

FTES Category	j = g x l 2020-21 Applied #2 Revenue	k = h x l 2020-21 Growth Revenue	l 2020-21 Rate \$	m = j + k 2020-21 Total Revenue	n 2020-21 Applied #0	o = f + h 2020-21 Applied #3	p = n - o 2020-21 Unfunded FTES	q = p x l 2020-21 Unfunded FTES Value
	Credit	\$58,230,819	\$ -	\$4,009.00	\$58,230,819	14,688.02	14,688.02	-
Incarcerated Credit	174,168	-	\$5,621.94	174,168	30.98	30.98	-	-
Special Admit Credit	1,065,358	-	\$5,621.94	1,065,358	189.50	189.50	-	-
CDCP	285,707	-	\$5,621.94	285,707	50.82	50.82	-	-
Noncredit	166,564	-	\$3,380.63	166,564	49.27	49.27	-	-
Total	\$59,922,616	\$0		\$59,922,616	15,008.59	15,008.59	-	-

Total Value=>>> \$60,576,069

Section Ib: 2020-21 FTES Modifications						Definitions: 19-20 App#3: 19-20 App#1 plus 19-20 Growth, is the base for 20-21 20-21 App#0: Reported R1 FTES with COVID-19 and other ECA and statutory protections. These FTES are used in the calculations of the 20-21 funded FTES. 20-21 App#1: Base for 20-21 plus any restoration, decline or adjustment 20-21 App#2: FTES that will be funded not including growth 20-21 App#3: 20-21 App#1 plus Growth and will be used as the base for 21-22 20-21 Adjustment: Alignment of FTES to available resources. Change Prior Year to Current Year: 20-21 App#0 value minus 19-20 App#3 value and is the sum of CY restoration, decline, growth and unapplied values
FTES Selected COVID protection (yes) 2019-20 R1	r PY 19-20 R1 FTES	s Reported 320 CY 20-21 P2 FTES	t Emergency Conditions Allowance (ECA) COVID-19	u Other	n = s + t + u 2020-21 Applied #0	
Credit	14,688.02	12,051.33	2,636.69	-	14,688.02	
Incarcerated Credit	30.98	68.07	(37.09)	-	30.98	
Special Admit Credit	189.50	197.66	(8.16)	-	189.50	
CDCP	50.82	9.69	41.13	-	50.82	
Noncredit	49.27	45.64	3.63	-	49.27	
Total	15,008.59	12,372.39	2,636.20	-	15,008.59	

Section Ic: FTES Restoration Authority				
	v	w	y	z = (v + w + y) x l
FTES Category	2017-18	2018-19	2019-20	Total \$
Credit	754.28	-	-	\$ 3,023,908
Incarcerated Credit	(2.23)	-	-	(12,537)
Special Admit Credit	(34.76)	-	-	(195,419)
CDCP	(11.85)	-	-	(66,620)
Noncredit	163.04	-	-	551,178
Total	868.48	-	-	\$ 3,300,510

Section Id: FTES Growth Authority			
	aa	ab	ac = aa x ab
FTES Category	% target	2019-20 Applied #3 FTES	2020-21 Growth FTES
Credit	0.00%	14,688.02	-
Incarcerated Credit	0.00%	30.98	-
Special Admit Credit	0.00%	189.50	-
CDCP	0.00%	50.82	-
Noncredit	0.00%	49.27	-
Total		15,008.59	-

Total Growth FTES Value =>>>

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	6,742,506.62	-	\$0	≥ 1,000	\$1,348,501.11	3	\$4,045,503	
≥ 10,000 & < 20,000	5,394,005.51	1	5,394,006	<u>Grandparented Centers</u>				
< 10,000	4,045,502.28	-	-	≥ 1,000	1,348,501.11	-	-	
<u>Multi-College Districts</u>				≥ 750 & < 1,000	1,011,375.57	-	-	
≥ 20,000	5,394,005.51	-	-	≥ 500 & < 750	674,250.03	-	-	
≥ 10,000 & < 20,000	4,719,754.42	-	-	≥ 250 & < 500	337,125.54	-	-	
< 10,000	4,045,502.28	-	-	≥ 100 & < 250	168,563.83	-	-	
<u>Additional Rural \$</u>	1,286,718.94	-	-	Subtotal				
Subtotal			\$5,394,006	\$4,045,503				
							Total Basic Allocation	\$9,439,509
							Total FTES Allocation	59,922,616
							Total Base Allocation	\$69,362,125

Section II: Supplemental Allocation

Supplemental Allocation - Point Value \$948	Points	2019-20 Headcount	Rate	Revenue
AB540 Students	1	641	\$948	\$607,668
Pell Grant Recipients	1	7,633	948	7,236,084
Promise Grant Recipients	1	14,970	948	14,191,560
Totals		23,244		\$22,035,312

Section III: Student Success Allocation

All Students - Point Value \$559	Points	2017-18 Headcount	2018-19 Headcount	2019-20 Headcount	Three Year Average	Rate = Point Value x Points	Revenue	
Associate Degrees for Transfer	4	678	782	845	768.33	\$2,236.00	\$1,717,993	
Associate Degrees	3	749	694	726	723.00	1,677.00	1,212,471	
Baccalaureate Degrees	3	0	0	0	-	1,677.00	0	
Credit Certificates	2	159	187	163	169.67	1,118.00	189,687	
Transfer Level Math and English	2	320	444	609	457.67	1,118.00	511,671	
Transfer to a Four Year University	1.5	669	748	866	761.00	838.50	638,099	
Nine or More CTE Units	1	2,091	2,261	2,418	2,256.67	559.00	1,261,477	
Regional Living Wage	1	1,783	1,848	2,096	1,909.00	559.00	1,067,131	
All Students Subtotal		6,449	6,964	7,723	7,045.33		\$6,598,529	
Pell Grant Recipients - Point Value \$141								
Associate Degrees for Transfer	6	404	450	535	463.00	\$846.00	\$391,698	
Associate Degrees	4.5	447	420	446	437.67	634.50	277,700	
Baccalaureate Degrees	4.5	0	0	0	-	634.50	0	
Credit Certificates	3	92	94	89	91.67	423.00	38,775	
Transfer Level Math and English	3	135	211	306	217.33	423.00	91,932	
Transfer to a Four Year University	2.25	385	410	461	418.67	317.25	132,822	
Nine or More CTE Units	1.5	1,159	1,295	1,446	1,300.00	211.50	274,950	
Regional Living Wage	1.5	586	598	661	615.00	211.50	130,073	
Pell Grant Recipients Subtotal		3,208	3,478	3,944	3,543.33		\$1,337,950	
Promise Grant Recipients - Point Value \$141								
Associate Degrees for Transfer	4	537	605	667	603.00	\$564.00	\$340,092	
Associate Degrees	3	611	556	585	584.00	423.00	247,032	
Baccalaureate Degrees	3	0	0	0	-	423.00	0	
Credit Certificates	2	131	151	125	135.67	282.00	38,258	
Transfer Level Math and English	2	186	283	420	296.33	282.00	83,566	
Transfer to a Four Year University	1.5	515	564	623	567.33	211.50	119,991	
Nine or More CTE Units	1	1,666	1,750	1,900	1,772.00	141.00	249,852	
Regional Living Wage	1	1,008	1,057	1,210	1,091.67	141.00	153,925	
Promise Grant Recipients Subtotal		4,654	4,966	5,530	5,050.00		\$1,232,716	
Total Headcounts		14,311	15,408	17,197	15,638.67		\$9,169,195	
							Total Student Success Allocation	\$9,169,195