

Chancellor's Office

# Overview of the Student Centered Funding Formula



# Milestone

“...California’s state leaders have truly delivered on a promise to put students first and set an example for the rest of the nation by adopting a new funding formula that incentivizes student success...”

–Chancellor Eloy Ortiz Oakley

# Context



# Current Challenges

- While the system has made significant strides in improving student success, serious challenges remain.
  - Most students who enter a community college never complete a degree or certificate or transfer.
  - Students who do reach an educational goal take a long time to do so.
  - Achievement gaps persist (across student groups and across regions).

# Principles for Reform

- In reforming funding for community college districts, we aim to do the following:
  - Encourage progress toward the *Vision for Success* adopted by the Board of Governors.
  - Provide groups of students that have faced barriers to success with additional support to meet our goals.
  - Make resources most useful to community college districts by making them stable, predictable, and flexible.
- We want community college finance to further the activities the Chancellor's Office is undertaking through the Guided Pathways framework.

# Overview



# Student Centered Funding Formula

- The new formula calculates apportionments generally using three allocations:
  - *Base Allocation*—Current factors (primarily credit FTES).
  - *Supplemental Allocation*—Counts of low-income students.
  - *Student Success Allocation*—Counts of outcomes related to the *Vision for Success*, with “premiums” for outcomes of low-income students.
- Noncredit FTES (and some other FTES) would be funded at current rates.
- The rates are calculated to provide a three-year transition.

# New Elements -Supplemental Allocation

- For the supplemental allocation, a district would receive one “point” based on the counts of all of the following in the prior year:
  - Pell Grant recipients.
  - California College Promise Grant recipients.
  - AB 540 students.



# New Elements—Student Success Allocation

Measures	All Students	CCPG Recipients <sup>1/</sup>	Pell Grant Recipients
Associate degrees for transfer granted	4	4	6
Associate degrees granted (excluding ADTs)	3	3	4.5
Baccalaureate degree granted	3	3	4.5
Credit certificates (16 units or more) granted	2	2	3
Completion of transfer-level mathematics and English courses within first academic year of enrollment	2	2	3
Successful transfer to four-year university	1.5	1.5	2.25
Completion of nine or more CTE units	1	1	1.5
Attainment of regional living wage	1	1	1.5

<sup>1/</sup> CCPG = California College Promise Grant.

# New Elements—Funding Rates

	2018-19	2019-20 <sup>1/</sup>	2020-21 <sup>1/</sup>
Base Allocation			
Dollars/Credit FTES	\$3,727	\$3,387	\$3,046
Basic Allocation	<i>See Note</i>	<i>See Note</i>	<i>See Note</i>
Supplemental Allocation (Dollars/Point)	\$919	\$919	\$919
Student Success Allocation			
All Students (Dollars/Point)	\$440	\$660	\$880
CCPG and Pell Grant Recipients (Dollars/Point) <i>(Also Called “Equity Component”)</i>	\$111	\$167	\$222

<sup>1/</sup> These totals will also be adjusted by the changes in the cost-of-living in those years.

Note: These amounts will be calculated based on the numbers of colleges and comprehensive centers consistent with the current formula.

# Deeper Dive—Base Allocation

# Credit FTES

- The funding rate for 2018-19 is \$3,727.
- The base equals the three-year average of current year, prior year, and prior, prior year.
- For the current year, we assume for purposes of our estimates any restoration of prior year declines.
- Growth will be calculated from this three-year average base.

# Noncredit FTES

- The funding rate for 2018-19 is \$3,347.
- The funding rate is unchanged from current practice.
- For purposes of our estimates, we calculate growth from prior year FTES, adding any restoration that occurs.

# Career Development and College Preparation (CDCP) FTES

- The funding rate for 2018-19 is \$5,457.
- The funding rate is unchanged from current practice.
- For purposes of our estimates, we calculate growth from prior year FTES, adding any restoration that occurs.

# Inmates in Correctional Facilities Credit FTES

- The funding rate for 2018-19 is \$5,457.
- The funding rate is unchanged from current practice for this population of students.
- This workload measure will be identified on new apportionment reports.

# Inmates in Correctional Facilities Noncredit FTES

- The funding rate for 2018-19 is \$3,347.
- The funding rate is unchanged from current practice for this population of students.
- This workload measure will be identified on new apportionment reports.



# Special Admits Credit FTES

- The funding rate for 2018-19 is \$5,457.
- Funding rate remains unchanged from current funding rate for this population of students.
- This workload measure will be identified on new apportionment reports.

# Deeper Dive—Supplemental Allocation



# Supplemental Allocation

- The funding rate for 2018-19 is \$919 per count of the following:
  - Pell Grant recipients.
  - California College Promise Grant recipients.
  - AB 540 students.
- Counts are from the prior year.
  - That is, counts will be updated in fall of the current year to determine funding for the budget year.

# Deeper Dive—Student Success Allocation



# Associate Degrees for Transfer

Group	Rates
All Students	\$1,760
Pell Grant Recipients	\$666
California College Promise Grant Recipients	\$444

Note: Count of all ADTs by district, with point assigned to district granting degree. No minimum unit requirement for student to be counted.

# Associate Degrees

Group	Rates
All Students	\$1,320
Pell Grant Recipients	\$500
California College Promise Grant Recipients	\$333

Note: Count of all associate degrees by district, with point assigned to district granting degree. No minimum unit requirement for student to be counted.

# Baccalaureate Degrees

Group	Rates
All Students	\$1,320
Pell Grant Recipients	\$500
California College Promise Grant Recipients	\$333

Note: Count of all baccalaureate degrees by district, with point assigned to district granting degree. No minimum unit requirement for student to be counted.

# Credit Certificates (16 Units or More)

Group	Rates
All Students	\$880
Pell Grant Recipients	\$333
California College Promise Grant Recipients	\$222

Note: Count of all credit certificates by district, with point assigned to district granting certificate. No minimum unit requirement for student to be counted.



# Completion of Transfer-Level Mathematics and English within First Year of Enrollment

Group	Rates
All Students	\$880
Pell Grant Recipients	\$333
California College Promise Grant Recipients	\$222

Note: MIS special data run. Completion of both math and English in the same academic year (summer, fall, winter, spring).

# Successful Transfer to Four-Year University

Group	Rates
All Students	\$660
Pell Grant Recipients	\$250
California College Promise Grant Recipients	\$157

Note: MIS special data run. Students must have 12 or more units at a community college to count. Direct match with CSU, UC and Clearinghouse.

# Completion of Nine or More CTE Units

Group	Rates
All Students	\$660
Pell Grant Recipients	\$250
California College Promise Grant Recipients	\$157

Note: MIS special data run.

# Attainment of Regional Living Wage

Group	Rates
All Students	\$440
Pell Grant Recipients	\$167
California College Promise Grant Recipients	\$111

Note: MIS special data run. Count of students enrolled in 2015-16 and then attained their county living wage in 2016-17. Use of the Insight Center for Community Economic Development Self-Sufficiency Tool.

# Funding Stability



# Funding Stability Provisions

Line	2018-19	2019-20	2020-21	2021-22 and Outyears
1	SCFF Calculation	SCFF Calculation	SCFF Calculation	SCFF Calculation
2	2017-18 Total Computational Revenue (TCR) (No COLA)	2017-18 TCR (No COLA)	N/A	N/A
3	N/A	N/A	2017-18 Credit, Noncredit, and CDCP Noncredit Rates, with Basic Allocation, Applied to 2020-21 Workload (No COLA)	2017-18 Credit, Noncredit, and CDCP Noncredit Rates, with Basic Allocation, Applied to 2021-22 (or Current) Workload (No COLA)
4	N/A	Greater of Line 1 or Line 2 in 2018-19	Greater of Line 1 or Line 2 in 2019-20	Greater of Line 1 or Line 3 in 2020-21 (or Prior Year)
5	2017-18 TCR—Adjusted by 2018-19 COLA	2017-18 TCR—Adjusted by 2018-19 and 2019-20 COLAs	2017-18 TCR—Adjusted by 2018-19, 2019-20, and 2020-21 COLAs	N/A

# Related Planning



# Implementation

- Districts are required to do the following:
  - *Goals*—Adopt, by January 1, 2019, of goals that are aligned with the Vision for Success.
  - *Comprehensive Plans*—Align comprehensive plans with those goals and alignment of annual budgets with the comprehensive plans.
  - *Capacity*—If directed by the chancellor (with approval by the Board of Governors), use funds for technical assistance or professional development.



# Implementation



# Implementation Team



- Board of Governors
- Legislature
- Governor
- Oversight Committee
- Advisory Groups



# Implementation Team

- To communicate how the implementation of the SCFF can advance the *Vision for Success* under the Guided Pathways framework.
- To apportion funds consistent with the related statutes.
- To align system policies and practices with these changes.
- To support community colleges in implementing these policies by providing professional development and technical assistance.
- To make decisions transparently and with advice from interested parties.

# Oversight Committee

- Budget legislation would create an oversight committee consisting of 12 members appointed by the Senate Rules Committee, the Assembly Speaker, and the Governor.
- The committee would make recommendations:
  - By January 1, 2020, on use of measures (as part of the supplemental allocation) related to a student's status as a first-generation college student, a student's financial need given regional considerations, and a student's academic proficiency.
  - By June 30, 2021, on funding for noncredit courses and instructional service agreements, as well as methods by which allocations could be adjusted in a recession.

# Other Concerns

- We have heard concerns that a district would not receive points in the student success allocation for the following:
  - A student who has completed a transfer-level mathematics course in the district and a transfer-level English course in another district (or vice versa).
  - A student who has taken some CTE units (less than nine) in the district and some CTE units (less than nine) in another district—even if those units total nine units or more.
  - A “special admit” student (generally a high school student in dual or concurrent enrollment) who has achieved outcomes included in the new formula (e.g., completion of nine CTE units or completion of transfer-level mathematics and English within one year).

# Other Concerns

- We have also heard concerns that the formula might encourage districts to create new certificates or pathways that have limited value for the student, because formula allocates points in the student success allocation based on the total number of outcomes across the categories, with multiple outcomes achieved by the same student counted each time.

# Resources to Support Implementation

- Through Guided Pathways, the Chancellor's Office is supporting districts in making changes to improve student success. Specifically:
  - Professional Development
  - Vision Resource Center
  - Regional Coordinators
- There are two upcoming Guided Pathways workshops:
  - October 16 for Central Valley/Mother Lode Region (Fresno)
  - November 27 for Los Angeles/Orange County Region (Irvine)

# Upcoming Events

- There are also two upcoming SCFF webinars:
  - Deep Dive into Data—October 8, 2018, 10:30 am to 12:00 pm
  - Linking to Local Goals—November 5, 2018, 2:00 pm to 3:30 pm
- The Chancellor's Office team will also be presenting at many conferences and events this fall.



# More Information

To receive responses to questions or to provide comments on implementation, please email [SCFF@cccco.edu](mailto:SCFF@cccco.edu).

To Chancellor's Office will post updates, including responses to frequently asked questions, at <http://extranet.cccco.edu/Divisions/FinanceFacilities/StudentCenteredFundingFormula.aspx>.