

Chancellor's Office

# Fiscal & Policy Webinar

A Monthly Webinar Series by the College Finance and Facilities Planning Division



# Agenda

- Attendance Accounting and Residency
- Fiscal Monitoring
- Recently Released Guidance and Reminders
- Federal Stimulus
- District Audits and CDAM
- Apportionments - SCFF
- Immediate Action Budget Package
- Q&A

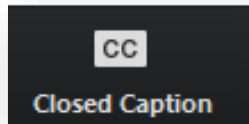


# Housekeeping Announcements

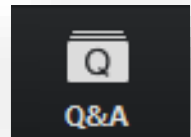


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Enter questions for the presenters, and read their responses.



Fiscal & Policy Update

# Attendance Accounting & Residency



# FAQs related to Excused Withdrawals

1. Can districts continue to grant an Excused Withdrawal (EW) to students who drop a class after the census date due to circumstances related to COVID-19?
2. Is there a limit on the number of times a district may claim apportionment for enrollments that result in an EW?
3. Can districts continue to grant refunds to students who drop as a result of circumstances related to COVID-19?
4. Can districts report FTES generated by students who drop a course due to circumstances related to COVID-19 and receive a refund on the CCFS-320 report?

# AB 540 Eligibility Criteria Reminder

- The Chancellor's Office recently became aware of a college denying students for the AB 540 nonresident tuition exemption because of a misunderstanding of the current eligibility criteria, specifically related to high school attendance.
- The college was requiring students to have three years of attendance at a California high school measured based on semesters, regardless of whether the student had enough credits to meet the attendance requirement.

# AB 540 Eligibility Criteria

## Requirement 1: Attendance at California schools

### Two Paths:

- Total attendance (or attainment of credits earned) in California equivalent to three or more years of full-time attendance at California high schools, California adult schools, campuses of the California Community Colleges, or a combination of these; or
- Three or more years of full-time high school coursework in California, and a total of three or more years of attendance in California elementary schools, California secondary schools, or a combination of California elementary and secondary schools.

(Ed. Code, § 68130.5, subd. (a)(1)(A) and (B))

# AB 540 Eligibility Criteria

Requirement 2: Completion of a course of study

This requirement may be met in any of the following ways:

- Graduation from a California high school or equivalent.
- Attainment of an associate degree from a California community college.
- Fulfillment of the minimum transfer requirements established for the University of California or the California State University for students transferring from a California community college.

(Ed. Code, § 68130.5, subd. (a)(2).)



# AB 540 Eligibility Criteria Reminder

Example:

For high schools that require 220 credits to graduate (This threshold can vary by high school)

220 credits over 4 years is approximately 55 credits per year

55 credits x 3 years (attendance requirement for AB 540)= 165 credits

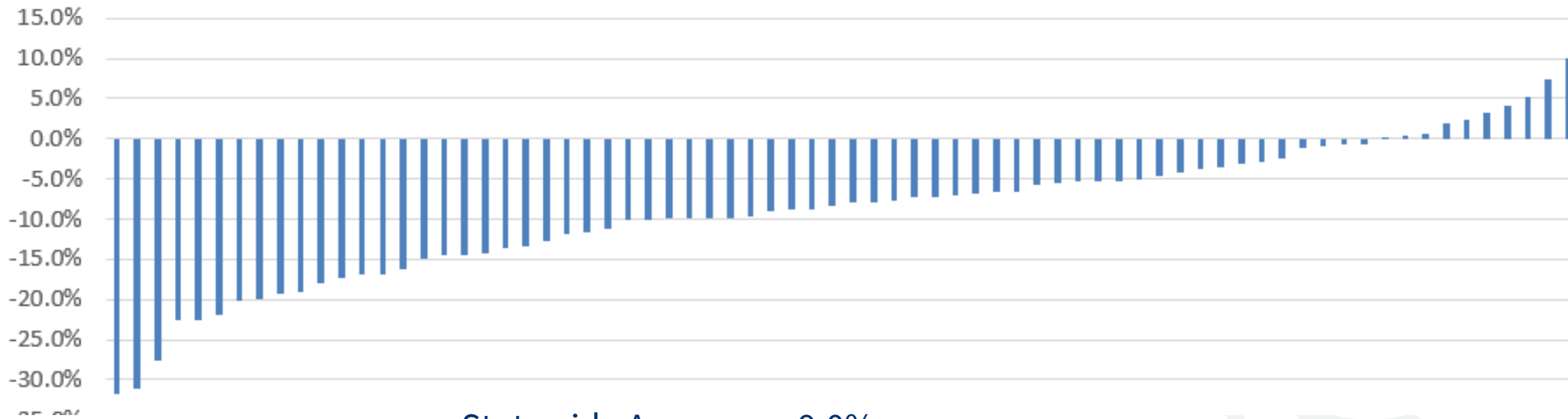
If a student earned more than 165 credits, the student would meet the attendance requirement for AB 540 regardless of whether the student attended high school for a period of at least three years.

# Chancellor's Office AB 540 Resources

- Legal Advisory [18-02](#)
- Corresponding [AB 540 FAQ](#)
- Residency For Tuition Purposes [General Overview](#)
- Nonresident Tuition Exemption Request ([AB 540 Affidavit](#))

# CCFS-320 Annualized Enrollment Trends

CCFS-320 Reported Annualized Total Resident FTES  
2019-20 R1 to 2020-21 P1

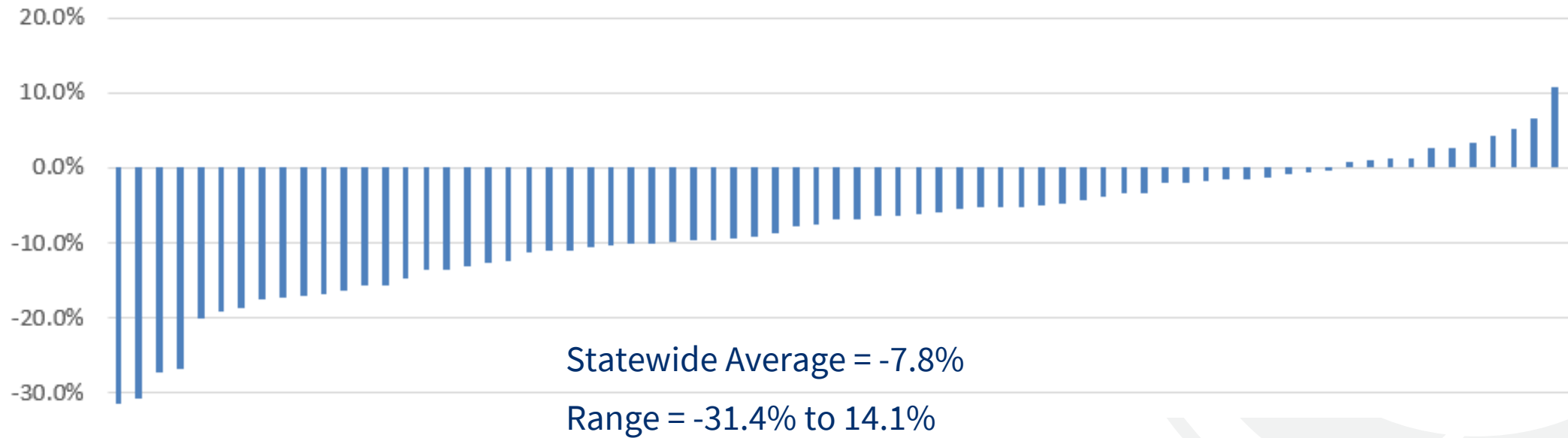


Statewide Average = -9.0%

Range = -31.7% to 9.9%

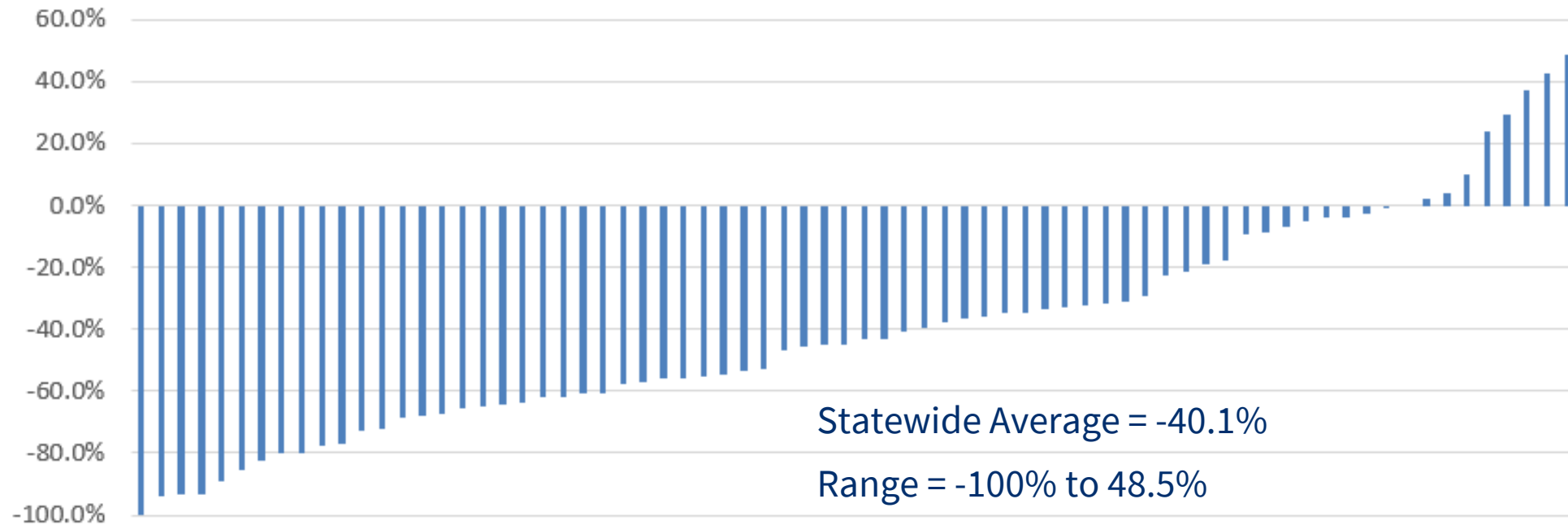
# CCFS-320 Annualized Enrollment Trends

CCFS-320 Reported Annualized Resident Credit FTES  
25019-20 R1 to 2020-21 P1



# CCFS-320 Annualized Enrollment Trends

CCFS-320 Reported Annualized Resident Noncredit FTES  
2019-20 R1 to 2020-21 P1



# CCFS-320 Part VIII - FTES Annualizers

- Used to calculate projected final FTES
- Entered at the college level
- Entered separately for Parts II through VII
- At P1 (January 15), generally expected to be at or near 2.0
- At P2 (April 20), generally expected to be slightly above 1.0

# 2020-21 P1 Annualizers

| CCFS-320                             | Range of Annualizers for 2020-21 P1 |
|--------------------------------------|-------------------------------------|
| Part II – Weekly Census              | 1.00 to <b>14.139</b>               |
| Part III – Daily Census              | 1.00 to <b>9.4573</b>               |
| Part IV – Actual Hours - Credit      | 1.00 to <b>22.9395</b>              |
| Part IV – Actual Hours - Noncredit   | 1.00 to <b>43.0214</b>              |
| Part V – Alternative – Weekly Census | 1.00 to <b>7.19</b>                 |
| Part VI – Alternative – Daily Census | 1.00 to <b>20.85</b>                |
| Part VII – Alternative - Noncredit   | 1.00 to <b>328.5</b>                |

Fiscal & Policy Update

# Fiscal Monitoring: 311Q Reports – Quarter 2





# Significant Fiscal Challenges and Events

- COVID-19 pandemic resulted in decreased enrollment/revenue and increased expenditures.
- Reliance on hold harmless for the Student Centered Funding Formula (SCFF)
- Declining fund balance and potential/actual deficit spending
- Facing challenges with remote learning during the COVID-19 pandemic
- Many districts have issued general obligation bonds to finance projects

# Fiscal Monitoring Report Summary

| General Fund Balance/Total Expenditures | Total Number of Districts |
|---|---------------------------|
| Under 5%                                | 1                         |
| 5% to 10%                               | 9                         |
| Over 10%                                | 63                        |
| <b>Total Districts Reported</b>         | <b>73</b>                 |

Lowest Balance: 1.9%

Highest Balance: 70.5%

# Deficit Spending

| Fiscal Status                        | Deficit Spending |
|--------------------------------------|------------------|
| Fiscal Deficit (Negative Spending)   | 37               |
| Zero Deficit (Expenditures=Revenues) | 8                |
| Positive Spending Balance            | 29               |
| <b>Total Districts Reported</b>      | <b>73</b>        |

## Unrestricted Expenditures/Unrestricted Revenues

Lowest Balance: -25.3%

Highest Balance: 7.4%

Data is based on projected deficit spending and subject to change with actual revenue and expenditures.

# Salaries and Benefits

| <b>Salaries and Benefits Status</b>              |    |
|--|----|
| Districts with Reported Salary/Benefit Increases | 12 |
| Districts with Settled Contracts                 | 15 |

# Recently Released Guidance and Reminders

- 2021-22 Nonresident Tuition Fees Memo and Worksheet: Districts should submit the Nonresident Tuition Fees worksheet to the Chancellor's Office by **Friday March 12, 2021** via email to [fiscalstandards@cccco.edu](mailto:fiscalstandards@cccco.edu).
- 2021-22 Student Health Parking and Transportation Services Maximum Fees posted on the Chancellor's Office [Website](#). The table reflects the maximum semester, summer, intersession, and quarter fees that may be charged.
- The statutory due date to request a Hardship Exemption from Deferrals for April 2021 is March 1, 2021. If you need to request an exemption, please return the request form to our office at [fiscalstandards@cccco.edu](mailto:fiscalstandards@cccco.edu).

Fiscal & Policy Update

# CARES Act: HEERF and Coronavirus Relief Funds Reminders & Updates



# HEERF I Reporting Requirement – Reporting and Data Collection

- First Annual HEERF Report was due February 8, 2021 on the DOE CARES Act Reporting Portal.
- Quarterly Reports are required and should include the following seven reporting elements for Student Portion Funds:
  1. An acknowledgement that the institution signed and returned to the Department the Certification and Agreement and the assurance that the institution has used, or intends to use, no less than 50 percent of the funds received under Section 18004(a)(1) of the CARES Act to provide Emergency Financial Aid Grants to Students.
  2. The total amount of funds that the institution will receive or has received pursuant to the institution's Certification and Agreement for Emergency Financial Aid Grants to Students.

# Quarterly Student Portion Reporting Elements

3. The total amount of Emergency Financial Aid Grants distributed to students under Section 18004(a)(1) of the CARES Act.
4. The estimated total number of students at the institution eligible to participate in program.
5. The total number of students who have received an Emergency Financial Aid Grant to students under Section 18004(a)(1) of the CARES Act.
6. The method(s) used by the institution to determine which students receive Emergency Financial Aid Grants and how much they would receive under Section 18004(a)(1) of the CARES Act.
7. Any instructions, directions, or guidance provided by the institution to students concerning the Emergency Financial Aid Grants.



# Quarterly Budget and Expenditure Reporting Forms

- Required for (a)(1) Institutional Portion; (a)(2) MSI, HBCU, TCCU, and SIP; and (a)(3) FIPSE and IREPO. The (a)(3) FIPSE program had an additional [Budget and Expenditure Reporting Form](#).

OMB Control Number 1840-0849 Expires 4/30/2021

## Quarterly Budget and Expenditure Reporting under CARES Act Sections 18004(a)(1) Institutional Portion, 18004(a)(2), and 18004(a)(3), if applicable

Institution Name: \_\_\_\_\_ Date of Report: \_\_\_\_\_ Covering Quarter Ending: \_\_\_\_\_

Total Amount of Funds Awarded: Section (a)(1) Institutional Portion: \_\_\_\_\_ Section (a)(2): \_\_\_\_\_ Section (a)(3): \_\_\_\_\_ Final Report?

| Category  | Amount in (a)(1) institutional dollars | Amount in (a)(2) dollars, if applicable | Amount in (a)(3) dollars, if applicable | Explanatory Notes |
|---|--|---|---|-------------------|
| Providing additional emergency financial aid grants to students. <sup>1</sup>   |  |   |   |                   |
| Providing reimbursements for tuition, housing, room and board, or other fee refunds.  |  |   |   |                   |
| Providing tuition discounts.  |  |   |   |                   |
| Covering the cost of providing additional technology hardware to students, such as laptops or tablets, or covering the added cost of technology fees. |  |   |   |                   |
| Providing or subsidizing the costs of high-speed internet to students or faculty to transition to an online environment.                              |  |   |   |                   |

# Quarterly Reporting – Cont.

OMB Control Number 1840-0849 Expires 4/30/2021

| Category  | Amount in (a)(1) institutional dollars | Amount in (a)(2) dollars, if applicable | Amount in (a)(3) dollars, if applicable | Explanatory Notes |
|---|--|---|---|-------------------|
| Other Uses of (a)(2) or (a)(3) funds, if applicable. <sup>5</sup> |  |   |   |                   |
| Quarterly Expenditures for each Program                           |  |   |   |                   |
| Total of Quarterly Expenditures                                   |  |   |   |                   |

- This forms are for quarter to quarter reporting, not cumulative. Please ensure that you are correctly reporting the expenditures on these forms.
- Institutions are encouraged, but not required, to submit their links of their publicly posted reports to [HEERFreporting@ed.gov](mailto:HEERFreporting@ed.gov).

# HEERF I Grant Program - FAQs

- [CARES Act HEERF Rollup FAQs](#) (Rollup of all five previously-released HEERF FAQ documents in one document) (Issued October 14, 2020 and revised January 28, 2021)
- [CARES Act HEERF Round 3 FAQs](#) (Issued October 14, 2020 and revised January 28, 2021)
- [CARES Act HEERF Supplemental FAQs](#) (Issued June 30, 2020 and revised January 28, 2021)
- [CARES Act HEERF Student FAQs](#) (Issued May 15, 2020 and revised January 28, 2021)
- [CARES Act HEERF Emergency Financial Aid Grants to Students under Section 18004\(a\)\(1\) and 18004\(c\) FAQs](#) (Issued April 9, 2020 and revised January 28, 2021)

- [CARES Act HEERF Institutional Portion under Section 18004\(a\)\(1\) and 18004\(c\) FAQs](#) (Issued April 9, 2020 and revised January 28, 2021)
- [Internal Revenue Service FAQs regarding CARES Act Grants](#) (External Site)
  - HEERF I grants not includible in students gross income.
  - Students receiving HEERF I grants cannot claim a deduction or credit for expenses paid with the grant, including the tuition and fees deduction (American Opportunity Credit or Lifetime Learning Credit).
  - The IRS will not require the HEERF I grants be reported pursuant to section 6050S of the IRC on Form 1098-T.

# HEERF II Grant Program

The HEERF II funds are available under the CRRSAA section 314(a)(1) programs (CFDAs 84.425E and 84.425F), as of January 14, 2021. Any obligations under this grant must have been incurred on or after December 27, 2020, the date of the enactment of the CRRSAA. Institutions must expend funds received under this program within 12 months of their newly issued GAN.

- Initial GANs had budget term errors, however, those will be corrected

# Six major changes to the (a)(1) programs from the CARES Act to the CRRSAA

| Major Changes   | Description   |
|---|---|
| Provided Supplemental Funding   | The CRRSAA authorized supplemental awards to existing Student Aid Portion and Institutional Aid Portion grantees                            |
| Expanded the allowable uses of CARES Act funds  | allowable uses for supplemental awards under section 314(a)(1) of the CRRSAA and for unspent CARES Act funds                                |
| Modified the share of (a)(1) funds that must be used for financial aid grants to students | Requires institutions receiving funding under section 314(a)(1) to provide the “same amount” in financial aid grants to students as HEERF I |
| Added allocations for students in exclusively distance education courses                  | Students enrolled in exclusively distance education courses are included in the CRRSAA section 314(a)(1) allocation formula.                |
| Created a separate program for proprietary institutions                                   | Proprietary institutions may apply for new funding under section 314(a)(4) of the CRRSAA.   |
| Special requirements for institutions paying the endowment excise tax                     | Institution’s required to pay endowment, (a)(1) allocation is reduced by 50% under section 314(d)(6) of the CRRSAA.                         |

# Use of CRRSAA Supplemental Grant Funds – Student’s Portion Supplemental Agreement

- CRRSAA requires Recipient to provide at least the same amount of funding in financial aid grants to students as was required to be provided under sections 18004(a)(1) of CARES Act HEERF.
- Recipient must make financial aid grants to students (including students exclusively enrolled in distance education).
- Student grants may be used for any component of the student’s cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care) or child care.
- Recipients must prioritize grants to students with exceptional need, such as students who receive Pell Grants. However, students do not need to be Pell recipients or Pell eligible in order to receive a financial aid grant.
- Recipients may not condition the receipt of financial aid grant on continued or future enrollment with the Recipient.
- Recipients may not require a student to consent to the application of the financial aid grant to the student’s outstanding account balance with Recipient as a condition of receipt of or eligibility for the financial aid grant.
- Recipient agrees to hold these grant funds in trust for students and acts in the nature of a fiduciary for students.
- Excise Tax is not applicable to CA Community Colleges. Will not discuss.

# Use of CRRSAA Supplemental Grant Funds – Institutional Portion Supplemental Agreement and HEERF FAQs

- Defray expenses associated with coronavirus (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, and payroll).
- Carry out student support activities authorized by the HEA that address needs related to coronavirus.
- Recipient may provide additional financial aid grants to students (including students exclusively enrolled in distance education). If Recipient chooses to use these grant funds to provide additional financial aid grants to students, those funds are subject to the requirements in the Student Portion Supplemental Agreement.
- Indirect and Reasonable Direct Administration costs may be charged only to Institutional Portion awards.



# Indirect and Direct Administration Costs Charged to HEERF Grants

| Indirect Cost  | Direct Administrative Cost   |
|--|--|
| <p>Generally, this <b>indirect cost</b> rate will be the on-campus rate specified in an institution's negotiated indirect cost rate agreement. If an institution does not have a current negotiated indirect cost rate with its cognizant agency for indirect costs, it may appropriately charge the de minimis rate of ten percent of Modified Total Direct Costs (MTDC).</p> | <p>Reasonable direct administrative costs may be charged only to Institutional Portion supplemental awards and may not be charged to any Student Portion grant awards because the student allocation represents an amount of funds that must be distributed to students.</p> |
| <p>Per 2 CFR § 200.403, costs must be consistently charged as either indirect or direct costs, but they may not be double-charged or inconsistently charged as both. For more information, please see the Department's Indirect Cost website.</p>  | <p>Per the Cost Principles of the Uniform Guidance, 2 CFR part 200 subpart E, any direct administrative costs charged to the grant must be documented and, as with all costs, must be reasonable and necessary for the performance of the grant</p>                          |



# Supplemental Award Delays or Stop Payment Status

If your institution has not complied with the CARES Act reporting requirements, the HEERF II supplemental (a)(1) awards may be delayed or may have restrictions on the ability to drawdown the awarded funds (stop payment status) until the institution has satisfied its CARES Act HEERF reporting obligations.

# Reporting and Accountability (Supplemental Agreement Language)

- Recipient report to the DOE on the use of funds no later than 6 months after the date of this award in a manner to be specified by the Secretary.
- Recipient must comply with all requirements of the Single Audit Act and all applicable auditing standards.
- The HEERF grant program is a new program not previously audited or subjected to DOE oversight and are considered a higher risk, the DOE strongly suggests that the HEERF grant program be audited as a major program in the first fiscal year(s) that the institution received a HEERF grant
- Recipient must cooperate with any examination of records with respect to the advanced funds by making records and authorized individuals available when requested.
- Recipient must comply with the Supplemental Agreements, its terms and conditions, and/or all relevant provisions and requirements of the CRRSAA or other applicable laws.

# COVID-19 Response Block Grant - Federal Coronavirus Relief Fund (CRF)



# COVID-19 Response Block Grant Federal Coronavirus Relief Fund Expenditures

- As of December 31, 2020:
  - \$52 million (96.3%) fully expended
  - \$1.975 million (3.7%) obligated

| Expenditure Category                         | Coronavirus Relief Fund Expenditures and Obligations | Percent of Total |
|--|--|------------------|
| Facilitate Distance Learning                 | 21,807,985   | 40.40%           |
| Improve Telework Capabilities for Employees  | 8,841,311  | 16.38%           |
| Payroll for Public Health & Safety Employees | 7,786,065  | 14.43%           |
| Diverted Personnel & Services                | 3,901,917  | 7.23%            |
| Public Health Expenses                       | 3,508,435  | 6.50%            |
| Personal Protective Equipment (PPE)          | 2,410,133  | 4.47%            |
| Economic Support                             | 1,725,138  | 3.20%            |
| Other  | 1,509,216  | 2.80%            |
| Administrative Expenses                      | 1,169,828  | 2.17%            |
| COVID-19 Testing and Contact Tracing         | 797,062  | 1.48%            |
| Food, Housing, and Medical                   | 517,910  | 0.96%            |
| <b>Grand Total</b>                           | <b>53,975,000</b>                                    | <b>100.00%</b>   |

# COVID-19 Response Block Grant Facilitate Distance Learning Expenditures

| Facilitate Distance Learning Categories          | Expenditures to Facilitate Distance Learning | Percent       |
|--|--|---------------|
| Other Activities to Facilitate Distance Learning | \$8,868,751                                  | 40.7%         |
| Investments to Close Digital Divide              | \$8,297,274                                  | 38.0%         |
| Faculty Online Learning Professional Development | \$3,740,613                                  | 17.2%         |
| Faculty Online Learning Grants                   | \$594,495                                    | 2.7%          |
| Student Reengagement                             | \$306,852                                    | 1.4%          |
| <b>Grand Total</b>                               | <b>\$21,807,985</b>                          | <b>100.0%</b> |



# COVID-19 Response Block Grant Effectiveness of Services

Coronavirus Relief Funds had a significant positive impact on students' ability to continue their education:

- Emergency grants to students with demonstrated need
- Access to laptops and wifi hotspots, prioritized by need
- Rapid transfer to online modality
- PPE to allow continued health services and certain in person courses

# CARES Act – Coronavirus Relief Fund Reporting Reminder

Institutions that expended all CRF funding during Cycle 3 are required to submit one additional final report (Cycle 4) with no changes to the Department of Finance’s CRF reporting portal.

If after Cycle 3, your realized changes are needed, then corrections can be made in Cycle 4 reports but will be required to submit one additional final (Cycle 5) report.

Fiscal & Policy Update

# District Audits





# 2019-20 Annual Audit Reports

- Reminder: Audit Reports are due 2/28/21.
- Audit firms should submit reports through the Audit Tracker.
- If your audit firm will not be able to submit on time, please let us know.
- Contact [AuditTracker@cccco.edu](mailto:AuditTracker@cccco.edu)

Fiscal & Policy Update

# Contracted District Audit Manual (CDAM)

# 2020-21 Contracted District Audit Manual (CDAM) Revision

- 427 – Dual Enrollment
  - Non-CCAP special part-time students may enroll in up to **11.00** units (previously stated 11.99)
  - Adult students in a noncredit or adult education high school diploma/equivalency certificate program may also participate in dual enrollment.

## Retired Procedure

- 439 – Proposition 39 Clean Energy Fund

## New Procedures

- 412 – SCFF Supplemental Allocation Metrics
- 413 – SCFF Success Allocation Metrics
- 499 – COVID-19 Response Block Grant Expenditures

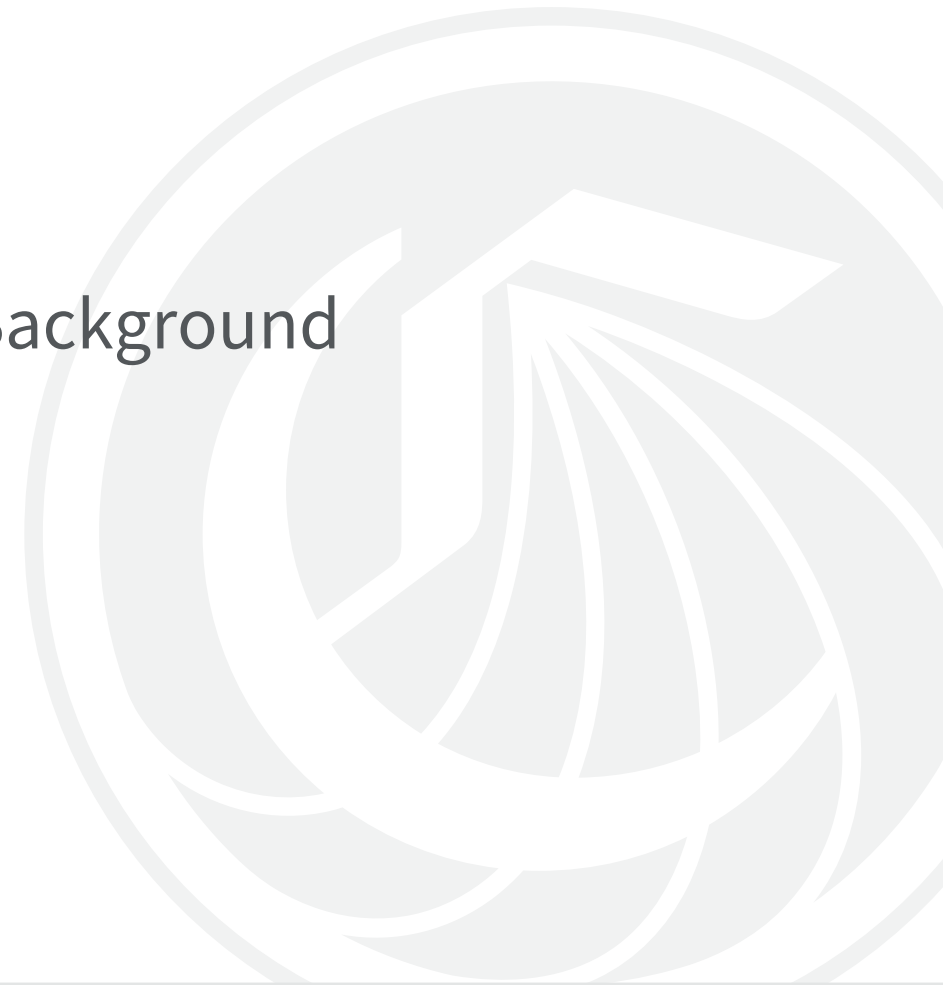
Fiscal & Policy Update

# Fiscal Services Unit Updates



# Subject Areas

- Apportionment Cycle
- Student Centered Funding Formula (SCFF) Background
- SCFF Funding Protections
- 2019-20 Recalculation (R1) Certification
- 2020-21 First Principal (P1) Certification
- Supplemental and Success Metrics
- Contact Information



# The Apportionment Cycle

| Certification Period           | Timing                                      | Payments                               |
|--------------------------------|---|--|
| Advance Apportionment          | July 15th of the current fiscal year        | July through January                   |
| First Principal Apportionment  | February 20th of the current fiscal year    | February through May                   |
| Second Principal Apportionment | June 25th of the current fiscal year        | June                                   |
| Recalculation                  | February 20th of the subsequent fiscal year | February of the subsequent fiscal year |

# The Apportionment Cycle

Data points updated at each point in time:

- Enrollment
- SCFF Metrics
- Property Taxes
- Fee Revenue
- Education Protection Account
- General Fund



# SCFF Implementation

- 2018-19 was the first year of implementation of the SCFF.
- The SCFF funds districts using a base allocation tied to enrollment, a supplemental allocation based on student demographics correlated with higher need students, and a student success allocation based on outcomes.



# SCFF Implementation

- There are several components of the SCFF that were part of SB 361, the prior formula, that remain embedded in the base allocation.
- Specifically, the basic allocation funding, non credit, CDCP, special admit, and incarcerated enrollment continue to be funded as they were previously.

# SCFF Implementation

- The 2018-19 and 2019-20 rates were calculated by various stakeholders so that approximately 20 and 10 percent of the Total Computational Revenue (TCR) be based on supplemental and success metrics, respectively, and the remaining TCR funds the new traditional credit rates and the components of the prior funding formula that have continued.
- These percentages will fluctuate as underlying data changes.

# SCFF Rates

- Rates calculated by the Chancellor's Office and memorialized in statute in 2019-20 continue in 2020-21 because no COLA was provided to 2020-21 rates.
- See your district's 2019-20 R1 Exhibit C for a detailed breakdown of the 5 FTES and 27 supplemental and success categories/rates that make up the majority of the SCFF TCR.

# SCFF Rates

|                                    | Rates    |
|------------------------------------|----------|
| Base Credit                        | 4,009.00 |
| Supplemental Point Value           | 948.00   |
| Student Success Main Point Value   | 559.00   |
| Student Success Equity Point Value | 141.00   |
|                                    |          |
| Incarcerated Credit                | 5,621.94 |
| Special Admit Credit               | 5,621.94 |
| CDCP                               | 5,621.94 |
| Noncredit                          | 3,380.63 |

- Standard rates applicable to majority of districts are displayed.
- 10 districts have higher base, incarcerated, and special admit credit rates based on statute.

# SCFF Funding Protections

- The main SCFF hold harmless protection is active through 2023-24 based on 2017-18 TCR grown by COLA annually. (ECS 84750.4(h))
- 1-year SCFF TCR decline protection is effective beginning in 2020-21. (ECS 84750.4(g)(4)(A))

# SCFF Funding Protections

- Emergency conditions protection from apportionment declines due to a variety of factors including natural disasters and pandemic. (CCR Title 5, 58146)
- Authority to restore FTES declines for 3 years after initial decline.

# SCFF Funding Protections

- Special protections specified in statute.
- SB 361 rate protection based on 2017-18 SB 361 rates multiplied by current FTES. This protection does not currently benefit any districts. (ECS 84750.4(g)(2))

# 2020-21 Deferrals

- The 2020 Budget Act defers a total of \$1.45 billion in apportionment funding from February through June of 2020-21 to 2021-22.
- \$1.04 billion from the SCFF and \$415 million from the Student Equity and Achievement Categorical.
- Consequently, any adjustments associated with 2019-20 R1 and 2020-21 P1 will not be made until SCFF payments resume in July.



# 2021-22 Deferral Repayments (\$M)

| Month     | General Apportionment | SEA Funds | Total   |
|-----------|-----------------------|-----------|---------|
| July      | \$ 208                | \$ 96     | \$ 305  |
| August    | 208                   | 91        | 300     |
| September | 208                   | 91        | 300     |
| October   | 208                   | 91        | 300     |
| November  | 208                   | 44        | 253     |
| Total     | \$1,043               | \$415     | \$1,458 |

Fiscal & Policy Update

# 2019-20 Recalculation



# 2019-20 Recalculation TCR

|  |                |
|--|----------------|
| I. Base Allocation (FTES + Basic Allocation) | 5,209.4        |
| II. Supplemental Allocation                  | 1,389.0        |
| III. Student Success Allocation              | 694.7          |
| SCFF Calculated Revenue                      | 7,293.2        |
| Hold Harmless Protection Adjustment          | 154.3          |
| 2019-20 TCR                                  | <b>7,447.5</b> |

# 2019-20 Recalculation

- The Total Computational Revenue (TCR) increased from the Second Principal Apportionment (P2) by \$14.7 million to \$7.447 billion.
- The General Fund deficit decreased by \$59.6 million primarily due to \$46.0 million in higher offsetting local revenues.
- The \$28.9 million deficit is addressed by applying a proportional reduction of 0.42% to non-excess tax district TCR and General Fund allocations.
- 30 districts under hold harmless protection amounting to \$154 million in funding above SCFF formula.

# General Fund Backfill

- Challenges with estimated data used by the state when determining our state General Fund need versus actual reported data is a long-standing issue for California Community Colleges and the Chancellor's Office and often results in a need to deficit apportionment funding.
- Unlike K-12 education, there is no provision for an 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 to provide improved funding predictability for our system.

# 2019-20 Recalculation

- We will calculate an updated 2019-20 Recalculation in June to account for any updated data points associated with audit findings, further review of local offsetting revenues or any other prior year revisions.

Fiscal & Policy Update

# Property Taxes & Enrollment Fees

# Validation Process

- At R1 we validate reported property tax (county vs district reported) and enrollment fee (323 vs 311) information to ensure the accuracy of this data. Many of you have been contacted regarding these figures.
- These figures are critical to ensuring the proper allocation of limited state General Fund. Over reported local revenues result in underfunding General Fund to districts and conversely, under reported local revenues result in overpayment of General fund to districts.



# Going Forward

- It goes without saying that accurate data reported by districts and counties is important. We will continue to work with the districts and counties in the upcoming period to ensure we have the most accurate financial information.

Fiscal & Policy Update

# First Principal Apportionment



# 2020-21 P1 TCR

|  |                |
|--|----------------|
| I. Base Allocation (FTES + Basic Allocation) | 5,141.5        |
| II. Supplemental Allocation                  | 1,371.3        |
| III. Student Success Allocation              | 762.4          |
| 2020-21 SCFF Calculated Revenue              | <b>7,275.2</b> |
| 2020-21 Stability Protection Adj             | 83.6           |
| 2020-21 Hold Harmless Protection Adj         | 132.5          |
| 2020-21 TCR                                  | <b>7,491.2</b> |

# 2020-21 P1 Deficit

- \$163 million deficit on a \$7.491 billion TCR and \$7.328 billion in available revenues.
  - \$91 million shortfall in net offsetting property taxes
  - \$56 million shortfall in estimated TCR
  - \$19 million shortfall in offsetting enrollment fee revenue.
  - -\$3 million in other miscellaneous differences.

# 2020-21 P1 Deficit

- To align TCR with available resources, application of a proportional deficit of 2.3826% to non-excess tax district TCR and General Fund allocations is required.

# 2020-21 P1 Deficit

- Revenues reported by counties and districts at P1 have historically been lower than revenues ultimately reported at R1.
- Further, depending on the magnitude of the revenue shortfall, the Governor and Legislature have backfilled shortfalls with supplemental General Fund appropriations.

Fiscal & Policy Update

# SCFF Metrics



# SCFF Data Accuracy

- It goes without saying that accurate data reported by districts and counties has always been important.
- In addition to the accuracy of the 5 categories of FTES, property taxes, and enrollment fee revenues, the SCFF now requires accurate reporting of an additional 27 categories of information that generate over \$2.1 billion in TCR.



# SCFF Data Accuracy

- Given the importance of the accuracy of this data, we ask that any necessary revisions to the data published in your P1 exhibits be updated through the **March 8th data validation period** for use at Second Principal Apportionment update in June.
- In addition to determining current year funding allocations, this data is used by the Department of Finance to estimate budget year funding needs.
- Subject to audit beginning in 2020-21.

# SCFF Supplemental Data

## Statewide changes from 2018-19 to 2019-20

- Promise Grant headcounts - 4% decrease
- Pell headcounts - 4% increase



# SCFF Success Data

## Statewide changes from 2018-19 to 2019-20

- Associate Degrees for Transfer – 15% increase
- Associates degrees – 2% decrease
- Bachelor's degrees – 3% increase
- Credit Certificates – 7% decrease
- Transfer Level Math & English – 34% increase
- Nine or more CTE Units – 2% decrease
- Transfers to Four-Year – 5% increase
- Regional Living Wage – 7% increase

# SCFF Dashboard

- Developing a new system tool to compare SCFF against SB361 funding allocations.
- Launched first edition in January 2021.
- Available at <https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/scff-dashboard>.
- Future releases will provide additional resources for colleges to understand funding levels.

# Immediate Action Budget Package





## Budget Bill Jr. Signed

- Governor Newsom signed into law a package of immediate actions that will provide relief to Californians facing significant economic hardship due to COVID-19.
- The package provides cash relief to low-income Californians, increases aid to small businesses, and provides funds to education, including emergency grants for community college students.

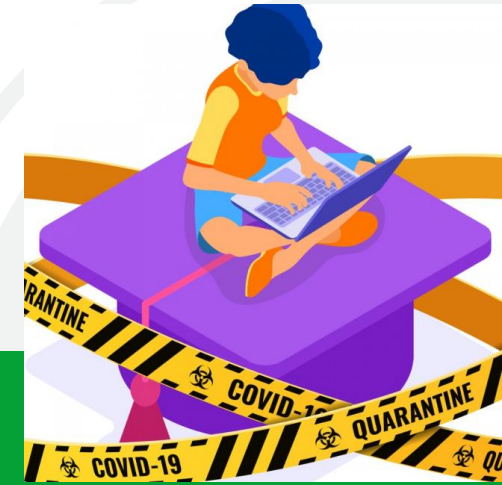
# Emergency Financial Relief to Support Community College Students

Provides \$100 million in emergency grants for qualifying low-income students who self-certify:

1. Enroll in six or more units;
2. Qualify as low-income under CCPG, and demonstrate emergency financial need;
3. Earned a GPA of at least 2.0 in one of their previous three terms (at any institutions).

# Retention and Enrollment Assistance

- The agreement provides \$20 million to reengage students who have either left their community college studies because of the pandemic or to engage students at risk of leaving.
- A total of \$2 million will be used for statewide outreach. Remaining funds will go to districts.



**Visit [StayEnrolled.com](https://www.stayenrolled.com) for information and to connect with your local college.)**





# CalFresh Student Outreach and Application Assistance

- Provides \$3.1 million to California Community College to support outreach and application assistance for students made newly eligible for CalFresh – federal program for supplemental food assistance.
- Funds may be used to create outreach materials, host events, support equipment needs, and support application assistance, including hiring staff and student workers.
- The agreement also provides \$12 million in state funds to support associated county administrative workload.

# Legislative Hearings

## Senate Hearings

Topics of interest:

- Enrollment
- Deferral paydown
- Growth under SCFF

## Assembly Hearings

Topics of interest:

- Basic needs block grant
- COLA differences
- Cal Grant reform

Fiscal & Policy Webinar

# Chat Box Q & A



# Fiscal Standards and Accountability Unit

| Contact   | Subject Matter   |
|---|--|
| Rafael Artiga, <a href="mailto:rartiga@cccoco.edu">rartiga@cccoco.edu</a>           | CCFS-311, CCFS-311Q, Nonresident Tuition Fee   |
| Lorena Romero, <a href="mailto:lromero@cccoco.edu">lromero@cccoco.edu</a>           | Federal Stimulus (CARES Act: HEERF and Coronavirus Relief Funds), Student Residency Classification |
| Amanda Voie, <a href="mailto:avoie@cccoco.edu">avoie@cccoco.edu</a>                 | District Audits, Student Fees  |
| Jubilee Smallwood, <a href="mailto:jsmallwood@cccoco.edu">jsmallwood@cccoco.edu</a> | FON, 50% law, CCFS-311   |
| Alex Jiral, <a href="mailto:ajiral@cccoco.edu">ajiral@cccoco.edu</a>                | Fiscal Health Monitoring   |
| Natalie Wagner, <a href="mailto:nwagner@cccoco.edu">nwagner@cccoco.edu</a>          | Student Residency Classification/AB 540, Attendance Accounting                                     |

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# Fiscal Services Unit and Budget Office

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| Lakeisha Gulley, <a href="mailto:lgulley@cccoco.edu">lgulley@cccoco.edu</a>     | Apportionments System / Budget Office |
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| Tiyasha Watts, <a href="mailto:twatts@cccoco.edu">twatts@cccoco.edu</a>         | Budget Office                         |

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| Harold Flood: <a href="mailto:hfflood@cccoco.edu">hfflood@cccoco.edu</a>   | FUSION, State Capital Outlay Program and Administration  |
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# Thank You for Joining!

**Next Fiscal & Policy Webinar:  
Thursday, March 25 at 11AM**

