



Student Centered Funding Formula

- ✓ Too few students complete their educational goals in the California Community Colleges. Given this urgent challenge, we must re-examine our policies and practices to align with the Board of Governors *Vision for Success* and the state's priority to better serve students who have historically been left behind.
- ✓ The Student Centered Funding Formula is one of several connected efforts aimed at reaching the goals articulated in the *Vision for Success*. It aims to lift more Californians into the middle class and beyond and to close achievement gaps among disadvantaged students.
- ✓ The Student Centered Funding Formula will be pivotal in closing the achievement gaps while improving access and outcomes for all students. Most students who enter a community college never earn a certificate or a degree or transfer to a four-year college or university, and those who do reach their goal often take too long to do so.
- ✓ The Student Centered Funding Formula supports access to our 114 colleges through a combination of enrollment-based funding, educational equity by targeting funds to districts serving low-income students, and student success by providing districts with additional resources for successful outcomes by students, especially those from low-income backgrounds.
- ✓ The Student-Centered Funding Formula is a blended formula made up of:
 - A Base Allocation based on current enrollment factors;
 - A Supplemental Allocation determined by the number of students who receive a College Promise Grant or a Pell Grant (or both) or who are AB 540 students;
 - A Student Success Allocation based on student success metrics.
- ✓ The Student Success Allocation metrics are based on the degree to which all students:
 - Earn degrees and certificates;
 - Complete key progress milestones, including transfer-level mathematics and English within their first year and/or nine or more CTE units;
 - Achieve key outcomes, including successfully transferring to a four-year institution or attaining the regional living wage within one year of leaving community college.
- ✓ Each of these success metrics is enhanced by providing districts with additional funding if College Promise Grant, Pell Grant, and AB 540 students achieve these outcomes.

(more)

- ✓ The Student Funding Formula will be phased in over three years. The state designed the formula so that, in 2018-19, about 70 percent of apportionment funding will be spent on the Base Allocation; 20 percent for the Supplemental Allocation; and 10 percent for the Student Success Allocation. In 2019-20 those percentages are based on estimates of a 65-20-15 split. In 2020-21, the shift is completely phased in, with rates based on estimates of a 60-20-20 split.
- ✓ No district will see a loss in funding in 2018-19. Districts that financially benefit under the new formula will receive those higher amounts, while districts that do not will nonetheless see their 2017-18 allocation increase by a cost-of-living adjustment.
- ✓ Per-student spending is expected to increase 5.8 percent in the coming year. Additional funding of \$50 million is available to hire more full-time faculty and another \$50 million in additional funding is available to support part-time faculty office hours. Non-credit FTEs will be funded at current rates, and the new formula continues the “summer shift” and establishes three-year rolling averages for FTES calculations.
- ✓ Seventy percent of states take student performance into account when funding public colleges and universities.
- ✓ A 15-member Funding Formula Oversight Committee will evaluate and review implementation of the new funding formula, and a Chancellor’s Office Implementation Team will do the same. A report examining progress toward advancing goals will be sent to the Legislature and Finance Department will be due by July 1, 2022.
- ✓ The California Community Colleges Chancellor’s Office will provide guidance, technical assistance and professional development as we transition to the new Student-Centered Funding Formula. To start, the Chancellor’s Office will be holding workshops on the budget on August 13 and August 15.