



TO: Chief Executive Officers
Chief Business Officers

FROM: Fiscal Services Unit
Office of Institutional Supports & Success
College Finance and Facilities Planning Division

RE: 2022-23 First Principal and 2021-22 Recalculation Apportionment

This memo describes the 2022-23 First Principal (P1) and 2021-22 Recalculation (R1) 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](#).

SCFF General Background

The SCFF consists of three principal components – the base allocation, supplemental allocation, and student success allocation with the following parameters:

- The base allocation relies primarily on college and center size based on prior year data and current year Full Time Equivalent Student (FTES) enrollment.
- The supplemental allocation is based on prior year data.
- The student success allocation is based on an average of three prior years of data.

Generally, the Chancellor’s Office certifies apportionments three times per year with the Advance Apportionment (AD) released in July, First Principal (P1) and Recalculation (R1) in February, and Second Principal (P2) in June. Additional certification revisions are completed as necessary.

Allocation	Description	Data
Base (Basic Allocation)	Colleges, State Approved & Grandparented Centers	Prior Year (PY) FTES by college and center
Base (FTES Allocation)	Credit, Incarcerated Credit, Special Admit Credit, CDCP, Noncredit Students	Current Year (CY) FTES 3-year average (PPY, PY, CY) for Credit FTES

Allocation	Description	Data
Supplemental	AB 540 Students, California College Promise Grant Recipients, Pell Grant Recipients	PY headcount
Student Success	Associates Degrees for Transfer, Associates Degrees, Baccalaureate Degrees, Credit Certificates, Transfer Level Math and English, Transfer to a 4-year University, Nine or More CTE Units, Regional Living Wage. Additional revenue if metrics are achieved by Pell Grant or Promise Grant recipient.	3-year average (PPPY, PPY, PY) metric data

SCFF 2022-23 P1

At 2022-23 P1, SCFF calculations reflect district reported FTES estimates (and includes an optional Title 5 COVID-19 emergency conditions allowance), supplemental and student success metric data reported as of January 17, 2023, county reported property tax, district reported enrollment fees, estimated 2022-23 Education Protection Account (EPA) resources, and available general fund.

A preliminary growth calculation has been included. Consistent with the methodology used in 2021-22, growth will be reassessed at 2022-23 P2 when estimated FTES data is more refined.

Prior year FTES data (or COVID-19 emergency conditions allowance FTES for districts that are opted-in) is used to determine the current year basic allocation. If a district’s reported FTES calculates below the prior year college or center funding size, the prior three FTES data years are used to determine stability in the basic allocation. If a district was opted-in to COVID-19 emergency conditions allowance in prior years, emergency conditions allowance FTES is used to determine stability funding size.

The supplemental and student success allocations at P1 reflect metric data updates provided through the last supplemental and student success data validation cutoff of January 17, 2023. An additional validation period will end March 10, 2023, which will be used to finalize 2021-22 data. This final data set will be used to calculate 2022-23 P2.

The 2022-23 P1 Total Computational Revenue (Max TCR) consists of the highest of the following three TCR calculations for each district: (A) TCR calculated by formula in 2022-23, (B) TCR stability protection (2021-22 calculated TCR plus COLA), or (C) Hold Harmless (2017-18 TCR plus yearly COLAs). At 2022-23 P1, the statewide SCFF Max TCR is \$8.71 billion. SCFF rates at 2022-23 P1

2022-23 First Principal and 2021-22 Recalculation Apportionment
 March 6, 2023

remain unchanged from 2022-23 AD and will be reassessed at 2022-23 P2 to better align with updated data and revenues.

SCFF Component	2022-23 P1 Amount (Statewide) (In Millions)
FTES Allocation	\$5,416
Basic Allocation	\$924
Supplemental Allocation	\$1,295
Student Success Allocation	\$966
SCFF Calculated Revenue (TCR A)	\$8,600
TCR Stability (TCR B)	\$8,033
Hold Harmless Revenue (TCR C)	\$8,036
2021-22 TCR (Max of A, B, or C)	\$8,715
Stability Protection Adjustment	\$0
Hold Harmless Protection Adjustment	\$115
Property Tax & ERAF	\$4,086
Student Enrollment Fees	\$392
Education Protection Account (EPA)	\$1,560
State General Fund Need	\$3,121
Deficit Factor	0%

2022-23 P1 TCR Status	Number of Districts
SCFF Calculated Revenue (TCR A)	58
TCR Stability (TCR B)	0
Hold Harmless Revenue (TCR C)	14

2022-23 P1 Exhibits

- Exhibit A (District Monthly Payments by Program)
- Exhibit B-4 (County Monthly Payment Schedule)
- Exhibit C (Statewide and District SCFF details)
- Educational Revenue Augmentation Fund (ERAF) Memo
- ERAF and Property Tax Distribution by County and District
- Education Protection Account (EPA) Exhibit B-4b (available March 2023)

SCFF 2021-22 R1

At 2021-22 R1, SCFF calculations were updated with actual FTES data (including an optional Title 5 COVID-19 emergency conditions allowance), offsetting revenues, including district reported property tax, district reported student enrollment fees, and an updated annual certification of the Education Protection Account (EPA), and other minor adjustments.

Growth was applied to districts that increased in actual reported FTES from 2020-21 R1 to 2021-22 R1. Growth was calculated based on the value of the increase in actual reported FTES and was allowed to exceed districts’ growth authority at an amount not more than 10% of districts’ FTES allocation in the preceding fiscal year, in alignment with Education Code 84750.5.

The 2021-22 R1 Total Computational Revenue (Max TCR) consists of the highest of the following three TCR calculations for each district: (A) TCR calculated by formula in 2021-22, (B) TCR stability protection (2020-21 calculated TCR plus COLA), or (C) Hold Harmless (2017-18 TCR plus yearly COLAs). At 2021-22 R1, the statewide SCFF Max TCR is \$7.86 billion.

SCFF Component	2021-22 R1 Amount (Statewide) (In Millions)
FTES Allocation	\$4,815
Basic Allocation	\$661
Supplemental Allocation	\$1,228
Student Success Allocation	\$834
SCFF Calculated Revenue (TCR A)	\$7,539
TCR Stability (TCR B)	\$7,691
Hold Harmless Revenue (TCR C)	\$7,541
2021-22 TCR (Max of A, B, or C)	\$7,865
Stability Protection Adjustment	\$69

SCFF Component	2021-22 R1 Amount (Statewide) (In Millions)
Hold Harmless Protection Adjustment	\$257
Property Tax & ERAF	\$3,934
Student Enrollment Fees	\$401
Education Protection Account (EPA)	\$1,954
State General Fund Need	\$2,005
Deficit Factor	0%

2021-22 R1 TCR Status	Number of Districts
SCFF Calculated Revenue (TCR A)	6
TCR Stability (TCR B)	38
Hold Harmless Revenue (TCR C)	28

2021-22 R1 Exhibits

- Exhibit C (Statewide and District SCFF details)

SCFF Funding Protections

There are several funding protections applicable under the SCFF, summarized below.

Protection	Description
Hold Harmless (EDC 84750.4(h))	Districts receive no less than their 2017-18 TCR plus applicable cumulative annual cost of living adjustments through 2024-25. The 2022 Budget Act extended the Hold Harmless protection in a modified form. Starting in 2025-26, the Hold Harmless provision will no longer reflect cumulative COLAs over time. A district’s 2024-25 TCR will represent its new “floor,” below which it cannot drop.

Protection	Description
Stability Protection (EDC 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 and include any applicable COLA. This protection is similar to the former FTES stability protection provided under SB 361, however is based on SCFF calculated revenue TCR.
FTES Restoration Protection (EDC 84750.4(d)(2)(D))	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 (Title 5 § 58776)	Declines in college and center basic allocation tiers are effective 3 years after the initial decline. Increases or new colleges or centers are eligible for funding in the year following the increase or establishment.
Emergency Conditions Allowances (Title 5 § 58146)	Emergency conditions protection from apportionment declines due to a variety of factors including natural disasters and pandemic. Expires 2022-23 fiscal year.

SCFF Dashboard

Since the adoption of the SCFF, the Chancellor’s Office has collaborated with system partners to develop tools and resources to support SCFF implementation. The [SCFF Dashboard](#) provides analytics and visualizations about the California Community Colleges funding formula. There are three dashboard interfaces:

- Phase 1: Presents an analysis and comparison of the prior funding formula (SB 361) and SCFF.
- Phase 2: Provides analysis and trends in the SCFF supplemental and student success counts, funding protections, and race and ethnicity analyses.
- Phase 3: Provides districts with a planning tool, known as the SCFF Resource Estimator.

Phase 3 of the SCFF Dashboard, the SCFF Resource Estimator, allows users to modify assumptions about levels of general enrollment, low-income student enrollment, and student success, in addition to cost of living adjustments to generate projections of funding levels in future years. The SCFF Resource Estimator is designed to provide five-year estimates.

Education Protection Account (EPA)

Fiscal year (FY) 2021-22 EPA allocations totaling \$1.95 billion have been adjusted by district based on 2021-22 R1 data. FY 2022-23 EPA allocations totaling \$1.56 billion have been allocated by district based on 2022-23 P1 data. The FY 2021-22 adjustment and FY 2022-23 third quarter EPA exhibits will be posted on the [Fiscal Services Unit Apportionment Reports website](#) in March 2023.

2021-22 State General Apportionment

A FY 2021-22 State General Apportionment adjustment was made in the amount of -\$73.55 million at 2021-22 R1 in February 2023 based on updated data and revenues. Refer to the 2021-22 R1 Exhibit D on our [website](#) for allocations by district.

As a reminder, an early 2021-22 R1 was processed in September 2022 to adjust FY 2021-22 State General Apportionment by -\$105.01 million to offset the FY 2021-22 EPA funding allocation increase at 2021-22 P2.

2019-20 State General Apportionment

Fiscal year 2020-21 State General Apportionment in the amount of \$23.29 million has been reallocated to reduce the 2019-20 R1 SCFF revenue deficit consistent with Senate Bill 154, the 2022 Budget Act. Refer to the 2019-20 R1 February 2023 Revision Exhibit D on our [website](#) for allocations by district.

Categorical Programs

Forty-six categorical programs certified their district allocations at 2022-23 P1 totaling over \$5 billion. The following exhibits pertaining to 2022-23 P1 categorical program allocations can be found on our [website](#): Exhibit A (District Monthly Payments by program), Exhibit A (Apprenticeship Training and Instruction, Local Education Agencies), Exhibit A/B-4 (Statewide Community College).

Allocation adjustments to 2021-22 categorical programs totaling \$7.21 million were certified at 2021-22 R1. Details pertaining to these adjustments can be viewed on the 2021-22 R1 Exhibit D on our [website](#).

Additionally, the following recalculation revisions to categorical programs were made in February 2023. The exhibits pertaining to these adjustments can also be found on our [website](#):

- 2018-19 Adjustment (refer to 2018-19 R1 February 2023 Revision Exhibit D):
 - Student Financial Aid Administration: \$122,593
- 2019-20 Adjustment (refer to 2019-20 R1 February 2023 Revision Exhibit D):
 - Student Financial Aid Administration: \$144,583
- 2020-21 Adjustment (refer to 2020-21 R1 February 2023 Revision Exhibit D)
 - Student Financial Aid Administration: \$347,936
 - COVID-19 Response Block Grant (Prop 98): -\$3,998

Additional information regarding categorical programs can be found in the Compendium of Allocations and Resources (the Compendium) on the [Budget News](#) web page.

Contacts

For questions regarding the SCFF please email scff@cccco.edu.

For general questions regarding apportionment payments or this memo please email apportionments@cccco.edu.

For questions regarding specific categorical programs, please contact the appropriate staff specified in Appendix A: Summary of Categorical Program Accounting of the Compendium on the [Budget News](#) web page.