

**TO:** Chief Executive Officers  
Chief Business Officers

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

**RE:** 2023-24 First Principal Apportionment

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This memo describes the 2023-24 First Principal (P1) 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 base allocation consists of the basic allocation and FTES allocation.
- 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.

## **SCFF 2023-24 P1**

At 2023-24 P1, SCFF calculations reflect district reported FTES estimates, supplemental and student success metric data reported as of January 17, 2024, transfer metric data as of January 24, 2024, county reported property tax, district reported enrollment fees, estimated 2023-24 Education Protection Account (EPA) resources, and available general fund.

## **FTES Allocation**

If a district was opted-in to an optional Title 5 COVID-19 emergency conditions allowance in 2021-22 and/or 2022-23, the emergency conditions allowance credit FTES are used as data point(s) in calculating the credit FTES three-year average.

Growth has been applied to districts that reported an increase in FTES value above the prior year base value (2022-23 Applied #3) that exceeds the available restoration balance. Statewide growth

need exceeded the statewide growth budget at 2023-24 P1. Growth applied beyond districts' growth targets was proportionally adjusted to not exceed the budget. Growth will be reassessed at 2023-24 P2 with updated FTES data.

### **Basic Allocation**

Prior year FTES data is used to determine the current year basic allocation for college and center size. If a district's reported FTES for a college or center is below the prior year funding size, the prior three FTES data years are used to determine eligibility for a stability protection. If a district was opted-in to the COVID-19 emergency conditions allowance in prior years, the emergency conditions allowance FTES is used to determine stability funding size. Declines in college or center FTES will not result in a reduction to base revenue until the third year after the decline, and there is no base revenue reduction if the college or center FTES has been restored back to or above the pre-decline amount.

### **Supplemental and Student Success Allocations**

The supplemental and student success allocations at 2023-24 P1 reflect metric data updates provided by districts through January 17, 2024, and transfer metric data received through January 24, 2024.

### **Total Computational Revenue**

The 2023-24 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 2023-24, (B) TCR stability protection (2022-23 calculated TCR plus COLA), or (C) Hold Harmless (2017-18 TCR plus yearly COLAs). At 2023-24 P1, the statewide SCFF Max TCR is \$9.54. billion.

The revenue deficit at 2023-24 P1 for non-basic aid districts increased to 3.55% compared to 2.29% at 2023-24 Advance. Factors contributing to the increased deficit are an increase in statewide Max TCR and a net decrease in estimated local property tax revenues statewide at 2023-24 P1. The revenue deficit may change at each apportionment cycle depending on updated data and revenues.

<b>SCFF Component</b>	<b>2023-24 P1 Amount (Statewide) (In Millions)</b>
FTES Allocation	\$5,861
Basic Allocation	\$986
Supplemental Allocation	\$1,434
Student Success Allocation	\$1,029
SCFF Calculated Revenue (TCR A)	\$9,310

SCFF Component	2023-24 P1 Amount (Statewide) (In Millions)
TCR Stability (TCR B)	\$9,387
Hold Harmless Revenue (TCR C)	\$8,697
2023-24 TCR (Max of A, B, or C)	\$9,545
Stability Protection Adjustment	\$122
Hold Harmless Protection Adjustment	\$113
Property Tax & ERAF	\$4,376
Less Property Tax Excess	(\$455)
Student Enrollment Fees	\$405
Education Protection Account (EPA)	\$1,716
State General Fund Allocation	\$3,194
Deficit Factor	3.55%
Surplus (Deficit)	(\$310)

2023-24 P1 TCR Status	Number of Districts
SCFF Calculated Revenue (TCR A)	25
TCR Stability (TCR B)	36
Hold Harmless Revenue (TCR C)	11

### 2023-24 P1 Exhibits

- Exhibit A (District Monthly Payments by Program)
- Exhibit B4 (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

## SCFF 2022-23 R1

At 2022-23 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 has been applied to districts that increased in actual reported FTES value above the prior year base value (2021-22 Applied #3) and above the available restoration balance. Growth was allowed to exceed districts' growth authority up to a total growth applied of 10% of districts' preceding fiscal year's FTES base value, in alignment with Education Code 54750.5.

The 2022-23 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 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 R1, the statewide SCFF Max TCR is \$8.75. billion.

SCFF Component	2022-23 R1 Amount (Statewide) (In Millions)
FTES Allocation	\$5,492
Basic Allocation	\$921
Supplemental Allocation	\$1,295
Student Success Allocation	\$966
SCFF Calculated Revenue (TCR A)	\$8,674
TCR Stability (TCR B)	\$8,012
Hold Harmless Revenue (TCR C)	\$8,036
2022-23 TCR (Max of A, B, or C)	\$8,747
Stability Protection Adjustment	\$0
Hold Harmless Protection Adjustment	\$74

SCFF Component	2022-23 R1 Amount (Statewide) (In Millions)
Property Tax & ERAF	\$4,345
Less Property Tax Excess	(\$471)
Student Enrollment Fees	\$466
Education Protection Account (EPA)	\$503
State General Fund Allocation	\$3,905
Deficit Factor	0.00%
Surplus (Deficit)	\$0

2022-23 R1 TCR Status	Number of Districts
SCFF Calculated Revenue (TCR A)	60
TCR Stability (TCR B)	0
Hold Harmless Revenue (TCR C)	12

## SCFF Funding Protections

Fiscal year 2022-23 was the final year for the optional Title 5 COVID-19 emergency conditions allowance. However, 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.
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.

## 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:

- Dashboard 1: Presents an analysis and comparison of the prior funding formula (SB 361) and SCFF. This data is updated each year after Recalculation. Data last updated February 2023.
- Dashboard 2: Provides analysis and trends in the SCFF supplemental and student success counts, funding protections, and race and ethnicity analyses. This data is updated each year after Recalculation. Data last updated February 2023.
- Dashboard 3: Provides districts with a planning tool, known as the SCFF Resource Estimator. This data is updated after each apportionment period. Data last updated August 2023.

Dashboard 3, 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. The SCFF Resource Estimator will be updated with 2023-24 P1 data in the coming weeks.

## **Categorical Programs**

A total of 51 categorical programs certified their district allocations at 2023-24 P1 totaling over \$2.9 billion. The following exhibits pertaining to 2023-24 P1 categorical program allocations can be found on our [website](#):

- Exhibit A (District Monthly Payments by program)
- Exhibit A/B4 (Apprenticeship Training and Instruction, Local Education Agencies)
- Exhibit B4 (Healthcare Focused Vocational Pathways, Local Education Agencies)
- Exhibit A/B-4 (Statewide Community College)
- Exhibit B4 (Reimbursement, Vocational Education (Perkins))

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](mailto:scff@cccco.edu).

For general questions regarding apportionment payments please email [apportionments@cccco.edu](mailto:apportionments@cccco.edu).

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