

Student Centered Funding Formula (SCFF) Recalculation September 2024 Frequently Asked Questions

Question 1

Why was there an early Recalculation of 2023-24 SCFF processed in September 2024?

Answer: The 2024 Budget Act provides additional general fund for the 2023-24 SCFF. The early Recalculation was processed to bring funding for the 2023-24 SCFF into alignment with the 2024 Budget Act. Adjustments to 2023-24 Education Protection Account (EPA) allocations occur in September 2024, the updated Exhibit C reflects the most up to date 2023-24 EPA certification.

Question 2

When will cash payments reflecting the additional 2023-24 general fund be processed?

Answer: As of September 2024, the additional general fund is not yet available for payment through the State Controller's Office (SCO). Cash payments will be released as soon as the SCO sets up the accounts, at which time an updated 2023-24 Exhibit D and 2024-25 Exhibit A will be published.

Question 3

Does the 2023-24 SCFF continue to have a revenue deficit?

Answer: No. The additional general fund allocated to the 2023-24 SCFF has closed the revenue deficit from 2023-24 Second Principal. The 2023-24 SCFF will be recalculated based on actual data and revenues in February 2025.

Question 4

Why was there a revision to the 2024-25 Advance (AD) SCFF processed in September 2024?

Answer: A revision to the 2024-25 AD was processed to bring funding for the 2024-25 SCFF into alignment with the 2024 Budget Act. First quarter payments for the 2024-25 EPA occur in September 2024, the updated Exhibit R reflects the most up to date 2024-25 EPA certification.

Question 5

Why did the 2024-25 SCFF deficit factor increase after the 2024-25 Advance revision?

Answer: The 2024-25 SCFF general fund budget was reduced by a net amount of \$202.7 million compared to the budget used to process the 2024-25 AD SCFF in July 2024. This

includes a reduction of \$446.4 million to repay deferred funds for the 2023-24 SCFF, and an increase of \$243.7 million to account for deferred revenue for the 2024-25 SCFF.

Question 6

When will cash payments reflecting the updated 2024-25 general fund amounts be processed?

Answer: The cash payment reflecting the reduction of \$446.4 million to 2024-25 SCFF, which will be used to repay deferred funds for the 2023-24 SCFF, will be processed once SCO sets up accounts for the funding sources needed to backfill the 2023-24 SCFF. The cash payment reflecting the additional \$243.7 million in deferred revenue for 2024-25 SCFF will be processed in July 2025.

Question 7

Why is there currently a revenue deficit for the 2024-25 SCFF?

Answer: The primary reason is the EPA estimate in the Department of Finance's (DOF) letter, which outlines transfers to the EPA account for the first three quarters of the fiscal year. This estimate is \$332.8 million lower than the EPA estimate in the DOF's Budget Galley used to build the State budget. The EPA amount in DOF's letter is used for SCFF calculations.

During the Advance, First Principal, and Second Principal apportionment, all data used for the SCFF are estimates and subject to change. The Chancellor's Office maintains regular communication with the Department of Finance and shares data throughout the year to address any funding gaps in the SCFF.

Question 8

My district was overpaid in 2023-24 EPA dollars, how will overpayments be processed?

Answer: 2023-24 EPA overpayments will be processed by fully offsetting the positive 2024-25 EPA first quarter payment in September 2024 and partially offsetting the positive 2024-25 EPA second quarter payment in December 2024. See the 2023-24 Adj. 2024-25 Quarter 1 and 2 EPA Exhibit A on the [Apportionment Reports webpage](#) for allocations by district. All remaining adjustments to 2023-24 EPA will be made in the main apportionment beginning in December 2024.