MEMORANDUM

July 23, 2026

FS 26-04 | Via Website and Email

TO: Chief Business Officers

FROM: Arthur Golovey, Director of Fiscal Services
College Finance and Facilities Planning Division

RE: 2026-27 Advance Apportionment and 2025-26 Early Recalculation

This memo describes the 2026-27 Advance (AD) apportionment and 2025-26 Early Recalculation (R1) July 2026 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.

Summary of Key Points

2026-27 Advance

- The 2026 Budget Act provides a 2.87% COLA and an additional 1.44% discretionary COLA, for a total SCFF COLA of 4.31%.
- Beginning January 1, 2027, districts must provide up to 14 weeks of paid pregnancy disability leave pursuant to Education Code Sections 87766 and 88193. The discretionary COLA was provided to help offset associated costs, is embedded in districts' SCFF funding, and remains unrestricted revenue.
- Beginning in 2026-27, funded Credit FTES are based on the greater of current year Credit FTES (Applied #1) or the existing three-year average Credit FTES calculation.
- There is no 2026-27 SCFF revenue deficit at Advance Apportionment. SCFF calculations will be updated in subsequent apportionment periods using updated data and revenue estimates.

2025-26 Early R1 July 2026

- The 2026 Budget Act provides an additional $55.3 million for SCFF growth and $141.0 million to address the 2025-26 SCFF revenue shortfall.
- The 2025-26 SCFF deferral repayment of $408.4 million is being processed in July 2026.
- The deficit factor for non-basic aid districts decreased from 1.97% at 2025-26 P2 to 0.33% at 2025-26 Early R1.
- The remaining deficit may be eliminated by 2025-26 R1 in February 2027, subject to future SCFF data and revenues.

SCFF General Background

The SCFF consists of three principal components: the base allocation, supplemental allocation, and student success allocation.

- Base allocation: Consists of 1) the basic allocation, which is determined by college and center size using prior year data, and 2) the Full Time Equivalent Students (FTES) allocation, which is based on current year FTES. Beginning in 2026-27, funded Credit FTES are based on the greater of current year Credit (Applied #1) FTES or the existing three-year average Credit FTES calculation.
- Supplemental allocation: Based on prior year supplemental data.
- Student success allocation: Based on an average of three prior years of student success metric data.

The Chancellor's Office generally certifies apportionment payments at the Advance Apportionment (AD) in July, the First Principal Apportionment (P1) and Recalculation (R1) in February, and the Second Principal Apportionment (P2) in June. Additional certification revisions are completed as necessary.

2026-27 Advance SCFF

At the 2026-27 Advance Apportionment, SCFF calculations incorporate assumptions with those used to develop the 2026 Budget Act, including a COLA totaling 4.31% and $97.8 million in growth funding.

Data assumptions

At the Advance Apportionment, the Chancellor's Office uses estimates and previously reported data to calculate the components of the SCFF and distribute apportionment for the first seven months of the fiscal year.

FTES values are carried forward from 2025-26 P2 data, including any adjustments made at the 2025-26 Early R1 in July 2026, discussed later in this memo. Supplemental Allocation data are carried forward from 2024-25 data reported as of April 21, 2026. The Student Success Allocation three-year average is calculated using 2023-24 data once and 2024-25 data reported as of April 21, 2026, twice, because 2025-26 student success data are not yet available.

To estimate local property tax revenues, 2025-26 P2 property tax data are proportionally increased by 5.17% to align with Department of Finance projections. Enrollment fee revenues are based on 2025-26 P2 data, and 2026-27 Education Protection Account (EPA) funding is based on Department of Finance projections.

2026-27 SCFF COLA

The 2026 Budget Act provides a 2.87% COLA, along with an additional 1.44% discretionary COLA, for a total SCFF COLA of 4.31%. Beginning January 1, 2027, districts will be required to provide up to 14 weeks of paid pregnancy disability leave pursuant to Education Code Sections 87766 and 88193. The discretionary COLA was included in the Budget Act to help offset the costs associated with this new requirement. The Chancellor's Office is in the process of reviewing the paid pregnancy disability leave requirements enacted in the budget.

For purposes of 2026-27 SCFF calculations, the full 4.31% COLA has been applied to the SCFF rates and TCR Stability calculation. The 1.44% discretionary COLA has been incorporated into the Hold Harmless calculation. The discretionary COLA is not provided as a separate allocation but is instead embedded within districts' general apportionment funding and remains unrestricted revenue. Districts retain local discretion over the expenditure of unrestricted funds, provided they comply with the statutory requirement to provide paid pregnancy disability leave.

Funded Credit FTES Policy Change

The 2026 Budget Act includes a policy change to the SCFF that modifies the funded traditional Credit FTES calculation. Beginning in 2026-27, funded Credit FTES are based on the greater of a district's current year Credit FTES (Applied #1) or the existing three-year average Credit FTES calculation. This policy change has been incorporated into the 2026-27 Advance Apportionment calculations.

Total Computational Revenue

The Total Computational Revenue (Max TCR) consists of the highest of the following three TCR calculations for each district: (A) 2026-27 SCFF Calculated Revenue, (B) TCR Stability (2025-26 SCFF Calculated Revenue plus COLA), or (C) Hold Harmless (2024-25 Max TCR plus 1.44% discretionary COLA). The statewide SCFF Max TCR is $10.7 billion.

Revenue Deficit

There is no 2026-27 SCFF revenue deficit at the Advance Apportionment. The SCFF will be recalculated at each subsequent apportionment period using updated SCFF data and revenue estimates. A deficit may occur if calculated TCR exceeds, and/or available revenues are lower than the assumptions incorporated in the 2026 Budget Act.

2026-27 Advance Exhibits

- Exhibit A (District Monthly Payments by Program)
- Exhibit B4 (County Monthly Payment Schedule)
- Exhibit R (SCFF Apportionment Summary)
- SCFF Growth Formula Calculations

Exhibit R serves as a summary exhibit used in lieu of Exhibit C at the Advance Apportionment. It identifies each district's SCFF components and the various revenue sources (i.e., General Fund, local property taxes, enrollment fees, 2015-16 Full-Time Faculty Hiring, and EPA revenues) used to fund each district's TCR.

Table 1: SCFF Rates

Category	2025-26 Rates	2026-27 Rates	% Change
FTES – Credit*	$5,416.20	$5,649.63	4.31%
FTES – Incarcerated Credit*	$7,595.29	$7,922.65	4.31%
FTES – Special Admit Credit*	$7,595.29	$7,922.65	4.31%
FTES – CDCP	$7,595.29	$7,922.65	4.31%
FTES – Noncredit	$4,567.26	$4,764.11	4.31%
Supplemental Point Value	$1,280.76	$1,335.96	4.31%
Student Success Main Point Value	$755.21	$787.76	4.31%
Student Success Equity Point Value	$190.49	$198.70	4.31%
Single College District			
Small College	$6,658,143.47	$6,945,109.45	4.31%
Medium College	$8,877,528.70	$9,260,150.18	4.31%
Large College	$11,096,910.43	$11,575,187.27	4.31%
Multi College District			
Small College	$6,658,143.47	$6,945,109.45	4.31%
Medium College	$7,767,836.95	$8,102,630.73	4.31%
Large College	$8,877,528.70	$9,260,150.18	4.31%
Designated Rural College	$2,117,699.79	$2,208,972.65	4.31%
State Approved Center	$2,219,381.74	$2,315,037.09	4.31%
Legacy (Grandparented) Centers			
Small Center	$277,424.68	$289,381.68	4.31%

Category	2025-26 Rates	2026-27 Rates	% Change
Small Medium Center	$554,845.87	$578,759.73	4.31%
Medium Center	$1,109,690.00	$1,157,517.63	4.31%
Medium Large Center	$1,664,535.87	$1,736,277.36	4.31%
Large Center	$2,219,381.74	$2,315,037.09	4.31%

**Ten districts receive higher Credit FTES rates, as specified in EDC 84750.4(d).*

Table 2: 2026-27 Advance SCFF Components

SCFF Component	2026-27 Advance Amount (Statewide) (In Millions)
Basic Allocation	$1,076
FTES Allocation	$6,594
Supplemental Allocation	$1,858
Student Success Allocation	$1,157
SCFF Calculated Revenue (TCR A)	$10,685
TCR Stability (TCR B)	$10,514
Hold Harmless (TCR C)	$9,996
2026-27 TCR (Max of A, B, or C)	$10,746
Stability Protection Adjustment	$9
Hold Harmless Protection Adjustment	$52
Property Tax & ERAF	$5,232
Less Property Tax Excess	($585)
Student Enrollment Fees	$425
Education Protection Account (EPA)	$1,548

SCFF Component	2026-27 Advance Amount (Statewide) (In Millions)
State General Fund Allocation	$4,125
Deficit Factor	0.0000%
(Deficit)	$0

2025-26 Early R1 July 2026

SCFF Updates Based on 2026 Budget Act

The 2026 Budget Act includes an additional $55.3 million for 2025-26 SCFF growth, increasing total growth funding from $40 million to $95.3 million. Accordingly, the 2025-26 SCFF calculations have been updated to reflect the additional growth funding based on existing 2025-26 P2 data. The Budget Act also includes $141.0 million to address the 2025-26 SCFF revenue shortfall.

The additional funding reflected in the 2026 Budget Act is included in the 2025-26 Early R1 Exhibit C. However, cash payments associated with these amounts will not be made until the State Controller's Office establishes the necessary accounts. The unpaid amounts are reflected as an outstanding balance on Exhibit C. Once the accounts are established and available for payment, the Chancellor's Office will process an apportionment revision.

The 2025-26 EPA certification has been updated to reflect the changes incorporated into the 2025-26 SCFF calculations. A summary of 2025-26 EPA payments through July 2026 is available in the 2025-26 Early R1 EPA Exhibit D, located in the EPA section of the Apportionment Reports website.

Deferral Repayment

The 2025-26 SCFF deferral repayment of $408.4 million is being processed in July 2026. The repayment is reflected in the 2025-26 Early R1 July 2026 Exhibit D, and the corresponding adjustment is reflected in the 2026-27 Advance Exhibit A.

Revenue Deficit

As a result of the additional 2026 Budget Act funding, the deficit factor for non-basic aid districts decreased from 1.97% at 2025-26 P2 (June 2026) to 0.33% at 2025-26 Early R1 (July 2026). Based on historical trends in property tax revenues between P2 and R1, the Chancellor's Office anticipates the remaining deficit may be eliminated by 2025-26 R1 in February 2027. However, future SCFF data and revenues remain subject to change. Should a deficit still occur, the Chancellor's Office will continue to work collaboratively with the Department of Finance and the Legislature to support full funding of the SCFF.

Table 3: 2026 Budget Act Funding for 2025-26 SCFF

Budget Bill/Section	Description	Amount	Expected Payment
SB 135 SEC. 20	2025-26 SCFF deferral repayment.	$408.4 million	July 2026
SB 135 SEC. 42	Funding to address 2025-26 SCFF revenue shortfall.	$38.2 million	Pending SCO account setup
SB 135 SEC. 42	Funding to address 2025-26 SCFF revenue shortfall.	$102.8 million	Pending SCO account setup
SB 135 SEC. 42	Additional 2025-26 SCFF growth funding.	$55.3 million	Pending SCO account setup

Table 4: 2025-26 Early R1 SCFF Components

SCFF Component	2025-26 P2 Amount (Statewide) (In Millions)	2025-26 Early R1 Amount (Statewide) (In Millions)	Change
Basic Allocation	$1,032	$1,032	$0
FTES Allocation	$6,136	$6,191	$56
Supplemental Allocation	$1,781	$1,781	$0
Student Success Allocation	$1,075	$1,075	$0
SCFF Calculated Revenue (TCR A)	$10,024	$10,079	$56
TCR Stability (TCR B)	$9,943	$9,943	$0
Hold Harmless (TCR C)	$9,855	$9,854	$0
2025-26 TCR (Max of A, B, or C)	$10,149	$10,200	$51
Stability Protection Adjustment	$41	$37	($4)
Hold Harmless Protection Adjustment	$85	$84	($1)

SCFF Component	2025-26 P2 Amount (Statewide) (In Millions)	2025-26 Early R1 Amount (Statewide) (In Millions)	Change
Property Tax & ERAF	$4,974	$4,974	$0
Less Property Tax Excess	($562)	($558)	$4
Student Enrollment Fees	$425	$425	$0
Education Protection Account (EPA)	$1,819	$1,819	$0
State General Fund Allocation	$3,313	$3,509	$196
Deficit Factor for non-basic aid districts	1.9746%	0.3341%	
(Deficit)	($180)	($31)	$149

Table 5: 2025-26 Early R1 TCR Status by Number of Districts

TCR Status	2025-26 P2	2025-26 Early R1
SCFF Calculated Revenue (TCR A)	40	41
TCR Stability (TCR B)	19	18
Hold Harmless (TCR C)	13	13

2025-26 Early R1 Exhibits

- Exhibit C (Statewide and District SCFF details)
- Exhibit D (District Adjustments by Program)
- Exhibit D (EPA)

2024-25 R1 July 2026 Revision

The 2024-25 SCFF was recalculated to reflect adjustments to SCFF data, resulting in updated 2024-25 State General Apportionment and EPA certifications.

2024-25 R1 July 2026 Exhibits

- Exhibit C (Statewide and District SCFF details)
- 2024-25 State General Apportionment Adjustments

- Exhibit D (EPA)

SCFF Funding Protections

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

Table 6: SCFF Funding Protections

Protection	Description
Hold Harmless (EDC 84750.4(h))	In 2025-26, districts receive no less than their 2024-25 TCR. Beginning in 2026-27, districts receive no less than their 2024-25 TCR increased by a 1.44% discretionary COLA.
TCR Stability Protection (EDC 84750.4(g)(4)(A))	Declines in the SCFF TCR (excluding the hold harmless) are applicable in the year after the decline and include any applicable COLA.
FTES Restoration Protection (EDC 84750.4(d)(2)(D))	Ability to restore FTES that have declined in the previous three years.
Basic Allocation Protection (Title 5 § 58776)	Declines in college and center basic allocation tiers are effective three 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 and district planning. The SCFF Dashboard provides a suite of analytics and visualizations related to the California Community Colleges funding formula, including the following interfaces:

- **SCFF Data Trends and Insights**: Provides analysis of trends in the SCFF supplemental and student success counts, funding protections, and race and ethnicity outcomes. The data is updated annually and was last refreshed in June 2026.
- **SCFF Resource Estimator**: Provides districts with a planning tool to estimate SCFF funding. Data is updated after each apportionment period and was last updated in July 2026.

The Resource Estimator allows users to adjust assumptions related to enrollment, low-income student enrollment, student success metrics, and cost of living adjustments to generate projected funding levels for future years. The latest update reflects SCFF data through 2025-26 P2 and incorporates the policy changes included in the 2026 Budget Act, including the revised Credit FTES funding methodology and application of the 1.44% discretionary COLA to Hold Harmless calculations beginning in 2026-27. The Resource Estimator is intended to support multiyear fiscal planning and will be updated with 2026-27 Advance data in the coming weeks.

Categorical Programs

At the Advance Apportionment, some program allocations may be based on estimates or preliminary budget assumptions to facilitate payments to districts at the beginning of the fiscal year. As a result, amounts certified at the Advance may differ from amounts reflected in the Compendium of Allocations and Resources, particularly when budget actions are still being finalized or State Controller's Office (SCO) accounts have not yet been established. The Chancellor's Office anticipates issuing a revised Advance Apportionment in September 2026 to update allocations, as necessary.

Allocations for 30 categorical programs totaling over $2.1 billion were certified. The following exhibits summarizing these allocations can be found on our website:

2026-27 Advance:

- Exhibit A (District Monthly Payments by Program)
- Exhibit B4 (Monthly Payment Schedule by County)
- Adjustment Report – 2025-26 Adjustments at 2026-27 Advance
- Exhibit B4 (Statewide Community College)

2025-26 R1:

- Exhibit D (District Adjustments by Program)

Additional information regarding categorical program allocations 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 please email 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.