



**TO:** Chief Business Officers

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

**RE:** Fiscal Year 2025-26 Second Principal Apportionment

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This memo describes the 2025-26 Second Principal (P2) 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](#).

## Summary of Key Points

### 2025-26 Second Principal (P2)

- Calculations reflect updated data and revenue estimates reported by districts and counties.
- The deficit factor decreased from 3.04% at 2025-26 P1 to 1.97% at 2025-26 P2, primarily due to higher property tax revenue estimates.
- Statewide enrollment growth demand exceeded available funding. Additional 2025-26 SCFF growth funding, if provided in the 2026-27 Budget Act, may be allocated through an SCFF revision in July 2026.
- As part of the 2025 Budget Act, \$408.4 million in SCFF funds are deferred to the 2026-27 fiscal year. Provided the deferral repayment is included in the 2026-27 budget, payment of the funds is anticipated in July 2026.

## SCFF General Background

The SCFF consists of three principal components: the base allocation, the supplemental allocation, and the student success allocation, each calculated using the following parameters:

- Base allocation: Includes 1) the basic allocation, which is determined by college and center size based on prior year data, and 2) the Full Time Equivalent Students (FTES) allocation, which is based on current year FTES and a three-year average for credit FTES.
- Supplemental allocation: Based on prior year data.
- Student success allocation: Based on an average of three prior years of 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.

## **SCFF 2025-26 P2**

At 2025-26 P2, SCFF calculations reflect district reported FTES estimates as of April 20, 2026, supplemental and student success metric data reported as of April 21, 2026, county reported property tax, district reported enrollment fees as of April 15, 2026, updated 2025-26 Education Protection Account (EPA) resources, and available general fund.

### **FTES Allocation**

Growth funding was applied to districts reporting FTES increases above the prior year base value (2024-25 Applied #3) that exceeded the available restoration balance. Statewide growth demand exceeded available funding; therefore, growth applied beyond districts' growth targets was proportionally adjusted to remain within available resources.

If the 2026-27 Budget Act includes additional funding for 2025-26 SCFF growth, the Chancellor's Office anticipates processing a revision to the 2025-26 SCFF in July 2026 to allocate additional growth funding. The Chancellor's Office continues to engage stakeholders and collaborate with the Department of Finance and the Legislature to support funding for enrollment growth.

### **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 stability protection. Declines in college or center FTES will not result in a reduction to revenue until the third year after the decline, and there is no 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 reflect metric data updates provided by districts through April 21, 2026.

Transfer data for 2024-25 was previously pending for students transferring to University of California (UC), out of state institutions, or private institutions after Fall 2024. The 2024-25 transfer data was made available on April 21, 2026 and was incorporated into the SCFF calculations.

### **Total Computational Revenue**

The Total Computational Revenue (Max TCR) consists of the highest of the following three TCR calculations for each district: (A) 2025-26 SCFF Calculated Revenue, (B) TCR Stability (2024-25 SCFF Calculated Revenue plus COLA), or (C) Hold Harmless (2024-25 Max TCR). The statewide SCFF Max TCR is \$10.1 billion.

### Temporary Revenue Deficit

The revenue deficit for non-basic aid districts decreased to 1.97% at 2025-26 P2, compared to 3.04% at 2025-26 P1. The improvement was primarily driven by higher property tax revenue estimates at P2.

### Education Protection Account (EPA)

The 2025-26 EPA funding allocation was updated by the Department of Finance in June 2026 from \$1.304 billion to \$1.819 billion, an increase of \$515 million. As a result of the increase, districts will receive a larger fourth quarter EPA payment than in previous quarters. As EPA funding increases, districts’ state general apportionment allocations will decrease to offset the additional EPA revenue.

### Deferral

As part of the 2025 Budget Act, \$408.4 million in SCFF funds are deferred to the 2026-27 fiscal year. Provided the deferral repayment is included in the 2026-27 budget, payment of the funds is anticipated in July 2026.

**Table 1: 2025-26 P2 SCFF Components**

| SCFF Component                      | 2025-26 P2 Amount (Statewide)<br>(In Millions) |
|-------------------------------------|--|
| Basic Allocation                    | \$1,032  |
| FTES Allocation                     | \$6,136  |
| Supplemental Allocation             | \$1,781  |
| Student Success Allocation          | \$1,075  |
| SCFF Calculated Revenue (TCR A)     | \$10,024                                       |
| TCR Stability (TCR B)               | \$9,943  |
| Hold Harmless (TCR C)               | \$9,855  |
| 2025-26 TCR (Max of A, B, or C)     | \$10,149                                       |
| Stability Protection Adjustment     | \$41   |
| Hold Harmless Protection Adjustment | \$85   |
| Property Tax & ERAF                 | \$4,974  |

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| SCFF Component                             | 2025-26 P2 Amount (Statewide)<br>(In Millions) |
|--|--|
| Less Property Tax Excess                   | (\$562)  |
| Student Enrollment Fees                    | \$425  |
| Education Protection Account (EPA)         | \$1,819  |
| State General Fund Allocation              | \$3,313  |
| Deficit Factor for non-basic aid districts | 1.9746%  |
| (Deficit)                                  | (\$180)  |

**Table 2: 2025-26 P2 TCR Status by Number of Districts**

| 2025-26 P2 TCR Status           | Number of Districts |
|---------------------------------|---------------------|
| SCFF Calculated Revenue (TCR A) | 40                  |
| TCR Stability (TCR B)           | 19                  |
| Hold Harmless (TCR C)           | 13                  |

### 2025-26 P2 Exhibits

- Exhibit A (District Monthly Payments by Program)
- Exhibit B4 (County Monthly Payment Schedule)
- Exhibit C (Statewide and District SCFF details)
- Exhibit A (Education Protection Account (EPA))
- Exhibit B4 (EPA)
- Educational Revenue Augmentation Fund (ERAF) Memo
- ERAF and Property Tax Distribution by County and District

### 2024-25 R1 June 2026 Revision

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

### 2024-25 R1 June 2026 Exhibits

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

## SCFF Funding Protections

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

**Table 3: SCFF Funding Protections**

| Protection   | Description   |
|--|---|
| Hold Harmless (EDC 84750.4(h))                     | Starting in 2025-26, districts receive no less than their 2024-25 TCR, without subsequent annual cost of living adjustments (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 February 2026.

The SCFF Resource Estimator allows users to adjust assumptions related to general enrollment, low-income student enrollment, student success metrics, and cost of living adjustments to generate projected funding levels for future years. The SCFF Resource Estimator is intended to support outyear planning and will be updated with 2025-26 P2 data in the coming weeks.

## Categorical Programs

Allocations for 64 categorical programs totaling over \$2.9 billion were certified. The following exhibits summarizing these allocations can be found on our [website](#):

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2025-26 P2:

- Exhibit A (District Monthly Payments by Program)
- Exhibit B4 (Monthly Payment Schedule by County)
- Adjustment Report – 2024-25 Adjustments at 2025-26 P2
- Exhibit A/B4 (Apprenticeship Training and Instruction, Local Education Agencies)
- Exhibit B4 (Perkins)
- Exhibit B4 (Statewide Community College)

2024-25 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](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.