



TO: Chief Executive Officers
Chief Business Officers

FROM: Fiscal Services Unit
College Finance and Facilities Planning Division

RE: 2021-22 First Principal and 2020-21 Recalculation Apportionment Calculations

This memo describes the 2020-21 Recalculation and the 2021-22 First Principal (P1) apportionment calculations for the Student Centered Funding Formula (SCFF) and various categorical and other programs. Associated exhibits are available on the Chancellor's Office [Fiscal Services Unit Apportionment Reports website](#).

GENERAL BACKGROUND

The SCFF consists of three main components: the base allocation, supplemental allocation, and student success allocation. The base allocation consist of the basic allocation and the Full Time Equivalent Student (FTES) allocation. The basic allocation relies on prior year FTES data for the college and center size. The FTES allocation relies on primarily current year FTES data and the supplemental and student success allocations rely on prior year data. Generally, the Chancellor's Office certifies apportionments three times per year with the Advance Apportionment (Advance) in July, the First Principal (P1) and prior year Recalculation releases in February, Second Principal (P2) in June; however, additional certification revisions are completed as necessary.

2021-22 FIRST PRINCIPAL EXHIBITS

- Exhibit C (SCFF, First Principal by District)
- Exhibit A (District Monthly Payments by Program)
- Exhibit B-4 (County Monthly Payment Schedule)

BACKGROUND

At the P1 apportionment, the Chancellor's Office uses reported estimates and actuals for the major components of the SCFF in order to disburse the second payment schedule for February, March, April and May of the fiscal year.

The P1 apportionment provides an SCFF general apportionment certification that is based on the highest of the following:

- The 2021-22 SCFF by formula.
- The TCR stability revenue based on 2020-21 SCFF by formula plus 2021-22 COLA of 5.07%.
- The hold harmless revenue based on 2017-18 TCR, with the 2018-19 COLA of 2.71%, 2019-20 COLA of 3.26%, 2020-21 COLA of 0.00%, and the 2021-22 COLA of 5.07%, compounded.

Full-time equivalent student (FTES) values are calculated according to the reported 2021-22 P1 data including any statutory protections and emergency conditions allowances for COVID-19 or other incidents. To the extent that restoration and growth would be possible given these protections, these potential revenues are considered in the P1 calculations. Supplemental values are calculated from the 2020-21 headcounts submitted on January 17, 2022. Success values are calculated using the 2018-19 headcounts, 2019-20 headcounts, and 2020-21 headcounts to determine a three-year average.

The Exhibit C provides details on the calculations for each district's components of the SCFF and the various revenue sources (i.e., property taxes, enrollment fees, 2015-16 Full-Time Faculty Hiring, EPA, and General Fund) used by the Chancellor's Office to fund each district's TCR.

2020-21 RECALCULATION EXHIBITS

- Exhibit C (Recalculation by District)

BACKGROUND

The 2020-21 Recalculation includes the following updates:

- Updated full-time equivalent students (FTES) data, including any statutory protections and emergency conditions allowances for COVID-19 or other incidents.
- Updated offsetting revenues, including district reported property taxes, district reported student enrollment fees, and an updated annual certification of the Education Protection Account (EPA) from the Department of Finance (Finance).
- Other minor adjustments.

SCFF SUPPLEMENTAL AND SUCCESS DATA

The supplemental and success components of the SCFF are based on district reported data and determine over \$2 billion in funding. The supplemental component relies on three data points from the prior year. The success component relies on a prior year three-year average of 24 distinct categories of data. The P1 certification was based on updates provided through the last supplemental and success data validation cutoff of January 17, 2022. An additional validation period will end March 9, 2022 which will be used to finalize 2020-21 data. This final data set will be used to calculate 2021-22 Second Principal

Apportionment. This data set will also be used by Department of Finance to determine Budget Act funding for 2022-23 and be used as the basis for 2022-23 Advance apportionment. This data is subject to audit beginning in 2020-21.

FUNDING PROTECTIONS

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

Hold Harmless (ECS 84750.4(h))	Districts receive no less than their 2017-18 TCR plus applicable cumulative annual cost of living adjustments. This protection has been extended to 2024-25.
Stability Protection (ECS 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 total SCFF TCR.
SB 361 Rate Protection (ECS 84750.4(g)(2))	Commencing in 2020-21, funding based on current FTES and Basic Allocation eligibility using rates in place in 2017-18. This protection does not currently benefit any districts.
FTES Restoration protection	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	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.

SCFF DASHBOARD

Since adoption of the SCFF in the 2018-19 state budget, the Chancellor’s Office has collaborated with system partners to develop tools and resources to support SCFF implementation. In early 2021, the Chancellor’s Office released the SCFF Dashboard, a three-phase project to empower districts to analyze and use data for local implementation. Phase 2 of the SCFF Dashboard provides details around the supplemental and student success funding allocations and student counts within each of those portions of the formula for 2018-19 through 2020-21. While funding allocations are based on three-year averages in the

student success portion of the formula, the Dashboard allows users to view one year data or three-year average data. Phase 2 also includes an evaluation of funding protections including the minimum revenue guarantee/hold harmless detailing whether the protection amount or the amount as a percent of TCR has increased or decreased. Many of the pages in the Dashboard allow users to compare between two different districts or a single district to the statewide average. This provides context about whether district outcomes are similar to other districts with similar characteristics. A subsequent data release in Phase 2 was released earlier this year to provide information about race and ethnicity in the supplemental and student success funding allocations. Phase 3 of the dashboard is anticipated to be available in spring of 2022 and will provide districts with SCFF projections and a budget planning tool.

EDUCATION PROTECTION ACCOUNT

The 2021-22 EPA funding was updated in June 2021 to a total of \$1.276 billion. See the second quarter EPA payment exhibit (will be posted in March) on our website for additional details.

CONTACTS

For general questions regarding the apportionment payments send an email to apportionments@cccoco.edu.

For questions regarding the Student Centered Funding Formula send an email to scff@cccoco.edu.

For specific program questions, please contact the appropriate staff identified in the Program Contacts list on the [Apportionment Reports](#) website under the Categorical Program Contacts tab.