

Student-Centered Funding Formula

Districtwide Enrollment Management Workshop

September 6, 2019

Student-Centered Funding Formula

- ▶ The new Student-Centered Funding Formula (SCFF) is a major shift in how community colleges are funded
- ▶ Shifts focus of funding from enrollment, to both enrollment and student outcomes/equity (intended to be *performance-based*).
- ▶ Districts will be *held harmless* while transitioning to the new formula through 2021-2022; which basically guarantees apportionment funding at the 2017-2018 level (plus COLA).
- ▶ In 2018-2019, there was not enough revenue statewide to fully fund the formula:
 - ▶ Formula was basically modified to “back-in” to available revenue
 - ▶ Two important changes for **2018-2019**: definition and calculation of transfer metric, and equity allocation for transfer outcomes; and limit on FTES growth

Student-Centered Funding Formula

SCFF funding methodology is based upon three major components:

- ▶ **Base Allocation** – Credit FTES, which is based on an average of FTES for three-years
 - ▶ Excludes special admit students (dual enrollment) FTES
- ▶ **Supplemental Allocation** – based on counts of low-income students (Pell, CCPG and AB540)
- ▶ **Student Success Allocation** – based on counts of outcomes related to the *Vision for Success*
 - ▶ Plus equity “premiums” for outcomes of low-income students (Pell, CCPG)

Student-Centered Funding Formula

2019-2020 Components and Funding Distribution

- ▶ **Enrollment / Credit FTES: 70%**
 - ▶ 3 Year Average
 - ▶ 2016-2017 Actuals
 - ▶ 2017-2018 Actuals
 - ▶ 2018-2019 P-2
 - ▶ Plus **Special Admits** (dual enrolled) FTES
 - ▶ Deducted from credit FTES
 - ▶ Plus **Non-Credit FTES**
 - ▶ Career Development College Preparation (CDCP)
 - ▶ Regular Non-credit
 - ▶ Plus **base funding** per college and funded center
- ▶ **Supplemental** (Pell, CCPG, AB 540): **20%**
- ▶ **Student Success Metrics: 10%**
 - ▶ Bonus for Pell grants and CCPG

Student Centered Funding Formula

Nuances

- ▶ The 70/20/10 represents the proportion of how the “pots” of revenue is allocated at the state level
- ▶ It does not necessarily translate to each district’s funding distribution:
 - ▶ 2018-2019 :
 - FTES and Basic: 74.5%
 - Supplemental: 17.6%
 - Student Success: 7.9%
 - ▶ Excluding basic allocation for colleges and approved centers
 - FTES: 72.3%
 - Supplemental: 19.1%
 - Student Success 8.6%
- ▶ FTES is still the largest component of funding for the district

Student-Centered Funding Formula

Basic Construct--Credit

Old Formula

- ▶ One (1) Credit FTES = approximately \$5,100 (in 2017-2018)

New Formula

- ▶ One (1) Credit FTES = \$3,727
- ▶ *Plus:* \$919 CCPG/Pell (supplemental)—duplicated count
- ▶ *Plus:* Student success metric funding—duplicated count
 - ▶ Allocation varies per metric (\$440-\$1,760)
- ▶ *Plus:* equity premium for attainment of success metrics for Pell and CCPG
 - ▶ Amount varies per metric (\$111- \$666)

Student-Centered Funding Formula

Funding Rates (2018-2019)

▶ FTES

- ▶ Credit – \$3,727/FTES
- ▶ Regular Non-Credit – \$3,347/FTES
- ▶ CDCP Non-Credit – \$5,457/FTES
- ▶ Special Admits (dual enrolled) – \$5,457/FTES

▶ Supplemental (equity)– \$919/count

- ▶ Duplicated for Pell, CCPG and AB 540

▶ Student Success –Varies by metric

- ▶ Currently funded per metric, not per student

Impact: Shifts focus of funding from enrollment to both enrollment and student success.

Student Success Metrics

Based upon prior year student outcomes data:

Metric	Funding Per
Associate degrees	\$1,320
Bachelor's degrees	\$1,320
ADT degrees	\$1,760
Certificates of Achievement	\$880
9+ CTE units	\$440
Transfer	\$660
Completion of transfer-level English and math in student's first year	\$880
Regional living wage	\$440

Currently counts are by award, not student—this will be changing;

**rates are for 2018-2019

Additional Funding for Success Metrics to Achieve Equity

Two components: Pell Grants; California College Promise Grants (CCPG);

FUNDING PER METRIC		
	Pell Grant*	CCPG
Associate degrees	\$500	\$333
Bachelor's degrees	\$500	\$333
ADT degrees	\$666	\$444
Certificates of Achievement	\$333	\$220
9+ CTE Units	\$167	\$111
Transfer	\$250	\$164
Completion of transfer-level English & math in student's first year	\$333	\$220
Regional Living Wage	\$167	\$111

Student Funding Examples

Example A – Funding: \$10,861	
Pell	\$919 + \$666 + \$333
CCPG (BOGW)	\$919 + \$444 + \$333
Completed transfer-level English and math in first year	\$880
Certificate of Achievement	\$880
ADT degree	\$1,760
Example B – Funding: \$7,247	
No Pell	---
No CCPG (BOGW)	---
Completed transfer-level English and math in first year	\$880
Certificate of Achievement	\$880
ADT degree	\$1,760
Did not transfer	---
Example C – Funding: \$9,871	
Pell	\$919 + \$500 + \$500
CCPG (BOGW)	\$919 + \$333 + \$333
Two Associate Degrees	\$2,640

- ▶ Assumes each example equals one (1) FTES

Student Funding Examples

Example D – Funding: \$ 5,748	
CCPG (BOGW)	\$919 + \$222
Certificate of Achievement	\$880
Example E – Funding: \$3,727	---
No Financial Aid	
No Student Success Metrics	
Example F – Funding: \$5,457	---
Dual-Enrolled	
Example G – Funding: \$5,457	---
CDCP Noncredit	
Example H – Funding: \$3,727	---
Regular Noncredit	

- ▶ Assumes each example equals one (1) FTES

State Initiatives: Supporting the New Funding Formula

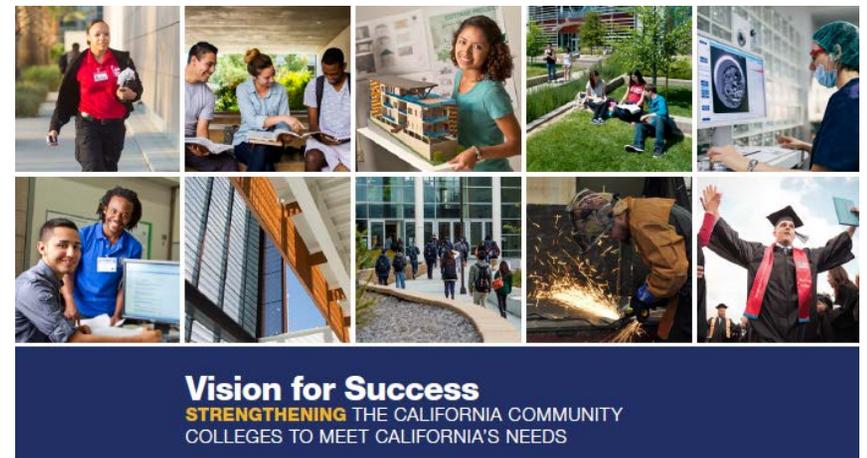
- ▶ California College Promise (AB 19)
 - ▶ Assessment Reform (AB 705)
 - ▶ Guided Pathways
 - ▶ Strong Workforce
 - ▶ Student Success & Support Program (SSSP)
 - ▶ Student Equity
 - ▶ Basic Skills Initiative
- 
- Now referred to as:
Student Equity and
Achievement Program

State Initiatives: Common Themes

Achieve system-wide goals for *Vision for Success*

Common expectations across all initiatives:

- ▶ Increase completion
 - ▶ Degrees
 - ▶ Certificates
 - ▶ Transfer
- ▶ Reduce number of units students complete
- ▶ Close equity gaps
- ▶ Increase employment for CTE students
- ▶ Reduce regional achievement gaps



Enrollment Management Strategies

Managing Change

Pending Changes to the Student-Centered Funding Formula

2019-2020 State Budget Act

- ▶ Proportion of the three components at the state level remains the same:
 - ▶ 70% FTES
 - ▶ 20% Supplemental
 - ▶ 10% Success Metrics
- ▶ Funding rates for success metrics will adjust by COLA beginning in 2020-2021
 - ▶ New rates unknown

Pending Changes to the Student-Centered Funding Formula

2019-2020 State Budget Act

▶ Student Success Metrics

- ▶ Counts only the highest award attained: Bachelor's Degree, ADT, Associate Degree, Approved Credit Certificate
- ▶ Counts award only if student is enrolled in the district the year the award is granted
- ▶ Changes definition of transfer student to require enrollment in the district for 12 units in the academic year prior to transfer
- ▶ Uses a three-year average to calculate each metric (prior year; prior, prior year; prior, prior, prior year)
 - ▶ Three years do not align with the years used to average FTES
- ▶ Extends “*hold harmless*” through 2021-2022, adjusted by COLA

Enrollment Management Strategies: Managing Change

Challenges

- ▶ Planning a year in arrears
 - ▶ Success metrics are an average of the prior three years
 - ▶ FTES is an average of current year projections (in April) and prior two years (intended to *normalize* large shifts)
 - ▶ FA students based upon prior year
- ▶ A lot can happen from one year to the next

Enrollment Management Strategies: Managing Change

Challenges

- ▶ The formula has been a moving target for the last two years;
 - ▶ Difficult to plan
 - ▶ Difficult to construct projection models
 - ▶ The “pot” of available funding statewide is finite
- ▶ More changes anticipated for 2020-2021
- ▶ A large percentage of districts are in “*hold harmless*”
 - ▶ Destabilizing the system
 - ▶ More on the way
- ▶ Perception that institutional planning is last minute and reactive
- ▶ Anything can happen at the state level
 - ▶ Need to remain nimble and flexible

Other Potential Changes

Statewide Committee on Fiscal Affairs

- ▶ Statewide Committee on Fiscal Affairs is considering other changes such as:
 - ▶ Excluding ISA enrollment in credit FTES (similar to special admits)
 - ▶ Including noncredit certificates in success metrics



Questions?