

New Funding Formula

The final agreement includes a three-year phase-in that begins by providing 70% enrollment-based funding, 20% funding based on the enrollment of low-income students, and 10% funding based on performance outcomes. Over a three-year period the formula would shift to 60% enrollment-based funding, 20% funding based on the enrollment of low-income students, and 20% funding based on performance outcomes. Additionally, it adopts a hold-harmless provision that will guarantee all colleges at least a cost-of-living increase for three years. These provisions offer a measure of stability during the transition and beyond to colleges throughout California.

Student-Focused Funding Formula
<p>Base Grants (70% of formula to be phased to 60%) — District base grant calculated through FTES enrollment.</p> <ul style="list-style-type: none"> • Measures FTES enrollment calculated on a three-year average. • District may allocate summer session enrollments to fiscal year of choice. (Therefore, current practices continue and districts have flexibility to shift summer FTES.) • Provides a rural allocation consistent with the current formula. • Stability provision, which specifies (as a permanent part of the formula) that, each year, a district would receive the greater of their past year or current year funding.
<p>Supplemental Grant (20% of formula) — Supplemental grants based on the number of low-income students that the district enrolls. The definition of low-income students includes <u>all</u> students eligible for the Pell Grant or the California Promise Grant (formerly BOG Fee Waiver.)</p> <ul style="list-style-type: none"> • Measures Three Factors: <ol style="list-style-type: none"> 1) Pell Grant headcount enrollment 2) Headcount enrollment of all students who receive a College Promise Grant fee waiver (formerly known as the BOG Fee Waiver) 3) AB 540 students per the California Dream Grant application
<p>Student Success Incentive Grant (10% of formula to be phased to 20%) — Funding for a blended equity success measure that rewards colleges for successful outcomes of low-income students:</p> <ul style="list-style-type: none"> • Progression <ul style="list-style-type: none"> ○ Completion of transfer-level mathematics and transfer-level English within the first year of enrollment. • Outcomes <ul style="list-style-type: none"> ○ Completion of an associate degree or California community colleges baccalaureate degree. ○ Transfer to <u>any</u> accredited 4-year institution ○ Completion of an ADT ○ Credit certificates 18 units or greater ○ Completion of 9 career technical education (CTE) units • Wages <ul style="list-style-type: none"> ○ Attainment of a regional living wage after one year of completion. • Provides districts with additional resources based on the number of Pell Grant students meeting any of the above outcomes.
<p>Hold Harmless Provision — Establishes a three-year hold harmless approach</p> <ul style="list-style-type: none"> • Districts would be held harmless to 2017-18 levels for three-years. • Colleges are guaranteed at least a cost-of-living increase for three years. • Stability provisions for districts/colleges.
<p>Noncredit & CDCP — Excludes noncredit and CDCP courses from the new funding formula and funds these programs at existing rates.</p>
<p>Technical Assistance — Authorizes the Chancellor to direct a district to use up to 1 percent of a district's apportionment for assistance.</p>
<p>Oversight Council — Establishes an oversight entity, with representatives chosen by the Governor, Senate Rules Committee and the Speaker to continually monitor implementation of the funding formula and make recommendations to the Legislature, Governor and Chancellor for its improvement.</p>

Inequities in the Funding Formula: CCC Dollars per FTEs in 2017-18 and 2018-19 (using the

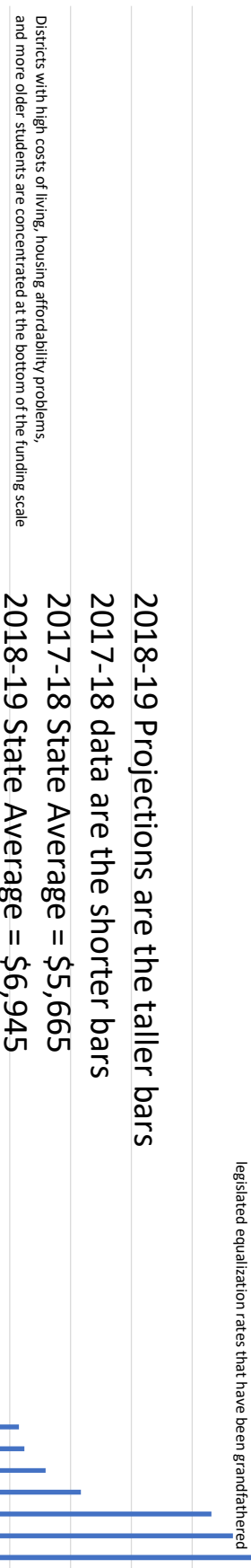
3 year average of Credit FTEs)

Palo Verde College

\$18,786

Rural colleges benefit from a base funding allocation of more than \$1 million per college, and in some cases, legislated equalization rates that have been grandfathered

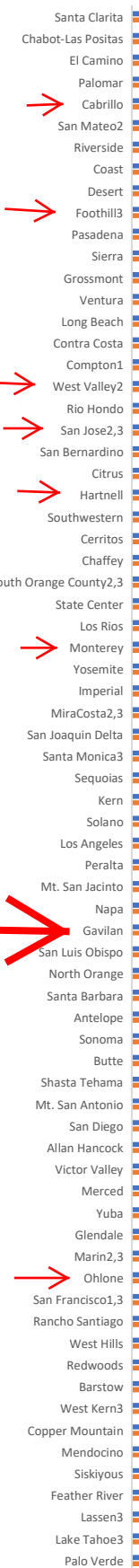
Compiled by Matt Weinstein, President/Superintendent Cabrillo College
 Source: Chancellor's Office Funding Formula Simulation File, July 2018;
 Advanced Apportionment Schedule for 2017-18



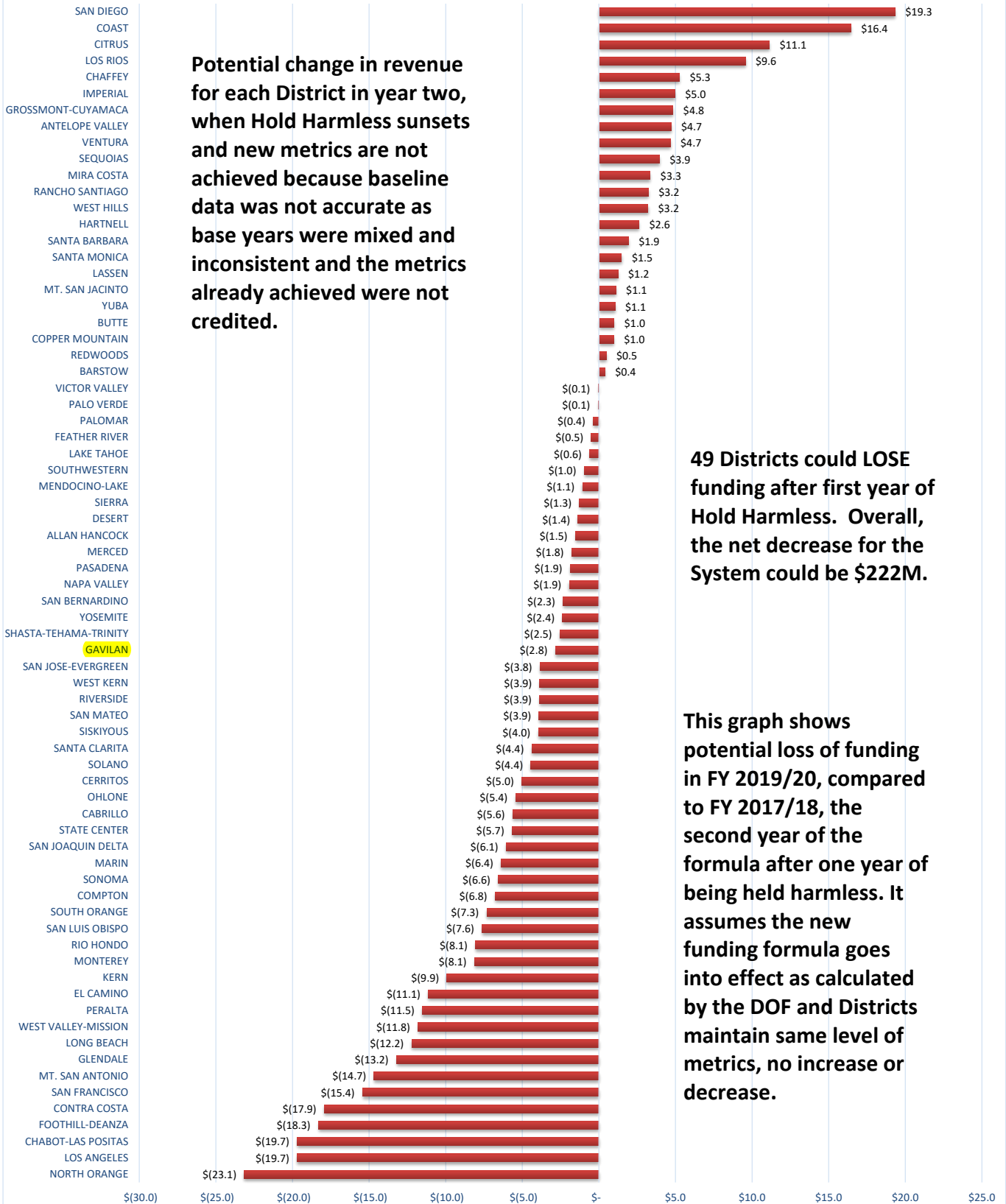
Cabrillo College

\$6,335

\$6,195



2018/19 DOF Proposed Funding Formula



Gavilan Joint Community College District Projections For General Fund

Description	2015/16	2016/17	2017/18	2018/19
	Actuals	Actuals	Projection	Projection
Revenues				
Federal	\$ 740	\$ -	\$ -	\$ -
State	15,358,880	6,506,597	5,541,052	3,656,491
Local	19,162,972	27,403,725	29,364,009	31,757,908
Total Ongoing Revenues	<u>\$ 34,522,592</u>	<u>\$ 33,910,322</u>	<u>\$ 34,905,061</u>	<u>\$ 35,414,399</u>
Expenses				
Certificated Salaries	11,796,943	12,555,104	13,873,959	13,376,321
Classified Salaries	5,626,814	5,723,397	7,153,509	8,043,383
Benefits	7,319,268	6,878,927	7,388,625	8,080,456
Books & Supplies	463,025	535,921	511,499	612,945
Services & Other Operating Exp.	5,565,222	5,186,844	7,285,047	6,821,678
Capital Outlay	508,971	1,274,031	365,040	306,616
Total Expenses	<u>\$ 31,280,243</u>	<u>\$ 32,154,224</u>	<u>\$ 36,577,679</u>	<u>\$ 37,241,399</u>
Excess Revenues over Expenditures	3,242,349	1,756,098	(1,672,618)	(1,827,000)
Net Transfers Out				
	1,722,828	1,488,909	1,460,386	1,552,464
Net Change in Fund Balance	<u>\$ 1,519,521</u>	<u>\$ 267,189</u>	<u>\$ (3,133,004)</u>	<u>\$ (3,379,464)</u>
Beginning Fund Balance	2,833,708	4,353,229	4,353,229	1,220,225
Ending Fund Balance	<u>\$ 4,353,229</u>	<u>\$ 4,620,418</u>	<u>\$ 1,220,225</u>	<u>\$ (2,159,239)</u>
	13.19%	13.73%	3.21%	-5.57%