California Community Colleges

MEMORANDUM
July 21, 2023

FS 23-04 | Via Website and Email

TO: Chief Executive Officers
Chief Business Officers

FROM: Fiscal Services Unit
Office of Institutional Supports & Success
College Finance and Facilities Planning Division

RE: 2023-24 Advance Apportionment

This memo describes the 2023-24 Advance (AD) 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. Details on additional 2023 Budget Act resources will be available in the 2023-24 Compendium of Allocations and Resources.

SCFF General Background

The SCFF consists of three principal components – the base allocation, supplemental allocation, and student success allocation with the following parameters:

- The base allocation relies primarily on college and center size based on prior year data and current year Full Time Equivalent Student (FTES) enrollment.
- The supplemental allocation is based on prior year data.
- The student success allocation is based on an average of three prior years of data.

Generally, the Chancellor's Office certifies apportionments three times per year with the Advance Apportionment (AD) released in July, First Principal (P1) and Recalculation (R1) in February, and Second Principal (P2) in June. Additional certification revisions are completed as necessary.

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

SCFF 2023-24 Advance

At 2023-24 Advance, SCFF State General Apportionment incorporates assumptions aligned with factors used to develop the 2023 Budget Act, including a COLA of 8.22% and $26.4 million in funding for growth. The Total Computational Revenue (Max TCR) consists of the highest of the following three TCR calculations for each district: (A) TCR calculated by formula in 2023-24, (B) TCR stability protection (2022-23 calculated TCR plus COLA), or (C) Hold Harmless (2017-18 TCR plus yearly COLAs). At 2023-24 AD, the statewide SCFF Max TCR is $9.45 billion.

For the 2023-24 AD, Full-Time Equivalent Student (FTES) values are carried forward from the 2022-23 Second Principal (P2) data excluding any 2022-23 COVID-19 emergency conditions allowances. The 2021-22 supplemental values are carried forward from the data set submitted on March 10, 2023. The student success allocation three-year average is calculated using the 2020-21 data once, and the 2021-22 data set submitted on March 10, 2023 twice, considering that the 2022-23 data is not yet available.

Category	Data Used at 2023-24 Advance
FTES – Current Year	2022-23 P2 Reported FTES excluding any COVID-19 emergency conditions allowances
FTES – Prior Year Applied #3	2022-23 P2 Applied #3 including any COVID-19 emergency conditions allowances
FTES – Prior Prior Year Applied #3	2021-22 R1 June 2023 Revision Applied #3 including any COVID-19 emergency conditions allowances
FTES – Basic Allocation	2021-22 R1 College and Center FTES including any COVID-19 emergency conditions allowance funding level protections
Supplemental	2021-22 supplemental data reported on March 10, 2023
Student Success	2020-21 data, and 2021-22 data (reported March 10, 2023) twice to determine a three-year average

To estimate property taxes, 2022-23 P2 property tax data is proportionally increased by 4.48% to align with Department of Finance projections. Enrollment fees are based on 2022-23 P2 data and 2023-24 Education Protection Account (EPA) funding is based on projections provided by the Department of Finance.

The table below reflects the SCFF rates at 2023-24 AD as modified by COLA in the 2023 Budget Act.

Category	2022-23 Rates (rounded)	2023-24 Rates (rounded)
FTES – Credit*	$4,840	$5,238
FTES – Incarcerated Credit*	6,788	7,346
FTES – Special Admit Credit*	6,788	7,346

Category	2022-23 Rates (rounded)	2023-24 Rates (rounded)
FTES – CDCP	6,788	7,346
FTES – Noncredit	4,082	4,417
Supplemental Point Value	1,145	1,239
Student Success Main Point Value	675	730
Student Success Equity Point Value	170	184
Single College District		
Small College	5,950,421	6,439,546
Medium College	7,933,899	8,586,065
Large College	9,917,373	10,732,581
Multi College District		
Small College	5,950,421	6,439,546
Medium College	6,942,161	7,512,806
Large College	7,933,899	8,586,065
Designated Rural College	1,892,601	2,048,172
State Approved Center	1,983,474	2,146,516
Legacy (Grandparented) Centers		
Small Center	247,936	268,316
Small Medium Center	495,869	536,629
Medium Center	991,736	1,073,257
Medium Large Center	1,487,605	1,609,886

Category	2022-23 Rates (rounded)	2023-24 Rates (rounded)
Large Center	1,983,474	2,146,516

**Ten districts receive higher credit FTES rates, as specified in statute.*

2023-24 AD Exhibits

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

The Exhibit R is a summary document used in place of the Exhibit C at the Advance apportionment which identifies each district's components of the SCFF and the various revenue sources (i.e., general fund, property taxes, enrollment fees, 2015-16 Full-Time Faculty Hiring, and Education Protection Account (EPA)) used by the Chancellor's Office to fund each district's Total Computational Revenue.

SCFF Funding Protections

Fiscal year 2022-23 was the final year for the optional Title 5 COVID-19 emergency conditions allowance. However, there are several funding protections applicable under the SCFF, summarized below.

Protection	Description
Hold Harmless (EDC 84750.4(h))	Districts receive no less than their 2017-18 TCR plus applicable cumulative annual cost of living adjustments through 2024-25. The 2022 Budget Act extended the Hold Harmless protection in a modified form. Starting in 2025-26, the Hold Harmless provision will no longer reflect cumulative COLAs over time. A district's 2024-25 TCR will represent its new "floor," below which it cannot drop.
Stability Protection (EDC 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 SCFF calculated revenue TCR.
FTES Restoration Protection (EDC 84750.4(d)(2)(D))	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 (Title 5 § 58776)	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.

2022-23 EPA and State General Apportionment Adjustment – Estimated September/October 2023

The 2022-23 EPA funding allocation was updated by the Department of Finance in June 2023 from $1.56 billion to $503 million, a decrease of $1.057 billion. SB 117 Higher Education Trailer Bill, enacted July 2023, provides the general fund revenues needed to offset the June 2023 decrease in 2022-23 EPA funding. The 2022-23 EPA payments will be accounted for by offsetting the first quarter and second quarter 2023-24 EPA payments in September and December 2023, respectively.

The additional 2022-23 general fund payments will be processed through an early 2022-23 Recalculation apportionment, estimated September or October 2023, at which time a revised Exhibit C will be published. With the additional general fund revenues, the deficit factor for each district is estimated to be reduced from 10.83% to 0.96% based on 2022-23 P2 data. Additional details are referenced in the 2022-23 Second Principal apportionment memo FS 23-03.

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. The SCFF Dashboard provides analytics and visualizations about the California Community Colleges funding formula. There are three dashboard interfaces:

- Dashboard 1: Presents an analysis and comparison of the prior funding formula (SB 361) and SCFF. This data is updated each year after Recalculation. Data last updated February 2023.
- Dashboard 2: Provides analysis and trends in the SCFF supplemental and student success counts, funding protections, and race and ethnicity analyses. This data is updated each year after Recalculation. Data last updated February 2023.
- Dashboard 3: Provides districts with a planning tool, known as the SCFF Resource Estimator. This data is updated after each apportionment period. Data last updated June 2023.

Dashboard 3, the SCFF Resource Estimator, allows users to modify assumptions about levels of general enrollment, low-income student enrollment, and student success, in addition to cost of living adjustments to generate projections of funding levels in future years. The SCFF Resource Estimator is designed to provide five-year estimates. The SCFF Resource Estimator will be updated with 2023-24 AD data in the coming weeks.

Categorical Programs

A total of 30 categorical programs certified their district allocations at 2023-24 AD totaling over $1.3 billion. The following exhibits pertaining to 2023-24 AD categorical program allocations can be found on our website:

- Exhibit A (District Monthly Payments by program)
- Exhibit A (Apprenticeship Training and Instruction, Local Education Agencies)
- Exhibit A/B-4 (Statewide Community College)

Additional information regarding categorical programs 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 A: Summary of Categorical Program Accounting of the Compendium on the Budget News web page.