

2017/18
District Budget Advisory Committee (DBAC)

Meeting Agenda - May 15, 2018
Location: FH 5971 Conference Room
Time: 1:30-3:00 p.m.

Note Taker: Carla Maitland

Time	Agenda Topic	Discussion Leader
1:30-2:15	Review 2018-19 May Revise	McElroy
2:15-2:45	3-Year Budget Model Projection Review	McElroy
2:45-3:00	Other	All
Handouts:	05/11/2018 - Governor's May Revision of the 2018-19 State Budget (Memorandum) 05/11/2018 - CCC Funding Formula Factors for May Revision 05/11/2018 - CCC Funding Formula Projections 3-Year Budget Model Projection	

CALIFORNIA COMMUNITY COLLEGES

CHANCELLOR'S OFFICE

1102 Q STREET, SUITE 4400
SACRAMENTO, CA 95811-6549
(916) 322-4005
<http://www.cccco.edu>



MEMORANDUM

DATE: May 11, 2018

TO: California Community Colleges Stakeholders

FROM: Christian Osmeña, Vice Chancellor for College Finance and Facilities Planning
Laura Metune, Vice Chancellor for External Relations

RE: Governor's May Revision of the 2018-19 State Budget

Earlier this morning, Governor Brown released his May Revision of the budget for the 2018-19 fiscal year (including revisions to appropriations for the 2016-17 and 2017-18 fiscal years).

The May Revision represents good progress for the California Community Colleges, reflecting modest growth that builds on the substantial increases in funding included in the Governor's Budget. These resources will allow our system to accelerate the progress we are already making toward the goals included in the Vision for Success. Further, the proposed amendments respond well to feedback our office has received from many stakeholders over the last four months, especially with regard to the significant proposals in the Governor's Budget. Specifically:

- **Funding Formula**—On Monday, Chancellor Oakley formally transmitted recommendations to the Department of Finance on changes to the funding model for the California Community Colleges. We think the recommendations appropriately balance the Chancellor's commitment to equity, the system's focus on student success, and the need to provide districts with time to transition. We appreciate that the May Revision largely reflects those recommendations. If enacted, we are confident that the Governor's proposal would bring our system closer to achieving the Vision for Success.
- **Online College**—The May Revision includes several changes in the design of the new online community college to respond to feedback about how the college would operate as part of the system. Most significantly, the May Revision proposes to maintain the online college under the authority of the Board of Governors of the California Community Colleges, rather than establish a new entity for these purposes. Further, it clarifies how collective bargaining would be administered; specifically, the Board of Governors would designate an existing community college district to establish a collective bargaining agreement that would apply to the represented employees of the online college.

Table 1 displays our office's initial summary of proposals included in the May Revision and compares them to the proposals included in the Governor's January budget. Table 2 compares the Chancellor's recommendations on the funding formula to both the Governor's January budget and May Revision proposals.

Over the next month, the Governor and the Legislature will work rapidly to enact a final budget, with a June 15 deadline for the Legislature to pass a budget for consideration by the Governor and a July 1 start to the new fiscal year. We expect budget subcommittees in both houses of the Legislature to hear the Governor’s May Revision proposals next week, with votes to create the houses’ versions of the budget shortly thereafter. The conference committee on the budget, which resolves differences between the houses’ budgets, is expected to begin its deliberations by the end of the month. At the same time, the Governor and legislative leaders will begin their negotiations in earnest.

The Chancellor’s Office will work to inform these discussions consistent with the priorities of the Board of Governors and the Chancellor and our understanding of the system’s needs. Please feel free to reach out with comments and feedback.

Attachments:

Table 1—Initial Comparison of Governor’s Budget and May Revision

Table 2—Comparison of Chancellor’s Recommendations on Funding Formula and Governor’s Proposals

Table 1—Initial Comparison of Governor’s Budget and May Revision

Topic	2018-19 Governor’s Budget <i>(Adjustments displayed below are incremental to the totals included in the 2017-18 Budget Act.)</i>	2018-19 May Revision <i>(Adjustments displayed below are incremental to the totals included in the Governor’s Budget.)</i>
Proposition 98	<p>Totals—Reflects a minimum guarantee of \$78.3 billion (\$54.5 billion General Fund and \$23.8 billion local property taxes) for 2018-19.</p> <p>“Tests”—Calculates the Proposition 98 minimum guarantee in 2016-17 and 2018-19 using “Test 3” (which generally grows funding based on changes in General Fund revenues and school attendance) and in 2017-18 using “Test 2” (which grows funding based on changes in per capita personal income and school attendance).</p> <p>Split—Proposes appropriations with a “split” (between K-12 and community college appropriations) of 10.99 percent in 2016-17 and 10.93 percent in 2017-18 and 2018-19. (The split is calculated after the total amount of Proposition 98 appropriations is reduced by appropriations for adult education, the Governor’s proposed K-12 Strong Workforce program, and other agencies.)</p>	<p>Totals—Reflects a minimum guarantee of \$78.4 billion (\$55 billion General Fund and \$23.4 billion local property taxes) for 2018-19.</p> <p>Over the three-year budget window, compared to the Governor’s January budget, adds \$727 million, with \$252 million in 2016-17, \$407 million in 2017-18, and \$68 million in 2018-19.</p> <p>(Under the Governor’s budgeting approach, increases in the past and current years are generally considered available only for one-time purposes.)</p> <p>“Tests”—Calculates the minimum guarantee in 2016-17 using “Test 3” and in 2017-18 and 2018-19 using “Test 2.”</p> <p>Split—Proposes appropriations with an effective split of 10.93 percent in 2016-17, 2017-18, and 2018-19.</p> <p>Certification—Begins the process by which the Director of Finance, the Superintendent of Public Instruction, and the Chancellor certify actual data for the prior fiscal year pursuant to existing law related to Proposition 98.</p>

Table 1—Initial Comparison of Governor’s Budget and May Revision

Topic	2018-19 Governor’s Budget <i>(Adjustments displayed below are incremental to the totals included in the 2017-18 Budget Act.)</i>	2018-19 May Revision <i>(Adjustments displayed below are incremental to the totals included in the Governor’s Budget.)</i>
General Apportionment	<p>Proposes total funds of \$7.1 billion for the general apportionment.</p> <p>Compared to 2017-18, reflects policy changes for the following:</p> <ul style="list-style-type: none"> • Increase of \$175 million to support new funding formula. • Increase of \$161.2 million for cost-of-living adjustment (2.51 percent). • Increase of \$60 million for enrollment growth (1 percent). <p>Also makes various other workload budget adjustments to reflect revised estimates of enrollment and offsetting revenues.</p>	<p>Proposes total funds of \$7.1 billion for the general apportionment, including implementation of the funding formula proposed in the Governor’s Budget.</p> <p>Compared to the Governor’s Budget, reflects:</p> <ul style="list-style-type: none"> • Increase of \$11.9 million based on revised cost-of-living adjustment (2.71 percent). • Decrease of \$300,000 based on revised estimate of costs of enrollment growth (1 percent). <p>Also makes various other workload budget adjustments to reflect revised estimates of enrollment and offsetting revenues.</p> <p>Also adds \$104 million one-time in 2018-19 to provide discretionary resources so that all districts receive, in 2018-19, total resources of at least their 2017-18 totals adjusted by 2.71 percent.</p>
Funding Formula and Categorical Programs	<p>See Table 2 for more details on the funding formula, categorical programs, and related issues.</p>	

Table 1—Initial Comparison of Governor’s Budget and May Revision

Topic	2018-19 Governor’s Budget <i>(Adjustments displayed below are incremental to the totals included in the 2017-18 Budget Act.)</i>	2018-19 May Revision <i>(Adjustments displayed below are incremental to the totals included in the Governor’s Budget.)</i>
Online College	<p>Includes a total of \$120 million (\$100 million one-time and \$20 million ongoing) for a new online community college.</p> <p>Establishes the college within a new community college district under a newly-established, independent governing board.</p> <p>College would offer accessible, flexible, and high-quality online courses and programs with student supports. The college would be designed to avoid impacts on enrollment at the existing community colleges, because it would offer programs for working adults not currently accessing postsecondary education.</p> <p>In April, the Chancellor’s Office announced that, if the college is approved, the first program pathway would serve working adults who want additional skills and credentials in the field of medical coding.</p>	<p>Retains total funding of \$120 million.</p> <p>Amends the trailer bill as follows:</p> <ul style="list-style-type: none"> • <i>Governance</i>—Instead establishes the college under the authority of the Board of Governors. • <i>Collective Bargaining</i>—Requires the Board of Governors to contract with a community college district for the purposes of collective bargaining pursuant to the Educational Employment Relations Act. • <i>Delivery</i>—Adds provisions related to accessibility, reporting on outcomes, and dissemination of practices. • <i>Accreditation</i>—Clarifies that the president would seek accreditation upon enrollment of the first students. Requires the Workforce Development Board and the Employment Development Department to certify labor market value of programs in interim period. • <i>Curriculum</i>—Clarifies intent that online college create unique content and deliver it in a way that does not duplicate programs offered at other community colleges and the requires the college’s faculty to review Online Education Initiative protocols for adoption as appropriate. <p>Announces that, if the college is approved, the college would also offer a pathway in IT support.</p>

Table 1—Initial Comparison of Governor’s Budget and May Revision

Topic	2018-19 Governor’s Budget <i>(Adjustments displayed below are incremental to the totals included in the 2017-18 Budget Act.)</i>	2018-19 May Revision <i>(Adjustments displayed below are incremental to the totals included in the Governor’s Budget.)</i>
Deferred Maintenance and Instructional Equipment	Includes \$275.2 million for deferred maintenance and instructional equipment program.	Reduces the total amount for this program by \$131.7 million. (Therefore, a total of \$143.5 million would be appropriated for these purposes in 2018-19). This change reflects a shift in funds to instead provide one-time discretionary funds as part of implementation of the new funding formula, to support other one-time purposes, and to account for changes in the Proposition 98 minimum guarantee.
California College Promise Program	Includes \$46 million ongoing for implementation of the California College Promise Program.	No change.
Capital Outlay	Includes \$45 million in Proposition 51 bond funds for five new projects and 15 continuing projects. (The Board of Governors had requested funding for 15 new projects and 15 continuing projects. One project has since been withdrawn.)	No new proposals. However, in April, the Governor added \$5 million to add an additional phase for the new five projects included in the January budget and to add the Imperial Valley College project.

Table 1—Initial Comparison of Governor’s Budget and May Revision

Topic	2018-19 Governor’s Budget <i>(Adjustments displayed below are incremental to the totals included in the 2017-18 Budget Act.)</i>	2018-19 May Revision <i>(Adjustments displayed below are incremental to the totals included in the Governor’s Budget.)</i>
Apprenticeship	<p>Adds the following related to apprenticeship programs:</p> <ul style="list-style-type: none"> • \$30.6 million one-time for reimbursements for related and supplemental instruction (RSI) delivered in prior years. • \$14 million ongoing to increase funded RSI hours in 2018-19. • \$4 million ongoing to increased RSI rates to align with noncredit rate. <p>Includes trailer bill language to authorize students enrolled in credit courses as part of apprenticeship programs to be included in FTES counts for purposes of general apportionment.</p>	<p>Adds (1) \$5.9 million one-time to for reimbursement of RSI delivered in prior years and (2) \$4.8 million ongoing to fund revised estimate of RSI hours in 2018-19.</p>
Financial Aid	<p>Consolidates Full-Time Student Success Grant and Community College Completion Grant, with changes in program design to increase grants for each additional unit of enrollment (at 12, 13, 14, and 15 units). Consistent with the existing programs, this new program would provide additional funds to students who receive the Cal Grant B. Adds \$32.9 million, which reflects combination of changes in estimates of caseload and the additional benefits provided in the new program.</p>	<p>Adds \$7.8 million ongoing based on revised estimates of caseload in the new program. Amends the program to not require that a student have an educational plan as a condition of receipt of the grant.</p> <p>Separately, adds \$13.5 million one-time and \$5 million ongoing for implementation of new financial aid system improvements at the colleges.</p>
Innovation Awards	<p>Includes \$20 million one-time for program to encourage innovation in equity.</p>	<p>No change.</p>

Table 1—Initial Comparison of Governor’s Budget and May Revision

Topic	2018-19 Governor’s Budget <i>(Adjustments displayed below are incremental to the totals included in the 2017-18 Budget Act.)</i>	2018-19 May Revision <i>(Adjustments displayed below are incremental to the totals included in the Governor’s Budget.)</i>
Cost-of-Living Adjustments	Adds a total of \$7.3 million to reflect cost-of-living adjustment of 2.51 percent for the Disabled Student Programs and Services program, the Extended Opportunities Programs and Services Program, the CalWORKs Program, and the Child Care Tax Bailout Program.	Adds a total of \$581,000 to reflect revised cost-of-living adjustment of 2.71 percent for the Disabled Student Programs and Services program, the Extended Opportunities Programs and Services Program, the CalWORKs Program, and the Child Care Tax Bailout Program.
State Lottery	Adds \$4.5 million in 2017-18 and \$4.3 million beginning in 2018-19 pursuant to revised estimates.	No change.
Certified Nurse Assistant Programs	Adds \$2 million one-time to expand enrollment in certified nurse assistant training programs.	No change.
State Operations	Adds \$2 million to support costs of additional positions at the Chancellor’s Office. Also makes various workload adjustments.	No change.
Mandates Block Grant	Adds \$810,000 to reflect cost-of-living adjustment of 2.51 percent for the mandates block grant and also reduces funding by \$501,000 to reflect enrollment estimates.	Adds \$110,000 for revised growth estimates and \$68,000 to reflect revised cost-of-living adjustment of 2.71 percent.
Open Educational Resources	No proposal.	Adds \$6 million one-time for open educational resources.
NextUp (Cooperating Agencies Foster Youth Educational Support)	No proposal.	Adds \$5 million ongoing, which is expected to allow the program to expand to 20 colleges.
Course Identification Numbering System (C-ID)	No proposal.	Adds \$685,000 one-time to support the course identification numbering system (C-ID).

Table 1—Initial Comparison of Governor’s Budget and May Revision

Topic	2018-19 Governor’s Budget <i>(Adjustments displayed below are incremental to the totals included in the 2017-18 Budget Act.)</i>	2018-19 May Revision <i>(Adjustments displayed below are incremental to the totals included in the Governor’s Budget.)</i>
Adult Education	Adds \$20.5 million to reflect cost-of-living adjustment of 2.51 percent for the Adult Education Block Grant. Adds \$5 million for data system for use by Adult Education Block Grant regional consortia members.	Adds \$1 million for Adult Education Block Grant to reflect revised cost-of-living adjustment of 2.71 percent.
K-12 Strong Workforce Program	Adds \$212 million for a K-12 Strong Workforce Program, which would be intended for local educational agencies to improve and expand their career-technical education programs in alignment with the existing Strong Workforce Program.	Adds \$2 million to support the administrative costs borne by consortia as part of the proposed K-12 Strong Workforce Program.

Table 2—Comparison of Chancellor’s Recommendations on Funding Formula and Governor’s Proposals

Issue	Governor’s January Budget	Chancellor’s Recommendation	Governor’s May Revision
Formula Construction	<p>Overall, determines rates for various components of the formula by setting a goal that, statewide, about half of the funds would be spent on a Base Grant, a quarter would be spent on a Supplemental Grant, and a quarter would be spent on a Student Success Incentive Grant. (50-25-25 split.)</p> <p>Some categories of FTES, including FTES for incarcerated students and FTES for high school students admitted as special part-time or full-time students, are funded at current rates.</p>	<p>Overall, determines rates through a 60-20-20 split, using the same three funding elements.</p> <p>(Under this proposal, the third element would function differently than the Governor’s proposal, because it would provide “premiums” to districts based on the success of high-needs students. More detail is included below.)</p> <p>Retains proposal to fund specified categories of FTES at current rates. Adds all noncredit FTES—including CDCP noncredit—as a category funded at current rates. (Therefore, noncredit programs would not be subject to new funding model.)</p>	<p>Includes Chancellor’s recommendation to fund rates through a 60-20-20 split, using the same three funding elements.</p> <p>Includes Chancellor’s recommendation to fund specified categories of FTES (including noncredit FTES) at current rates.</p>
Funding Available to Implement the Formula	<p>Includes \$175 million provided in the January budget proposal explicitly for this purpose. Also allocates \$161 million (for cost-of-living adjustment) and \$60 million (for 1-percent growth) to support costs of the formula.</p>	<p>Uses the funds included in the Governor’s proposal. Strongly urges the Governor and the Legislature to consider appropriating additional Proposition 98 funds for the general apportionment (above those provided in the January budget). If necessary, redirects funds included in the Governor’s proposal for deferred maintenance and instructional materials to instead support implementation of the formula.</p>	<p>Uses the funds included in the January budget. Also provides \$104 million in one-time funds in 2018-19.</p>

Table 2—Comparison of Chancellor’s Recommendations on Funding Formula and Governor’s Proposals

Issue	Governor’s January Budget	Chancellor’s Recommendation	Governor’s May Revision
Transition Timeline (“Hold Harmless”)	<p>Phases-in the new formula by committing to a “hold harmless” period generally specifying that, in 2018-19, a district would not receive less in total funds than the district received in 2017-18 and that, beginning in 2019-20, a district would not receive less per FTES than the district received in 2017-18. (Many districts would see the additional benefit of the formula beginning in 2018-19. That is, if the formula calculation for 2018-19 year exceeds the amount a district received in 2017-18, the district would receive the additional dollars in 2018-19.)</p>	<p>Extends “hold harmless” provision proposed in January budget by committing that, in 2018-19 and 2019-20, a district would not receive less in total funds than the district received in 2017-18 (with that 2017-18 amount adjusted for changes in cost-of-living in 2018-19).</p> <p>Consistent with the Governor’s proposal, districts benefiting under the new formula would receive the additional dollars beginning in 2018-19.</p>	<p>Includes Chancellor’s recommendation to extend the “hold harmless” on total funds by one additional year. Therefore, in 2018-19 and 2019-20, a district would not receive less in total funds than the district received in 2017-18. While the proposal would not adjust the 2017-18 total by changes in the cost-of-living, the May Revision includes one-time funds to provide districts with discretionary resources such that all districts would receive, in 2018-19, the amount they received in 2017-18, adjusted by 2.71 percent.</p> <p>Beginning in 2019-20, a district would not receive less per FTES than the district received in 2017-18.</p> <p>Again, districts benefiting would receive additional dollars beginning in 2018-19.</p>
Authority for Limitation on Year-to-Year Funding Increases	No proposal.	<p>Provides the Chancellor with authority to limit the year-over-year funding increase a district can earn under the formula, with the intent that such a provision would allow all districts to achieve year-over-year growth given limited resources. (The intent of the Chancellor’s Office would be to use such authority on a very limited basis and only when critical to the financial health of the system.)</p>	Not included.

Table 2—Comparison of Chancellor’s Recommendations on Funding Formula and Governor’s Proposals

Issue	Governor’s January Budget	Chancellor’s Recommendation	Governor’s May Revision
Calculation of Base Allocation	<p>Funds budgeted FTES and a basic allocation consistent with the existing system.</p> <p>Ends the practice of “summer shift” and gives districts choice of the fiscal year in which summer enrollments are counted.</p> <p>Retains rural allocations.</p>	<p>Calls for a “Base Allocation,” which funds budgeted FTES and a basic allocation consistent with the existing system.</p> <p>However, uses a three-year weighted FTES composite (weighting the current year at 50 percent and the two trailing years at 25 percent each). (In 2018-19, uses a two-year average—with 2017-18 and 2018-19 each weighted at 50 percent.)</p> <p>Ends the practice of “summer shift” by consistently counting summer session enrollments in the fiscal year that follows the summer term. This change would be effective 2019-20, with summer 2019 enrollments included in the 2019-20 fiscal year.</p> <p>Ends enrollment “stability funding.”</p> <p>Generally equalizes per-FTES credit funding rates for all districts.</p> <p>Consistent with the Governor’s proposal, retains rural allocations.</p>	<p>Uses a simple three-year FTES average.</p> <p>Ends the practice of “summer shift” by requiring summer terms that cross fiscal years to count in the fiscal year that follow the summer term. This change would be effective 2019-20, with those summer 2019 enrollments included in the 2019-20 fiscal year.</p> <p>Includes the Chancellor’s recommendation to end enrollment “stability funding.”</p> <p>Retains higher per FTES-credit funding for 10 districts not currently equalized.</p> <p>Consistent with the January proposal, retains rural allocations.</p>

Table 2—Comparison of Chancellor’s Recommendations on Funding Formula and Governor’s Proposals

Issue	Governor’s January Budget	Chancellor’s Recommendation	Governor’s May Revision
Calculation of Equity Allocation	<p>Provides additional funding based on the number of low-income students a district enrolls, as measured by the enrollment of students receiving federal Pell Grants (using a cohort measure) and also those receiving College Promise Grants, with data from the past year.</p>	<p>Calls for an “Equity Allocation,” which provides districts with additional resources based on the enrollment of (1) low-income students and (2) first-generation students.</p> <p>Low-income students are defined as students who are any of the following: (1) Pell Grants recipients, (2) California College Promise Grant recipients age 25 and over, and (3) AB 540 students.</p> <p>First-generation students are those who indicate neither parent has attended college (as reported on CCC Apply).</p> <p>Using the 20-percent allocation to determine the overall funding for this allocation, the rates for each of the measures would be determined for 2018-19 based on a calculation of “points.” Students meeting one of the above-noted characteristics (low-income or first-generation) generate 1 point in the formula calculation. Students with both characteristics generate 1.5 points. Beginning in 2019-20, the rates calculated in 2018-19 would be the basis for apportionment.</p>	<p>Similar to the Chancellor’s recommendation, provides additional resources based on the number of low-income students, which would be the sum of the totals in the following categories: (1) Pell Grant recipients, (2) College Promise Grant recipients age 25 and over, and (3) AB 540 students.</p> <p>Using the 20-percent allocation to determine the overall funding for this allocation, the rates for each of the measures would be determined for 2018-19 by dividing the total amount of funding by the total number of students. Beginning in 2019-20, the rates calculated in 2018-19 would be the basis for apportionment.</p>

Table 2—Comparison of Chancellor’s Recommendations on Funding Formula and Governor’s Proposals

<p>Calculation of Student Success Allocation</p>	<p>Provides districts with additional resources based on the number of students meeting the following outcomes:</p> <ul style="list-style-type: none"> • Earning a degree or certificate. • Earning a degree or certificate or transferring in three years or less. • Earning an Associate Degree for Transfer (ADT). <p>All of these would be based on total counts from the prior year.</p>	<p>Calls for a “Student Success Allocation,” which provides districts with additional resources based on the number of students meeting a more broadly-defined set of outcomes.</p> <p>Using the 20-percent allocation to determine the overall funding for this allocation, the rates would be determined for 2018-19 based on a calculation of “points.” A single student could generate points for one outcome within each of the following categories (with all of the counts generated from prior year data):</p> <p>Progression</p> <ul style="list-style-type: none"> • Completion of both transfer-level mathematics and transfer-level English within the first year of enrollment. (3 points) <p>Outcomes</p> <ul style="list-style-type: none"> • Completion of an ADT. (4 points) • Completion of an associate degree or California community colleges baccalaureate degree. (3 points) • Credit certificates 16 units or greater. (2 points) • Completion of nine career technical education (CTE) units. (1 point) <p>Wages</p> <ul style="list-style-type: none"> • Attainment of a regional living wage after one year of completion. (1 point) 	<p>Similar to the Chancellor’s recommendation, provides additional resources based on the number of students meeting a more broadly-defined set of outcomes.</p> <p>Using the 20-percent allocation to determine the overall funding for this allocation, the rates would be determined for 2018-19 based on a calculation of “points,” with points awarded as follows:</p> <ul style="list-style-type: none"> • Completion of an ADT. (4 points) • Completion of an associate degree or California community colleges baccalaureate degree. (3 points) • Credit certificates 16 units or greater. (2 points) • Completion of both transfer-level mathematics and transfer-level English within the first year of enrollment. (2 points) • Transfer to four-year institution. (1.5 points) • Completion of nine career technical education (CTE) units. (1 point) • Attainment of a regional living wage after one year of completion. (1 point) <p>Pell Grant recipients meeting any of the above outcomes would generate an additional set of points equal to the number generated above.</p>
---	--	--	--

Table 2—Comparison of Chancellor’s Recommendations on Funding Formula and Governor’s Proposals

Issue	Governor’s January Budget	Chancellor’s Recommendation	Governor’s May Revision
		<p>Further, provides districts with additional resources based as follows:</p> <ul style="list-style-type: none">• For a student who is either a low-income student or a first-generation student (but not both), the student would generate an additional set of points equal to the number generated above.• For a student who is both a low-income student and a first-generation student, the student would generate an additional set of points equal to the number generated above multiplied by 1.5.	
Use of Funds for Interventions	Authorizes the Chancellor to direct that a district use up to 3 percent for assistance.	Retains the Governor’s proposal.	Authorizes the Chancellor to direct that a district use up to 1 percent for assistance.
Future Changes to the Formula	Authorizes the Board of Governors to amend the formula with concurrence from the Department of Finance (which is required to consult with the Legislative Analyst’s Office) and notification to the Joint Legislative Budget Committee.	Retains the Governor’s proposal.	Retains the January proposal.

Table 2—Comparison of Chancellor’s Recommendations on Funding Formula and Governor’s Proposals

Issue	Governor’s January Budget	Chancellor’s Recommendation	Governor’s May Revision
Consolidation of Categorical Programs	Requests that the Chancellor’s Office consult with stakeholders and develop a proposal that would consolidate categorical programs.	Consolidates Student Success and Support Program, Student Success for Basic Skills Program, and Student Equity program. Beginning in 2018-19, implements a methodology by which the funds are allocated for this new program to align with the funding formula. Includes a “hold harmless” provision, whereby a district would not receive less in 2018-19 and 2019-20 from the new consolidated categorical program than the sum of the amounts the district received from those programs in 2017-18. Expects funds to be used in support of student equity plans.	Consolidates Student Success and Support Program, Student Success for Basic Skills Program, and Student Equity program into a single program, whereby a district would not receive less in 2018-19 and 2019-20 from the new consolidated categorical program than the sum of the amounts the district received from those programs in 2017-18. Includes the Chancellor’s recommendation for expected uses of funds.
Funding to Encourage Full-Time Faculty Hiring	No proposal.	Creates a new categorical program that would encourage the addition of new full-time faculty with additional funds.	Not included.
Automatic Adjustments to Appropriations for General Apportionment	No proposal.	Includes statute that would provide for an automatic backfill for changes in estimates that occur after the enactment of the annual budget.	Not included.

CCC Funding Formula Factors for May Revision

Base Allocation: 60%					
	18-19 Rates				
Base Credit Rate with COLA	\$	3,024			
Supplemental Allocation: 20%					
Supplemental Metrics	Points (a)	Total Counts ¹ (b)	Total Points (c) = (a) * (b)	Total Dollars (d) = (c) * \$1,526	%-to- Total
Pell Grant and AB 540 Students	1	525,146	525,146	\$ 801,395,769	57%
California Promise Grant Students (Ages 25+)	1	401,176	401,176	\$ 612,211,652	43%
Total	2.0	926,322	926,322	\$ 1,413,607,421	100%
Supplemental Rate Per Point - 18-19	\$	1,526			
Student Success Incentive Allocation: 20%					
Success Metrics (15%)	Points (a)	Total Counts ¹ (b)	Total Points (c) = (a) * (b)	Total Dollars (d) = (c) * \$876	%-to- Total
Associate degree	3	104,926	314,777	\$ 275,598,700	26%
Associate degree for transfer	4	41,917	167,667	\$ 146,798,829	14%
Credit certificates requiring 18+ units	2	69,022	138,044	\$ 120,862,926	11%
Completion of 9 CTE units	1	191,602	191,602	\$ 167,754,646	16%
Transfer to 4-year institutions	1.5	106,002	159,004	\$ 139,213,456	13%
Completion of transfer-level math and English	2	21,295	42,590	\$ 37,289,089	4%
Attainment of regional living wage	1	197,237	197,237	\$ 172,687,919	16%
Total	14.5	732,001	1,210,921	\$ 1,060,205,565	100%
Success Rate per Point - 18-19	\$	876			
Success Equity Metrics ² (5%)	Points (a)	Total Counts ¹ (b)	Total Points (c) = (a) * (b)	Total Dollars (d) = (c) * \$660	%-to- Total
Associate degree - Pell students	3	56,224	168,672	\$ 111,262,296	31%
Associate degree for transfer - Pell students	4	21,387	85,548	\$ 56,430,628	16%
Credit certificates requiring 18+ units - Pell students	2	30,460	60,920	\$ 40,185,088	11%
Completion of 9 CTE units - Pell students	1	88,887	88,887	\$ 58,633,156	17%
Transfer to 4-year institutions - Pell students	1.5	49,120	73,680	\$ 48,602,056	14%
Completion of transfer-level math and English - Pell students	2	7,087	14,174	\$ 9,349,695	3%
Attainment of regional living wage - Pell students	1	43,871	43,871	\$ 28,938,936	8%
Total	14.5	297,036	535,752	\$ 353,401,855	100%
Success Equity Rate per Point - 18-19	\$	660			

Notes

¹ Total counts for supplemental and student success incentive allocations are based on prior year data and adjusted by a 5-year average rate of change.

² Includes successful counts of students receiving Pell Grants.

CCC Funding Formula Projections

District	2017-18 General Apportionments	2018-19 New Formula ^{1, 2}	Difference from 2017-18	2019-20 New Formula ^{1, 2}	Difference from 2017-18	Contextual Descriptors Only ³			
						Pell Grant and AB 540 Students	Pell and AB 540 Students as Pct of Credit FTES	Associate Degree Awards	Associate Degrees as Pct of Credit FTES
Allan Hancock	\$58,411,385	\$62,958,421	\$4,547,036	\$65,235,303	\$6,823,918	3,782	50%	1,076	14%
Antelope	\$62,349,983	\$76,901,510	\$14,551,527	\$79,881,583	\$17,531,600	8,287	71%	1,303	11%
Barstow	\$18,677,674	\$22,255,207	\$3,577,533	\$22,576,151	\$3,898,477	2,231	91%	274	11%
Butte	\$57,709,394	\$64,942,574	\$7,233,180	\$67,067,148	\$9,357,754	5,849	61%	1,152	12%
Cabrillo	\$61,224,556	\$62,883,741	\$1,659,185	\$61,224,556	\$0	3,564	39%	1,035	11%
Cerritos	\$93,421,450	\$109,789,351	\$16,367,901	\$114,664,533	\$21,243,083	12,364	71%	1,090	6%
Chabot-Las Positas	\$100,588,882	\$103,314,841	\$2,725,959	\$100,588,882	\$0	5,148	29%	1,351	8%
Chaffey	\$93,661,793	\$105,166,578	\$11,504,785	\$109,245,698	\$15,583,905	9,382	61%	1,775	11%
Citrus	\$68,231,528	\$79,619,404	\$11,387,876	\$85,020,737	\$16,789,209	5,249	46%	2,170	19%
Coast	\$184,852,245	\$208,341,629	\$23,489,384	\$221,172,145	\$36,319,900	13,021	40%	4,212	13%
Compton ⁴	\$36,634,660	\$37,627,459	\$992,799	\$39,886,960	\$3,252,300	3,486	58%	493	8%
Contra Costa	\$166,240,061	\$170,745,167	\$4,505,106	\$173,105,937	\$6,865,876	11,104	38%	2,308	8%
Copper Mountain	\$12,714,309	\$14,373,124	\$1,658,815	\$14,885,372	\$2,171,063	1,115	80%	145	10%
Desert	\$57,689,085	\$62,013,493	\$4,324,408	\$68,528,807	\$10,839,722	5,610	67%	428	5%
El Camino	\$114,075,864	\$118,352,491	\$4,276,627	\$127,061,083	\$12,985,219	11,434	59%	2,434	13%
Feather River	\$13,507,838	\$14,634,631	\$1,126,793	\$15,159,279	\$1,651,441	438	28%	166	11%
Foothill	\$147,883,707	\$151,891,355	\$4,007,648	\$147,883,707	\$0	7,707	29%	2,085	8%
Gavilan	\$32,622,846	\$34,679,028	\$2,056,182	\$36,190,148	\$3,567,302	1,979	46%	365	9%
Glendale	\$88,201,770	\$92,224,316	\$4,022,546	\$94,995,046	\$6,793,276	6,955	62%	382	3%
Grossmont	\$109,366,314	\$118,496,869	\$9,130,555	\$121,700,943	\$12,334,629	9,253	49%	2,125	11%
Hartnell	\$43,047,457	\$47,776,792	\$4,729,335	\$49,650,138	\$6,602,681	3,788	52%	550	8%
Imperial	\$41,170,072	\$50,107,436	\$8,937,364	\$52,896,037	\$11,725,965	5,364	79%	952	14%
Kern	\$132,978,576	\$145,958,221	\$12,979,645	\$151,511,022	\$18,532,446	14,293	69%	1,329	6%
Lake Tahoe	\$14,309,803	\$16,858,633	\$2,548,830	\$17,180,172	\$2,870,369	805	50%	97	6%
Lassen	\$13,422,246	\$16,846,831	\$3,424,585	\$17,532,302	\$4,110,056	490	38%	206	16%
Long Beach	\$119,094,805	\$122,322,274	\$3,227,469	\$119,094,805	\$0	10,905	59%	749	4%
Los Angeles	\$605,758,759	\$677,477,450	\$71,718,691	\$702,443,385	\$96,684,626	56,349	56%	8,927	9%
Los Rios	\$303,898,408	\$312,134,055	\$8,235,647	\$316,819,845	\$12,921,437	22,948	48%	4,597	10%

CCC Funding Formula Projections

District	2017-18 General Apportionments	2018-19 New Formula ^{1, 2}	Difference from 2017-18	2019-20 New Formula ^{1, 2}	Difference from 2017-18	Contextual Descriptors Only ³			
						Pell Grant and AB 540 Students	Pell and AB 540 Students as Pct of Credit FTES	Associate Degree Awards	Associate Degrees as Pct of Credit FTES
Marin ⁵	\$25,602,279	\$25,602,279	\$0	\$25,602,279	\$0	1,323	37%	203	6%
Mendocino	\$22,134,847	\$24,072,961	\$1,938,114	\$25,107,093	\$2,972,246	1,456	58%	233	9%
Merced	\$56,484,964	\$61,882,822	\$5,397,858	\$63,639,265	\$7,154,301	5,580	68%	632	8%
MiraCosta ⁵	\$63,527,213	\$69,247,867	\$5,720,654	\$73,433,984	\$9,906,771	4,780	45%	928	9%
Monterey	\$38,872,008	\$39,925,439	\$1,053,431	\$38,872,008	\$0	2,025	35%	356	6%
Mt. San Antonio	\$177,811,661	\$182,810,875	\$4,999,214	\$195,974,884	\$18,163,223	12,933	52%	1,685	7%
Mt. San Jacinto	\$71,502,946	\$77,897,384	\$6,394,438	\$80,724,828	\$9,221,882	7,091	63%	1,668	15%
Napa	\$31,613,882	\$33,070,088	\$1,456,206	\$34,137,235	\$2,523,353	1,796	36%	521	10%
North Orange	\$202,015,331	\$207,489,946	\$5,474,615	\$202,015,331	\$0	13,809	46%	1,892	6%
Ohlone	\$48,754,594	\$50,075,843	\$1,321,249	\$48,754,594	\$0	1,767	25%	720	10%
Palo Verde	\$16,242,040	\$20,685,526	\$4,443,486	\$21,824,025	\$5,581,985	288	15%	133	7%
Palomar	\$103,569,866	\$106,376,609	\$2,806,743	\$103,569,866	\$0	5,350	34%	1,606	10%
Pasadena	\$135,681,648	\$143,920,717	\$8,239,069	\$151,598,660	\$15,917,012	10,619	48%	3,090	14%
Peralta	\$118,390,568	\$121,598,952	\$3,208,384	\$127,816,599	\$9,426,031	8,182	42%	1,278	7%
Rancho Santiago	\$163,128,127	\$176,229,607	\$13,101,480	\$184,214,857	\$21,086,730	7,748	35%	2,989	13%
Redwoods	\$26,892,157	\$28,567,151	\$1,674,994	\$28,652,653	\$1,760,496	2,410	69%	424	12%
Rio Hondo	\$74,378,241	\$76,393,891	\$2,015,650	\$79,168,103	\$4,789,862	5,466	44%	956	8%
Riverside	\$169,708,804	\$176,864,698	\$7,155,894	\$182,995,456	\$13,286,652	15,450	54%	3,477	12%
San Bernardino	\$88,599,228	\$97,525,790	\$8,926,562	\$103,805,982	\$15,206,754	7,085	46%	1,536	10%
San Diego	\$248,211,771	\$257,534,932	\$9,323,161	\$266,181,383	\$17,969,612	15,826	45%	2,010	6%
San Francisco ⁴	\$124,029,738	\$129,696,748	\$5,667,010	\$137,982,511	\$13,952,773	5,188	25%	1,116	5%
San Joaquin Delta	\$90,286,179	\$98,415,947	\$8,129,768	\$103,522,574	\$13,236,395	7,356	46%	2,631	16%
San Jose ⁵	\$71,024,603	\$72,802,419	\$1,777,816	\$75,692,552	\$4,667,949	5,487	48%	744	6%
San Luis Obispo	\$48,676,957	\$49,996,103	\$1,319,146	\$50,317,816	\$1,640,859	2,668	33%	674	8%
San Mateo ⁵	\$98,269,691	\$98,269,691	\$0	\$98,269,691	\$0	4,709	27%	1,375	8%
Santa Barbara	\$72,913,606	\$79,529,308	\$6,615,702	\$81,085,268	\$8,171,662	4,696	37%	1,984	16%
Santa Clarita	\$94,230,775	\$97,120,834	\$2,890,059	\$103,692,527	\$9,461,752	5,377	35%	1,395	9%

CCC Funding Formula Projections

District	2017-18 General Apportionments	2018-19 New Formula ^{1, 2}	Difference from 2017-18	2019-20 New Formula ^{1, 2}	Difference from 2017-18	Contextual Descriptors Only ³			
						Pell Grant and AB 540 Students	Pell and AB 540 Students as Pct of Credit FTES	Associate Degree Awards	Associate Degrees as Pct of Credit FTES
Santa Monica	\$129,892,581	\$133,412,670	\$3,520,089	\$131,179,776	\$1,287,195	9,408	44%	2,064	10%
Sequoias	\$60,049,359	\$69,487,821	\$9,438,462	\$73,377,418	\$13,328,059	6,252	70%	949	11%
Shasta Tehama	\$41,780,732	\$46,218,590	\$4,437,858	\$47,767,781	\$5,987,049	3,968	67%	616	10%
Sierra	\$84,769,405	\$88,351,087	\$3,581,682	\$93,340,208	\$8,570,803	6,568	45%	2,004	14%
Siskiyou	\$18,459,030	\$20,167,817	\$1,708,787	\$21,535,671	\$3,076,641	852	36%	223	9%
Solano	\$48,527,054	\$49,842,137	\$1,315,083	\$49,960,928	\$1,433,874	2,264	28%	1,153	14%
Sonoma	\$106,857,222	\$109,753,053	\$2,895,831	\$106,857,222	\$0	4,612	28%	1,522	9%
South Orange County ⁵	\$152,643,185	\$152,643,185	\$0	\$156,020,419	\$3,377,234	7,476	35%	2,010	9%
Southwestern	\$92,594,035	\$95,103,333	\$2,509,298	\$97,608,564	\$5,014,529	7,451	55%	1,043	8%
State Center	\$170,760,731	\$183,450,407	\$12,689,676	\$192,568,890	\$21,808,159	17,521	61%	1,304	5%
Ventura	\$151,132,746	\$163,507,587	\$12,374,841	\$170,478,600	\$19,345,854	10,484	40%	3,518	13%
Victor Valley	\$55,581,067	\$66,415,901	\$10,834,834	\$69,003,001	\$13,421,934	7,542	83%	968	11%
West Hills	\$36,928,292	\$43,394,317	\$6,466,025	\$45,319,546	\$8,391,254	3,599	73%	762	15%
West Kern	\$23,826,196	\$25,402,604	\$1,576,408	\$26,878,983	\$3,052,787	1,463	58%	360	14%
West Valley ⁵	\$75,117,119	\$75,117,119	\$0	\$75,117,119	\$0	3,177	26%	616	5%
Yosemite	\$95,601,426	\$102,609,748	\$7,008,322	\$107,120,988	\$11,519,562	9,725	60%	1,340	8%
Yuba	\$49,594,659	\$55,667,403	\$6,072,744	\$57,144,596	\$7,549,937	4,786	64%	1,061	14%

Statewide Total	\$6,728,414,033	\$7,184,842,088	\$456,428,055	\$7,403,133,461	\$674,719,428	516,513	48.04%	101,545	9.44%
------------------------	------------------------	------------------------	----------------------	------------------------	----------------------	----------------	---------------	----------------	--------------

Notes

¹ In 2018-19, districts that would grow less than 2.71% from 2017-18 to 2018-19 will receive one-time discretionary resources equal to a year-over-year growth of 2.71%. In 2019-20, districts will be held harmless to the level of funding the district received in 2017-18. In 2020-21 and each year thereafter, each district will be held harmless to their 2017-18 per-FTES rate multiplied by the district's new FTES.

² Projections are based on minor enrollment adjustments and the use of five-year averages to establish trends for supplemental and student success metrics.

³ Districts with high enrollment of Pell Grant and AB 540 students as a percent of credit FTES and associate degrees as a percent of credit FTES generally display higher allocations under the proposed new formula. This is for display purposes only intended to provide context for differences in growth between districts.

⁴ Until 2024-25, Compton CCD and San Francisco CCD will receive the greater of the revised funding formula or the 2017-18 general apportionment amount with COLA to reflect statutory provisions specific to these districts.

⁵ These are Basic Aid districts that are projected to have total revenue in each year that is in excess of what is displayed on this chart.

Foothill-De Anza Community College District
Multi-Year Projections For General Purpose Fund (Fund 114)

DRAFT

1485 FTES decline with additional \$7.6 million reduction; Updated for the May Revise

Note: Projected amounts are estimates only and subject to change as new information becomes available.

Description	2017/18 Adopted Budget	2017/18 Projection	2018/19 Projection	2019/20 Projection	2020/21 Projection
Resident FTES (F/T Equiv Student)	25,967	24,482	24,482	24,482	24,482
FTES Decline/Restoration	0.00%	-5.72%	0.00%	0.00%	0.00%
Productivity	509	509	506	506	506
COLA	1.56%	1.56%	0.00%	0.00%	0.00%
Revenues					
State Apportionment	147,945,800	140,295,800	140,295,800	140,295,800	140,295,800
Non-Resident Tuition	27,750,000	26,750,000	27,258,300	27,939,800	28,638,300
STRS On-Behalf Payments	4,500,000	4,500,000	5,000,000	5,500,000	6,000,000
Other Revenues	8,790,293	8,790,324	8,790,293	8,790,293	8,790,293
Total Ongoing Revenues	\$188,986,093	\$180,336,124	\$181,344,393	\$182,525,893	\$183,724,393
Expenses					
Certificated Salaries	86,191,895	86,191,895	83,091,895	83,391,895	83,691,895
Classified Salaries	37,392,242	37,392,242	38,360,242	38,560,242	38,760,242
Employee Benefits	41,875,732	41,875,732	44,291,380	47,099,400	49,495,100
STRS On-Behalf Payments	4,500,000	4,500,000	5,000,000	5,500,000	6,000,000
Materials & Supplies	3,874,610	3,874,610	3,874,610	3,874,610	3,874,610
Operating Expenses	18,295,852	18,295,852	18,295,852	18,295,852	18,295,852
Capital Outlay	672,538	672,538	672,538	672,538	672,538
Ongoing Reductions to Exp: 2017-18	0	0	(2,000,000)	(2,000,000)	(2,000,000)
Ongoing Reductions to Exp: 2018-19	0	0	(3,000,000)	(3,000,000)	(3,000,000)
Ongoing Reductions to Exp: 2019-20	0	0	0	(5,000,000)	(5,000,000)
Ongoing Add. Proposed Reductions	0	0	0	(7,600,000)	(7,600,000)
Total Ongoing Expenses	192,802,869	192,802,869	188,586,517	179,794,537	183,190,237
Net Transfers Out	6,555,241	6,555,241	6,555,241	6,555,241	6,555,241
Total Expenses & Net Transfers Out	\$199,358,110	\$199,358,110	\$195,141,758	\$186,349,778	\$189,745,478
Structural Surplus/(Deficit)	(10,372,017)	(19,021,986)	(13,797,365)	(3,823,885)	(6,021,085)
One-Time Adjustments to Revenue					
New Funding Formula - Discretionary Growth	0	0	4,009,300	0	0
New Funding Formula - Hold Harmless	0	0	7,650,000	7,650,000	0
PY Apportionment Adjustment	0	301,826	0	0	0
Mandated Cost Payment	0	725,411	0	0	0
State Stabilization SB 361	0	7,650,000	0	0	0
Total One-Time Adjustments	\$0	\$8,677,237	11,659,300	\$7,650,000	\$0
One-Time Expenditures & Transfers					
One-Time Districtwide Savings	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total One-Time Expenditures	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Net Change in Fund Balance	(\$9,372,017)	(\$9,344,749)	(\$1,138,065)	\$4,826,115	(\$5,021,085)
Beginning Fund Balance	\$48,851,803	\$48,851,803	\$39,507,054	\$38,368,989	\$43,195,104
Net Change in Fund Balance	(9,372,017)	(9,344,749)	(1,138,065)	4,826,115	(5,021,085)
Ending Fund Balance	\$39,479,786	\$39,507,054	\$38,368,989	\$43,195,104	\$38,174,019
Less:					
College/CS/DW Carryforwards	15,117,381	15,117,381	13,117,381	13,117,381	13,117,381
5% Reserves	9,917,905	9,917,905	9,707,088	9,267,489	9,437,274
Total Carryforwards	25,035,286	25,035,286	22,824,468	22,384,869	22,554,654
Less One-Time 17/18 Cuts	(2,000,000)	(2,000,000)	0	0	0
FHDA Stability Fund	\$16,444,500	\$16,471,768	\$15,544,520	\$20,810,235	\$15,619,365