



Business & Fiscal Services Update: Proposed New Funding Formula



Jose Torres, Vice Chancellor, Business & Fiscal Services

January 18, 2018

“The Governor’s Budget acknowledges that an enrollment-only formula fails to capture the comprehensive mission of CCCs and the counter-cyclical nature of college enrollment. The Governor proposes \$175 million for the transition to a new funding formula built on four primary parameters.”¹

Base Grants (50% of formula)

District base grants based on FTES enrollment

- *Non-credit is a component of FTES enrollment.*

Supplemental Grant (25% of formula)

Supplemental grants based on the number of low-income students that the district enrolls reflecting two factors:

- 1) Enrollment of students who receive a College Promise Grant fee waiver (formerly known as the BOG Waiver), and
- 2) Enrollment of students that receive a Pell Grant.

- *We need to ensure our Financial aid data is accurate, and*
- *We need to make the College Promise Grant fee waiver and the Pell Grant key indicators.*

Student Success Incentive Grant (25% of Formula)

Additional funding for:

- 1) The number of degrees and certificates granted.
- 2) The number of students who complete a degree or certificate in 3 years or less.
- 3) Funds for each associate degree for transfer granted by the college.

Hold Harmless Provision

During the first year of implementation, districts would be held harmless to 2017-18 levels.

- *Districts will be funded at least to the current FY 17-18 funding levels.*
- *The \$175 million is funding to hold harmless districts at current levels.*
- *This is not additional “increase” in funding.*
- *The hold harmless will be at P2 as the guarantee.*

Other Things to Consider...

- The new funding formula will be based on district-level data, not by college.
- It is unknown if the current “base allocation” by college is going away. (Small size college “subsidy” will go away?)
- There will be no limit on growth; however, the more enrollment statewide, the less funding SBCCD gets.
- Most likely, all available funding (including growth) will be allocated to districts.
- It is unknown if non-credit will count the same as credit FTES.

¹ <https://www.ccleague.org/advocacy/legislative-updates/governor-browns-proposed-2018-19-state-budget>