“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.*

2. **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.*

3. **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.

4. **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.

5. **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.

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