

Governor's Proposed Budget

New Funding Formula

Fiscal Year 2018-19

Chedva Weingart, Executive Director

Governor's Proposed Budget regarding New Funding Formula

- \$175 million to support each districts' transition to student-centered funding formula. The Governor proposes a new allocation formula with \$175 million to ensure no college receives less under the new formula than it would receive under the current law. (hold harmless)
- **Proposed New formula:**
 - About one-half of apportionment funding would be allocated based on enrollment.
 - About one-quarter based on the number of low-income students served as measured by eligibility for fee waivers and federal Pell grants.
 - About one-quarter based on performance measures such as three-year degree/certificate completion rates.
- \$161.2 million for a 2.51% COLA to apportionments. (Does not apply to the \$175 million above)
- \$60.0 million for a 1% growth in access. These funds will be allocated through the recently revised growth formula.

New Funding Formula – Trailer Bill

Starting in fiscal year 2018-2019 the Community Colleges Chancellors Office shall annually calculate a base grant, a supplemental grant and a student success incentive grant for each community College district.

- Base grant is based on
 - Marginal Funding rate for Credit Revenue \$5,320 per FTES multiplied by cost of living adjustment
 - Marginal Funding rate for Non Credit Revenue \$3,323 per FTES multiplied by cost of living adjustment
 - Marginal Funding rate for Career development and college Preparation \$5,320 per FTES multiplied by cost of living adjustment
 - Rates on Base Grant is multiplied by 45.2%
- Supplemental grant is based on
 - 25.07% of FTES rate calculation computed, multiplied by number of students who receive fee waiver
 - 40.0% of FTES rate calculation computed, multiplied by number of students who receive PELL Grants

New Funding Formula- continued

- Student Success incentive grant
 - 104% of FTES rate calculation times number of approved degrees, certificates and awards granted by the district based on the prior fiscal year.
 - 120.2% of FTES rate calculation times number of student who complete a degree certificate of transfer in 3 years or less in the prior year as defined on the score card.
 - 18.35% of FTES rate calculation times the number of Associate Degree for Transfer degrees granted by the district.
 - There are various adjustments for decreases and increases.
- The formula used in the Department of Finance Simulation has PCC potentially receiving an extra \$200K, out of \$128 Million, essentially a break even.

Not clear how this will all shake out as two different work groups are tasked with providing a recommendation of their interpretation of the formula to the State Chancellor's Office.

Questions!

