

The New Student Centered Funding Formula: Unraveling the Complexities Behind It

District Opening Day

September 19, 2019

Susan Cheu, Interim Vice Chancellor of Business Services



**FOOTHILL-DE ANZA
Community College District**

Why is it Important to Understand the Community College Funding Process?

- Informed decision-making through shared governance process
 - Allocation of funds
 - Expectations of state
- Impact of outside economic effects on local campuses
- As voters, affect the focus of the legislative representatives
- Responsibility to effectively and efficiently use taxpayer money

To do this we will discuss...

- History of funding process in the community college system
- Reasons for changing to a performance-based funding system
- Details of the Student Centered Funding Formula
- Individual impact on potential funding generated by the District



Kindergarten - 12

California
community
colleges

History of Community College Funding

- The system was originally part of the Kindergarten – Grade 12 system and funded based on Average Daily Attendance (ADA)
 - Primary funding source was property tax
 - Local control of funding and activities
 - Often part of high school districts
 - Caps placed on Growth

History of Community College Funding

- **1970's**
 - Proposition 13 shifted funding from locally generated to state allocated
 - Resulted in limitations and local control



History of Community College Funding

(continued)

- **1980's**

- Student enrollment fees assessed
 - Did not increase overall funding
- AB1725 introduced program based funding

- **2000's – SB361**

- Intended to stabilize system
- Student enrollment fees reduced
- Equalization of resources for districts
 - Basic allocation based on size
 - Credit versus non-credit
- More stable source of funding would allow for long-term planning

Sources of General Fund Apportionment

Funding originally from three sources:

- Enrollment fees
- Property tax
- General State apportionment

In 2012, Educational Protection Act (EPA) funds were added as part of the General State apportionment.

Previous General Fund Allocation Process

- SB361 had two main components of funding:
 1. Base allocation as determined by size
 2. Number of FTES generated
 - Three types of FTES rates - Credit, Non-Credit and Career Development and College Preparation (CDCP)
- Funding amount based Full Time Equivalent Students (FTES)
 - Straightforward to forecast
 - Easy to validate
- Protection due to stability and restoration

If SB361 addressed funding issues, then why implement the SCFF?

- Length of time required for students to complete degrees or certificates, if they completed at all
- Achievement gaps were not decreasing and greater support needed for most vulnerable students
- Districts not being adequately compensated for additional services required
- Stagnant enrollment with rising costs not being funded

What is the Student Centered Funding Formula?

- Chancellor's Office *Vision for Success* is the driving factor
 - *Access, equity and success*
- Three-pronged approach for General Fund credit funding:
 - Base Allocation (70% -> 60%) - *Access*
 - Supplemental Allocation (20%) - *Equity*
 - Student Success Allocation (10% -> 20%) - *Success*
- Non-credit remains funded per FTES
- Special rates for certain types of FTES
 - Career Development and Career Preparation (CDCP)
 - Special Admit
 - Students in correctional facilities

Core Commitments of *Vision for Success*

- Focus relentlessly on students' end goals
- Always design and decide with the student in mind
- Pair high expectations with high support
- Foster the use of data, inquiry and evidence
- Take ownership of goals and performance
- Enable action and thoughtful innovation
- Lead the work of partnering across systems

Goals of *Vision for Success* by 2022

- Increase by 20% number of students acquiring associate degree, credential, certificate or skills to prepare them for an in-demand job.
- Increase transfer rate to UC or CSU by 35%
- Decrease average number of units accumulated to earn associate degree
- Increase percent of exiting Career Technical Education (CTE) students employed in field of study
- Reduce equity gaps in these measures
- Reduce regional achievement gaps across all measures

Original Components of the SCFF

- Basic, Supplemental and Success Metrics
- Phased in approach for three portions
 - Year 1: 70/20/10 (FY18/19)
 - Year 2: 65/20/15 (FY19/20)
 - Year 3: 60/20/20 (FY20/21)
- Hold Harmless portion for first three years
- Unlimited growth for Success portion
 - Encourage districts to focus on efforts that would provide attainment of *Vision for Success* commitments and goals
 - Measures for metrics to be determined

SCFF - Base Allocation

- 70% -> 60% of total calculation
- Funded based on FTES, but...
 - Three-year averaging to smooth out ups and downs
 - Some exclusions to count
 - CDCP
 - Special Admit
 - Students in correctional facilities
 - Eventually constraint on growth in FTES implemented

Supplemental Allocation – 20%

- Points are given based on the number of students served who are recipients of:
 - Pell Grant
 - AB540
 - California College Promise Grants
- Based on prior year headcounts, leading to delay in affecting growth or decline
- Not adjusted for different cost-of-living situations throughout the state

Student Success Allocation – 10 -> 20%

- Measurement of eight outcomes
 1. Associate degrees for transfer (AD-T)
 2. Associate degrees excluding transfer
 3. Baccalaureate degrees
 4. Credit certificates (16 or more semester units)
 5. Completion of transfer level math and english within first academic year
 6. Transfer to a four-year university
 7. Completion of nine or more CTE semester units
 8. Attainment of regional living wage
- Categories weighted – not all have the same funding amount
- Assigned points per category and funded on a per point basis
- Additional points for Pell and Promise students
- Based on prior year achievements
- In FY19/20 enacting three-year averaging

Complexities of the SCFF

- Changes to process as new formula has been implemented
 - Delay in transition from 70/20/10 to 60/20/20
 - Additional year of hold harmless
 - Identification of data sources
 - Definition of transfer
 - Clarification of which students are included in the metric counts
- Continuing refinement of success metrics, such as:
 - Changing to a three-year average
 - How is regional living wage defined? If a student earns a degree in the Bay Area but moves to a Central Valley location, what is the basis?
 - If a student studies at multiple locations, which entity gets credit for transfer?
 - If a student gets multiple degrees or certificates, how are they counted?
- In addition to existing changes, Oversight Committee is expected to provide more recommendations in January 2020.

SCFF - How You Can Help!

- Primary focus of all efforts should be assisting our students in attaining their goals
- Within the confines of the SCFF student success metrics, it is possible to do that and also assist the District with maximizing revenue opportunities of the SCFF
- Hopefully both of these activities will help to achieve everyone's goals!

Base and Supplemental

- FTES a large component both as part of the base and a ripple effect of the available pool for the Supplemental and Success counts
- Growth of FTES
 - Thinking “outside the box” for ways to meet student needs
 - Providing services to allow students to remain dedicated to studies
 - Providing a comfortable physical or virtual environment
- Ensuring students are aware of their options for funding
 - Free two-years requires FAFSA application
- Providing an overall supportive and engaging environment for students

Completion of Degree or Certificate

- The intent is to encourage students to attain “milestone” accomplishments as they move through their educational process
- Even if student studied at another institution, the district awarding the degree receives the credit
- Students who transfer but do not apply for degree will only be counted in transfer metric (if applicable)
- Associate Degree for Transfer (AD-T) weighted higher
- Highest level earned in a single academic year
 - Student can be counted more than once if degree or certificate awarded in different year

Attainment of Degree or Certificate (continued)

- Guided Pathways component – process to achieve success
 - Student centered approach to increase number of students acquiring credentials while closing the equity gap
 - Integration of various support services such as Student Equity and Achievement Program, Strong Workforce and Promise Grants
 - Clear, educationally coherent programs or “maps” that are aligned with four-year institutions and labor market requirements

Completion of Transfer Level

Math and English

- Intent is to encourage students to complete basic requirements more quickly
 - Higher level of requirement than AB705 since it specifies first year of matriculation
- Must be completed at same institution
- Must be completed within first *academic* year (Summer to Spring)
 - If a student starts in Spring, they would need to complete both Math and English to include them in the count
 - Special Admit students do not count
 - Non-resident may also be excluded

Transfer to a Four-Year Institution

- Intent is to increase number of students continuing to a four-year institution
- Providing support to remain in institution
- Ensuring students are aware of services available to enable them to maintain full-time status
- Guided Pathways - Creating clear and efficient ways to attain their degrees or certificate
- Ensuring curriculum is available to complete all courses in the District

Completion of Nine or more CTE Units

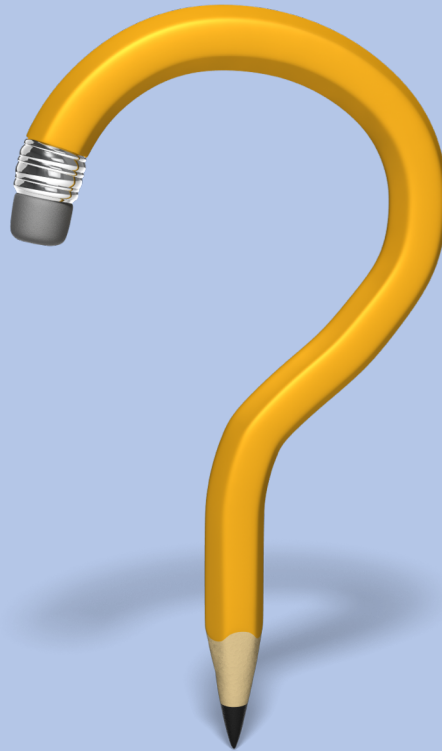
- Intent is to increase number of people with job skills needed by local employers as well as improving earning potential
- Considered a key milestone in student success
- Does not need to be in the same discipline
- Classes need to be taken at same District

Attainment of Regional Living Wage

- Intent is to ensure that students are not only attaining their desired credential or job skill, but are able to earn an appropriate wage
- Not possible for District to track or monitor independently
- Based on primary county information
 - District Office location determines county
 - FHDA is Santa Clara County
- Based on single adult earnings
 - Not adjusted for family status
 - Not adjusted for where the student was actually living but based upon county of district where student was enrolled

Summary of SCFF

- Continually evolving model that needs to be monitored to ensure that districts are meeting requirements and intent
- Districts need to plan to optimize ability to generate revenue
- Overall goal is to increase student achievements and close the equity gap, something that all community college faculty and staff are dedicated to accomplishing!



Questions?