



**Access, Equity
& Success for All**

**Recommendations
CEO Funding Formula Workgroup**

Governor's Higher Education Budget

“The existing enrollment-based CCC apportionment funding model does not appropriately reflect the Board of Governor's Vision for Success or the state's priorities to better serve students and eliminate equity gaps. By funding colleges based primarily on enrollment, the current funding formula encourages districts to strictly prioritize student access without regard for student success—such as timely completion and better serving underrepresented students.”

Summary of Governor's Proposed Formula

Base

Contingent on FTES enrollment comprising 50% of the formula

Supplemental Grant

25% - Based on the number of low-income students districts enroll reflecting two factors:

- 1) enrollment of students who receive a College Promise Grant fee waiver; and
- 2) enrollment of students receiving a Pell Grant.

Success Grant

Student Success Incentive Grants comprise 25% of total.

- 1) Number of degrees and certificates granted;
- 2) Number of students who complete a degree/certificate in three years or less;
- 3) Associate Degree for Transfer granted by the college.

Summary of Governor's Proposed Formula

Additional Provisions

- Hold harmless provision (17/18 funding level)
- Elimination of Summer shift
- Require each college to incorporate the goals of the Vision for Success within each colleges educational master plan and aligning budget with that plan
- Consolidate categorical programs to improve the incentives for districts to focus on student success while providing local flexibility
- Effective for the 2018/19 fiscal year

Context

Board of Governors seeks alignment with the aspirational goals in the *Vision for Success*.

- In late January, Chancellor Oakley requested the CEOCCC convene a small group of CEOs to make recommendations for a new formula by April.
- This presentation outlines the conceptual framework of the recommendation for a new funding formula.

Members of the CEO Workgroup

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An Effective Funding Model will Meet the Following Principles

- Recognize the necessity of building institutional capacity to improve student outcomes by increasing community college base funding prior to implementation of a new funding formula;
- Integrate the enrollment and academic progress of economically disadvantaged populations with a formula that balances access, equity, and success for all students;
- Provide two years of program transition funding at a new, higher base level while the formula's metrics are analyzed and refined to ensure their efficacy in advancing student equity, inclusion, and success;
- Adequately define equity metrics to most accurately represent all economically disadvantaged students (e.g. low income, CalWORKs, students with disabilities, foster youth, AB 540) and to identify their respective needs for Guided Pathways;
- Enhance funding predictability with a three-year average for base funding and by assigning Summer FTE to the fiscal year in which instruction was held;
- Progressively phase out transition funding to fully implement access, equity, and success metrics by 2025;
- Recognize the diversity of regional and local factors;
- Establish a funding formula oversight council to conduct annual analyses and to make recommendations for adjustments that advance equity-minded student success through improved fiscal stewardship.

Properly structured and adequately funded, a new funding model has the potential to move to a more accountable and stable system, ensuring that students have access to **affordable, high-quality community colleges**.

Data-Informed and Equity Focused

- Establish a process for an annual review and analysis of the funding formula.
- Annual reports to the Board of Governors by March of each year.
- Set a plan in place for an equity focused funding model while enabling necessary adjustments to meet key principles.

Building Capacity for Access, Equity, and Success for All

- Recognize the necessity of building capacity for quality educational opportunities
- Provide an across-the-system base allocation increase to assist institutions in building capacity and meeting growing fixed costs
- Consists of two years during which institutions would receive no less than their 2017-18 apportionment in concert with new, higher base rate
- Community college base funding would increase before implementation of a new funding formula

Access, Equity, and Success for All

Access

A funding formula that supports access but shifts away from an over-reliance on growth.

Equity

Adequately define equity to accurately represent all economically disadvantaged students

(e.g. low income, CalWORKs, students with disabilities, foster youth, AB 540)

Success for All

Districts are recognized for the successful outcomes of economically disadvantaged students.

75% Access

- Continue to provide basic allocation, base FTES revenue and growth adjusted by the annual COLA
- Access funding based on a three-year average FTES
- A three-year average supports planning for new, and continuation of, highly effective programs

25% Equity & Success for All

Achieving equitable outcomes for focus populations means integrating socioeconomic and success metrics.

Framework:

- Recognizes successful outcomes of economically disadvantaged students within those metrics
- Considers progress, completion, transfer, and earnings
- Builds on Strong Workforce 17% incentive funding research and Guided Pathways key performance indicators (KPIs).

Equity

- Accurately define economically disadvantaged
- Build on Perkins definition

Success for All

- Measure All Transfers
- Economic Mobility
- Momentum Points

How best to define economically disadvantaged?

Carl D. Perkins IV

- Income level of family
- Individuals with disabilities
- Foster youth
- Individuals preparing for nontraditional training and employment
- Single parents including single pregnant women
- Displaced homemakers
- Individuals with other barriers to educational achievement, including individuals with limited English proficiency

Equitable Success Metrics (Draft)

METRIC	DESCRIPTION	ASSIGNED VALUE (points)	ASSIGNED VALUE/ ECONOMICALLY DISADVANTAGED* (points)
Progress students who take more units are more likely to complete	# of students who completed 15 or more academic credits in one year	0.5	0.75
	# of students who attained 48 CDCP contact hours in one year	0.5	0.75
	# of student who persisted to next term (Fall to Spring)	0.5	0.75

Equitable Success Metrics (Draft)

METRIC	DESCRIPTION	ASSIGNED VALUE (points)	ASSIGNED VALUE/ ECONOMICALLY DISADVANTAGED* (points)
<p>Completion*</p> <p>longer term awards yield stronger economic outcomes over time</p> <p><small>*Highest award student completed per year</small></p>	<p># of students who earned a credit certificate or degree</p> <p># of students who earned a CDCP certificate</p>	<p>Cert 12-18 units = 0.5</p> <p>Cert 18 to <30 units = 1</p> <p>Cert 30+ units = 2</p> <p>Associate Degree = 3</p> <p>Bachelor Degree = 4</p> <p>CDCP certificate <288 hours =1</p> <p>CDCP certificate 288 hours or more = 2</p>	<p>Cert 12-18 units = 0.75</p> <p>Cert 18 to <30 units = 1.5</p> <p>Cert 30+ units = 3</p> <p>Associate Degree = 4.5</p> <p>Bachelor Degree = 6</p> <p>CDCP certificate <288 hours = 1.5</p> <p>CDCP certificate 288 hours or more = 3</p>

Equitable Success Metrics (Draft)

METRIC	DESCRIPTION	ASSIGNED VALUE (points)	ASSIGNED VALUE/ ECONOMICALLY DISADVANTAGED* (points)
Transfer faster time to transfer supports economic mobility	# of unduplicated transfer prepared and students who transferred to any accredited four-year institution or completed an ADT	3	4.5

Equitable Success Metrics (Draft)

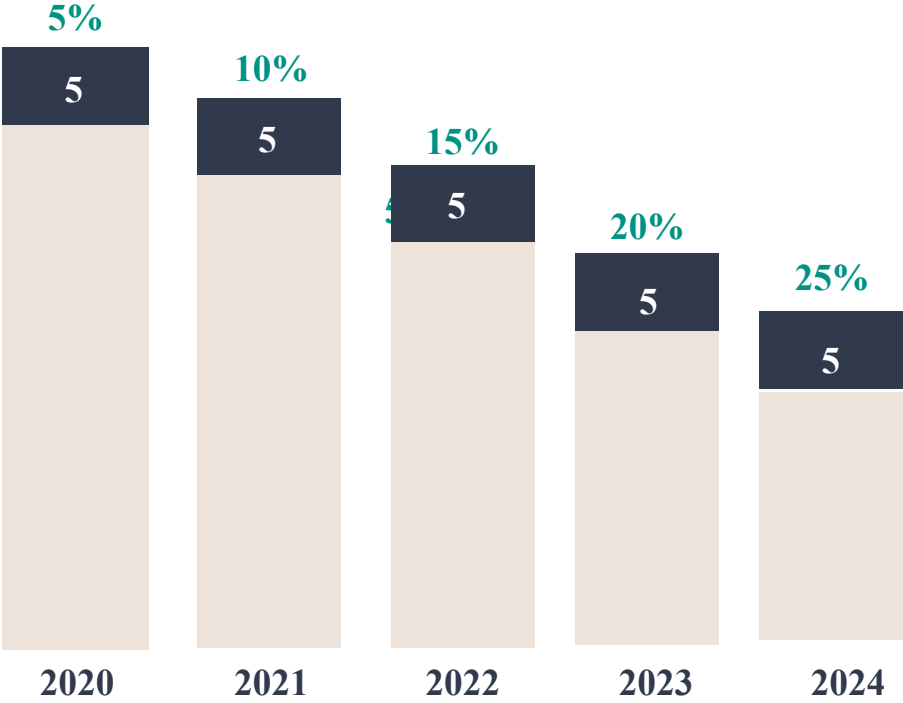
METRIC	DESCRIPTION	ASSIGNED VALUE (points)	ASSIGNED VALUE/ ECONOMICALLY DISADVANTAGED* (points)
Earnings Improved earnings that lead to living wages are evidence of economic mobility	# of non-transfer students who earned an award or were skills builders, exited college, and improved their earnings within one year	1	1.5

Thoughtful & Phased

Implemented in year three after extensive research and simulations of metrics to ensure their effectiveness in advancing student access, equity, and success.

Transition:

- Provide Program Transition funding at a higher base level while metrics are refined to ensure their effectiveness in advancing student equity, inclusion, and success.
- Step down Program Transition funding by 5% each year until 2024.
- At full implementation, over \$2 billion would be dedicated to Success for All metrics.



Implementation Timeline

2 Year Program Transition

- No districts would receive less funding than prior fiscal year, plus COLA.
- Metrics analysis period to mitigate unintended negative effects on colleges and the communities they serve.
- Districts allotted time to implement Guided Pathways, AB 705, etc.

5 Year Program Transition Step Down

- Implementation begins in Year 3.
- Success for All metrics would increase by 5% each year until full implementation.
- Equity defined to accurately capture all students served
- Access funded based on a three-year FTES average.

Categorical Program Structure

The Student Equity & Success Program

- Workgroups recommend integration of Student Success and Support Services, Basic Skills, and Student Equity
- Create a restricted categorical known as the Student Equity & Success program
- Continued commitment to equity-minded, student-centered services and supports
- Enables alignment of reporting metrics and maximizes services to students

Future Post Implementation Evaluation & Analysis

Regulations

- A comprehensive review of the new Equity-Focused Funding Formula necessitates an analysis that includes the impact of regulations such as the FON and 50 percent law.
- Final adjustments of Success for All metrics
- Impact on noncredit programs (non-CDCP)
- Evaluation of a census date for enrollment in noncredit programs
- Reporting alignment within other categorical programs not identified in this recommendation
- Programs addressing the needs of older students (25 years and older)
- District basic allocations to better reflect fixed operating costs associated with serving students

Next Steps

- ✓ The Funding Formula Workgroups report must be submitted to the Chancellor by April 16
- ✓ Assembly and Senate Budget meetings on 4/18 and 4/19, respectively
- ✓ Governor's May Revise on May 15
- ✓ Department of Finance agreed to provide multi-year simulations to Funding Formula Workgroup
- ✓ Assembly and Senate hold final hearings and votes May 21-June 1 (final dates TBD)
- ✓ Legislature must approve 2018-19 Budget Act by June 15

Thank you!

For progress on the recommendations, visit:

www.ccleague.org/fundingformula