
CALIFORNIA COMMUNITY COLLEGES

CHANCELLOR'S OFFICE

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BACKGROUND MEMO/INFORMATION

2015-16 First Principal Apportionment

2014-15 Recalculation

SYNOPSIS: The 2015-16 First Principal Apportionment for community college districts has been certified and the detailed information is available on the Chancellor's Office Fiscal Services Unit web site:

<http://extranet.cccco.edu/Divisions/FinanceFacilities/FiscalServicesUnit/Reports/ApportionmentReports.aspx>

The following exhibits are available for viewing.

Exhibit "A":	District Apportionments and Payments by Program
Exhibit "B-1":	Summary of General and Grand Total Apportionments
Exhibit "B-2A":	Categorical Apportionments - Part 1
Exhibit "B-2B":	Categorical Apportionments - Part 2
Exhibit "B-2C":	Categorical Apportionments - Part 3
Exhibit "B-2D":	Categorical Apportionments - Part 4
Exhibit "B-2E":	Categorical Apportionments - Part 5
Exhibit "B-4":	Monthly Payment Schedule
Exhibit "C" ¹	First Principal Apportionment

Attached is additional background information for both the general apportionment and the categorical programs, along with program contact information.

¹ It should be noted that the numbers on the Exhibit C Statewide Total page cannot be derived easily from multiplying the FTES by the funding rates, due to various adjustments and differential funding rates.

General Apportionment

NOTE: The P1 Apportionment allocation is based on the 2015-16 Budget Act (Chapter 10, Statutes of 2015), which was enacted on June 24, 2015.

General Issues:

Total and monthly certified program apportionment allocations are included within Exhibit A. State general apportionment and other general supplemental funds are summarized by county on Exhibit B-1. State categorical allowances are displayed on Exhibits B-2A through B-2E. Exhibit B-4 provides the payment schedule by county for February 2016 through May 2016.

The 2015-16 First Principal Apportionment (P1) allocations for February through May 2014 are based on each district's certified January 15th P1 Full Time Equivalent Student (FTES) along with each county's November 15th estimate of current year district property tax and each district's January 15th estimate of enrollment fee revenue for the current year.

The 2014-15 Revised Recalculation will be discussed in further detail on page 3.

Schools and Local Public Safety Protection Act of 2012:

On November 6, 2012, voters passed Proposition 30, the Schools and Local Public Safety Protection Act of 2012. This Act authorized the State of California to temporarily increase sales and income taxes for four and seven years, respectively, to generate funds for critical state and local services, including education, police and fire protection, and healthcare.

The Education Protection Account (EPA) was created to receive and disburse the revenues derived from the sales and income tax increases. For the 2015-16 year, EPA revenues will be distributed to districts quarterly. At the end of calendar year 2016, the sales tax portion of the EPA will be eliminated, unless the provisions of Proposition 30 are extended. There is expected to be a measure on the November ballot that proposes to continue the funding for another 12 years.

Growth/Access Funding:

After multiple years of reductions in community college budgets, the system is now receiving funds to increase access. The 2015-16 budget included \$156.5 million in access funding to enable 3% growth in FTES statewide. Of that amount, \$2.3 million funded the basic allocation for the system's newest college, Clovis College, in the State Center district, leaving \$154.2 million available for FTES growth statewide. However, there was not enough FTES growth in the system to use all of the \$154 million. We distributed \$100 million in growth funding at P1.

There were also 13 districts at P1 whose Exhibit C is showing unfunded FTES. These districts exceeded their growth caps, but when there is excess growth funding, it is our policy to distribute the unused funding to districts that have excess FTES growth. This will be done when we revise the P1 in March.

General Apportionment Deficit:

The statewide deficit at P1 is \$75 million. This represents a deficit factor of about 1.30% to each district, excluding those that are fully locally funded (basic aid). Deficits arise from shortfalls in various sources of revenue.

For 2015-16, the Department of Finance (DOF) estimated that total gross property tax revenue would be \$2,787 million, including \$186 million from ERAF (the Educational Revenue Augmentation Fund). By contrast, the counties reported only \$112 million for ERAF, a difference of \$74 million, which is very close to the amount of the deficit. However, DOF assures us that the ERAF numbers will be going up in the next few months, due to the end of the "Triple Flip." The Triple Flip was a mechanism used to repay "Economic Recovery Bonds" that were authorized by voters in 2004, wherein .25% of the state sales tax rate was pledged to repay the bonds, and the state made the cities and counties whole for their loss of sales tax revenue by allowing them to shift funds out of the ERAF. Before the Triple Flip and a similar revenue diversion known as the "VLF Swap," the ERAF provided hundreds of millions of dollars to K14 education each year. These two decisions that allowed ERAF funding to be used for other purposes resulted in the ERAF funding being completely depleted, and in some cases a drain on local property tax funds, in some years. Now that the bonds have been paid off, however, there will be fewer claims on the ERAF in each county, and counties will have more ERAF funding to distribute to districts. DOF estimates that this additional funding will become available in April and/or May.

There are several other factors that will affect the deficit, including the amount of stability restoration districts are able to achieve. At P1 districts qualified for almost \$60 million in stability restoration, while the DOF estimate was about \$42 million, so this will also impact the deficit. There are also some corrections we will be making in the March revision that will likely result in a wash.

FTES:

The total statewide FTES for the first period of 2015-16 increased by 17,500 FTES from the 2014-15 Recal, for a year-to-year increase of 1.54 percent. With the Budget Act providing 3% growth funding, the system is in danger of leaving some growth funding unspent. Unfortunately we do not have the authority to use access funding to address deficits.

2014-15 Recalculation:

Some adjustments that were made to the 2014-15 funding are reflected in the 2015-16 Exhibit A under Prior Year Corrections. Some districts will see negative numbers there, as they were overpaid earlier in the 2014-15 year and we are now recouping the overpaid funds by offsetting against the 2015-16 general apportionment and categorical funds. Overpayments generally happen as a result of local property taxes coming in at a higher rate than was originally estimated. The redistribution of the overpaid funds results in a positive number to other districts. Additionally, some categorical programs that did not fully distribute their funds earlier in the year will lead to positive numbers in the Prior Year Correction section.

Please remember P1 is an estimate and things will change when we receive updated reports on FTES, property tax revenue, and enrollment fee revenue throughout the year.

Categorical Apportionment

Below are narrative descriptions for some of the categorical programs funded through the P1 Apportionment.

CalWORKs: The CalWORKs First Principal Apportionment (P1) for 2015-16 reflects the actual CalWORKs allocations provided to all 114 college CalWORKs programs in November 2015.

Cooperative Agencies Resources for Education (CARE): The First Principal Apportionment (P1) report allocates \$15.619 million to operate 114 college CARE programs. In accordance with Assembly Bill 318, Statutes of 2006 (Dymally), El Camino College Compton Center is awarded categorical funds to operate a full-service CARE program, independent and separate from El Camino College, each fiscal year. Additionally, as required by the Board of Governors-approved CARE allocations funding formula, the CARE P1 report reflects one-time adjustments to the current year funding for seven (7) colleges: Lassen College, Los Angeles Pierce College, Los Angeles Southwest College, Mendocino College, Pasadena City College, San Bernardino Valley College and West Valley College.

Cooperating Agencies Foster Youth Educational Support (CAFYES): The First Principal Apportionment (P1) report allocates \$4,068,029 to 10 districts to operate CAFYES programs at the 26 colleges within those districts.

In accordance with Chapter 771, Statutes of 2014, the Board of Governors entered into agreements with 10 districts to provide additional funds, separate and apart from current funding, for services in support of postsecondary education for foster youth through a supplemental component of the existing Extended Opportunity Programs and Services (EOPS) program. The program, known as Cooperating Agencies Foster Youth Educational Support Program, shall expand the number of students participating in the community colleges EOPS program without displacing other students. The purpose of the program is to encourage the enrollment, retention and transfer of current and former foster youth who meet CAFYES eligibility in the California community colleges by establishing an educational program that provides services promoting their academic success. Program funds are expected to continue in future years.

The 10 districts awarded CAFYES program funds are: 1) Allan Hancock Joint Community College District, 2) Coast Community College District, 3) Grossmont-Cuyamaca Community College District, 4) Los Angeles Community College District, 5) Pasadena Area Community College District, 6) Peralta Community College District, 7) Shasta-Tehama-Trinity Joint Community College District, 8) Sierra Joint Community College District, 9) Sonoma County Junior College District and 10) State Center Community College District.

Extended Opportunity Programs and Services (EOPS): The First Principal Apportionment (P1) report allocates \$107.570 million to operate 114 college EOPS programs. In accordance with Assembly Bill 318, Statutes of 2006 (Dymally), El Camino College Compton Center is awarded categorical funds to operate a full-service EOPS program, independent and separate from El Camino College, each fiscal year. Additionally, as required by the Board of Governors-approved EOPS allocations funding formula, the EOPS P1 report reflects one-time adjustments to the current year funding for 12 colleges: Barstow College, Chabot College, Hartnell College, Laney College, Las Positas College, Los Angeles Southwest

College, College of Marin, Mendocino College, Merritt College, Moorpark College, Pasadena City College and Rio Hondo College.

SSSP Noncredit: The 20145-16 First Principal Apportionment report (P1) for Non-Credit SSSP allocates \$17,000,000 to the 51 districts representing 63 colleges who have noncredit programs.

TANF: The TANF First Principal Apportionment (P1) for 2015-16 reflects the actual TANF allocations provided to all 114 college CalWORKs programs in November 2015.

Categorical Program contacts:

Apprenticeship
Nick Esquivel
(916) 445-4670

Basic Skills
Eric Nelson
(916) 327-2987

California Work Opportunities and Responsibility to Kids (CalWORKs)
Temporary Assistance for Needy Families (TANF)
Jason Orta
(916) 327-5890

Childcare Tax Bailout
Lucy Berger
(916) 323-5276

Cooperative Agencies Resources for Education (CARE)
Kelly Gornik
(916) 323-4281

Disabled Students Program and Services (DSPS) which includes:
State Hospital Developmental Centers, Access to Print and Electronic Information, Alternate Text
Production Center, and High Tech Center Training Unit
Scott Berenson
(916) 322-3234

Equal Employment Opportunity (EEO)
Peter Khang
(916) 445-8508

Extended Opportunity Programs and Services
Kelly Gornik
(916) 323-4281

Full-Time Student Success
Tim Bonnel
(916) 445-0104

Instructional Equipment & Library Materials
Hoang Nguyen
(916) 327-5363

Nursing Education
Brenda Fong
(916) 323-2758

Part-Time Faculty Compensation, Part-Time Health Benefits, and Part-Time Faculty Office Hours
Michael Yarber
(916) 327-6818

Scheduled Maintenance and Repair
Hoang Nguyen
(916) 327-5363

Student Success and Support Program
Debra Sheldon
(916) 322-2818

Student Financial Aid Administration
Terence Gardner
(916) 327-5892

Telecommunications Allocations
Gary Bird
(916) 327-5904

**CALIFORNIA COMMUNITY COLLEGES
2014-15 RECALCULATION APPORTIONMENT
RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT**

EXHIBIT E

Workload measures:	Base Funding	Marginal Funding	Base FTES	11-12 Workload Restoration FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,636.492844	4,675.900000	22,287.800	77.980	0.000	0.000	0.000	22,365.780	0.000	22,365.780
Noncredit FTES	2,788.053637	2,811.752093	391.290	357.780	0.000	0.000	0.000	749.070	0.000	749.070
Noncredit - CDCP FTES	3,282.811061	3,310.714955	6,009.840	-216.610	0.000	0.000	0.000	5,793.230	0.000	5,793.230
Total FTES:			28,688.930	219.150	0.000	0.000	0.000	28,908.080	0.000	28,908.080

I Base Revenues +/- Restore or Decline

A Basic Allocation		\$10,121,082
B Basic FTES Revenue Before Workload Reduction	\$124,157,332	
C Workload Reduction	\$0.00	
D Revised Base FTES Revenue		\$124,157,332
1 Credit Base Revenue	\$103,337,225	
2 Noncredit Base Revenue	\$1,090,938	
3 Career Development College NonCr	\$19,729,169	
E Current Year Decline		\$0
Total Base Revenue Less Decline		\$134,278,414

V Other Revenues Adjustments

A Revenue Adjustment	\$0
B Funding of Unfunded FTES	\$0
Total Revenue Adjustments	\$0

VI Stability Adjustment

\$0

VII Total Computational Revenue

(sum of II, III, IV, V, & VI) \$136,073,263

VIII District Revenue Source

A1 Property Taxes	\$49,807,239
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$8,569,646
C State General Apportionment	\$53,248,203
D Estimated EPA	\$24,448,175
Available Revenue	\$136,073,263
E Revenue Shortfall	1.000000000 \$0
Total Revenue Plus Shortfall	\$136,073,263

II Inflation Adjustment

A Statewide Inflation Adjustment	0.85%
B Inflation Adjustment	\$1,141,367
Total Inflation Adjustment	\$1,141,367

IX Other Allowances and Total Apportionments

A State General Apportionment	\$53,248,203
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$53,248,203

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$653,482
Total Basic Allocation & Restoration	\$653,482

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

IV Growth

A Unadjusted Growth Rate	0.00%
B Constrained Growth Rate	0.00%
C Constrained Growth Cap	\$0
D Actual Growth	\$0
E Funded Credit Growth Revenue	\$0
F Funded Noncredit Growth Revenue	\$0
G Funded Noncredit CDCP Growth Revenue	\$0
Total Growth Revenue	\$0

Regular Growth Caps adjusted by a factor of 0.00000000 to match funding.

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Mult-College District Funding Rate: Total FTES			Total Colleges
> 19,288	> 9,644	<= 9,644	Rural	> 19,288	> 9,644	
\$5,622,823	\$4,498,258	\$3,373,694	\$562,282	\$4,498,258	\$3,935,976	\$3,373,694
0	0	0	0	1	0	1
Revenue:						Total Colleges Rev.
\$0	\$0	\$0	\$0	\$4,498,258	\$0	\$3,373,694
						\$7,871,952

State Approved Center: Funding Rates					Total State Approved Centers	Total State Approved Centers Revenue
1	\$1,124,565			1	\$1,124,565	
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels						
> 964	> 723	> 482	> 241	<= 100	Total Grandfathered or Previously Approved Centers	Total Basic Allocation Revenue
\$1,124,565	\$843,423	\$562,282	\$281,141	\$140,571	1	\$10,121,082
Number of Grandfathered or Previously Approved Centers: @ Total FTES						
1	0	0	0	0	1	\$10,121,082
Grandfathered or Previously Approved Center Revenue:						Total Grandfathered or Approved Center
\$1,124,565	\$0	\$0	\$0	\$0	\$1,124,565	

**CALIFORNIA COMMUNITY COLLEGES
2015-16 FIRST PRINCIPAL APPORTIONMENT
RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT**

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,675.903059	4,723.597254	22,365.780	213.670	0.000	0.000	22,579.450	0.000	22,579.450
Noncredit FTES	2,811.752093	2,840.431965	749.070	31.260	0.000	0.000	780.330	0.000	780.330
Noncredit - CDCP FTES	4,675.903043	4,723.597254	5,793.230	137.920	0.000	0.000	5,931.150	0.000	5,931.150
Total FTES:			28,908.080	382.850	0.000	0.000	29,290.930	0.000	29,290.930

I Base Revenues +/- Restore or Decline

A Basic Allocation	\$10,207,109
B Basic FTES Revenue Before Workload Reduction	\$133,775,000
C Workload Reduction	\$0.00
D Revised Base FTES Revenue	\$133,775,000
1 Credit Base Revenue	\$104,580,219
2 Noncredit Base Revenue	\$2,106,199
3 Career Development College NonCr	\$27,088,582
E Current Year Decline	\$0
Total Base Revenue Less Decline	\$143,982,109

V Other Revenue Adjustments

A Misc. Revenue Adjustments	\$0
B Full-Time Faculty Hiring	\$1,586,281
C Base Increase	\$6,882,591
Total Revenue Adjustments	\$8,468,872

VI Stability Adjustment

\$0

VII Total Computational Revenue

\$155,669,161

(sum of II, III, IV, V, & VI)

II Inflation Adjustment

A Statewide Inflation Adjustment	1.02%
B Inflation Adjustment	\$1,468,618
C Current Year Base Revenue + Inflation Adjustment	\$145,450,727

VIII District Revenue Source

A1 Property Taxes	\$56,987,320
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$7,204,523
C State General Apportionment	\$65,001,454
D Estimated EPA	\$24,480,078
Available Revenue	\$153,673,375
E Revenue Shortfall	0.9871793104
Total Revenue Plus Shortfall	\$155,669,161

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$0
Total Basic Allocation & Restoration	\$0

IX Other Allowances and Total Apportionments

A State General Apportionment	\$65,001,454
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$65,001,454

IV Growth

A Unconstrained Growth Rate	1.45%
B Constrained Growth Rate	1.44%
C Constrained Growth Cap	\$1,804,054
D Actual Growth	\$1,749,562
E Funded Credit Growth Revenue	\$1,009,291
F Funded Noncredit Growth Revenue	\$88,792
G Funded Noncredit CDCP Growth Revenue	\$651,479
Total Growth Revenue	\$1,749,562

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Multi-College District Funding Rate: Total FTES				Total Colleges
> 19,880	> 9,940	<= 9,940	Rural	> 19,880	> 9,940	<= 9,940	
\$5,670,617	\$4,536,493	\$3,402,370	\$567,062	\$4,536,493	\$3,969,432	\$3,402,370	
0	0	0	0	1	0	1	2
Revenue:							Total Colleges Rev.
\$0	\$0	\$0	\$0	\$4,536,493	\$0	\$3,402,370	\$7,938,863

State Approved Center: Funding Rates		Total State Approved Centers	Total State Approved Centers Revenue
1	\$1,134,123	1	\$1,134,123

Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels

> 994	> 746	> 497	> 249	<= 100	Total Grandfathered or Previously Approved Centers	Total Basic Allocation Revenue
\$1,134,123	\$850,592	\$567,062	\$283,531	\$141,765	1	\$10,207,109
Number of Grandfathered or Previously Approved Centers: @ Total FTES						Total Grandfathered or Approved Center
1	0	0	0	0	1	\$1,134,123
Grandfathered or Previously Approved Center Revenue:						
\$1,134,123	\$0	\$0	\$0	\$0	\$1,134,123	