

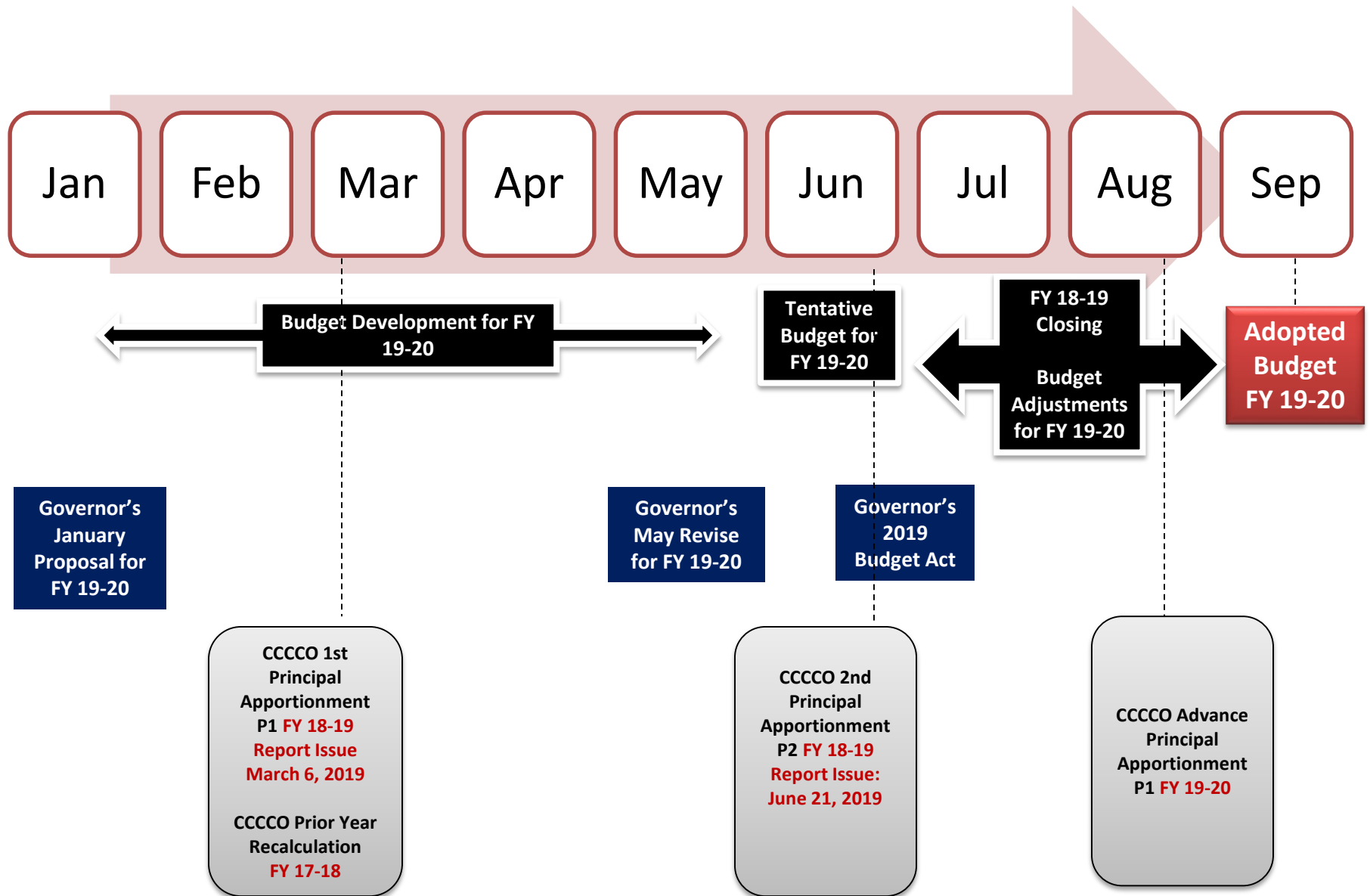
2018-19 First Principal Apportionment (P1)

California Community Colleges Chancellor's Office

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Apportionment



State Requirements for Approval of Local Budgets

- | | |
|------------------------|--|
| By July 1 | Adoption of Tentative Budget |
| By September 15 | Public Hearing and Adoption of Final Budget
September 10, 2019 Board Meeting |
| By September 30 | Annual Budget and Financial Report |
| By October 10 | CCFS-311 Report Due to State Chancellor |

SCFF Calculations 2018-19

FY 2018-19 General Apportionment SCFF Data Points

- June 2018** Budget Act of 2018 [SCFF Simulation]
[Basic Allocation: Average of 2016-17, 2017-18 P1, Proxy 2018-19]
[Supplemental and Success Allocations: FY 2016-17 Data]
- July 2018** Advance Apportionment (**Adopted Budget**)
[Basic Allocation: Average of 2016-17, 2017-18 P2 FTES, Proxy 2018-19]
[Supplemental and Success Allocations: FY 2016-17 Data]
- January 2018** Governor's Budget
[Basic Allocation: Average of 2016-17, 2017-18 P2 FTES, Proxy 2018-19]
[Supplemental & Success Allocations: FY 2017-18 Data for some factors]
- February 2019** First Principal Apportionment – P1
[Basic: 2016-17, 2017-18 R1, 2018-19 P1]
[Supplemental and Success Allocations: FY 2017-18 Data]



Apportionment

Comparison of Statewide General Apportionment Estimates (Dollars in Millions)

Data Points	Base Allocation	Supplemental Allocation	Student Success Allocation	Statewide SCFF TOTAL	2017-18 TCR Adjusted By COLA	2018-19 TCR
2018 Budget Act (June 2018)	\$ 4,974	\$ 1,421	\$ 710	\$7,105	\$ 6,896	\$ 7,130
Advance Apportionment (July 2018)	\$ 4,946	\$ 1,413	\$ 714	\$7,073	\$ 6,896	\$ 7,161
Governor's Budget (January 2019)	\$ 4,952	\$ 1,401	\$ 797	\$7,150	\$ 6,896	\$ 7,219
First Principal Apportionment (Feb/Mar 2019)	\$ 4,990	\$ 1,396	\$ 786	\$7,172	\$ 6,950	\$ 7,273

The Chancellor's Office estimates a \$324 million funding shortfall.

Two components:

- Higher estimates (\$143 million) of the TCR
- Lower estimates (\$181 million) of offsetting revenues

Apportionment

Reasons for Shortfall:

Higher estimates (\$143 million) of the TCR

- SCFF Costs as of P1 is \$67 million higher than estimated at the 2018 Budget Act
- “Hold Harmless” to provide districts with a 2017-18 TCR + 2.71% COLA is \$76 million higher than the estimates made in the 2018 Budget Act
 - *(23 Districts, including Palomar)*

Lower estimates (\$181 million) of offsetting revenues. DOF predicting:

- Property Taxes - \$227 million lower than estimated in the 2018 Budget Act
- EPA revenues - \$9 million higher than estimated in the 2018 Budget Act
- Student Fees - \$41 million higher than estimated in the 2018 Budget Act
- Federal Oil and Mineral Resource - \$4 million not reflected in CCCCCO’s calculations

Total Funding Shortfall: \$324 million

Apportionment

Palomar Community College District

Data	Property Tax	Enrollment Fees	2015-16 FT Faculty Hire	EPA	General Apportionment	Total Revenue	Shortfall*	Available Revenue	CCFS 320 FTE Reported
Advance Apportionment (July 2018)	\$ 80,100,299	\$ 7,571,750	\$ 992,501	\$ 16,993,471	\$ 6,160,764	\$ 111,818,785	\$ -	\$ 111,818,785	
Revised Advance Apportionment* (August 2018)									
*Adopted Budget	\$ 80,607,807	\$ 8,381,121	\$ 992,501	\$ 17,348,202	\$ 4,096,184	\$ 111,818,785	\$ 392,970	\$ 111,425,815	19,204.25
First Principal Apportionment (Feb/Mar 2019)	\$ 76,887,110	\$ 8,381,121	\$ 992,501	\$ 15,516,115	\$ 4,047,016	\$ 111,490,107	\$ 5,666,244	\$ 105,823,863	19,148.94
	\$ (3,720,697)	\$ -	\$ -	\$ (1,832,087)	\$ (49,168)	\$ (328,678)	\$ 5,273,274	\$ (5,601,952)	(55.31)

In the event the state appropriation is insufficient to meet the amount needed to fully fund all districts, a “**Revenue Shortfall**” amount is included in the District’s Revenue Source items.

Next Steps

“In managing the general apportionment within the available appropriations, CCCCO would expect to apportion to districts (in 2018-19) at least their 2017-18 TCR + 2018-19 COLA.”

- CCCCO will work with the Governor and the Legislature to obtain adjustments to fund the full costs of the general apportionment. If any reductions are required, they would be made to any revenues districts would receive in excess of the 2017-18 TCR + COLA.
- SCFF Implementation Adjustments:
 - CCCCO is reviewing its interpretation of the three-year calculation of credit FTES. Following the review, the costs of the Base Allocation may be revised.
 - Definition of students transferring to university would be modified such that each transfer student is counted only once
 - Growth in Student Success Allocation would be limited to 10%
 - **Funding Rates for 2019-20 would not shift to 65% base allocation and 15% success**
 - **Funding Rates for 2019-20 would be 2018-19 rates plus COLA**
- DOF predicting property tax shortfall will improve as time goes by, but not inclined to state how much

Questions

