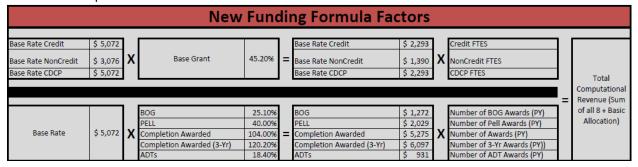


PAG 04-10-18 – Formula Update

Department of Finance Model:

- 1 year hold harmless
- Full Implementation in 2019-20



CEO Workgroup Model:

The Statewide CEO workgroup has developed formula recommendations that were heard by the Board of Governors on March 19, 2018. Amendments to the current funding formula proposal include:

- i. A process for annual review for possible adjustments to the formula be created and embedded within the implementation
- ii. Metric Measures (currently outcomes & low-income) be combined into one "pot" known as the "Equitable Success Metrics"
- Consolidate SSSP, Basic Skills, and Equity categorical funding into one locally controlled restricted allocation
- iv. Rather than BOG and Pell awards, economically disadvantaged students should be identified using the Carl D. Perkins CTE definition:

Individuals with disabilities; individuals from economically disadvantaged families, including foster children; 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.

- v. 7 year implementation
 - 1. 2 year program transition (district's held harmless both years)
 - a. COLA be given to all districts (if applicable)
 - 2. 5 year equitable success metrics funding phase in as outlined below:

Year 1: 2018-19	 Hold Harmless to 17-18 with COLA One-time funds to recognize district performance under Equitable Success metrics
Year 2: 2019-20	 Hold Harmless to 18-19 with COLA One-time funds to recognize district performance under Equitable Success metrics Summer FTE assigned to the fiscal year in which the final day of instruction was held. Report on analysis of funding formula metrics due to the Board of Governors.

Implementation of Equitable Success Metrics					
Year	Access Metrics	Equitable Success Metrics	Estimated Equitable Success Dollar Amount		
Year 3: 2020-21	Access: 95%	Equitable Success: 5%	\$419 Million		
	3-year average	3-year average	Ç415 MIIIION		
Year 4: 2021-22	Access: 90%	Equitable Success: 10%	\$838 Million		
	3-year average	3-year average			
Year 5: 2022-23	Access: 85%	Equitable Success: 15%	\$1.3 Billion		
	3-year average	3-year average			
Year 6: 2023-24	Access: 80%	Equitable Success: 20%	\$1.7 Billion		
	3-year average	3-year average			
Year 7: 2024-25	Access: 75%	Equitable Success: 25%	\$2.1 Billion		
	3-year average	3-year average			
Full	75%	25%			
Implementation	3-year weighted average	3-year average			

New "Equitable Success Metrics" would include the following:

METRIC	DESCRIPTION	ASSIGNED VALUE (points)	ASSIGNED VALUE/ ECONOMICALLLY DISADVANTAGED* (points)
Progress students who take more units are more	# of students who completed 24 academic credits in one year	1/2	3/4
likely to complete	# of students who attained 48 CDCP contact hours in one year	1/2	3/4
	# of student who persisted to next term (Fall to Spring)	1/2	3/4
	# of student who complete a credit course	1/2	3/4

Completion* longer term awards	# of students who earned a credit certificate or degree	Cert 12-18 units = 1/2	Cert 12-18 units = 3/4
yield stronger economic outcomes over time	creat certificate of degree	Cert 18 to <30 units = 1	Cert 18 to <30 units = 1.5
outcomes over time		Cert 30+ units = 2	Cert 30+ units = 3
	# of students who earned a	Associate Degree = 3 Bachelor Degree = 4	Associate Degree = 4.5 Bachelor Degree = 6
	CDCP certificate	CDCP noncredit	CDCP noncredit
		certificate <288 hours =1	certificate <288 hours = 1.5
*Highest award student		CDCP noncredit cert 288	
completed per year		hours or more = 2	CDCP noncredit cert 288 hours or more = 3
Transfer	# of unduplicated transfer	3	4.5
faster time to transfer supports economic	prepared and students who transferred to any		
mobility	accredited four-year		
	institution	4	6
	# of unduplicated transfer		
	prepared and students who		
	transferred to any accredited four-year		
	institution in 3 years		
Employment	# of non-transfer students	2	3
stable employment	who exited college and were		
signals that students	employed one year later		
learned necessary skills			
Earnings	# of non-transfer students	2	3
improved earnings that	who earned an award or		
lead to living wages are evidence of economic	were skills builders, exited college, and improved their		
mobility	earnings within one year		
,	# of non-transfer students	2	3
	who earned an award or		
	were skills builders, exited		
	college, and attained the		
	regional living wage within		
	one year		