New Growth Funding Allocation Formula and How It Affects De Anza College

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DeAnza College

Historical Context

- Growth funding was formerly based on FTES generated above the District's base funding cap
- During the economic downturn community colleges experienced workload reductions and no growth was available
- Recent "growth" allocations have been used to restore funding to pre-workload reduction levels
- Foothill-De Anza College is currently in stability and therefore not eligible for growth allocations at this time

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New Funding Formula

- SB 860 Education Trailer Bill – specified a new growth funding formula with specific factors to address “unmet need”
  - Factor 1: Educational Attainment
    - Individuals over 25 years old without a bachelor’s degree
  - Factor 2: Unemployment
  - Factor 3: Poverty
    - Percentage of students in District receiving Pell grants

- Added by Chancellor’s Office
  - Factor 4: Participation Rate
    - Ratio of unduplicated headcount vs. census estimate of individuals in District
  - Factor 5: Unfunded FTES
    - 3-Year average with at least 1% increase per year

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New Funding Formula Process

- District totals are based on District boundaries, not student populations (service areas)
- The District rate is compared to State average for first four factors with a maximum of 10% and a minimum of 1%
- All factors weighted equally at 20%
- After weighting, the factors are summed together to get an index
- Districts with higher index theoretically have a higher level of need

Example Based on FY13/14 Amounts

	Ed Attain	Unemploy-ment	Pell	Participation Rate	Unfunded FTES	
Foothill-De Anza	27.10	5.60	9.30	4.10	-	
State Rate	62.00	9.30	20.70	5.20	N/A	
Difference	(34.90)	(3.70)	(11.40)	1.10	1.00	
Capping with min/max	1.00	1.00	1.00	1.10	1.00	
X Weighting of 20%	0.20	0.20	0.20	0.22	0.20	1.02

What Does This Mean for De Anza College?

- The District is currently in stability (FTES is not in a growth mode), but this will affect us after enrollment increases

- If the District does experience growth beyond stability, based on current data, we would have an index of 1.02%
  - Minimum is 1% until fully restored to pre-workload reduction amounts, then the lesser of either 0.50% or 0.25% of State amount

- Similar situation for many community colleges across the state

Questions?