



California Community Colleges

MEMORANDUM

May 6, 2020

FS20-06 | via email

TO: Chief Executive Officers
Chief Instructional Officers
Chief Student Services Officers
Chief Business Officers

FROM: Lizette Navarette, Vice Chancellor, College Finance and Facilities Planning Division

CC: All-CCCCO Staff

RE: Novel Coronavirus (COVID-19) Guidance – Emergency Protections for Apportionment Calculations

The COVID-19 pandemic and the rapid transition to social and physical distancing requirements substantially disrupted face-to-face instruction for all institutions. As a result, colleges throughout the state are working comprehensively to meet the needs of students as they transition to online and distance learning modes of instruction. During this crisis, providing fiscal stability is a top priority. The purpose of this memo is to provide information about the application of emergency conditions allowance to districts impacted by the COVID-19 pandemic. This guidance is pursuant to California Code of Regulations, title 5, section 58146 (“Section 58146”).

EMERGENCY CONDITIONS REQUIREMENTS

Section 58146 provides criteria for funding allowances due to emergency conditions including pandemics. The intent behind this section is that districts should not lose apportionment as a result of emergency conditions. The Chancellor’s Office will be operating under these regulations to protect districts from FTES declines. These regulations require each district to demonstrate: 1) the applicability of an emergency

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condition, and 2) good faith efforts to avoid a material decrease in the general purpose apportionments of a district calculated pursuant to Education Code section 84750.4 or 84750.5. These requirements can be met by submitting the [COVID-19 Emergency Conditions Allowance Form](#) to fiscalstandards@cccco.edu by **May 15, 2020**.

Submission of this form will authorize the Chancellor's Office to apply the emergency conditions allowance pursuant to Section 58146 and shall remain in effect until further notice. Should a district choose to use actual FTES data for a specific apportionment period, an updated [COVID-19 Emergency Conditions Allowance Form](#) must be submitted to rescind the application of the emergency conditions allowance.

FTES PROTECTIONS

2019-20 P2 Calculations

Upon receipt of your district's form, the Chancellor's Office will apply the following protections at the 2019-20 second principal apportionment (P2) calculations in response to the COVID-19 pandemic.

- *Base Allocation.* The annualized FTES submitted to our office for the first principal apportionment (P1) will be used to calculate the 2019-20 P2 for all categories of FTES as specified in the Student Centered Funding Formula to avoid material decreases in district apportionments associated with the COVID-19 pandemic. FTES used to calculate basic allocation funding will also be adjusted at the 2019-20 recalculation to provide this same protection. District estimates of basic allocation data from the P1 point-in-time may be requested during the development of the recalculation to provide this protection.
- *Supplemental and Student Success Allocations.* For 2019-20 P2, supplemental and student success allocations will continue to be calculated using the 2018-19 headcounts and a three-year average of 2016-17, 2017-18, and 2018-19 headcounts, respectively. Those headcounts reported as of March 23, 2020 are posted on our [Student Centered Funding Formula webpage](#). Since the 2019-20 supplemental and student success allocations are calculated based on prior years' data, no adjustments are necessary to avoid material decreases in funding.

Student Centered Funding Formula Rates

Consistent with the 2019 Budget Act, the Chancellor's Office was requested to provide final funding rates to the Department of Finance by April 15 for inclusion in the Governor's May Revision. This timing, and the necessity to use P1 FTES data, will result in 2019-20 rates used at P2 which are similar to those published at P1 with slight variances based on updated supplemental and success metrics and other technical revisions. Under current law, beginning in 2020-21, those rates would be annually adjusted by applicable COLAs.

Future Planning Factors

To provide protections and to mitigate material decreases to systemwide apportionment calculations associated with COVID-19, 2019-20 P1 data will also be used to calculate the 2019-20 Recalculation and consequently the 2020-21 Advance if districts submit the [COVID-19 Emergency Conditions Allowance Form](#).

The Chancellor's Office will continue to assess the short-term and long-term financial impacts of the COVID-19 pandemic and provide updates as they become available.

CONTACTS

For questions about this memorandum, contact the Fiscal Services Unit at apportionments@cccco.edu. For questions about the COVID-19 Emergency Conditions Allowance Form, please contact the Fiscal Standards and Accountability Unit at fiscalstandards@cccco.edu.

Attachment: COVID-19 Emergency Conditions Allowance Form