CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

STUDENT CENTERED FUNDING FORMULA (SCFF) IMPACTS EQUITY IN THE SAN FRANCISCO BAY AREA (WHITE PAPER - ANALYSIS)

CHABOT LAS POSITAS COMMUNITY COLLEGE DISTRICT

On behalf of the 15 California community college districts in the San Francisco Bay Area Regions 3 and 4, and the 450,000 students that rely on these Districts for a quality education, we are in support of the objectives of the Student Centered Funding Formula (SCFF) and the Vision for Success. The new SCFF allocation model endeavors to devote resources specifically to support our most vulnerable student populations, and make our colleges strive to build upon the excellence that currently exists, which is an improvement over our previous funding practices. However, we are concerned with how the SCFF is being implemented, specifically with regard to the Supplemental Allocation. The Supplemental Allocation utilizes the number of California Promise Grant, Pell Grant, and AB 540 awardees to measure the number of socio-economically vulnerable students a district serves. The use of California Promise Grant and Pell Grant awardees results in a grave inequity in high cost of living areas, negatively impacting the 450,000 students in Regions 3 and 4, as well as many students in other high cost of living areas.

The intent of this paper is to first bring awareness to the inequitable awarding of Promise and Pell Grants across California community college regions. The second goal is to explain why the current methodology results in systematic undercounting of need in high cost of living areas. Finally, we will propose a policy recommendation to ensure that ALL California Community College students, including low-income students in high cost regions, have access to an equitable and high-quality education.

INEQUITIES IN THE AWARDING OF CALIFORNIA PROMISE AND PELL GRANTS BY REGION

The purpose of the SCFF Supplemental Allocation is to give increased funding to California community college districts serving economically vulnerable students. Under the new SCFF, 20% of a district's funding is based upon this metric. We support the goal of the Supplemental Allocation, but are deeply concerned with how it is being operationalized.

Based upon analysis of data from the National Center for Educational Statistics, United States Census Bureau, and the California Community Colleges Chancellor's Office Management Information Systems Data Mart, the current method for calculating the SCFF Supplemental Allocation results in systematically undercounting the number of economically vulnerable students in high cost of living areas. For example, students attending a California community college in Regions 3 and 4 (regions with numerous high cost of living districts) are the least likely to be awarded California Community College Promise Grants (32% and 31% of students, respectively) compared to the statewide average of 44%.[1] Similarly, only 13% of students attending a California Community College within Regions 3 and 4 receive a federal Pell Grant, compared to the statewide average of 19%.[2]

There is compelling evidence that the lower percentages of students receiving California Promise and Pell Grants in Regions 3 and 4 are not accurate indicators of the amount of financial need across our districts (we detail why in the next section) and that awarding the Supplemental Allocation based on the number of California Promise and Pell Grant recipients—with no index for cost of living—will only exacerbate the struggles of economically vulnerable students in high cost districts.

WHY DOES COST OF LIVING MATTER AND WHY SHOULD IT BE INDEXED AS PART OF THE SCFF?

Cost of living matters because it results in fewer students receiving Promise and Pell Grants than those who actually need them in high cost areas and because even when students in high cost areas do receive financial aid, it is often inadequate to pay for their basic needs. If cost of living is not indexed as part of the SCFF Supplemental Allocation, then economically vulnerable students in high cost regions will be hit twice: first by inadequate distribution of financial aid and then again when their colleges are underfunded by the SCFF because the Supplemental Allocation is determined in large part by the number of Promise and Pell Grants awarded.

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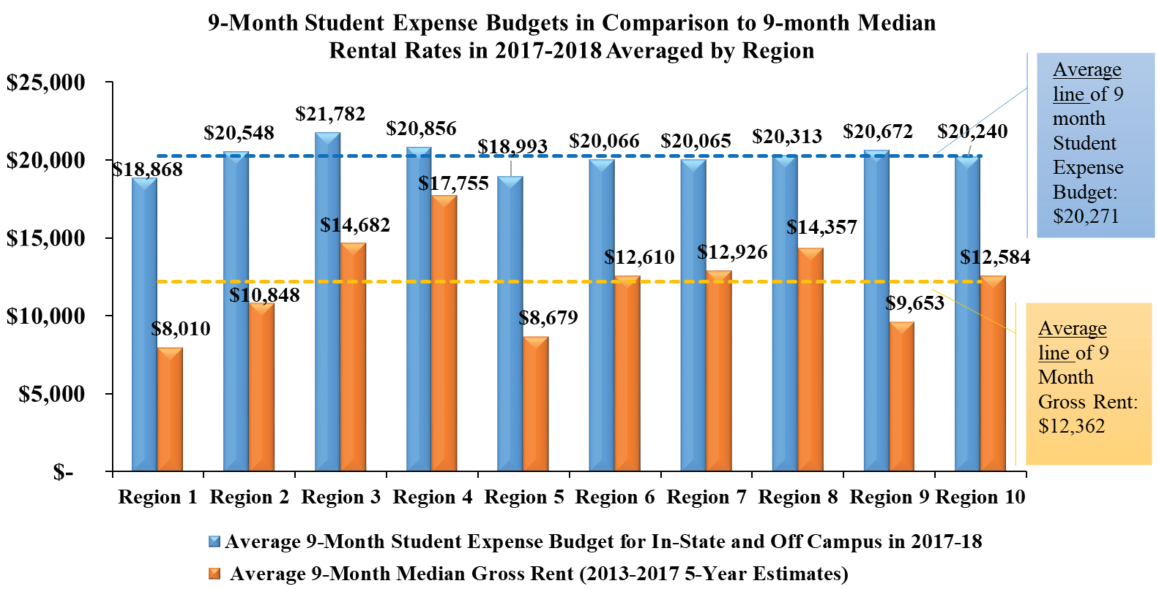
[1] Source: California Community Colleges Chancellor's Office Management Information Systems Data Mart
<https://datamart.cccco.edu/Services/FinAid_Summary.aspx>,
<https://datamart.cccco.edu/Students/Student_Term_Annual_Count.aspx>

[2] Source: same as above.

Students living in high cost areas are systematically being denied the financial aid they need. It is common practice for Financial Aid offices to use the Student Expense Budgets developed by the California Student Aid Commission (CSAC)[3] to create the required cost of attendance[4] that determines student eligibility for Promise Grants. An analysis of the average 9-month expense budgets by California community college regions for 2017-18 revealed that the average budget for in-state off-campus[5] students ranged from $18,868 to $21,782, with an average 9-month expense budget of $20,271 (see graph and chart below).[6] In a corresponding time-frame, the average 9-month median rent by California community college region ranged from $8,010 to $17,755.[7] Thus, while there is a $2,914 range in the expense budgets used to calculate student need for determining eligibility for Promise Grants, there is a whopping $9,745 range in the median 9-month average rent students are facing! Students attending a California community college within Regions 3 and 4 are subject to the highest median 9-month average rent in the state: $14,682 (or $1,631/month) and $17,755 (or $1,973/month) respectively, compared to the statewide average of $12,362 (or $1,374/month). Yet these very students might not even qualify for Promise Grants because the student expense budgets are not varied enough to take actual housing costs into account.



(Sources: 1. National Center for Educational Statistics <https://nces.ed.gov/collegenavigator/>
2. United States Census Bureau <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>)

The process to determine eligibility for Pell Grants similarly disadvantages low-income students in high cost regions. Pell Grant eligibility is determined by a student's expected family contribution from the Free Application for Student Aid (FAFSA). The formula to establish eligibility does not take into account the cost of attendance for a particular college. Further, the formula only gives minimal weight to the state from which the student applies; this minimal weight is insufficient to account for the wide range in cost of living that students experience. Thus, similar to Promise Grants, the formula for determining eligibility for Pell Grants underestimates financial need in high cost areas.

Cost of living also matters because the financial aid that students receive in high-cost areas is inadequate to pay for their basic needs. Published CSAC student expense budgets list housing as accounting for nearly half of an in-state off-campus community college student's budget.[8] Yet students paying a median rental rate in Regions 3 and 4 would need to use 67% and 85% (respectively) of their budget on housing alone (!), leaving little money left to pay for other basic needs (e.g., food, health care, transportation, books, and dependent care). (See chart below.)

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[3] Source: https://www.csac.ca.gov/sites/main/files/file-attachments/2017-18_studentexpensebudget.pdf

[4] Cost of attendance is reported by each college for the purposes of determining eligibility for California Promise Grants.

[5] Off-campus students refers to students who live off-campus and away from family.

[6] Source: National Center for Educational Statistics <https://nces.ed.gov/collegenavigator/>

[7] Source: United States Census Bureau <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

[8] Source: https://www.csac.ca.gov/sites/main/files/file-attachments/2017-18_studentexpensebudget.pdf

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CHABOT LAS POSITAS COMMUNITY COLLEGE DISTRICT

California Community Colleges
2017-18 Promise Grant Analysis
Participation and Cost of Living by Region Analysis

California Community College District Regions	Average 9-Month Student Expense Budget for In-State and Off Campus in 2017-18[1]	Average 9-Month Median Gross Rent (2013-2017 5-Year Estimates)[2]	% of Student Expense Budget for Rent in 2017-18	Unduplicated Count of California College Promise Grants Awarded in 2017-18[3]	Annual Student Headcount in 2017-18[4]	% of Students Receiving California College Promise Grants in 2017-18	Average Monthly Median Gross Rent	Region
1 (6 Districts)	$ 18,868	$ 8,010	42%	25,750	50,286	51%	$ 890	
2 (7 Districts)	$ 20,548	$ 10,848	53%	87,870	184,312	48%	$ 1,205	
3 (6 Districts)	$ 21,782	$ 14,682	67%	72,298	228,231	32%	$ 1,631	Peninsula/North Bay
4 (9 Districts)	$ 20,856	$ 17,755	85%	69,214	222,368	31%	$ 1,973	East Bay/South Bay
5 (7 Districts)	$ 18,993	$ 8,679	46%	116,079	206,571	56%	$ 964	
6 (7 Districts)	$ 20,066	$ 12,610	63%	74,138	171,789	43%	$ 1,401	
7 (6 Districts)	$ 20,065	$ 12,926	64%	171,963	388,371	44%	$ 1,436	
8 (9 Districts)	$ 20,313	$ 14,357	71%	178,514	451,268	40%	$ 1,595	
9 (9 Districts)	$ 20,672	$ 9,653	47%	109,872	186,644	59%	$ 1,073	
10 (6 Districts)	$ 20,240	$ 12,584	62%	101,195	220,578	46%	$ 1,398	
All Districts (72)	$ 20,271	$ 12,362	61%	1,006,893	2,310,418	44%	$ 1,374	

Notes: Student headcount is not included for students who solely attend City College of San Francisco's Non-Credit Program, North Orange Continuing Education, or San Diego Continuing Education. Median Gross Rent is based on the city where the college is located. Median Gross Rent in multi-college districts is based on the city where the district office is located. A student who receives a College Promise Grant is counted once per district. The total number of College Promise Grants is aggregated from all districts.

Sources: [1]National Center for Educational Statistics <https://nces.ed.gov/collegenavigator/>
[2]United States Census Bureau <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>
[3]California Community Colleges Chancellor's Office Management Information Systems Data Mart <https://datamart.cccco.edu/Services/FinAid_Summary.aspx>
[4]California Community Colleges Chancellor's Office Management Information Systems Data Mart <https://datamart.cccco.edu/Students/Student_Term_Annual_Count.aspx>

Finally, cost of living matters because the students of Regions 3 and 4 are about to face further injustice when the SCFF hold harmless[9] period ends. If the Supplemental Allocation is not indexed for cost of living, then these students—the very same students whose financial aid budgets are inadequate, or who may not even qualify for financial aid at all, despite economic need—will face severe service and program cuts, as their districts grapple with $71 million dollars in reduced funding.

SUMMARY & POLICY RECOMMENDATION

The current method for calculating the SCFF Supplemental Allocation results in systematically undercounting the number of economically vulnerable students in high cost of living areas; thereby depriving the 15 community college districts in Regions 3 and 4 from receiving the funding needed to support our students. These districts will be subject to significant financial cuts not because of a reduction in the number of vulnerable students served, but because of the factors used to drive the funding. Our students, communities and business partners should not be punished for calling a high cost of living area "home," when they and their families are struggling to make ends meet.

Goal 5 of the California Community Colleges Chancellor's Vision for Success aims to "reduce equity gaps across all of the above measures through faster improvements among traditionally underrepresented student groups." We, the 15 California community college districts in the San Francisco Bay Area (Regions 3 and 4), strongly support this goal. Yet, with the lack of equity in financial aid opportunities for current and prospective students and the impending plan to make further funding cuts due to how the Supplemental Allocation is calculated, our 15 districts will struggle to reduce equity gaps with underrepresented student groups.

Cost of living matters. **Therefore, we recommend adjusting the Supplemental Allocation with a cost of living index to better reflect the number of economically vulnerable students a college serves, particularly in regions with a high cost of living.** The inclusion will lay the foundation for ALL California Community College students to continue to have an equitable, quality, and successful educational experience.

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[9] The "hold harmless" provision means that for budget years, 2018-19, 2019-20, 2020-21, and 2021-22, districts will receive the higher of: 1) total computation revenue calculated under the new SCFF model or 2) their total computational revenue from 2017-18 with yearly adjustments for COLA.

YOUR PARTNERS IN HIGHER EDUCATION (REPRESENTING REGIONS 3 AND 4)

Cabrillo Community College District

Chabot-Las Positas Community College District

Contra Costa Community College District

Foothill-De Anza Community College District

Gavilan Community College District

Hartnell Community College District

Marin Community College District

Monterey Peninsula Community College District

Ohlone Community College District

Peralta Community College District

San Francisco Community College District

San Jose–Evergreen Community College District

San Mateo County Community College District

Sonoma County Community College District

West Valley-Mission Community College District

Solano Community College District [10]

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[10] Solano Community College is located in Region 2 and their data are reflected in Region 2; however, they wanted to be included on the list of community college districts that represent the San Francisco Bay Area and support this white paper.