



**TO:** Chief Business Officers

**FROM:** Arthur Golovey, Director of Fiscal Services  
College Finance and Facilities Planning Division

**RE:** Fiscal Year 2025-26 First Principal Apportionment

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This memo describes the 2025-26 First Principal (P1) apportionment calculations for the Student Centered Funding Formula (SCFF) and various categorical programs. Associated exhibits are available on the Chancellor's Office [Fiscal Services Unit Apportionment Reports website](#).

## Summary of Key Points

### 2025-26 First Principal (P1)

- Calculations reflect data and revenue estimates reported by districts and counties.
- Statewide enrollment growth needs exceed the growth budget, and proportional growth adjustments were applied. Fully funding enrollment growth remains a system budget request priority.
- The deficit factor is 3.04%, largely attributed to the timing of preliminary local revenue estimates, which historically increase as more complete data becomes available. Combined with the Administration's proposed \$88.7 million for the 2025-26 SCFF in the Governor's Budget, no deficit is expected at Recalculation.
- Starting in 2025-26, the Hold Harmless calculation reflects districts' 2024-25 Max Total Computational Revenue (TCR) without subsequent Cost of Living Adjustments (COLA).
- \$408.4 million in SCFF funds are deferred to 2026-27 and, contingent upon continued inclusion in the budget, are anticipated to be paid in July 2026.

### 2024-25 Recalculation (R1)

- Calculations reflect actual data and revenue amounts, rather than estimates.
- There is zero revenue deficit.

## SCFF General Background

The SCFF consists of three principal components: the base allocation, the supplemental allocation, and the student success allocation, each calculated using the following parameters:

- Base allocation: Includes 1) the basic allocation, which is determined by college and center size based on prior year data, and 2) the Full Time Equivalent Students (FTES) allocation, which is based on current year FTES and a three-year average for credit FTES.

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- Supplemental allocation: Based on prior year data.
- Student success allocation: Based on an average of three prior years of data.

The Chancellor's Office generally certifies apportionments three times per year: the Advance Apportionment (AD) in July, the First Principal (P1) and Recalculation (R1) in February, and the Second Principal (P2) in June. Additional certification revisions are completed as necessary.

### **SCFF 2025-26 P1**

At 2025-26 P1, SCFF calculations reflect district reported FTES estimates, supplemental and student success metric data reported as of January 15, 2026, county reported property tax, district reported enrollment fees, estimated 2025-26 Education Protection Account (EPA) resources, and available general fund.

### **FTES Allocation**

Growth funding was applied for districts reporting FTES increases above the prior year base value (2024-25 Applied #3) that exceeded the available restoration balance. Statewide growth demand exceeded the available growth budget at 2025-26 P1. As a result, growth applied beyond districts' growth targets was proportionally adjusted to remain within the budget.

Growth will be reassessed at 2025-26 P2 with updated FTES data. The Chancellor's Office will continue to engage with stakeholders and work collaboratively with the Department of Finance and the Legislature to support fully funding enrollment growth.

### **Basic Allocation**

Prior year FTES data is used to determine the current year basic allocation for college and center size. If a district's reported FTES for a college or center is below the prior year funding size, the prior three FTES data years are used to determine eligibility for stability protection. Declines in college or center FTES will not result in a reduction to revenue until the third year after the decline, and there is no revenue reduction if the college or center FTES has been restored back to or above the pre-decline amount.

### **Supplemental and Student Success Allocations**

The supplemental and student success allocations at 2025-26 P1 reflect metric data updates provided by districts through January 15, 2026.

Transfer data for 2024-25 is currently pending for students transferring to University of California (UC), out of state institutions, or private institutions after Fall 2024. SCFF calculations at 2025-26 P1 use the 2023-24 Transfer to a Four-Year University metric data as of March 11, 2025, in place of 2024-25 data. At 2025-26 P2, the 2024-25 transfer data will be available and incorporated.

## Total Computational Revenue

The 2025-26 P1 Total Computational Revenue (Max TCR) consists of the highest of the following three TCR calculations for each district: (A) 2025-26 SCFF Calculated Revenue, (B) TCR Stability (2024-25 SCFF Calculated Revenue plus COLA), or (C) Hold Harmless (2024-25 Max TCR). At 2025-26 P1, the statewide SCFF Max TCR is \$10.1 billion.

## Temporary Revenue Deficit

At 2025-26 P1, the revenue deficit for non-basic aid districts is 3.04%, compared to 0.18% at 2025-26 Advance. This increase is largely attributable to the timing of available revenues, particularly preliminary local revenue estimates. Although local revenue estimates reported at 2025-26 P1 are below the assumptions used in the 2025 Budget Act, these amounts have historically trended upward in subsequent apportionment periods as more complete data becomes available.

As part of the 2026–27 Governor’s Budget, the Administration has proposed an additional \$88.7 million to support the 2025-26 SCFF. Based on current assumptions, incorporation of this proposal is expected to address the revenue deficit at the 2025-26 Recalculation Apportionment (R1). The Chancellor’s Office will continue to work collaboratively with the Department of Finance and the Legislature to support this outcome.

## Deferral

As part of the 2025 Budget Act, \$408.4 million in SCFF funds are deferred to the 2026-27 fiscal year. These funds remain included in the Governor’s Budget and, assuming continued inclusion throughout the budget process, are anticipated to be paid in July 2026. The Chancellor’s Office will continue to advocate for the timely repayment of the deferral.

**Table 1: 2025-26 P1 SCFF Components**

SCFF Component	2025-26 P1 Amount (Statewide) (In Millions)
Basic Allocation	\$1,032
FTES Allocation	\$6,081
Supplemental Allocation	\$1,780
Student Success Allocation	\$1,074
SCFF Calculated Revenue (TCR A)	\$9,966
TCR Stability (TCR B)	\$9,943
Hold Harmless (TCR C)	\$9,855

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SCFF Component	2025-26 P1 Amount (Statewide) (In Millions)
2025-26 TCR (Max of A, B, or C)	\$10,129
Stability Protection Adjustment	\$76
Hold Harmless Protection Adjustment	\$86
Property Tax & ERAF	\$4,847
Less Property Tax Excess	(\$552)
Student Enrollment Fees	\$424
Education Protection Account (EPA)	\$1,304
State General Fund Allocation	\$3,830
Deficit Factor for non-basic aid districts	3.0364%
(Deficit)	(\$276)

**Table 2: 2025-26 P1 TCR Status by Number of Districts**

2025-26 P1 TCR Status	Number of Districts
SCFF Calculated Revenue (TCR A)	34
TCR Stability (TCR B)	25
Hold Harmless (TCR C)	13

**2025-26 P1 Exhibits**

- Exhibit A (District Monthly Payments by Program)
- Exhibit B4 (County Monthly Payment Schedule)
- Exhibit C (Statewide and District SCFF details)
- Educational Revenue Augmentation Fund (ERAF) Memo
- ERAF and Property Tax Distribution by County and District

## SCFF 2024-25 R1

At 2024-25 R1, SCFF calculations were updated to reflect actual FTES data, updated offsetting revenues, including district reported property tax and student enrollment fees, and updated annual certifications of the Education Protection Account (EPA) and state general apportionment.

Growth has been applied to districts that reported an increase in FTES value above the prior year base value (2023-24 Applied #3) that exceeded the available restoration balance. At 2024-25 R1, statewide enrollment growth exceeded available budgeted growth funding. As a result, growth applied beyond districts’ growth targets was proportionally adjusted to remain within the budget.

The 2024-25 R1 Total Computational Revenue (Max TCR) consists of the highest of the following three TCR calculations for each district: (A) 2024-25 SCFF Calculated Revenue, (B) TCR Stability (2023-24 SCFF Calculated Revenue plus COLA), or (C) Hold Harmless (2017-18 TCR plus yearly COLAs). At 2024-25 R1, the statewide SCFF Max TCR is \$9.85 billion.

**Table 3: 2024-25 R1 SCFF Components**

SCFF Component	2024-25 R1 Amount (Statewide) (In Millions)
Basic Allocation	\$1,001
FTES Allocation	\$6,072
Supplemental Allocation	\$1,622
Student Success Allocation	\$1,025
SCFF Calculated Revenue (TCR A)	\$9,719
TCR Stability (TCR B)	\$9,510
Hold Harmless (TCR C)	\$8,790
2024-25 TCR (Max of A, B, or C)	\$9,855
Stability Protection Adjustment	\$33
Hold Harmless Protection Adjustment	\$102
Property Tax & ERAF	\$4,824
Less Property Tax Excess	(\$509)
Student Enrollment Fees	\$430

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SCFF Component	2024-25 R1 Amount (Statewide) (In Millions)
Education Protection Account (EPA)	\$1,627
State General Fund Allocation	\$3,482
Deficit Factor for non-basic aid districts	0.00%
(Deficit)	(\$0)

**Table 4: 2024-25 R1 TCR Status by Number of Districts**

2024-25 R1 TCR Status	Number of Districts
SCFF Calculated Revenue (TCR A)	46
TCR Stability (TCR B)	13
Hold Harmless (TCR C)	13

### 2024-25 R1 Exhibits

- Exhibit C (Statewide and District SCFF details)
- Exhibit D (Education Protection Account (EPA))

### SCFF Funding Protections

There are several funding protections applicable under the SCFF, summarized below.

**Table 5: SCFF Funding Protections**

Protection	Description
Hold Harmless (EDC 84750.4(h))	Starting in 2025-26, districts receive no less than their 2024-25 TCR, without subsequent annual cost of living adjustments (COLA).
TCR Stability Protection (EDC 84750.4(g)(4)(A))	Declines in the SCFF TCR (excluding the hold harmless) are applicable in the year after the decline and include any applicable COLA.
FTES Restoration Protection (EDC 84750.4(d)(2)(D))	Ability to restore FTES that have declined in the previous three years.

Protection	Description
Basic Allocation Protection (Title 5 § 58776)	Declines in college and center basic allocation tiers are effective three years after the initial decline. Increases or new colleges or centers are eligible for funding in the year following the increase or establishment.

## SCFF Dashboard

Since the adoption of the SCFF, the Chancellor’s Office has collaborated with system partners to develop tools and resources to support SCFF implementation and district planning. The [SCFF Dashboard](#) provides a suite of analytics and visualizations related to the California Community Colleges funding formula, including the following interfaces:

- SCFF Data Trends and Insights: Provides analysis of trends in the SCFF supplemental and student success counts, funding protections, and race and ethnicity outcomes. This data is updated each year after Recalculation and was last updated in May 2025.
- SCFF Resource Estimator: Provides districts with a planning tool to estimate SCFF funding. Data is updated after each apportionment period and was last updated in July 2025.

The SCFF Resource Estimator allows users to adjust assumptions related to general enrollment, low-income student enrollment, student success metrics, and cost of living adjustments to generate projected funding levels for future years. The SCFF Resource Estimator is intended to support outyear planning and will be updated with 2025-26 P1 data in the coming weeks.

## Categorical Programs

Allocations for 58 categorical programs totaling over \$2.9 billion were certified. The following exhibits summarizing these allocations can be found on our [website](#):

2025-26 P1:

- Exhibit A (District Monthly Payments by Program)
- Exhibit B4 (Monthly Payment Schedule by County)
- Adjustment Report – 2024-25 Adjustments at 2025-26 P1
- Exhibit A/B4 (Apprenticeship Training and Instruction, Local Education Agencies)
- Exhibit B4 (Statewide Community College)

2024-25 R1:

- Exhibit D (District Adjustments by Program)
- Exhibit A/B4 (Apprenticeship Training and Instruction, Local Education Agencies)
- Exhibit B4 (Reimbursement, Vocational Education (Perkins))

Additional information regarding categorical program allocations can be found in the Compendium of Allocations and Resources (the Compendium) on the [Budget News](#) web page.

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The Chancellor's Office will continue to provide updates as additional data becomes available through subsequent apportionment periods.

### **Contacts**

For questions regarding the SCFF please email [scff@cccco.edu](mailto:scff@cccco.edu).

For general questions regarding apportionment payments please email [apportionments@cccco.edu](mailto:apportionments@cccco.edu).

For questions regarding specific categorical programs, please contact the appropriate staff specified in Appendix B: Summary of Categorical Program Accounting of the Compendium on the [Budget News](#) web page.

# Student Centered Funding Formula (SCFF)

Fiscal Year 2024-25 Recalculation	Fiscal Year 2025-26 First Principal Apportionment February 19, 2026	Impacts
Growth Reduction: <ul style="list-style-type: none"> <li>• (48.30) FTES</li> <li>• (\$191,074)</li> </ul>	Deficit: <ul style="list-style-type: none"> <li>• 3.04%</li> </ul>	(\$3,367,773) <ul style="list-style-type: none"> <li>• Expected to be 0.00% February 2027</li> </ul>
	Apportionment Deferral	(\$7,398,978) <ul style="list-style-type: none"> <li>• Expected to be paid back in July/August 2026</li> </ul>
	Adopted Budget vs. First Principal Apportionment Revenue	\$3,677,184 <ul style="list-style-type: none"> <li>• Adopted budget contains 1.0341% deficit (\$1,147,338)</li> </ul>
	Reason for increase of First Principal Apportionment Revenue	<ul style="list-style-type: none"> <li>• Growth – FTES</li> <li>• Supplemental Data – Student Demographics</li> </ul>