



SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
SADDLEBACK COLLEGE ♦ IRVINE VALLEY COLLEGE ♦ ATEP

DRAC Model

Board of Trustees Retreat
September 29, 2018





Agenda

- DRAC Model
- Student Centered Funding Formula (SCFF)
- Comparison of DRAC Model to SCFF
- Questions



DRAC Model

- Intended to determine revenue for allocation to colleges and district services
- Revenues in the model include:
 - SB 361 calculation (based upon target FTES)
 - Non-Resident Tuition
 - Other Income (Lottery, Interest, Renew apartments)
 - EPA Revenues
 - Mandated Costs
 - FT Faculty Funds and PT Faculty Office Hours/Benefits
 - Local Income



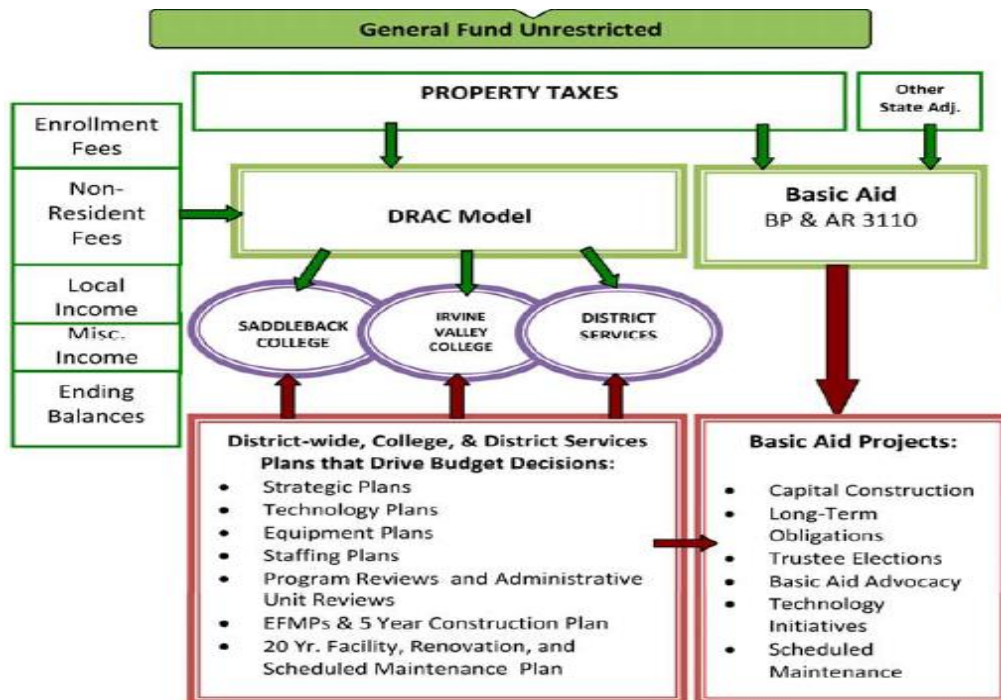
DRAC Model

- District Services receives 9.34% of available revenues
- Contingency Reserve set at 7.5% of UGF revenues less basic aid and local revenue
- Provides funding for districtwide expenses:

• Investigations	• Negotiations
• Maintenance Agreements	• Legal fees
• Strategic Planning	• Property/Liability Insurance
• HR Recruiting	• Compliance (safety/1098T)
• Audits (internal/external)	• Phone System/Tech Security



DRAC Model



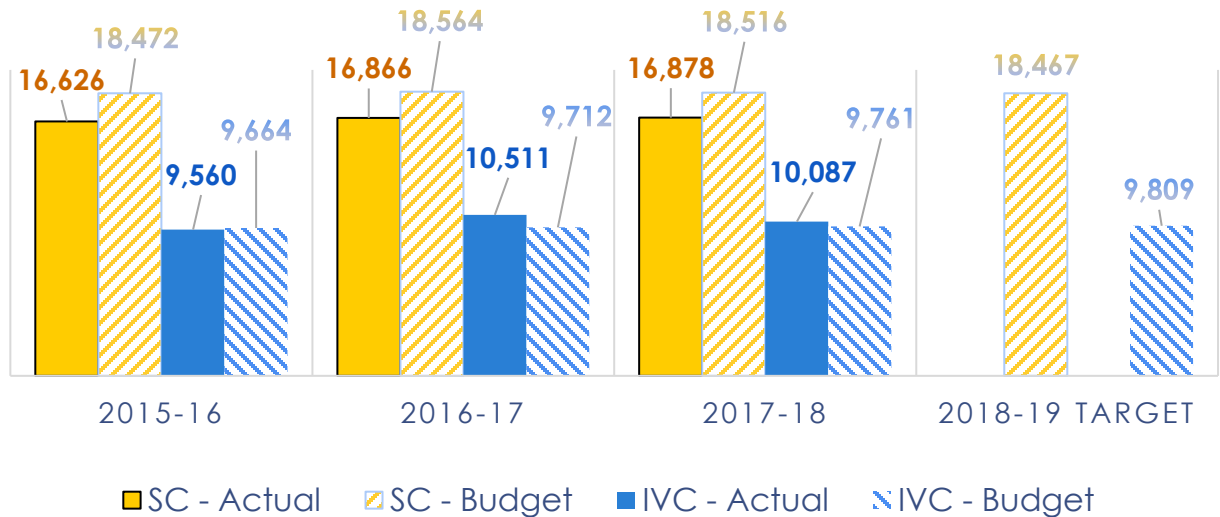


2018-19 Adopted Budget UGF Revenues

	Saddleback	Irvine Valley	District Services	Basic Aid/Other	Total
SB361 Revenue	\$ 100,121,191	\$ 60,699,431			\$ 160,820,622
Basic Aid				73,839,378	73,839,378
EPA Revenue	1,729,920	965,080			2,695,000
Mandated Costs	481,425	268,575			750,000
FT Faculty Funds	858,294	478,821			1,337,115
PT Faculty Office Hours/Benefits	491,053	273,947			765,000
One Time Funds	(351,700)	(166,401)	518,101		0
Other Local Income	13,696,643	8,452,797	550,000	(14,743,236)	7,956,204
Non-Resident Tuition	3,331,440	6,921,204			10,252,644
Lottery/Interest/Fees/Renew	5,239,509	2,922,991		561,259	8,723,759
Allocation Split	(20,744,353)	(13,658,254)	16,409,017	17,993,590	0
Total Sources of Funds	<u>\$ 104,853,422</u>	<u>\$ 67,158,191</u>	<u>\$ 17,477,118</u>	<u>\$ 77,650,991</u>	<u>\$ 267,139,722</u>

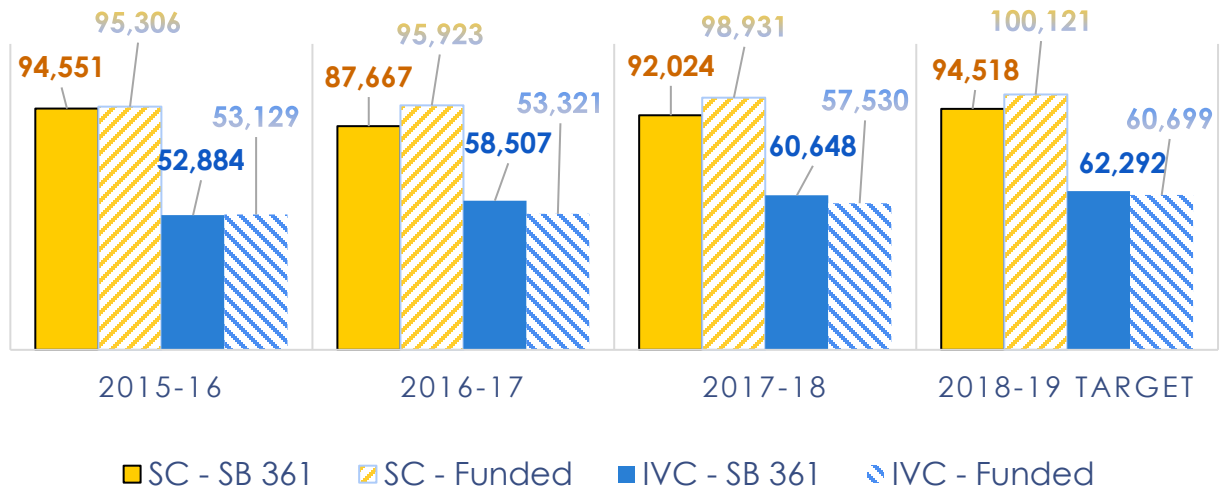


DRAC Model – FTES Budgeted vs. Actual





DRAC Model – Revenue Budgeted vs. SB361 (in millions)





Student Centered Funding Formula

- New formula aligned with *Vision for Success*
- Creates outcomes based metrics
- Moves away from reliance on growth in FTES
- Recognizes need for differential funding for students facing barriers
- Provides three years of “hold harmless”



Student Centered Funding Formula

- Contains three components:
 1. Base Allocation – similar to current funding model using SB 361, but creates a three-year rolling average for credit FTES (credit FTES paid at \$3,826 per FTES, all others remain same)
 - 70% of funding in Year 1, 65% of funding in Year 2, 60% of funding in Year 3
 2. Supplemental Allocation – counts of low-income students and AB 540 students (paid at \$919)
 - 20% of funding
 3. Student Success Incentive Allocation – counts of outcomes for specific metrics (paid at \$440) with “equity” bumps provided for CA Promise Fee Waiver and Pell Grant recipients (paid at \$111)
 - 10% of funding in Year 1, 15% of funding in Year 2, 20% of funding in Year 3



Student Centered Funding Formula

- Student Success Incentive Allocation metrics:
 1. Associate degrees – 3 points each
 2. Associate degrees for Transfer – 4 points each
 3. Credit certificates (16 units or more) – 2 points each
 4. Completion of 9 or more CTE units – 1 point each
 5. Transfers to a four-year university – 1.5 points each
 6. Completion of transfer-level math and English in 1st year – 2 points each
 7. Attainment of regional living wage – 1 point each
- “Equity bump”:
 1. Pell equals 1.5 times points; Promise equals 1.0 times points



Student Centered Funding Formula

- SOCCCD would be a “Hold Harmless” district

New Funding Formula - Advance FY 2018-2019

Base Allocation (Enrollment)	114,111,069
Supplemental Allocation (Low Income)	21,785,814
Student Success Incentive Allocation	18,161,235

Total Calculated Allocation	\$154,058,118
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FY 2017-2018 SB361 Plus COLA

P2 funding + 2.71%	\$156,809,621
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Hold Harmless Amount	\$2,751,503
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SCFF vs. DRAC Model

Revenue per SCFF calculation	\$ 156,809,621
Revenue funded in DRAC Model	<u>\$ 160,820,622</u>
Difference	<u>\$ (4,011,001)</u>

- Historically we've increased DRAC model revenue by COLA and not adjusted for decrease in FTES
- College allocations based upon 3-year average of actual FTES up to target FTES
 - The percentage split is slowly increasing for IVC



Questions

