

**Revisions to the Regulations of the  
Board of Governors of the California Community Colleges  
Educational Centers and Growth Funding  
(Implementation of SB 361)**

1. Section 55180 of article 4 of subchapter 2 of chapter 6 of division 6 of title 5 of the California Code of Regulations is amended to read:

**§ 55180. Definitions.**

(a) College. As used in this ~~chapter~~ division, “college” means a degree-granting institution intended to provide instruction through the second year of college, including but not limited, to one or more of the following categories:

(1) standard collegiate courses for transfer to ~~higher~~ institutions of higher education;

(2) career technical fields leading to employment; or

(3) general or liberal arts courses required for the ~~which institution the district intends to maintain its~~ obtain accreditation.

(b) Educational Center. As used in this ~~chapter~~ division, “educational center” means a postsecondary operation established and administered by an existing college or district at a location away from the campus of the parent institution. ~~An educational center is an operation which satisfies the requirements of either subdivision (1) or (2) below:~~

(1) the center:

(A) is planned to continue for three-ten or more years and expected to enroll;

(B) generates at least over 500 full-time equivalent student (FTES) by the third year of operation annually.

(C) The center typically has an on-site administrator and may;

(D) offers programs leading to certificates and/or degrees conferred by the parent institution; and

(E) has been approved by the Board of Governors pursuant to this article.

(2) the center was identified by the Chancellor’s Office as of the 2006-07 fiscal year as a "grandparented center" which:

(A) operated prior to April 1974 and was recognized as an approved grandfathered center by the California Postsecondary Education Commission (CPEC) in its December 10, 1984, report to the Legislature;

(B) served at least 100 full-time equivalent student (FTES) as reported on the final attendance report for fiscal year 2005-06 or had an average annual FTES for the three prior fiscal years (2003-04 to 2005-06) of at least 100 FTES;

(C) operated continuously since 1974;

(D) was owned or controlled by the district through a lease agreement; and

(E) provided an appropriate level of administrative and student services, relative to its size, at the center.

NOTE: Authority cited: Sections 66700 and 70901, Education Code. Reference: Section 66700, Education Code.

2. Section 55185 is added to article 4 of subchapter 2 of chapter 6 of division 6 of title 5 of the California Code of Regulations to read:

**§ 55185. Additional Criteria for Approval of Educational Centers.**

(a) In addition to satisfying the other requirements of this article, in order for a proposed center to be considered for state approval as an educational center after May 1, 2008, the needs assessment required by section 55182 must demonstrate that the proposed educational center meets at least one of the following criteria or those specified in subdivision (b):

(1) The proposed educational center will generate at least 500 full-time equivalent student (FTES) in the first full academic year of operation to be used for eligibility to become an educational center by replacing locations other than the main campus of an existing college that have generated at least 500 FTES as reported on the district's most recent final attendance reports.

(2) In service areas of proposed educational centers where locations other than an existing college are constrained by site limitations from providing the full range of instruction proposed for the educational center, as determined by standards set by the Chancellor, the proposed educational center must be able to generate at least 500 FTES in the first full academic year of operation that is used for eligibility to become an educational center based on both of the following:

(A) the total number of FTES currently reported for courses offered at locations other than the main campus of an existing college which reported FTES on the district's most recent final attendance report and are to be replaced by the proposed educational center; and

(B) the number of FTES the proposed educational center is projected to generate, based on a thorough analysis of current attendance practices, as a result of students residing in the proposed service area who currently attend courses offered at locations outside the proposed service area and would be expected to attend courses offered at the proposed educational center.

(b) If the service area of a proposed educational center has an exceptionally high rate of population growth, as determined by standards set by the Chancellor, the district may obtain conditional approval of the educational center by demonstrating that, by no later than the third consecutive full academic year of operation that is used for eligibility to become an educational center, the proposed center will be able to generate at least 500 FTES in a year. This conclusion must be based on a thorough analysis, which includes but is not limited to, a review of the facility development schedule, population trends and projected demand for the educational programs to be included in the proposed educational center. Once the district demonstrates that the educational center has generated at least 500 FTES as reported on the district's most recent final attendance report, then full state approval for the educational center may be granted.

NOTE: Authority cited: Sections 66700 and 70901, Education Code. Reference: Section 66700, Education Code.

3. Section 57001.7 of subchapter 1 of chapter 8 of division 6 of title 5 of the California Code of Regulations is amended to read:

**§ 57001.7. Educational Center.**

As used in this ~~Chapter~~ chapter, the term "educational center" ~~is defined as provided in Section 55827(b)~~ has the same meaning as set forth in section 55180.

NOTE: Authority cited: Sections 66700 and 70901, Education Code. Reference: Section 70901, Education Code.

4. Section 57017 is added to subchapter 1 of chapter 8 of division 6 of title 5 of the California Code of Regulations to read:

**§ 57017. Funding of Project at Educational Center.**

Notwithstanding any other provision of this division, a community college district shall not be eligible for state capital outlay funding for a construction project to be located at any educational center that is approved by the Board of Governors on or after May 1, 2008, under the provisions of article 4 (commencing with section 55180) of subchapter 2 of chapter 6, unless and until the Chancellor determines that the educational center reported at least 500 FTES on the district's most recent final attendance report.

NOTE: Authority cited: Sections 66700 and 70901, Education Code. Reference: Section 70901, Education Code.

5. Section 58003.4 of article 2 of subchapter 1 of chapter 9 of division 6 of title 5 of the California Code of Regulations is amended to read:

**§ 58003.4. Full-time Equivalent Student; Periodic Reports; Increases and Decreases in Apportionments.**

(a) For the purposes of this ~~c~~Chapter, the governing board of each community college district shall report to the Chancellor during each fiscal year the full-time equivalent student of the district for:

(1) The period between July 1st and December 31st to be known as the "first period" report for the first principal apportionment, and

(2) The period between July 1st and April 15th, inclusive, to be known as the "second period" report for the second principal apportionment.

(3) The period between July 1st and June 30th, inclusive, to be known as the "annual report." If the full-time equivalent student in the colleges of a district for the period of time between July 1st and June 30th is greater or lesser than the full-time equivalent student in the colleges reported for the second period report, the appropriate increases and decreases in the attendance shall be recomputed on the basis of the fiscal year in which such increases and decreases in full-time equivalent student were applicable, and the appropriate increases and

decreases in apportionment shall be added or withheld in the next succeeding fiscal year pursuant to Section 58134.

(b) If a district determines, after filing its annual report, that the actual full-time equivalent student in the colleges of the district for the period of time between July 1st and June 30th is greater or less than the full-time equivalent student in the colleges reported in its annual report, the district shall report the appropriate increases and decreases in attendance for that fiscal year and the appropriate increases and decreases in apportionment shall be added or withheld in the next succeeding fiscal year pursuant to section 58134. This report shall be known as the “revised annual report.”

(c) A district’s annual report shall also be known as its “final attendance report” for the fiscal year in question unless a revised annual report is filed pursuant to subdivision (b), in which case, the revised annual report shall be deemed to be the “final attendance report” for that fiscal year.

(d) Each report shall be prepared in accordance with deadlines and instructions on forms prescribed and furnished by the Chancellor, and full-time equivalent student shall be computed as required by such forms.

The attendance in noncredit classes maintained after April 15 of the preceding year and prior to the end of each reporting period shall be reported on each report.

NOTE: Authority cited: Sections 66700 and 70901, Education Code. Reference: Section 70901, Education Code.

6. Section 58770 of article 8 of subchapter 8 of chapter 9 of division 6 of title 5 of the California Code of Regulations is amended to read:

**§ 58770. State Apportionment Procedure.**

(a)(1) Except as provided in subdivisions (2) or (3), the fiscal year revenues for each community college district shall be the noncredit base revenues associated with the funded FTES specified in subdivision (c) of section 58771, plus the credit base revenues associated with the funded FTES specified in subdivision (b) of section 58771, plus the career development and college preparation noncredit base revenues associated with the funded FTES specified in subdivision (d) of section 58771, plus the basic allocation base revenues as defined in subdivisions (e) and (i) of section 58771, plus the inflation adjustments specified in section 58773, plus the workload adjustments specified in section 58774, plus the budget stability adjustment specified in section 58776.

(2) If the sum of the local property tax and fee revenues as defined in subdivision (b) equals or exceeds a district’s fiscal year revenue as calculated pursuant to subdivision (1) above, then the fiscal year revenue for that district shall be the sum of the property tax and fee revenues pursuant to subdivision (b) rather than the figure calculated pursuant to subdivision (1). If, in the subsequent year, the sum of the local property tax and fee revenues as defined in subdivision (b) equals or is less than the district’s fiscal year revenue as calculated pursuant to subdivision (1) above, then the base revenue for that fiscal year for that district shall be equal to the district’s prior year total computational revenue.

(3) If a district's revenue for the 2006-07 fiscal year is based on the program-based funding principles authorized by former Education Code section 84750, as provided for by paragraph (9) of subdivision (d) of Education Code section 84750.5, then the revenue for that district for subsequent fiscal years shall be the higher of:

(A) its prior year total computational revenue, plus the inflation adjustments specified in section 58773, plus the workload adjustments specified in section 58774, plus the budget stability adjustment specified in section 58776; or

(B) the figure calculated pursuant to paragraph (1) of this subdivision. Beginning with the fiscal year for which the higher amount for a district is the figure calculated pursuant to paragraph (1), for each fiscal year thereafter the district's fiscal year revenue shall be calculated pursuant to paragraph (1).

(b) For each community college district, the Chancellor shall subtract from the revenues determined pursuant to subdivision (a), the local property tax revenue specified by law for general operating support, exclusive of bond interest and redemption, timber yield tax revenue pursuant to section 38905.1 of the Revenue and Taxation Code, and 98 percent of the fee revenues required to be collected pursuant to Education Code section 76300. The remainder shall be the state general apportionment for each district.

(c) The Chancellor shall adjust the amount determined pursuant to subdivision (b) and the corresponding FTES associated with that adjustment to provide for prior year adjustments required pursuant to sections 51102, 58134, 59112 et seq. or other provisions of this division authorizing subsequent adjustment of a district's apportionment.

(d) Warrants shall be drawn on the State Treasury by the Controller in favor of the treasurer of each county for the allocations certified by the Chancellor in accordance with the following schedule, as adjusted by the Chancellor in accordance with the provisions of subdivision (e):

- (1) Eight percent of district eligibility shall be allocated in July.
- (2) Eight percent of district eligibility shall be allocated in August.
- (3) Twelve percent of district eligibility shall be allocated in September.
- (4) Ten percent of district eligibility shall be allocated in October.
- (5) Nine percent of district eligibility shall be allocated in November.
- (6) Five percent of district eligibility shall be allocated in December.
- (7) Eight percent of district eligibility shall be allocated in January.

(8) The remaining percent of district eligibility shall be allocated in the months for February through June on a schedule as certified by the Chancellor.

(e) The Chancellor may, upon the demonstrated need of any community college district for increased levels of allocations of state funds in any month based on district expenditure patterns and cash flow needs, adjust the allocations provided in subdivision (d), provided that the total of the allocations to be made between July 1 and February 1 shall not exceed 70 percent. The Chancellor may also revise the levels of allocation on a system-wide basis to accommodate legislated deferrals of the system's appropriated apportionment not included in subdivision (d).

(f) The Chancellor, at the request of a governing board of a community college district, and when necessary to maintain the secure deposit and prudent investment of district funds, may direct the Controller to draw warrants in favor of the Local Agency Investment Fund within the State Treasury in lieu of drawing warrants in favor of the county treasurer of the county in which the district resides. The governing board shall certify, and the Chancellor shall find, that the revenues being apportioned are not required for immediate needs.

NOTE: Authority cited: Sections 66700, 70901, 84500 and 84750.5, Education Code.  
Reference: Sections 70901, 76300 and 84500, Education Code.

7. Section 58771 of article 8 of subchapter 8 of chapter 9 of division 6 of title 5 of the California Code of Regulations is amended to read:

**§ 58771. Base Fiscal Year Revenues.**

(a) The base revenues for each community college district shall be the sum of the revenues received for the preceding fiscal year in accordance with section 58770 (including any subsequent adjustments pursuant to subdivision (c) thereof), exclusive of section 58776, plus any unfunded shortage in revenues identified pursuant to the provisions of sections 58772 and 58779, less any adjustment for declining FTES pursuant to section 58774 in the preceding fiscal year.

(b) Base credit FTES shall be the funded FTES of the prior fiscal year.

(c) Base noncredit FTES shall be the funded noncredit FTES of the prior fiscal year.

(d) Base career development and college preparation noncredit FTES shall be the funded career development and college preparation noncredit FTES of the prior fiscal year. The 2006-07 fiscal year begins with a base of zero FTES.

(e) Base basic allocation level shall be contingent upon the status of the college, center and FTES criteria pursuant to subdivision (i) of this section.

(f) The noncredit base revenue for each community college district shall be equal to the units of base noncredit FTES determined pursuant to subdivision (c), multiplied by the base rate of \$2,479.23; in subsequent years the base rate shall be the prior year base rate plus an inflation adjustment pursuant to section 58773. The 2006-07 marginal rate for noncredit FTES after the inflation adjustment is \$2,626.00.

(g) The credit base revenue for each community college district shall be equal to the units of base credit FTES determined pursuant to subdivision (b), multiplied by the base rate of \$4,122.92 in the 2006-07 fiscal year; in subsequent years the base rate shall be the prior year base rate plus an inflation adjustment pursuant to section 58773(b). The 2006-07 marginal rate for credit FTES after the inflation adjustment is \$4,367.00.

(h) The career development and college preparation noncredit base revenue for each community college district shall be equal to the units of base career development and college preparation noncredit FTES determined pursuant to subdivision (d); multiplied by the base funding rate for that year. ~~In~~ ~~in~~ subsequent years the base rate shall be the prior year base rate plus an inflation adjustment pursuant to section 58773. In 2006-07, the marginal rate will be \$3,092.00 if the \$30 million provided for this category of FTES is adequate to fully fund all qualifying FTES.

(i) The basic allocation base revenue for each community college district shall be ~~based~~ contingent upon the number and size of ~~campuses and colleges and educational centers~~, as those terms are defined in section 55180 and this subdivision section. ~~The~~ annual basic allocation base rates for fiscal year 2006-07 each year shall be the ~~prior year's~~ 2006-07 base rate plus any inflation adjustments applied in intervening that year years. Apportionment allocations for the basic allocation base revenues and base rates are based on the prior year's FTES as reported on

the final attendance report. The unadjusted basic allocation base rates, factors, before any inflation adjustment for 2006-07, shall be:

(1) Single college districts: \$5,000,000 per single college district with FTES equal to or greater than 20,000 FTES ~~as of the second principal apportionment of the previous fiscal year.~~

(2) Single college districts: \$4,000,000 per single college district with FTES equal to or greater than 10,000 FTES but less than 20,000 FTES ~~as of the second principal apportionment of the previous fiscal year.~~

(3) Single college districts: \$3,000,000 per single college district with less than 10,000 FTES ~~as of the second principal apportionment of the previous fiscal year.~~

(4) Multi-college districts: \$4,000,000 per college with FTES equal to or greater than 20,000 FTES ~~as of the second principal apportionment of the previous fiscal year;~~ \$3,500,000 per college with FTES equal to or greater than 10,000 FTES but less than 20,000 FTES ~~as of the second principal apportionment of the previous fiscal year;~~ and \$3,000,000 per college with less than 10,000 FTES ~~as of the second principal apportionment of the previous fiscal year.~~

(5) ~~Centers~~ Educational centers: \$1,000,000 for each center described in subdivision (b)(1) of section 55180 ~~approved by the California Postsecondary Education Commission (CPEC) for facilities funding and reporting having 1,000 or more greater annualized FTES; \$1,000,000 per center. A district is not eligible for the basic allocation revenue provided by this subdivision associated with an educational center that is approved by the Board of Governors on or after May 1, 2008, unless and until the Chancellor determines that the center reported at least 1,000 FTES on the district's most recent final attendance report.~~

(6) ~~Grandparented Centers~~ centers described in subdivision (b)(2) of section 55180: amounts as specified below for 2006-07 plus inflation adjustments to be applied to calculate the entitlement for subsequent years. ~~not meeting current CPEC standards as of July 1, 2006, but "grandparented," or previously approved by CPEC as eligible for state capital facilities funding will be funded at the rates listed below based upon each center's certified FTES as of the 2005-06 final recalculation.~~

(A) Greater than or equal to 1,000 FTES:	\$1,000,000
(B) Greater than or equal to 750 FTES but less than 1,000 FTES:	\$750,000
(C) Greater than or equal to 500 FTES but less than 750 FTES:	\$500,000
(D) Greater than or equal to 250 FTES but less than 500 FTES:	\$250,000
(E) Greater than or equal to 100 FTES but less than 250 FTES:	\$125,000

(7) ~~A "grandparented" center pursuant to paragraph (6)~~ For grandparented centers described in subdivision (b)(2) of section 55180, the amount of certified FTES used to calculate the center's 2006-07 entitlement shall not be increased until the center in question is approved as an educational center pursuant to article 4 of subchapter 2 of chapter 6 (commencing with section 55180) but may be decreased in accordance with the provisions of paragraph (8) below. ~~be funded at no more than the amount in paragraph (6), plus inflation adjustments, until and unless it is given approval for state capital facilities funding. The provisions of paragraphs (10) (12) and (11) (13) of this subdivision shall not apply to a grandparented center pursuant to subparagraph (6) above until it is approved as an educational center pursuant to article 4 of subchapter 2 of chapter 6 (commencing with section 55180) given approval for state capital facilities funding.~~

(8) Beginning with fiscal year 2005-06, districts ~~Districts~~ shall annually report FTES for each college and educational grandparented center in accordance with guidance from the Chancellor's Office. These FTES will be used to calculate the amount of basic allocation earned

~~by each district. Declines in grandparented FTES that result in a reduction of calculated basic allocation shall not cause a reduction in basic allocation base revenue until the third year after the year of the FTES decline. If an educational center does not serve at least an amount of FTES sufficient to continue at the same basic allocation funding level, the unadjusted basic allocation amount will be recalculated consistent with the FTES level served. If the recalculation results in a lower funding amount, the reduction will not occur until the third year after the initial recalculation that resulted in the lower calculated funding amount. If the educational center increases the level of FTES served in years subsequent to the reduction in its basic allocation amount, the Chancellor shall recalculate the basic allocation amount using the larger FTES level, but in no case will the basic allocation be recalculated using a level of FTES that exceeds the FTES amount from its initial center certification. and the base allocation shall not be reduced if the FTES is restored back to or above the pre-decline base by the third year following the decline.~~

~~(9) To be designated a "grandparented" center qualifying for basic allocation funding, a center must meet the following criteria and be identified by the Chancellor's Office as of the 2006-07 fiscal year. Specifically, the center must have:~~

~~(A) been operated prior to April 1974 and recognized as an approved "grandparented" or "grandfathered" center by CPEC in its December 10, 1984, report to the Legislature;~~

~~(B) served at least 100 FTES as of the 2005-06 final recalculation or the annual FTES average of the three prior fiscal years, 2003-04 to 2005-06, whichever is greater;~~

~~(C) continuously operated since 1974;~~

~~(D) been owned or controlled by the district through a lease agreement; and~~

~~(E) provided an appropriate level of administrative and student services, relative to its size, at the center.~~

~~(9)(10) The Chancellor may authorize extraordinary basic allocation base revenue pursuant to this section to a partner district under section 74292.~~

~~(11) Districts serving sparsely populated areas of the state are eligible for a base allocation designation of \$500,000 as part of the determination of a district's basic allocation. Eligibility is based on the following criteria:~~

~~(A) Population density of service area less than 217 people per sq. mile;~~

~~(B) Credit FTES 5,000 or less; and~~

~~(C) single college district.~~

~~(10)(12) Except Other than as provided in paragraph paragraphs 7 and 11, the amount of FTES served by each college and center as reported on the 2005-06 final attendance report size of a college or center as of the second principal apportionment of a fiscal year shall be the size used to calculate determine the base minimum unadjusted basic allocation amount for the initial 2006-07 fiscal year of the apportionment and the following two years unless a new, higher level of FTES is realized pursuant to paragraph (13) of this subdivision.~~

~~(11)(13) Except Other than as provided in paragraph 7, if a new college or center is established, or if in the event the FTES from an existing college or center increases to a level that warrants an adjustment grows such that a different of the district's previous basic base allocation base amount, is generated pursuant to this section, the basic allocation adjustment shall be adjusted included in at the next principal apportionment subject to the final recalculation of apportionment for in that year.~~



(12) Single college districts that reported credit attendance at less than or equal to 5,000 FTES for the 2005-06 final attendance report that are serving areas of the state with less than 217 people per square mile are eligible for a base allocation adjustment of \$500,000 to the initial base allocation amount.

(13)(14) Changes to basic allocation funding pursuant to paragraph (11)(13) of this subdivision shall come from the same funding sources as the base funding pursuant to section 58772.

~~(15) FTES produced from on-line courses or courses taught at a physical location other than a college or a center prior to December 31, 2006, shall be credited to the base allocation of the college or center from which they were reported as of December 31, 2006.~~

(14)(16) FTES produced from on-line distance education courses or courses taught at a physical location other than a college or a center shall be credited to the base allocation of the college or center from which they were reported for the first principal apportionment of the 2006-07 fiscal year. Subsequent to the first principal apportionment of the 2006-07 fiscal year, any new FTES produced from a distance education ~~an on-line~~ course or courses taught at a physical location other than a college or center shall be credited to the base allocation of the college or center where they were initially reported. The intent of this section is to specify that FTES may not be moved among colleges after they have been initially reported so as to increase the base allocation of a college.

(15)(17) In the event that a college or center is closed, the FTES produced from a distance education ~~an on-line~~ course or courses taught at a physical location other than a college or center and reported from that college or center shall be credited to another college or center in the same district, to the extent that such additional FTES is produced at the recipient college or center. The FTES may not be credited to a subsequent college or center in the district at a later date unless the original recipient college or center is also closed. The intent of this section is that FTES may not be moved among colleges or centers after they have been initially reported so as to increase the base allocation of a college or center.

NOTE: Authority cited: Sections 66700, 70901, 74292 and 84750.5, Education Code.  
Reference: Section 84750.5, Education Code.

8. Section 58774 of article 8 of subchapter 8 of chapter 9 of division 6 of title 5 of the California Code of Regulations is amended to read:

**§ 58774. Growth and Decline.**

(a) District growth rates for the 2006-07, ~~and 2007-08~~ and the 2008-09 fiscal years shall be determined based upon the regulations and processes in effect as of September 30, 2006, except that by August 31, ~~2008-2007~~, the Chancellor shall notify districts of revised growth rates which are adjusted proportionately to reflect the amount of growth funding provided in the 2008-09 ~~2007-08~~ Budget Act.

(b) Commencing with the 2009-10 ~~2008-09~~ fiscal year, district "growth rates" shall be determined by the Chancellor based on, at a minimum, the sum of the following ~~computations~~ factors:

(1) Determination of an equally weighted average rate of change in the primary county population of persons between the ages of 19 and 24 and the rate of change in the primary county population of persons between the ages of 25 and 65, both as determined by the Department of Finance's Demographic Research Unit as determined for the preceding fiscal year.

(2) To the extent a college district's primary county unemployment rate exceeds 5 percent for the most recently completed year, an adjustment based on that positive difference shall be added to the rate computed in paragraph (1). In no event shall that positive difference used in calculating this adjustment exceed 2 percent.

(3) The Chancellor may also add to these amounts the number of FTES in the areas of transfer, career technical ~~vocational~~-education, and basic skills that were unfunded in the current fiscal year. For this purpose, the following computation shall be determined for each district, and a statewide total shall be calculated:

(A) Establish the base level of FTES earned in the prior fiscal year for transfer courses consisting of courses meeting the California State University breadth or Intersegmental General Education Transfer Curriculum requirements or major course prerequisites accepted by the University of California or the California State University.

(B) Establish the base level of FTES earned in the prior fiscal year for career technical ~~vocational~~-education courses consisting of courses defined by the Chancellor's office Student Accountability Model codes A and B that are consistent with the courses used for measuring success in this program area under the accountability system established pursuant to Education Code section 84754.5.

(C) Establish the base level of FTES in the prior fiscal year for basic skills courses, both credit and noncredit.

(D) Add the sum of FTES for paragraphs (A) to (C), inclusive.

(E) Multiply the result of the calculation made under paragraph (D) by one plus the district's funded growth rate in the current fiscal year. This figure shall represent the maintenance of effort level for the budget year.

(F) FTES in transfer, career technical ~~vocational~~-education, and basic skills that are in excess of the total calculated pursuant to paragraph (E), shall be considered in excess of the maintenance of effort level, and shall be eligible for overcap growth funding if the district exceeds its overall funded FTES.

(G) In no event shall the amount calculated pursuant to paragraph (F) exceed the total unfunded FTES for that fiscal year.

(c) Each district shall receive a minimum growth allocation of 1% or a rate which will provide at least 100 total FTES. Preliminary growth rates for a fiscal year shall be calculated and made available to the districts as early as possible during the preceding fiscal year. Preliminary growth rates are subject to change.

(d) To the extent the computations specified in this section require the reporting of additional data by community college districts, that reporting shall be a condition of the receipt of apportionment for growth pursuant to this section and those funds shall be available to offset any and all costs of providing the data.

(e) District growth rates are used to determine growth revenue caps when funding required to meet all FTES increases in the system exceeds the growth appropriation in the annual Budget Act. The district's total revenue growth cap is the sum of the revenue caps for all the district's

FTES workload measures. A district's growth revenue cap is calculated by multiplying the marginal growth funding rates for its credit, noncredit, and career development and college preparation FTES by the product of a district's growth rate determined annually pursuant to subdivisions (b) and (c), multiplied by the appropriate base FTES for that funding rate. A district's growth revenue cap for credit FTES, noncredit FTES, and career development and college preparation FTES to the extent funds are available to fully fund increases in these workload measures shall be the sum of the following:

(1) Credit FTES – The product of the current year's marginal credit funding rate multiplied by the growth rate determined pursuant to subdivisions (b) and (c), times the number of base credit FTES.

(2) Noncredit FTES – The product of the current year's marginal noncredit funding rate multiplied by the growth rate determined pursuant to subdivisions (b) and (c), times the number of base noncredit FTES.

(3) Career development and college preparation noncredit FTES – The product of the current year's marginal career development and college preparation noncredit funding rate multiplied by the growth rate determined pursuant to subdivisions (b) and (c), times the number of base career development and college preparation noncredit FTES.

(f) Growth revenue shall be computed for districts that have fully restored revenue and FTES lost in the prior three fiscal years due to workload declines in those years. An actual growth revenue computation for credit FTES, noncredit FTES, and career development and college preparation noncredit FTES shall be the sum of the following:

(1) Credit FTES – The product of the current year's marginal credit funding rate times the net change in credit FTES reported in the current year relative to the district's base credit FTES for that year and net of any credit FTES restoration.

(2) Noncredit FTES – The product of the current year marginal noncredit funding rate times the net change in noncredit FTES reported in the current year relative to the district's base noncredit FTES for that year and net of any noncredit FTES restoration.

(3) Career development and college preparation noncredit FTES – The product of the current year marginal career development and college preparation noncredit funding rate times the net change in career development and college preparation noncredit FTES reported in the current year relative to the district's base career development and college preparation noncredit FTES for that year and net of any career development and college preparation noncredit FTES restoration. If the district's career development and college preparation noncredit base is zero and the current year is the first year the district has reported career development and college preparation noncredit FTES, growth revenue shall be calculated using the regular noncredit marginal rate for that portion of career development and college preparation noncredit FTES converted from regular noncredit FTES. The funding rate differential shall be reported as a "career development and college preparation funding rate adjustment." If total noncredit (regular and career development and college preparation noncredit) FTES is greater than the noncredit base FTES level, growth revenue for that portion of career development and college preparation noncredit in excess of the noncredit FTES base shall be calculated as the product of the career development and college preparation FTES and the career development and college preparation noncredit marginal funding rate for that portion of career development and college preparation noncredit in excess of the noncredit FTES base.

(g) If the total growth computed in subdivision (f) is less than zero, the district's base revenue for the subsequent fiscal year shall be adjusted in accordance with subdivision (h). If the amount computed in subdivision (f) is greater than zero and less than or equal to the revenue cap computed pursuant to subdivisions (b) and (c), the district revenue shall be adjusted by the amount computed in subdivision (f). If the amount computed in subdivision (f) is greater than the revenue cap computed pursuant to subdivisions (b) and (c), the district's revenue could be constrained by the revenue cap computed pursuant to subdivisions (b) and (c).

(h) A decline in FTES for any particular workload occurs when the actual funded FTES is less than the amount of the corresponding base FTES. A district receives stability revenue when its total growth revenue from all FTES measures is negative. Total growth revenue shall be the sum of all the positive and negative growth revenue for all FTES.

(i) A district shall be entitled to additional funding in its basic allocation equal to the amounts identified in subdivision (i) of section 58771 and as adjusted for inflation pursuant to section 58773 in subsequent years to the extent additional resources are provided in the annual Budget Act for any new colleges or centers added in the current fiscal year or if sufficient general apportionment base funding exists to fund new colleges and centers. Growth funds appropriated in the annual Budget Act shall be available to fund any new colleges and centers if other specific new funds are not provided in the Budget Act and there are not sufficient unallocated funds remaining in the general apportionment schedule. The intent of this section is to fund increases to the system's basic allocation before funding FTES growth as identified in subdivisions (e), (f) and (g) above.

(j) This section shall become inoperative on April 30, 2009~~8~~.

NOTE: Authority cited: Sections 66700, 70901 and 84750.5, Education Code. Reference: Section 84750.5, Education Code.