



Digest

Digest means an item that has been through internal review of the Chancellor's Office and the review entities. The item now has form and substance, and is officially "entered into Consultation." The Council reviews the item and provides advice to the Chancellor.

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Title: Faculty Obligation Number

Date: October 8, 2009

Contact: Erik Skinner, Vice Chancellor for Fiscal Policy

Background

By November 20 of each year the Board of Governors determines whether adequate growth funds, adequate cost-of-living adjustment (COLA) funds, and funds for other core programs have been provided to allow full or partial implementation of the full-time faculty hiring obligations specified for districts in section 51025 of title 5, California Code of Regulations. Generally, under these regulatory requirements, each fall term districts must employ a specified minimum number of full-time faculty. This requirement is expressed in terms of full-time-equivalent positions and is commonly referred to as the full-time faculty "obligation." In years in which the board determines that adequate COLA and growth funds are available for full implementation, each district's obligation increases approximately by its percentage increase in *funded* full-time equivalent students (FTES) in credit courses.

For the years 2005-06 through 2007-08, the board determined that there were adequate funds provided to fully address the growth increment of full-time faculty hiring obligations. However in fiscal year 2008-09, the board determined that the budget act did not provide adequate COLA and enrollment growth funding to justify the implementation of any increase in full-time faculty hiring obligations for fall 2009.

Analysis

The State of California continues to wrestle with a major fiscal crisis rooted in a longstanding structural budget imbalance made worse by a precipitous drop in state revenues linked with the worldwide economic collapse. In response to this fiscal crisis, state leaders adopted major revisions to the 2009 Budget Act. These revisions, signed into law on July 28, 2009, made deep funding reductions to all sectors of the budget. For the California Community Colleges, these revisions included cuts of \$522 million, or 7.9 percent, in 2009-10. In addition to these cuts, \$117 million in enrollment growth funding that had been provided for 2009-10 was eliminated in the revised budget. The 2009 Budget Act includes no funds for COLA or enrollment growth.

Proposal

Given the deep budget cuts to the California Community Colleges, Chancellor's Office staff find that the *2009 Budget Act* provides inadequate funds to support an increase in the full-time faculty obligations for community college districts for Fall 2010. This recommendation will be taken to the Board of Governors at its November 2009 meeting. If the Board concurs with this recommendation, each district's obligation would remain unchanged for Fall 2010.