



2024 REPORT

Fifty Percent Law

California Community Colleges Chancellor's Office | Sonya Christian, Chancellor



California
Community
Colleges

SONYA CHRISTIAN
Chancellor

September 11, 2024

The Honorable Gavin Newsom
Governor of California
State Capitol
Sacramento, CA 95814

RE: 2022-2023 Annual Report: Payment of Salaries of Classroom Instructors (Fifty Percent Law)

Dear Governor Newsom:

Pursuant to California Education Code Section 84362, each community college district is required to allocate a least 50% of its annual education expenses, as defined by law, to the salaries and benefits of classroom instructors. The following provides additional information on the Fifty Percent Law:

- Fifty Percent Law Requirements and Administration
- 2022-23 Fifty Percent Law Deficiencies
- 2022-23 Fifty Percent Law District Compliance
- Fifty Percent Law Five Year Trend

If you have questions about this report, please contact Wrenna Finche, Vice Chancellor of College Finance and Facilities, at WFinche@CCCCO.edu.

Sincerely,

A handwritten signature in black ink that reads "Sonya Christian".

Sonya Christian, Chancellor

Enclosure: Report

Chancellor's Office

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2024 FIFTY PERCENT LAW REPORT

Prepared By

California Community Colleges Chancellor's Office

College Finance and Facilities Planning Division

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INTRODUCTION

The Fifty Percent Law, as described in Education Code, section 84362 and California Code of Regulations title 5, section 59204 through 59214, mandates that each community college district allocate a minimum of 50% of its yearly education expenses, as defined by the law, towards the salaries and benefits of classroom instructors. Existing regulations also necessitate the Chancellor's Office to annually report to the Board of Governors about any district failing to meet these requirements. In the event a district meets certain criteria, they can seek an exemption. However, a district failing to adhere to the law's stipulations and lacking an exemption must rectify the deficiency within a specified timeframe. The Chancellor's Office is obligated to instruct the county to withhold funds from the state general apportionment until the district devises a plan to adhere to these regulations.

FIFTY PERCENT LAW REQUIREMENT AND ADMINISTRATION

FIFTY PERCENT LAW COMPLIANCE REQUIREMENT

Pursuant to existing law, the current expense of education includes unrestricted general fund expenditures of a community college district. However, certain expenses are excluded from this definition, such as those related to student transportation, food services, community services, lease agreements for plant and equipment, and other costs. The California Community Colleges Budget and Accounting Manual provides the specific definition for the salaries of classroom instructors as "expenditures for the full or prorated portions of salaries of all employees in contract or regular faculty positions." This includes the following expenditures:

- Prorated salaries of contract or regular instructors working a reduced load or whose assignment includes both instructional and/or non-instructional duties.
- Prorated salaries of administrators having a teaching assignment as part of their regular work assignments.
- Salaries of instructors on sabbatical leave.
- Extra duty days or assignments paid apart of instructor's regular salary.
- Salaries of instructors with a dual-employment relationship under instructional services agreements.
- Instructional aides employed to assist instructors in classroom instruction tasks during any portion of their duties.
- Applicable staff benefits.

Other essential costs of modern instruction which do not count toward meeting the fifty percent threshold include:

- New purchases of instructional software and technology.
- Salaries and benefits of individuals who provide educational services directly to students, such as librarians and counselors.
- Services and supports that assist in the direct education of students, such as supervised tutoring.
- Faculty work outside the classroom that plays a direct role in the education of students, such as reassigned time for instructional program and curriculum development and modification.
- Governance activities that pertain directly to the education of students, such as reassigned time for academic senate governance activities.

CHANCELLOR'S OFFICE ADMINISTRATION OF THE FIFTY PERCENT LAW

The Chancellor's Office monitors the annual financial and budget reports and audit reports of all districts for compliance with the Fifty Percent Law. An independent assessment of each district's computation of compliance is a requirement of the annual audits conducted by contracted independent audit firms pursuant to existing law. For additional data on districts' compliance with the Fifty Percent Law, see the attachments 2022-23 Fifty Percent Law Deficiencies, 2022-23 Fifty Percent Law District Compliance, and Fifty Percent Law Five Year Trend.

As prescribed in law and regulation, the Chancellor's Office provides applications for exemption from the Fifty Percent Law. Upon receipt of an application for exemption, staff analyze supporting documentation and data, and make recommendations to the Chancellor for presentation to the Board of Governors.

Under the regulations, compliance takes up to three years after the deficiency is first identified. If a district does not apply for an exemption or if the Board does not approve a district's exemption request, the Chancellor is required to withhold state apportionment funds from the district for the amount of the nonexempted deficiency.

A district with a nonexempted deficiency must submit a plan to address the nonexempted deficiency by June 30 of the subsequent year. The plan may include instructional salary increases, hiring additional instructors or instructional aides, converting part-time instructors to full-time, reassignment of other qualified personnel to classroom instruction and, with the mutual agreement of the exclusive representative of academic employees, the use of funds for items other than classroom instructor salaries, such as salaries for librarians and counselors, instructional materials, and other student services and supports.

District plans for 2022-23 deficiencies were due to the Chancellor's Office by June 30, 2024. If a district does not resolve the deficiency in the year after the plan is submitted to the Chancellor's Office, the Chancellor must permanently withhold apportionments of any remaining nonexempted deficiency. Nonexempted 2022-23 deficiencies not resolved by 2024-25 would be permanent in 2025-26.

DISTRICTS NOT MEETING REQUIREMENTS OF THE FIFTY PERCENT LAW

Four districts did not spend at least half of their current expense of education on salaries and benefits of classroom instruction in 2022-23 as of March 2024 when the information was shared with the California Community Colleges Board of Governors. For further details see Attachment 2 - 2022-23 Fifty Percent Law Deficiencies.

- El Camino Community College District (El Camino CCD) did not initially meet the requirements of these provisions for 2022-23 , but resolved the 2022-23 initial \$2.8 million deficiency by May 2024. El Camino CCD fully resolved the deficiency with a collective bargaining agreement that resulted in increased faculty compensation attributable to 2022-23. El Camino CCD reported the retroactive compensation to the Chancellor's Office on May 7, 2024, and updated their annual budget and financial report to reflect the increased compensation, which resulted in El Camino CCD meeting the Fifty Percent Law requirement with 51.68% of current expense of education used for instructional salaries..
- Marin Community College District (Marin CCD) did not meet the requirements of these provisions for the 2022-23 as well as for fiscal year 2021-22 and 2020-21 and did not apply for an exemption based on the provisions of the existing regulations. Marin CCD's deficiency for 2022-23 is \$1.9 million with a cumulative total of \$4.9 million. Marin CCD has used its extra resources from community support to focus on basic needs, learning communities, and student support programs.
- Napa Valley Community College District (Napa CCD) did not meet the requirements of these provisions for the 2022-23 as well as for fiscal years 2021-22 and 2020-21 and did not apply for an exemption based on the provisions of the existing regulations. Napa CCD's deficiency for 2022-23 is \$1.8 million with a cumulative total of \$7. 7 million. Napa CCD implemented significant measures to offer employee retirement plans for classified and management, increases salaries for credentialed staff, and continue to review accounting records and practices to determine that expenses accurately reflect the current cost of education.
- San Mateo County Community College District (San Mateo CCD) did not meet the requirements of these provisions for the 2022-23 fiscal year, has not met the requirements since 2014-15 and did not apply for an exemption based on the provisions of the existing regulations. San Mateo CCD's deficiency for 2022-23 is \$18.5 million, with a cumulative total of \$88.3 million. San Mateo CCD continues to focus on student services that (1) aligns with the Vision for Success, (2) spending on services and initiative that support students inside and outside the classroom, (3) its faculty salaries are higher than other colleges in the region and among the highest in the state, and (4) it provides uncommon benefits to faculty. The district is in the process of developing a ten-year plan to bring the district into compliance which includes strategic management of faculty, achieving part-time faculty parity, reduce release time offered to full-time faculty, reduce overtime expenditures, and improve efficiency

with technologies.

- District plans for 2022-23 deficiencies are due to the Chancellor's Office by June 30, 2024. If a district does not resolve the deficiency in the year after the plan is submitted to the Chancellor's Office, the Chancellor must permanently withhold apportionments of any remaining nonexempted deficiency. Nonexempted 2022-23 deficiencies not resolved by 2024-2025 would be permanent in 2025-26.

WITHHOLDING OF STATE APPORTIONMENT FUNDS

A district's apportionment is funded by a combination of local property taxes, enrollment fees, and state funds. However, to the extent that local property taxes, enrollment fees or both, are sufficient to meet this entitlement, a district receives no general funds. Marin CCD, Napa CCD, and San Mateo CCD are each fully community supported through (or 'basic aid') and do not receive state apportionment funds. Consequently, the Chancellor's Office cannot withhold apportionment funds as defined by the budget act for these districts.

2022-23 FIFTY PERCENT LAW DEFICIENCIES

EL CAMINO COMMUNITY COLLEGE DISTRICT

Fiscal Year	Expense of Education	Instructional Salary Cost	Instructional Salary Cost Divided by Expense of Education	50% of Expense of Education	Deficiency (50% of Expense of Education Instructional Salary Cost)
2022-23	\$145,338,163	\$ 69,902,470	48.10%	\$72,669,082	\$2,766,612

MARIN COMMUNITY COLLEGE DISTRICT

Fiscal Year	Expense of Education	Instructional Salary Cost	Instructional Salary Cost Divided by Expense of Education	50% of Expense of Education	Deficiency (50% of Expense of Education Instructional Salary Cost)
2020-21	\$54,762,215	\$ 25,837,513	47.18%	\$27,381,108	\$1,543,595
2021-22	57,930,589	27,505,258	47.48%	28,965,295	1,460,037
2022-23	60,873,150	28,527,278	46.86%	30,436,575	1,909,297

Cumulative Deficiency: \$4,912,928

NAPA VALLEY COMMUNITY COLLEGE DISTRICT

Fiscal Year	Expense of Education	Instructional Salary Cost	Instructional Salary Cost Divided by Expense of Education	50% of Expense of Education	Deficiency (50% of Expense of Education Instructional Salary Cost)
2020-21	\$38,983,866	\$16,362,611	41.97%	\$19,491,933	\$3,129,322
2021-22	38,113,305	16,281,499	42.72%	19,056,653	2,775,154
2022-23	37,467,904	16,964,240	45.28%	18,733,952	1,769,712

Cumulative Deficiency: \$7,674,188

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

Fiscal Year	Expense of Education	Instructional Salary Cost	Instructional Salary Cost Divided by Expense of Education	50% of Expense of Education	Deficiency (50% of Expense of Education Instructional Salary Cost)
2015-16	\$122,234,998	\$59,133,545	48.38%	\$61,117,499	\$1,983,954
2016-17	134,541,331	61,397,825	45.63%	67,270,666	5,872,841
2017-18	141,321,321	62,807,382	44.44%	70,660,661	7,853,279
2018-19	156,613,664	66,148,910	42.24%	78,306,832	12,157,922
2019-20	161,933,798	68,756,215	42.46%	80,966,899	12,210,684
2020-21	167,594,649	69,682,558	41.58%	83,797,325	14,114,767
2021-22	175,440,660	72,038,326	41.06%	87,720,330	15,682,004
2022-23	193,664,591	78,381,518	40.47%	96,832,296	18,450,778

Cumulative Deficiency \$88,326,227

2022-23 FIFTY PERCENT LAW DISTRICT COMPLIANCE

FISCAL YEAR 2022-23 DISTRICT COMPLIANCE SUMMARY

District	Current Cost of Education	Instructional Salary Cost	Percent of Current Cost of Education (Instructional Salary Cost/Current Cost of Education)
Allan Hancock	\$53,566,952	\$27,433,379	51.21%
Antelope Valley	73,708,332	37,271,307	50.57%
Barstow	18,922,839	9,916,778	52.41%
Butte-Glenn	70,570,451	37,101,448	52.57%
Cabrillo	77,749,010	40,722,477	52.38%
Cerritos	139,611,002	77,845,569	55.76%
Chabot-Las Positas	134,692,033	72,625,882	53.92%
Chaffey	132,319,088	66,863,044	50.53%
Citrus	77,257,876	39,103,648	50.61%
Coast	219,732,902	111,653,400	50.81%
Compton	30,334,568	15,873,848	52.33%
Contra Costa	198,164,507	100,026,773	50.48%
Copper Mountain	12,156,220	6,081,128	50.02%
Desert	75,563,891	38,158,403	50.50%
El Camino	145,338,163	69,902,470	48.10%
Feather River	12,554,100	7,541,182	60.07%
Foothill-De Anza	187,775,013	95,437,096	50.83%
Gavilan	32,045,515	16,875,813	52.66%
Glendale	104,806,574	53,898,752	51.43%
Grossmont-Cuyamaca	112,878,476	59,588,178	52.79%
Hartnell	52,114,384	26,090,632	50.06%
Imperial	49,162,679	26,340,231	53.58%
Kern	174,096,106	90,429,540	51.94%
Lake Tahoe	15,528,999	7,937,726	51.12%
Lassen	14,777,615	8,667,518	58.65%
Long Beach	144,733,335	76,127,954	52.60%

District	Current Cost of Education	Instructional Salary Cost	Percent of Current Cost of Education (Instructional Salary Cost/Current Cost of Education)
Los Angeles	716,533,122	367,274,887	51.26%
Los Rios	371,699,445	196,898,673	52.97%
Marin	60,873,150	28,527,278	46.86%
Mendocino-Lake	26,588,094	13,656,707	51.36%
Merced	67,455,570	33,932,312	50.30%
MiraCosta	116,770,771	58,848,565	50.40%
Monterey Peninsula	48,869,610	26,269,461	53.75%
Mt. San Antonio	252,000,438	129,662,883	51.45%
Mt. San Jacinto	85,754,765	43,546,260	50.78%
Napa Valley	37,467,904	16,964,240	45.28%
North Orange	235,413,418	118,695,398	50.42%
Ohlone	61,496,777	31,100,365	50.57%
Palo Verde	18,496,238	9,873,611	53.38%
Palomar	124,008,472	62,676,816	50.54%
Pasadena Area	171,208,949	86,800,376	50.70%
Peralta	131,256,582	65,923,100	50.22%
Rancho Santiago	190,526,639	102,208,719	53.65%
Redwoods	34,609,044	17,407,407	50.30%
Rio Hondo	89,507,845	50,089,616	55.96%
Riverside	238,983,604	126,978,061	53.13%
San Bernardino	113,438,595	57,737,068	50.90%
San Diego	280,967,056	141,748,592	50.45%
San Francisco	146,493,060	73,887,817	50.44%
San Joaquin Delta	105,135,948	52,721,084	50.15%
San Jose-Evergreen	132,755,363	66,497,215	50.09%
San Luis Obispo	57,523,598	29,937,074	52.04%
San Mateo	193,664,591	78,381,518	40.47%
Santa Barbara	110,289,665	58,128,775	52.71%
Santa Clarita	109,726,493	57,931,143	52.80%

District	Current Cost of Education	Instructional Salary Cost	Percent of Current Cost of Education (Instructional Salary Cost/Current Cost of Education)
Santa Monica	194,033,142	97,116,754	50.05%
Sequoias	74,055,823	38,232,423	51.63%
Shasta-Tehama-Trinity	45,979,572	23,542,130	51.20%
Sierra	97,577,093	49,175,213	50.40%
Siskiyou Joint	16,562,557	8,283,729	50.01%
Solano	47,866,922	26,314,134	54.97%
Sonoma County	128,349,020	64,940,066	50.60%
South Orange County	215,647,055	111,444,087	51.68%
Southwestern	109,785,608	62,327,207	56.77%
State Center	228,801,086	116,283,937	50.82%
Ventura County	180,439,335	90,400,378	50.10%
Victor Valley	63,323,650	32,380,125	51.13%
West Hills	35,852,311	17,972,979	50.13%
West Kern	24,504,546	12,895,027	52.62%
West Valley-Mission	137,324,073	71,417,391	52.01%
Yosemite	116,929,744	58,474,857	50.01%
Yuba	44,368,842	23,011,678	51.86%
Statewide	\$8,462,442,925	\$4,328,684,829	51.15%

2022-23 FIFTY PERCENT LAW FIVE YEAR TREND

DISTRICT FIFTY PERCENT LAW FIVE YEAR TREND

District	2022-23	2021-22	2020-21	2019-20	2018-19
Allan Hancock	51.21%	50.48%	50.17%	50.43%	50.04%
Antelope Valley	50.57%	50.43%	50.00%	50.44%	50.82%
Barstow	52.41%	50.12%	50.44%	50.53%	50.17%
Butte-Glenn	52.57%	53.41%	54.33%	56.44%	56.21%
Cabrillo	52.38%	52.86%	53.49%	54.13%	52.48%
Cerritos	55.76%	53.99%	59.82%	57.49%	56.32%
Chabot-Las Positas	53.92%	53.53%	54.84%	53.70%	53.14%
Chaffey	50.53%	50.11%	50.23%	51.82%	52.36%
Citrus	50.61%	51.03%	53.76%	59.17%	54.83%
Coast	50.81%	50.52%	51.07%	50.23%	50.75%
Compton	52.33%	50.24%	50.11%	52.90%	50.56%
Contra Costa	50.48%	48.03%	51.01%	50.71%	51.93%
Copper Mountain	50.02%	50.25%	50.33%	52.52%	52.49%
Desert	50.50%	50.36%	50.02%	50.04%	50.01%
El Camino	48.10%	52.32%	52.97%	51.39%	52.13%
Feather River	60.07%	58.21%	54.83%	53.71%	52.49%
Foothill-De Anza	50.83%	50.57%	52.04%	52.03%	52.05%
Gavilan	52.66%	50.08%	50.11%	50.54%	54.09%
Glendale	51.43%	50.35%	52.32%	51.93%	50.02%
Grossmont-Cuyamaca	52.79%	53.61%	53.52%	51.67%	52.20%
Hartnell	50.06%	50.30%	50.07%	51.29%	51.43%
Imperial	53.58%	55.07%	50.93%	50.95%	51.17%
Kern	51.94%	52.27%	51.45%	53.67%	53.27%
Lake Tahoe	51.12%	50.23%	50.92%	52.12%	50.38%
Lassen	58.65%	53.24%	50.01%	52.95%	50.80%
Long Beach	52.60%	54.68%	54.54%	53.85%	54.25%
Los Angeles	51.26%	50.15%	51.24%	52.22%	51.90%
Los Rios	52.97%	53.05%	54.54%	52.10%	52.17%

District	2022-23	2021-22	2020-21	2019-20	2018-19
Marin	46.86%	47.48%	47.18%	50.12%	50.12%
Mendocino-Lake	51.36%	50.23%	50.18%	52.54%	51.03%
Merced	50.30%	50.25%	50.04%	50.62%	50.93%
MiraCosta	50.40%	50.32%	50.21%	50.03%	52.28%
Monterey Peninsula	53.75%	55.81%	53.17%	56.60%	52.45%
Mt. San Antonio	51.45%	52.82%	53.78%	55.17%	54.58%
Mt. San Jacinto	50.78%	50.73%	50.01%	51.87%	51.56%
Napa Valley	45.28%	42.72%	41.97%	50.51%	50.38%
North Orange	50.42%	50.26%	51.56%	51.70%	51.62%
Ohlone	50.57%	50.68%	51.78%	51.67%	51.40%
Palo Verde	53.38%	51.31%	52.17%	51.53%	51.18%
Palomar	50.54%	50.96%	50.92%	51.14%	50.18%
Pasadena Area	50.70%	50.29%	52.57%	53.02%	54.22%
Peralta	50.22%	50.17%	50.04%	50.11%	50.43%
Rancho Santiago	53.65%	54.10%	54.16%	54.00%	55.11%
Redwoods	50.30%	56.19%	52.17%	54.27%	53.95%
Rio Hondo	55.96%	55.66%	57.48%	56.85%	53.85%
Riverside	53.13%	52.66%	53.84%	53.46%	53.46%
San Bernardino	50.90%	50.94%	50.49%	50.63%	50.36%
San Diego	50.45%	50.06%	50.60%	50.00%	50.07%
San Francisco	50.44%	50.03%	52.57%	50.55%	53.01%
San Joaquin Delta	50.15%	51.13%	51.09%	51.85%	51.02%
San Jose-Evergreen	50.09%	50.19%	50.28%	50.97%	51.94%
San Luis Obispo	52.04%	52.01%	51.97%	51.53%	50.29%
San Mateo	40.47%	41.06%	41.58%	42.46%	42.24%
Santa Barbara	52.71%	53.27%	57.66%	56.74%	54.96%
Santa Clarita	52.80%	52.55%	55.32%	54.41%	54.85%
Santa Monica	50.05%	51.51%	53.48%	52.84%	50.60%
Sequoias	51.63%	51.36%	53.86%	53.69%	54.15%
Shasta-Tehama-Trinity	51.20%	50.19%	52.21%	52.37%	50.89%
Sierra	50.40%	50.00%	51.94%	52.12%	51.37%

District	2022-23	2021-22	2020-21	2019-20	2018-19
Siskiyou Joint	50.01%	47.78%	50.51%	50.14%	50.13%
Solano	54.97%	50.82%	51.88%	54.12%	50.13%
Sonoma County	50.60%	51.84%	53.26%	53.00%	53.10%
South Orange County	51.68%	52.64%	53.46%	53.82%	54.18%
Southwestern	56.77%	50.14%	50.41%	50.77%	50.40%
State Center	50.82%	51.14%	51.32%	51.65%	51.63%
Ventura County	50.10%	50.08%	50.05%	52.01%	52.75%
Victor Valley	51.13%	50.69%	50.20%	50.00%	52.09%
West Hills	50.13%	50.10%	53.22%	50.14%	50.01%
West Kern	52.62%	51.25%	50.34%	50.46%	52.10%
West Valley-Mission	52.01%	50.42%	50.54%	52.32%	50.00%
Yosemite	50.01%	50.13%	50.04%	50.47%	52.12%
Yuba	51.86%	52.98%	51.53%	51.09%	52.23%
Statewide	51.21%	51.01%	51.83%	52.00%	51.98%

Front cover photo: Mira Costa College

Photo at right: Sacramento City College

Back cover photo: Peralta Community College District



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