





The Board of Governors of the California Community Colleges

PRESENTED TO THE BOARD OF GOVERNORS

DATE: November 13, 2017

SUBJECT: Implementation of Fall 2018 Faculty Obligation Number		Item Number: 2.3	
		Attachment: Yes (1)	
CATEGORY:	Finance and Facilities	TYPE OF BOARD CONSIDERATION:	
Recommended By:	 Frances Parmelee, Assistant Vice Chancellor	Consent/Routine	
		First Reading	
Approved for Consideration:	 Eloy Ortiz Oakley, Chancellor	Action	X
		Information	

ISSUE: This item presents for the Board of Governors' consideration the annual determination of whether the adopted state budget provides adequate funding to support an increase in districts' full-time faculty hiring obligations for the coming academic year.

BACKGROUND: Section 51025 of title 5, California Code of Regulations, requires that by November 20 of each year, the Board of Governors (Board) must determine whether adequate cost-of-living adjustment funds, growth funds, and funds for other core programs have been provided in the State Budget to allow full or partial implementation of the increase in full-time faculty hiring obligations specified for districts.

Assembly Bill 1725 (Statutes of 1988) established a goal for the California community colleges that 75-percent of instructional hours to be taught by full-time faculty. In 1988-89, the Board adopted regulations to implement this new law, establishing a requirement that is commonly referred to as the full-time faculty obligation number (FON). Essentially, the regulations require that each district increase the number of full-time faculty employed proportionately with its increase in funded credit full-time equivalent students. Concurrently, the Chancellor's Office determined the number of full-time-equivalent faculty positions for each district, and these totals were then used as the basis for the subsequent calculations. While funding was initially provided by the state to increase the number of full-time faculty, there was not a sustained effort towards this goal.

(Background cont.)

RECOMMENDATION: It is recommended that the Board of Governors determines that the *Budget Act of 2017* provides adequate funding to support full implementation of districts' full-time faculty hiring obligations for Fall 2018.

(Background cont.)

In years in which the Board determines adequate funds are available for full implementation, each district's FON increases approximately by its percentage increase in funded full-time equivalent students (FTES) in credit courses.

In years in which the Board determines the budget act does not contain adequate funding to warrant full implementation of the FON, a district may choose, in lieu of maintaining its base obligation, to maintain at a minimum the percentage of full-time faculty attained in the prior fall term. To the extent that the number of full-time faculty or percentage of full-time faculty, as appropriate, have not been retained for a given year, the Chancellor is required to reduce a district's revenue for the fiscal year by an amount equal to the average replacement cost for the prior fiscal year times the deficiency in the number or equivalent of full-time faculty.

Any funding made available due to the resulting reductions in district(s) revenues shall be made available for statewide distribution on a one-time basis. This penalty is deferred in years in which the Board determines there are inadequate resources to implement an increase in the FON, but are due once the Board determines adequate resources are available. Penalties may not be waived.

During fiscal years 2008-09 through 2012-13, the Board determined the budget act did not provide funding to justify an implementation of an increase in the FON (Fall 2009 through Fall 2013). However, for fiscal years 2013-14 through 2016-17, the Board determined the budget contained adequate funding to warrant full implementation.

ANALYSIS: The *Budget Act of 2017* provides a base funding increase of \$183.6 million to support increased community college operating expenses in areas such as employee benefits, facilities, professional development, and converting faculty from part-time to full-time. In addition, the *Budget Act of 2017* includes a cost-of-living adjustment of 1.56%, or \$97.6 million, and an additional \$57.8 million for enrollment growth. Given the substantial increase to unrestricted and core programs, our analysis finds that implementation of an increase in full-time faculty hiring obligations for the Fall of 2018 is justified.

Staff: Michael Yarber, College Finance and Facilities Planning