



ASSOCIATION OF CHIEF BUSINESS OFFICIALS

via e-mail

August 13, 2019

Eloy O. Oakley, Chancellor
California Community Colleges Chancellor's Office
1102 Q Street
Sacramento, CA 95814

Dear Chancellor Oakley:

I am writing on behalf of the Association of Chief Business Officials (ACBO) Board to express our deep concern over interpretations and changes being made by the Chancellor's Office staff to the long standing calculation and formula used to establish our full-time faculty obligation (FON).

Recently, at the State Budget Workshops, it was announced that the FON calculation for Fall 2019 did not include a deficit factor even though many districts' revenue was constrained due to a lack of overall funding available. The rationale provided was that not all districts received a deficit. This seems to be in violation of Title 5, Section 51025 (c)(1) regulations which states:

"...the district's base full-time faculty obligation...shall be increased for the fall term of the succeeding fiscal year, by the product of the base full-time faculty obligation multiplied by the percentage change in funded credit FTES...In computing the district's full-time faculty obligation for the succeeding fiscal year, the base obligation will be increased by the lower of the projected fundable growth at the time of the budget enactment or the actual percentage change in funded credit FTES. For the second succeeding fall term the obligation will be adjusted to the actual percentage change in funded credit FTES."

Emphasis is added to "funded credit FTES". A district with constrained revenue has not been funded to the full extent it was earned. Therefore, an adjustment in the calculation is warranted. However, we were told that no adjustment would be made and it was the Chancellor's Office's interpretation that the revenue had been fully funded, clearly this is not the case.

As a compromise, districts were told that they could contact the Chancellor's Office to discuss any concerns they had over the FON calculation. It has come to our attention that districts are being told they can submit letters to the Chancellor's Office asking for their calculation to be revised using Annual credit FTES rather than P-2 credit FTES as was done for every other district. This is a clear and egregious departure from the FON calculation that has been in place for decades and does not comport with current regulations. The regulations clearly indicate that the FON is adjusted twice: once based upon *the lower of the projected fundable growth at the time of budget enactment* (i.e. Advanced) or *the actual percentage change in funded credit FTES* (i.e. P-2) and a second time in the *second succeeding fall term for the actual percentage change in funded credit FTES* (i.e. Annual).

We are adamantly opposed to creating and/or interpreting regulations differently for different districts. Doing so results in inequities throughout the system and diminishes the credibility of the Chancellor's Office and the district CBO who follows the regulations and guidelines as they've been instructed to for decades. Since the FON is one of those requirements that is so polarizing, we do not believe that it is in the best interest of anyone to change the interpretations mid-cycle or at all unless the change is fully vetted through Consultation Council and done as a revision to the Title 5 regulations wording.

We request the Chancellor's Office revise the FON calculations and apply a deficit factor for the constrained percentage imposed upon districts at P-2. Doing so is in compliance with our current Title 5 regulations and within the intent and spirit of the regulations.

Respectfully,



Ann-Marie Gabel
ACBO President

cc: ACBO Board
Christian Osmena, Vice Chancellor – CCCCCO