



# 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.

## CONSULTATION

**Title:** Implementation of the Fall 2015 Faculty Obligation Number

**Date:** October 16, 2014

**Contact:** Dan Troy, Vice Chancellor for Fiscal Policy

### Background

By November 20 of each year the Board of Governors must determine whether adequate cost-of-living adjustment (COLA) 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 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 faculty positions and is commonly referred to as the full-time faculty obligation number (FON).

In years in which the board determines that adequate 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.

In years in which the Board of Governors determines that 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 full-time faculty percentage 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.

All revenues available due to the reductions shall be made available for statewide distribution on a one-time basis. This penalty is deferred in years in which the Board determines that there are not adequate resources to implement an increase in the obligation number, but are due once the Board determines adequate resources are available. Penalties may not be waived.

### Analysis

For fiscal years 2008-09 through 2012-13, the board determined that the budget act did not provide funding to justify an implementation of an increase in full-time faculty hiring obligations for Fall 2009 through Fall 2013. However, last November the board determined the 2014 budget contained adequate funding to warrant full implementation.

The 2014-15 budget approved by the legislature continued the state's reinvestment in public education, with greater funding augmentations for the Community College system.

Specifically, the 2014-15 budget provides new funding for access, a statutory cost of living adjustment (COLA), student success and student equity plans, CTE, deferred maintenance and other system priorities.

The Governor and Legislature provided a budget clearly supportive of student access and success. For the second consecutive year it funds the annual COLA described in statute. Districts received \$148M in Physical Plant/Instructional Equipment funding and a local match is not required. The budget augmented the SSSP program by \$100M and included \$70M for the implementation of Student Equity Plans. Additionally, the \$49.5M provided for prior mandate claims chips away at the state's obligations to community college districts and the \$30M for DSPS restores that program to the level of funding it had prior to the categorical program reductions of 2009.

While the 2014-15 budget provides significant resources, there remain areas of significant concern. Looking forward, we note that Proposition 30 revenues are not permanent. The sales tax rate increase end December 31, 2016, and the increase on upper-income, income taxes will last only through 2018. Without an extension of these taxes, there is a threat of reduced funding or very slow growth in the not too distant future.

Further, colleges are still feeling the effect of the lost purchasing power resulting from the lack of COLAs during the difficult budget years. While the 2013 and 2014 Budget Acts fund the statutory COLAs for those years, no progress has been made toward restoring the lost purchasing power from earlier years. This constrains district discretionary resources.

Finally, while some progress has been made toward stabilizing the system's apportionment base, we are still subject to potential funding deficits should property taxes or fee revenues fall short of estimates made at the time of the Budget Act. We have recommended districts budget cautiously to prepare for shortfalls, which can be unknown until the end of the fiscal year.

Weighing all of these factors, we believe that the Budget Act of 2014 provides sufficient COLA, growth, and other core funding to justify implementation of an increase in full-time faculty hiring obligations for the Fall of 2015. The 2014-15 budget provides significant funding increases and there is a reasonable expectation of further gains over the life of Proposition 30.

## **Proposal**

The California Community Colleges, Chancellor's Office staff finds that the *Budget Act of 2014* provides adequate funds to support an increase in the full-time faculty obligations for community college districts for Fall 2015. This recommendation will be taken to the Board of Governors at its November 2014 meeting.

**CALIFORNIA COMMUNITY COLLEGES**  
**FULL-TIME FACULTY OBLIGATION**  
September 4, 2014

District	Fall 2013			Fall 2014			Fall 2015
	Calculated Advance	Calculated P-2	Compliance FINAL	Calculated Advance	Calculated P-2	Compliance FINAL	Projected
Allan Hancock	129.4	125.4	125.4	126.4	131.4	126.4	134.4
Antelope Valley	143.6	138.6	138.6	139.6	146.6	139.6	150.6
Barstow	29.5	28.5	27.5	27.5	28.5	27.5	27.5
Butte	165.4	159.4	159.4	161.4	166.4	161.4	171.4
Cabrillo	189.6	177.6	177.6	177.6	176.6	176.6	181.6
Cerritos	266.2	255.2	255.2	258.2	268.2	258.2	275.2
Chabot-Las Positas	277.0	267.0	267.0	270.0	278	270.0	286
Chaffey	195.8	189.8	189.8	191.8	200.8	191.8	205.8
Citrus	174.3	155.0	155.0	157.0	179.3	157.0	184.3
Coast	411.4	363.4	363.4	360.4	407.4	360.4	419.4
Compton	26.4	24.4	22.4	24.4	24.4	24.4	24.4
Contra Costa	342.7	318.7	318.7	315.7	327.7	315.7	337.7
Copper Mountain	13.6	12.6	12.6	11.6	10.6	10.6	10.6
Desert	97.2	94.2	94.2	95.2	98.2	95.2	100.2
El Camino	313.2	302.2	302.2	306.2	316.2	306.2	326.2
Feather River	21.1	19.1	19.1	18.1	19.1	18.1	19.1
Foothill-DeAnza	442.0	408.0	408.0	404.0	408	404.0	420
Gavilan	69.1	67.1	67.1	68.1	69.1	68.1	70.1
Glendale	220.0	209.0	209.0	212.0	221	212.0	228
Grossmont-Cuyamaca	269.7	260.7	260.7	263.7	273.7	263.7	280.7
Hartnell	96.9	92.9	92.9	93.9	97.9	93.9	99.9
Imperial	88.3	90.3	88.3	89.3	93.3	89.3	95.3
Kern	365.8	348.8	348.8	353.8	368.8	353.8	379.8
Lake Tahoe	22.2	16.2	16.2	15.2	18.2	15.2	18.2
Lassen	23.9	21.9	20.9	20.9	19.9	19.9	19.9
Long Beach	331.6	320.6	320.6	324.6	333.6	324.6	343.6
Los Angeles	1445.1	1401.1	1401.1	1421.1	1477.1	1421.1	1519.1
Los Rios	890.2	861.2	861.2	873.2	909.2	873.2	935.2
Marin	85.9	80.9	73.9	80.9	74.9	74.9	76.9
Mendocino-Lake	41.0	46.0	41.0	45.0	35	35.0	36
Merced	169.6	165.6	165.6	167.6	176.6	167.6	181.6
Mira Costa	143.1	150.1	108.1	150.1	149.1	149.1	151.1
Monterey Peninsula	124.9	111.9	109.9	110.9	112.9	110.9	115.9
Mt. San Antonio	379.9	365.9	365.9	371.9	385.9	371.9	395.9
Mt. San Jacinto	119.8	114.8	114.8	115.8	119.8	115.8	122.8
Napa Valley	92.7	92.7	92.7	93.7	94.7	93.7	97.7
North Orange	498.8	483.8	483.8	491.8	511.8	491.8	525.8
Ohlone	110.2	106.2	106.2	107.2	110.2	107.2	113.2
Palo Verde	18.0	22.0	17.0	21.0	17	17.0	17
Palomar	267.8	257.8	257.8	260.8	270.8	260.8	278.8
Pasadena Area	372.2	353.2	353.2	358.2	371.2	358.2	382.2
Peralta	311.2	301.2	301.2	305.2	304.2	304.2	313.2
Rancho Santiago	329.8	328.8	328.8	334.8	347.8	334.8	356.8
Redwoods	81.1	71.1	71.1	70.1	63.1	63.1	65.1
Rio Hondo	198.6	192.6	192.6	194.6	202.6	194.6	208.6
Riverside	335.0	323.0	323.0	327.0	340	327.0	349
San Bernardino	199.8	192.8	192.8	194.8	202.8	194.8	207.8
San Diego	466.8	454.8	454.8	462.8	477.8	462.8	490.8
San Francisco	467.8	477.8	467.8	473.8	362.8	362.8	373.8

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District	Fall 2013			Fall 2014			Fall 2015
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San Joaquin Delta	209.8	201.8	201.8	203.8	211.8	203.8	217.8
San Jose-Evergreen	215.0	208.0	208.0	208.0	199	199.0	206
San Luis Obispo	135.4	129.4	129.4	130.4	128.4	128.4	132.4
San Mateo	376.8	377.8	338.8	377.8	334.42	334.4	375.8
Santa Barbara	229.4	229.4	229.4	232.4	223.4	223.4	230.4
Santa Clarita	177.8	169.8	169.8	171.8	178.8	171.8	182.8
Santa Monica	251.4	241.4	237.4	244.4	255.4	244.4	262.4
Sequoias	170.2	163.2	163.2	165.2	170.2	165.2	174.2
Shasta-Tehama-Trinity	117.1	115.1	115.1	116.1	110.1	110.1	113.1
Sierra	194.6	196.6	193.6	198.6	190.6	190.6	196.6
Siskiyou Joint	33.4	32.4	32.4	31.4	31.4	31.4	32.4
Solano	154.6	121.6	121.6	120.6	150.6	120.6	154.6
Sonoma County	286.5	255.5	255.5	252.5	285.5	252.5	294.5
South Orange County	403.8	401.8	305.8	401.8	353.8	353.8	366.8
Southwestern	243.3	234.3	234.3	237.3	241.3	237.3	248.3
State Center	458.5	443.5	443.5	449.5	466.5	449.5	479.5
Ventura County	378.2	364.2	364.2	369.2	383.2	369.2	393.2
Victor Valley	115.1	112.1	112.1	113.1	117.1	113.1	120.1
West Hills	88.5	84.5	84.5	85.7	91.34	85.7	91.5
West Kern	55.6	54.6	52.6	53.6	55.6	53.6	54.6
West Valley-Mission	315.1	315.1	315.1	322.1	279.1	279.1	289.1
Yosemite	281.0	271.0	271.0	274.0	286	274.0	294
Yuba	93.4	90.4	90.4	91.4	81.4	81.4	83.4
<b>Total</b>	16,859.7	16,235.4	16,014.4	16,369.6	16625.16	16,048.3	17,117.7

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Marin	85.9	80.9	73.9	80.9	74.9	74.9	76.9
Mendocino-Lake	41.0	46	41.0	45.0	35	35.0	36.0
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<b>Total</b>	16,859.7	16235.4	16,014.4		16,369.6	16625.16	16,048.3	17,117.7