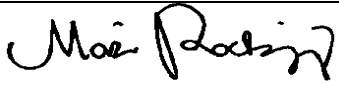





The Board of Governors of the California Community Colleges

PRESENTED TO THE BOARD OF GOVERNORS
 DATE: November 14, 2016

SUBJECT: Implementation of Fall 2017 Faculty Obligation Number		Item Number: 2.5	
		Attachment: No	
CATEGORY:	Finance and Facilities	TYPE OF BOARD CONSIDERATION:	
Recommended By:	 Mario Rodriguez, Vice Chancellor	Consent/Routine	
		First Reading	
Approved for Consideration:	 Erik E. Skinner, Interim Chancellor	Action	X
		Information	

ISSUE: This item presents information for the Board of Governors’ consideration in determining whether the *Budget Act of 2016* provides adequate funding to support an increase in districts’ full-time faculty hiring obligations for Fall 2017.

BACKGROUND: By November 20 of each year the Board of Governors 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 in section 51025 of Title 5, California Code of Regulations.

Assembly Bill 1725, which passed in 1988, established a goal to reach 75-percent of instructional hours to be taught by full-time faculty. In 1988-89, baseline levels of full-time-equivalent faculty positions were calculated for each district, which is commonly referred to as the full-time faculty obligation number (FON). While funding was initially provided to increase the number of full-time faculty, there was not a sustained effort towards this goal. 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. **(Background cont.)**

RECOMMENDATION: The Board of Governors determines that the Budget Act of 2016 provides adequate funding to support full implementation of districts’ full-time faculty hiring obligations for Fall 2017.

(Background cont.)

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 chose 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.

During the course of 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 (Fall 2009 through Fall 2013). However, for fiscal years 2013-14 through 2015-16, the board determined the budget contained adequate funding to warrant full implementation.

ANALYSIS: The Budget Act of 2016 provides \$114.7 million for increased access, \$75 million in general operating expense funding, \$200 million to improve regional career technical education and workforce training, \$30 million to improve basic skills instruction, as well as investments in other categorical programs. Given this substantive increase to unrestricted and core programs, we believe implementation of an increase in full-time faculty hiring obligations for the Fall of 2017 is justified.

Staff: Michael Yarber, College Finance and Facilities Planning