Background

By November 20 of each year the Board of Governors determines whether adequate growth funds, adequate cost-of-living adjustment (COLA) funds, and funds for other core programs have been provided to allow implementation of the 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 positions and is commonly referred to as the full-time faculty “obligation.” 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.

For the years 2005-06 through 2007-08, the board determined that there were adequate funds provided to fully address the growth increment of full-time faculty hiring obligations. However, beginning with fiscal years 2008-09 through 2011-12, the board determined that the budget act did not provide adequate COLA and enrollment growth funding to justify the implementation of any increase in full-time faculty hiring obligations for these years.

Analysis

The state’s slow economic recovery is reflected in the 2012 Budget Act. All hope for avoiding funding reductions beyond the $809 million in cuts absorbed by districts since 2008-09 is reliant upon the will of the voters in November. Failure of Proposition 30 will result in $338.6 million in new CCC reductions. In addition, the state’s major cash crunch has been thrust onto the CCCs, requiring districts to juggle their cash flow during the course of the year to ensure that payroll obligations can be met.

Even if Proposition 30 is passed by the voters, the funding increase the CCCs will receive pales in light of the reductions the system has suffered in recent years. No COLA has been received since 2007-08. Significant cuts to general apportionment funds occurred in 2009-10 and 2011-12, so that the modest amount of growth funding received in
2010-11 was insufficient to restore the system back to its 2008-09 level. Further, there was a 40% reduction in funding for categorical programs in 2009-10 as well, which has also not been restored. Districts have had to backfill these categorical cuts from their shrinking general purpose funding and/or dip into their reserves to maintain the vital student support programs. The $50 million in new growth funding and $160 million in deferral buy down the CCCs would receive under Proposition 30’s passage represents a tepid increase that does little to address the major reductions that districts have received in recent years.

Proposal

The California Community Colleges, Chancellor’s Office staff suggests that the Budget Act of 2012 provides inadequate funds to support an increase in the full-time faculty obligations for community college districts for Fall 2013, whether or not Proposition 30 passes. Colleges will have the opportunity to meet their hiring obligation by maintaining the same ratio of full-time to part-time staff from the prior year, or by meeting their calculated obligation. This recommendation will be taken to the Board of Governors at its November 2012 meeting.