Title: Faculty Obligation Number

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Background

Assembly Bill 1725 (Statutes of 1988, Education Code Section 87482.6) and implementing regulations (California Code Regulations, Title 5, Sections 51025 and 53300, et seq.- adopted in 1991) established a goal for percentage of hours taught by full-time faculty at 75 percent. As of the fall of 1998, non-instructional faculty were also included in this goal.

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 number (FON).

Each year, the Board of Governors makes a determination as to whether or not the annual budget act has provided sufficient resources to require full or partial implementation of the FON.

In years in which the Board of Governor’s 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 have not been retained, the Chancellor’s Office 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 revenue available due to the reductions is made available for statewide distribution on a one-time basis.

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.
Specifically, the base FON for the fall term of the following fiscal year is “increased by the lower of the projected fundable credit growth at the time of the budget enactment” (Advance Apportionment), OR “the actual percentage change in funded credit FTES” at the P2 Apportionment. The FON is then “adjusted to the actual percentage change in funded credit FTES” at the time of the Recalculation Apportionment, which then forms the basis for the calculation of the subsequent year’s P2 Apportionment FON. {California Code Regulations, Title 5, Section 51025(c) (1)}

For the years 2005-2006 through 2007-2008, the board determined that there were adequate funds provided to fully address the growth increment of full-time faculty hiring obligations. For fiscal years 2008-2009 through 2013-2014, the board determined that the Budget Act did not provide adequate funding for COLA, access, and categorical funding to justify the implementation of any increase in full-time faculty hiring obligations for these years. It should be noted that in 2009-2010 and 2011-2012, workload reductions implemented as a result of budget cuts actually lowered the FON for all districts, as funded credit FTES declined across the system.

Analysis

While there is broad acknowledgement throughout the system of the important role full-time faculty play in ensuring the educational quality of our colleges, many concerns have been voiced about the FON over the years. Some frequently cited concerns, presented in no particular order, include:

- **75 percent** - While the FON springs from the 75 percent goal outlined in Assembly Bill 1725, the regulation is not tied to the percentage of instruction provided by a district by full-time faculty, but rather the number of full-time faculty employed at a given point in time. Thus, the FON is not designed to make progress toward the goal outlined in Assembly Bill 1725. A given percentage of full-time faculty instruction can remain stable or even decrease in some circumstances while meeting their FON obligation.

- **Equity** – The FON starting point is the full-time faculty employed by the district in 1988. Thus, districts with relatively high starting points are held perpetually to a higher standard than districts who started at a lower number.
• **Local Discretion** – This state regulation goes to the heart of the issue of what role the state should play in the choices made by local districts. A district, for example, may believe that increased investment in information technology or in classified staff may best meet local needs, but such a district may be constrained from doing so due to the need for FON compliance. There are a basket of items necessary for districts to ensure quality instruction and support for students, but the FON only addresses one item.

• **Funding** – There is no current designated funding source to support FON increases. For two fiscal years in the early 1990s, Program Improvement funding was provided in the state budget for the purpose of increasing the percentage of instruction provided by full-time faculty, but no resources have been dedicated specifically for this purpose since then.

• **Volatility** – Volatility is the only constant when it comes to state revenues. Rapid boom and bust cycles provide management challenges for districts. Given the volatility, part-time faculty provide more flexibility for districts in times of sharp course section growth or decline. The FON adds further complications to these challenges.

• **Complexity** – The formula is very complex and takes a great deal of time for the Chancellor’s Office staff to produce, and correspondingly, for districts to understand.

The system has long struggled with questions concerning the FON. Indeed, a workgroup was convened in 2005 to analyze the reasons why the FON does not lead to progress toward the 75 percent goal. Reasons (which may sound familiar) outlined in the final report included:

• **Funding Inadequacy** – Program Improvement funding was the target in implementing Assembly Bill 1725. This funding discontinued two years later and there is no dedicated funding mechanism.

• **Funding Reductions** – State funding reductions from 1991-1996 and 2002-2004 made it difficult to make progress toward the 75/25 goal.

• **Rapid Enrollment Growth** – Calculation is based on prior year’s growth and districts hire part-time faculty to meet the growth needs.

• **Enrollment Decline or Instability** – Enrollment decline results in a permanent reduction of FON.

• **Retirement Incentive Impact** – Districts that are well above the FON, a retirement incentive program will reduce the full-time/part-time ratio, even if a district continues to maintain its FON.
• **Nature of the Institution** – Survey showed that colleges with a low ratio from 1988 makes it difficult to make significant progress and colleges that started with a higher ratio are now facing difficulty in maintaining this position. Current regulations do not take into account unique characteristics of an individual district/college.

• **Institutional Priorities and Choices** – Survey illustrated that some districts have chosen to hire additional classified staff (in support of technology, student services, and learning resources). The long-range plan for districts tends to be one of simply meeting the FON rather than making progress toward the 75/25 goal.

**Conclusion**

This item is presented for discussion by the Consultation Council.