



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.

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Title: Faculty Obligation Number

Date: October 20, 2011

Contact: Dan Troy, Vice Chancellor for Fiscal Policy

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 full or partial 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 COLA and growth 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 2010-11, 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 recently enacted *2011-12 Budget Act* includes a provision authorizing the Chancellor to adjust districts' base workload measures commensurate with reductions in general apportionment revenues. The purpose of this workload adjustment is to align FTES workload with the reduced revenues provided to districts by the state in the 2011-12 Fiscal Year. Simply put, the workload adjustment provision acknowledges that significant budget cuts will reduce the capacity of community colleges to offer courses and that colleges reduce workloads accordingly. Additionally, the Budget Act provides \$129 million in new deferrals and anticipates scenarios for potential mid-year cuts to the system of \$30 million and \$72 million if certain statewide revenue estimates are not met. These funding deferrals continue considerable strain on California Community Colleges.

Proposal

Given the deep budget cuts and proposed midyear cuts to the California Community Colleges, Chancellor's Office staff finds that the *Budget Act of 2011* provides inadequate funds to support an increase in the full-time faculty obligations for community college districts for Fall 2012. 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. This recommendation will be taken to the Board of Governors at its November 2011 meeting.