



LEAGUE ISSUES BRIEF

A publication to assist local districts in understanding & responding to issues under review in the Chancellor's Consultation Process. Provided to CEOs for distribution to trustees, administrators and leaders, as appropriate.

September 24, 2002

ISSUE: Have adequate growth and COLA funds been provided to trigger a state regulatory mandate to increase the number of new full-time faculty members a local district must employ?

BACKGROUND: Section 51025(e) of the *California Code of Regulations* requires the Board of Governors to determine annually by January 20 whether "adequate growth funds and adequate cost-of-living funds have been provided to allow full or partial implementation" of subsection (a)(1) of the same section, which requires districts to increase the number of full-time faculty by the succeeding Fall term.

This regulation was promulgated pursuant to Education Code section 87482.6, which requires the Board of Governors to establish regulations to require that districts with "less than 75 percent of their hours of credit instruction taught by full-time instructors shall apply a portion of the [district's] program improvement allocation." There are no statutory or regulatory provisions that establish when "adequate growth funds" or "adequate cost-of-living funds" have been provided for purposes of determining whether additional full-time faculty hires shall be mandated on districts. This is a decision annually made by the Board of Governors.

Last year there was sustained debate as to whether the test of adequacy had been met. The CEOCCC and CCCT board representatives of the League argued that the test of adequacy had not been met due to various program cuts and unfunded costs. Nonetheless, the Board of Governors chose to ignore the League's recommendation and determined at its January 2002 meeting that adequate funds had been provided to trigger a full implementation of the full-time hiring obligation.

Because the debate had been contentious and difficult, the Chancellor created the Full-Time Faculty Obligation Task Force and asked the group to develop the details of an option around which consensus hopefully could be built so he could take an uncontested recommendation to the Board of Governors for action. The Task Force met 3 times. The League representatives argued once again that due to various program cuts and unfunded costs, there were not sufficient funds to trigger the full-time faculty obligation. See attachment 1. League representatives also requested that the decision about the obligation should be made earlier than January because of the hiring calendar of local districts. See attachment 2. There was consensus about moving the date for action by the Board of Governors up to September or to the first meeting after the State Budget was signed. This date change should be helpful to districts as they plan and make decisions about the number of full-time faculty they can hire.

PROPOSED SOLUTION: Although the CCCT and CEOCCC representatives of the League continued to argue that adequate growth and COLA funds had not been provided to trigger the full-time faculty obligation due to the program cuts and unfunded costs, it was necessary to compromise to reach consensus. Task Force consensus was built around the following recommendations that were subsequently approved by the Consultation Council:

1. Recognition that the full-time faculty hiring goals specified in state law and regulation remain high priorities for the system, even in difficult fiscal environments; balanced by recognition that the system faces a highly unusual fiscal dilemma in the 2002-03 fiscal year.

2. Given the above circumstances, a recommendation that the Board of Governors determine that the 2002-03 Budget provides adequate growth and cost-of-living funds only for partial implementation of the full-time hiring obligations.
3. In calculating each district's obligation for Fall 2003, **a 50 percent reduction would be made to the calculated full-time faculty hiring obligation**, rounded down to the nearest whole number of positions. This reduction remains permanent and is not made up in future years.
4. Districts on the severest two priorities of the Chancellor's Office fiscal watch list could request approval from the Chancellor's Office for a one year deferral of the obligation to hire additional full-time faculty. Other districts could request a deferral, provided that: (a) Justification is provided of unusual extenuating circumstances, including unusually high costs attributable to PERS, the new STRS mandate, energy, health benefits, insurance, or lack of COLA for part-time faculty compensation (provided the increased compensation is placed on salary schedules). (b) Districts first seek agreement to the deferral request from the faculty bargaining unit after conferring with the academic senate. (c) The deferral request is approved in a noticed, public meeting by the local board of trustees, with an opportunity for input from representatives of faculty bargaining units, academic senate and students. (d) The deferral request is accompanied by (i) sign-off by the representatives of bargaining units, academic senate, and students acknowledging that the required "sunshining" of the request took place and (ii) a summary of the proceedings, and any written materials submitted by the various interested parties.
5. The Chancellor's Office will report to the Consultation Council and the Board, and include an agenda item on the Board of Governor's consent calendar, regarding the actions taken on the deferral requests, including reasons for approval or disapproval.

The focus of the approach outlined above is on the 2002-03 Budget and the Fall 2003 hiring obligation. The task force believes the approach for future years requires further discussion and experience with the recommended Fall 2003 approach.

ANALYSIS OF PROPOSED SOLUTION: The League supports the compromise because it sets an important precedent that when funds are cut, the full-time faculty obligation should also be cut. This precedent is particularly important for the 2003-04 year should current negative budget projections materialize as expected. In addition, the calculation is simple and easy to understand and being given to the districts earlier in the fiscal year than ever before so that districts can make timely hiring decisions. Finally, this approach is in place for this year only and can be changed in future years if it needs to be modified.

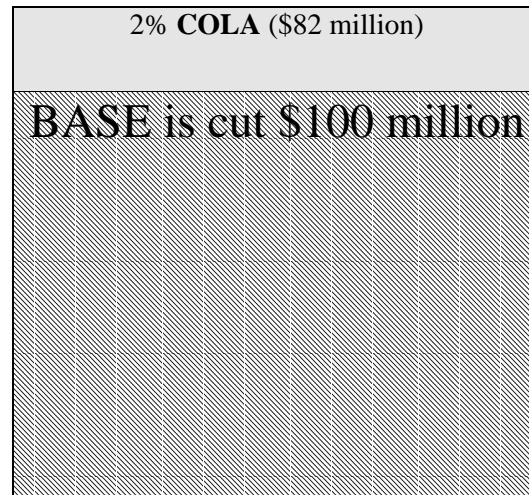
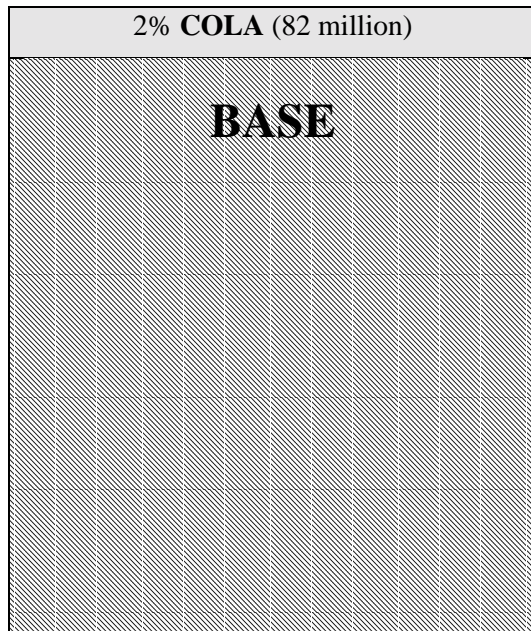
TIMELINE: The proposed solution described in the previous section is being presented to the Board of Governors for approval on November 12 & 13 at its regular meeting that is being held at the College of the Canyons. The Consultation Council approved the proposed solution described above at its meeting on September 19, 2002. It is not expected that there will be any opposition to this recommendation at the Board of Governors.

LOCAL ACTION SUGGESTED: CEOs should share this information with their trustees and local consultation groups so that planning for full-time hires for Fall 2003 can begin as early as possible. The primary impact of the BOG action is that districts will have a 50% reduction in the full-time faculty obligation that was provided to districts in July. Districts which are not able to meet this obligation may request a one year deferral.

Is COLA “Adequate”?

Yes, when COLA is on top of base funding

No, when base is **cut** and districts end up with **less** money than the year before



This is **not** taking into account new costs for which the districts do **not** receive funding:

- STRS mandate (\$20 million)
- PERS contribution (\$30 millions)
- Increased energy costs (\$50 million)
- Increased health benefits
- No COLA for PFE
- No COLA for part-time faculty compensation
- Increased insurance costs
- Unfunded growth

Many would argue that COLA is not adequate unless these costs have been covered.

**TIMELINE ISSUES
RELATED TO FULL-TIME/PART-TIME FACULTY OBLIGATION**

College Level Hiring Timeline	Legislature & Board of Governors Timeline	Chancellor's Office FTF Obligation Notification Timeline
June, July, Aug: <ul style="list-style-type: none"> Decision made about which faculty positions to hire (shared decision-making process) 	June, July, Aug: Legislature decides budget	July: <ul style="list-style-type: none"> Districts get FTF projected obligation for following fiscal year from CO state budget workshop manual: "district obligation will be adjusted by expected funded growth."
Sept, Oct: <ul style="list-style-type: none"> Board authorizes new position(s) 		October: <ul style="list-style-type: none"> In October, districts get formal notices of their projected obligation figures. Districts can use either the July or October figure.
Nov, Dec, Jan: <ul style="list-style-type: none"> Advertise positions 		
Jan, Feb: <ul style="list-style-type: none"> Screen applications 	January 20 <ul style="list-style-type: none"> BOG determines if sufficient funds have been provided to trigger FTF obligation for following fiscal year 	
March: <ul style="list-style-type: none"> Initial interviews 		
April: <ul style="list-style-type: none"> Final interviews 		
May: <ul style="list-style-type: none"> Make offer 		
June: <ul style="list-style-type: none"> New faculty moves to college 		June: <ul style="list-style-type: none"> Districts receive final notification of FTF obligation (P2 adjustment).
July: <ul style="list-style-type: none"> New faculty moves to college 		
August: <ul style="list-style-type: none"> New faculty begins teaching 		August: <ul style="list-style-type: none"> Districts find out how much growth will be funded. Currently districts are only getting 73 cents on the dollar. There are 48,000 unfunded FTES.