

MEMORANDUM

September 19, 2014

Via E-mail Only

To: Chief Business Officer

From: Mario Rodriguez, Assistant Vice Chancellor
College Finance and Facilities Planning

Subject: Full-Time Faculty Obligation Penalty

Synopsis: By November 20 of each year the Board of Governors (Board) determines whether adequate cost-of-living adjustment (COLA) 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 California Code of Regulations title 5 Section 51025.

During fiscal years 2008-09 through 2012-13, the Board determined that the budget did not provide adequate funding to justify the implementation of any increase in full-time faculty hiring obligations for fall 2009 through fall 2013.

To the extent that the required number of full-time faculty or percentage of full-time faculty, as appropriate, have not been retained for a fiscal year, the Chancellor is required to pay a penalty equal to the average replacement cost for the fiscal year times the deficiency in the number or percentage equivalent of full-time faculty. All revenue 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 must be paid once the Board determines adequate resources are available. These penalties may not be waived.

In years the Board determines the budget does not contain adequate funding to warrant full implementation of the full-time faculty obligation number; a district may choose to maintain, at a minimum, the full-

2011) and 2012) full-time faculty obligation for fall 2011 was 96 and you reported 95, for a difference of 1 full-time equivalent faculty. The full-time faculty replacement cost for 2011 was \$66,801, therefore, your district has a penalty for fall 2011 of \$68,601.

2012) and 2013) full-time faculty obligation for fall 2012 was 96 and you reported 95, for a difference of 1 full-time equivalent faculty. The full-time faculty replacement cost for 2012 was \$69,128; therefore, your district has a penalty for fall 2012 of \$69,128. The penalty for each year will be adjusted on the 2013-14 Recalculation Exhibit C and appear as prior year adjustments.

Contact: If you have questions about this memo, please contact Michael Yarber at (916) 327-6818 or myarber@cccco.edu.