

TESTIMONY PRESENTED TO THE JOINT HEARING
ASSEMBLY HIGHER EDUCATION COMMITTEE
SENATE SUBCOMMITTEE ON HIGHER EDUCATION
STRENGTHENING COMMUNITY COLLEGE FINANCE
TO LINK FUNDING WITH STATE POLICY OBJECTIVES
OCTOBER 7, 2004, PASADENA CITY COLLEGE

Policy Recommendations for Restructuring Community College Finance

Since 1991, community college funding has been allocated by a complex mechanism known as program-based funding. While this formula was intended to establish a higher level for community college funding, the formula was not used successfully to determine the level of funding needed by the colleges, but was used only to allocate funds. Thus, after 13 years, the level of funding varies from district to district and the colleges are not able to serve all the students seeking classes.

A new funding model should be considered for several reasons:

- There are at least three major areas in which funding has been especially inadequate for district needs. These are: equalization, growth, and noncredit funding rates. Each affects different districts and each has become a significant problem in recent years.
- The state's economic cycle (deficits) have caused community colleges to suffer significant cuts in recent years; this is the time to revise the formula so that future funds are allocated in a way that addresses present inequities and state and local priorities.
- The current policy and practice of program based funding has contributed to uneven funding, and, therefore, uneven access throughout the state and, even worse, it has resulted in denial of access to thousands of students in multiple districts that have consistently demonstrated similar circumstances and needs as other higher funded districts.

Options for Revising and Improving State Level Finance Policy for the Community Colleges

1. Equalization must become a reality with strong legislative support for the Governor's proposal to infuse approximately \$80 million for each of three years to reduce funding inequities throughout the state. Approximately equal revenues behind each community college student should be a central tenet of State funding for the community colleges.
2. Legislative action should be initiated to replace the program based funding formula with an approach that is much closer to an FTES system. A comprehensive reform effort is needed.

Differential Funding

Do not support a formula that would provide different amounts of funds per student for different kinds of programs. Many programs, such as nursing and other health care disciplines, are more costly than others. But they also require core skills and course that teach competent oral and written communication, biology, anatomy and physiology, math and other general education courses. Separating programs will not provide incentives to initiate high cost programs. Most of the state's lowest funded programs, in fact, include high cost programs in their curriculum. The Chancellor's Office and the Board of Governors have supported regional approaches to many industries. Regional collaborative are better suited to locating high cost programs that meet community needs.

Modify Current Regulations Pertaining to Full-Time/Part-Time Faculty Ratios (75/25)

Concern: 75/25 is not in the best interest of students. The 75% rule was to set a goal or target by which a district would make steady progress in hiring full-time faculty. However, history has shown us that most districts are not going to make significant progress in the ratio as they tend to add part-time faculty to grow their programs and then add full timers when the FTES is paid. A district that is always growing is going to have a difficult time making progress. Further:

1. A ratio "locks in" numbers that do not take into account changing needs of students, including those who may require a different type of instruction that only part-timers can provide.
2. Many programs require a higher percentage of part-time teachers who are current in their academic or vocational field and who don't want to leave their full-time careers. Requiring 75% takes resources from other critical areas, such as instructional equipment, adequate class offerings, adequate repair of classrooms, etc.
3. Instructional programs are constantly evolving and enrollment trends are likewise volatile in certain areas (examples: real estate, Computer Information Sciences). Colleges need flexibility in determining the most appropriate full-time/part-time ratios and when hiring needs to take place (in conjunction with established shared governance processes).
4. It is important to recognize that support staff (lab aides, technicians, floor staff) are essential components of the teaching team and should be factored as part of the commitment that colleges make to providing quality instruction (not solely the full-time/part-time ratio).
5. The ratio gets in the way of flexibility—for example, the need to change or reschedule classes, implement last minute offerings, or experiment with courses that may or may not be permanent.

Ideally, local boards in consultation with constituent groups should make the ratio decisions based upon local needs. Absent that, the 75/25 regulations should be relaxed allowing for it to be a goal that districts would continue to pursue while allowing for more organizational flexibility

as to timelines and annual requirements. Otherwise, we stay with the current practice of each district working on improvement in the full-time/part-time ratio, based upon available funding for growth and an early 1990's benchmark ratio.

Perhaps the question that needs to be asked is: How was the 75/25 ratio intended to improve student learning and organizational development? Has this happened? Perhaps a study needs to be done that looks at 75/25 as it relates to student performance or progress or other outcomes.

Repeal or Modify the "50 Percent Law" for Community Colleges

Education Code Section 84362 requires that community college districts expend during each fiscal year fifty percent of the district's current expense of education for the payment of salaries of classroom instruction. This provision is commonly referred to as the 50% law. This provision of the Education Code was adopted in 1959 at a time when community colleges were part of the K-12 system. The law as originally adopted to address K-12 class size issues as well as to limit the number of guidance counselors.

In order to determine a district's percentage, the total dollars spent on "salaries of classroom instructors" is divided by the total cost of the district's "current expense of education."

Education Code Section 84362 defines an instructor as "an employee of the district employed in a position requiring minimum qualifications and whose duties require him or her to teach students of the district for at least one full instructional period each school day for which the employee is employed." This definition fails to recognize the role of a community college instructor. Unlike K-12 teachers, community college instructors, like their UC and CSU counterparts, are not in the classroom every day. In fact, if the definition of an instructor in Section 84362 were strictly applied, no community college district would have instructors. In 1988, the California Legislature enacted AB 18725 (Stats. 1988, Chapter 973) which dramatically altered the role of a community college district instructor. In enacting AB 1725 the Legislature recognized that a community college instructor's engage in instructionally related activities outside of the classroom. AB 1725 marked the last attachment of community college instructors to K-12 instruction (or should have). AB 1725 also significantly reflects the role community college instructors play as part of a higher education system. Unfortunately, the 50% law was not changed to reflect the new role of community college instructors. For example, many community college instructors receive reassigned time from their class load to engage in curriculum development, development of new programs and a wide range of other instructionally related activities. However, sine these activities do not occur in the classroom, districts may not count that portion of instructor's salary related to reassigned time as "salaries of classroom instructors" for purposes of the 50% law. Even more striking is that all counselors and librarians are excluded from the definition of "classroom instructors" under the 50% law. However, Education Code Section 87003 defines faculty as to include counselors and librarians.

It should also be noted that community college districts spend at least 85% of their funding on salaries and benefits to all personnel.

Ideally, the 50% law should be repealed so that the community college system is appropriately viewed as higher education institutions without ties to K-12. At the very least, counselors and librarians should be included in the computation of the 50% law along with all activities outside the classroom for which faculty receive compensation.

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