



THE ACADEMIC SENATE FOR
CALIFORNIA COMMUNITY COLLEGE

Budget Processes and the Faculty Role

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TABLE OF CONTENTS

- Introduction 1
- Background 1
- Legal and Educational Reasons for Faculty Involvement 3
 - Academic Senate Voice is the Faculty Voice 4
- Budget Processes – An Overview 4
 - Proposition 98 –Minimum Funding Guarantee 4
 - Statewide Budget Processes. 5
- Other Revenue Streams for Districts and Colleges 8
 - Grants and One-Time Funding 8
- College Budget Processes 9
 - Aligning Budget Priorities with the College Mission and Goals.10
 - Relationship of Planning to Budget11
 - Cost Models13
 - College and District Planning and Budget13
- Committee Structures14
 - College Planning14
 - Budget Processes in Multi-College Districts15
 - District Planning16
 - District Budget16
- Balancing College and District Priorities17
 - Coordination of College Budget Priorities Within the District Framework17
 - Forging Agreements Among Local Senates17
- Accreditation and Title 518
- Accreditation and Budget19
 - Role of Faculty in Meeting Accreditation Standard III.D19
 - Planning for Compliance and the Emerging Landscape20
- Budgetary Reserves.20
- Legal and Financial Implications around Faculty Hiring.21
 - The 50 percent law21
 - The Faculty Obligation Number22
 - The 75:25 legislative goal.23
- Conclusion25
- Recommendations for Local Senates25
- Recommendations for the Board of Governors25
- Appendix26
 - Example of an allocation model with an equity lens26
 - Example of a planning and budget structure26

INTRODUCTION

Few things can impact the success of students at community colleges more than budget and planning. Faculty must therefore have a basic comprehension of budget processes and of faculty roles in them. This paper aims to serve various purposes. It provides a primer on how the system-wide budgeting process works prior to colleges receiving monies from the state and assists faculty leaders in understanding these processes. It details some of the changes occurring at the state level around the Student Centered Funding Formula, changes to categorical programs, and other elements, all of which have implications for local faculty leaders. Finally, it describes local processes from several different perspectives – those of a single college district, a small multi-college district, and a large multi-college district – to provide practices that may be helpful for faculty leaders tackling budget considerations at their own colleges.

While accreditation standards will be discussed in this paper, the paper is not solely for local accreditation leaders; it is designed to serve multiple purposes for all faculty leaders. This paper addresses different aspects of the campus budget and proposes processes to consider, and it is intended as a reference, especially for faculty who are not inherently comfortable with budget language and processes.

BACKGROUND

This paper, which serves as a revision of previous papers by the Academic Senate for California Community Colleges, comes as a result of two ASCCC resolutions. The first of these, Resolution 2.01 in Spring 2008, stated,

Whereas, The Accreditation Standards adopted in 2002 require community colleges to demonstrate the linkages between planning and budgets, and we recognize that student learning outcomes and program review are an integral part of the planning and budget process under the accreditation standards;

Whereas, A college and its students benefit from building their budget and planning based upon their mission, values, and student learning;

Whereas, The planning and budget process drives the effective use of the human, physical, technology, and financial resources to achieve educational goals and achieve student learning outcomes; and

Whereas, The Academic Senate adopted paper “*The Faculty Role in Planning and Budgeting*” was approved in Fall 2001 before the adoption of the 2002 Accreditation Standards, and these standards greatly impact the discussions around this process;

Resolved, That the Academic Senate for California Community Colleges review its paper “*The Faculty Role in Planning and Budgeting*” to determine whether any update or further action is warranted in light of the 2002 Accreditation Standards.”¹

1 This resolution can be viewed at <https://asccc.org/resolutions/updating-budget-and-planning-paper>.

In November 2009, a *Rostrum* article written by the chair of the ASCCC Accreditation and SLO Committee concluded that the core of the 2002 paper was still valid and that the call to update the paper was premature. However, the *Rostrum* author noted that “should issues of SLOs, assessment, and budget and planning processes evolve as rapidly as they have in the last couple of years, it [the paper] probably should be [updated] in the not so distant future.”²

In Fall 2018, Resolution 5.03 again asked for an update, this time to the *Budget Considerations – A Primer for Senate Leaders* paper that was published in 2009. This resolution called for the paper not only because of accreditation issues but also due to concerns regarding the new Student Centered Funding Formula. The resolution read as follows:

Whereas, The Academic Senate for California Community Colleges’ paper *Budget Considerations – A Primer for Senate Leaders* (2009) built upon the previous paper *The Faculty Role in Planning and Budgeting* (2001) by providing guidance to local senate leaders monitoring and assessing specific types of budget information;

Whereas, The Academic Senate for California Community Colleges’ Paper *Budget Considerations – A Primer for Senate Leaders* (2009) was written long before new considerations in local budgeting processes, including additional sources of information that should be assessed and monitored following the enactment of AB 1809 (Ting, 2018), which added a new funding formula, the Student Centered Funding Formula, to the California Education Code, allocating funds to community college districts based on enrollment, equity, and student success factors; and

Whereas, The concerns raised in the Academic Senate for California Community Colleges’ Paper *Performance Based Funding: A Faculty Critique and Action Agenda* (1998) about pressure on academic integrity and neglect of academic expertise under outcomes-based budgeting are relevant under the Student Centered Funding Formula;

Resolved, That the Academic Senate for California Community Colleges develop resources with guidance regarding assessing and monitoring sources of information relevant to the Student Centered Funding Formula and ensuring local budgeting processes respect academic integrity and academic expertise; and

Resolved, That the Academic Senate for California Community Colleges update the paper *Budget Considerations – A Primer for Senate Leaders* (2009) with guidance regarding assessing and monitoring sources of information relevant to the Student Centered Funding Formula, including best practices for local budgeting processes, and bring the updated paper to the Spring 2020 Plenary Session for adoption.”³

Because these resolutions called for updating papers that had similar topics and themes, and because separating out individual elements of the budget is virtually impossible due to the recent consolidations by the Chancellor’s Office around categorical and other programs, the initial resolution regarding the

2 “Updating the Faculty Role in Planning and Budget Paper?” (2009, November). *Rostrum*, Academic Senate for California Community Colleges. Retrieved from <https://asccc.org/content/updates-faculty-role-planning-and-budgeting-paper>.

3 The resolution can be viewed at <https://asccc.org/resolutions/develop-resources-guidance-relevant-student-centered-funding-formula>.

impacts of the accreditation standards was expanded to include the larger budget implications of the changes that California community colleges have seen over the past several years. These changes, including the Student Centered Funding Formula and consolidation of categorical programs, alter the elements of how local budgets work, what the roles of faculty leaders are in terms of local budgets, and what roles stakeholders have in relation to the Chancellor's Office in terms of the statewide budget.

LEGAL AND EDUCATIONAL REASONS FOR FACULTY INVOLVEMENT

Faculty involvement in the budget process is essential for ensuring that funds are allocated in a way that serves the disparate needs of all students. Faculty involvement is paramount for several reasons, including both legal requirements and especially educational benefits.

The legal grounds for faculty involvement in budget processes exist in both California Education Code and Title 5 Regulations. While budget administrators are responsible for looking after detailed expenditures and budget allocations and ensuring compliance with all state and federal requirements, faculty involvement and perspective should come from a broader sense and is essential to ensuring that educational integrity and campus needs for serving a diverse student body are understood. Education Code Section 70902 (b)7 requires boards to ensure the right of faculty to participate effectively in district and college governance, and Title 5 §53203 requires that “the governing board or its designees will consult collegially with the academic senate when adopting policies and procedures on academic and professional matters.” Further, academic and professional matters are defined in Title 5 §53200 and specifically provide for faculty roles in processes for institutional planning and budget development. While this involvement does not generally include line item budgeting, which is under the purview of the chief budget officer, the faculty voice is essential in helping to determine budget priorities for the college, helping to align those priorities with institutional planning and established goals, and ensuring that the needs of students are being met.

Since the primary objective of community colleges is to serve the whole student, the local college or district budget is expected to consider how students are served, including facilities, faculty, and support services. As faculty are at the forefront in serving students, faculty must be involved in the budget process, especially as it pertains to determining budget priorities. Faculty involvement in budget decisions can help to ensure that students' needs are met in a way that can maximize student success and ensure that allocation of resources addresses faculty-identified educational needs. Such a process can also assure that substantial resources are deployed in ways that are more efficient and minimize gaps in how students are served or other unintended consequences and waste.

Since effective fiscal management requires that planning and budget are tied together and accreditation standards—for example, Standard IIID.2 of the Accrediting Commission for Community and Junior Colleges—support the integration of planning and budget, faculty must be involved in budget processes and the resulting prioritization of allocations as well as in planning. Program development and continuous quality improvement cannot be effective without a connection to budget processes and budget priorities. Hence, significant input is needed from the faculty who interact with students most frequently and have

a unique perspective on how to help students meet their educational and career goals. If a college is to have a high level of success, this perspective must be included in the budget process as well as the planning process. Further, faculty inclusion in the process is essential when budget priorities are set, as faculty may be able to provide insight as to how such priorities may affect the ability to serve students. This input is especially important, as shifts in budget priorities may have unintended consequences. Including the faculty perspective may make identifying and avoiding such consequences easier so that they do not negatively impact students and the college's ability to serve them.

Academic Senate Voice is the Faculty Voice

While ACCJC accreditation standards such as IV.A.3 require that faculty have a substantial role in governance, particularly as it pertains to planning and budget, and that those roles must be documented in the policies and procedures of the governing board, Title 5 §53203 make clear that the local academic senate is the recognized voice of faculty in all academic and professional matters. Therefore, the faculty roles in budget and planning processes are an essential part of the local academic senate's responsibilities. Title 5 requires that boards adopt policies and procedures that describe the authority granted to college and district academic senates in academic and professional matters and that local academic senates have the right to appoint faculty to governance committees, including those that deal with planning and budgeting. While often the local academic senate president serves on budget and planning committees, other faculty may serve in those roles based on local structures. In all cases, all faculty who take part in these processes must be appointed by the local senate per Title 5 §53203 (f) unless the faculty bargaining unit has negotiated the right to make additional appointments.⁴

BUDGET PROCESSES – AN OVERVIEW

Proposition 98 –Minimum Funding Guarantee

Passed in 1988 and amended in 1990 with Proposition 111, Proposition 98, commonly referred to as Prop 98, guarantees a minimum amount of the state of California's General Fund dollars be allocated for kindergarten through 12th grade education and community colleges, which were a part of the system known as K-14 at the time of Prop 98's passage. Designed to increase spending as the economy grows, the total amount of funds guaranteed each year is based on a complex series of calculations.⁵ ⁶ State law further mandates that Prop 98 funds be split between K-12 and community colleges, with 10.93% of the funds going to the community college budget. Although additional monies may be allocated, Prop 98 funds are the primary source for the community college budget. Statewide budget processes then determine how those funds will be allocated.

4 Title 5 §53203 (f) reads as follows: "The appointment of faculty members to serve on college or district committees, task forces, or other groups dealing with academic and professional matters, shall be made, after consultation with the chief executive officer or his or her designee, by the academic senate. Notwithstanding this Subsection, the collective bargaining representative may seek to appoint faculty members to committees, task forces, or other groups."

5 <https://edsource.org/wp-content/publications/PolicyBriefR3.pdf>

6 https://lao.ca.gov/2005/prop_98_primer/prop_98_primer_020805.htm

Statewide Budget Processes

The process for building the budget for the California community colleges begins more than a year prior to the enactment of the budget legislation. California Education Code section 70901 (b)(5)(A) charges the California Community Colleges Board of Governors (BoG) with the responsibility for preparing and adopting an annual system budget request, although the BoG defers to the Chancellor's Office to prepare the actual budget request item.

Historically, the Chancellor's Office convened a Budget Work Group of Chancellor's Office representatives, Consultation Council members, and other selected representatives to help develop the budget request. That process was transitioned in 2017 to a process that allows constituent groups to submit budget requests to the Chancellor's Office.

For example, the process in 2018 (Figure 1) required budget requests to be submitted to the Chancellor's Office by the end of June 2018 for consideration in the 2019-2020 Chancellor's Office budget request made to the Department of Finance (DoF). At its September 2018 meeting, after discussion at both Consultation Council and the Board of Governors in July, the BoG approved the budget request. This process has been continued, with more detailed forms provided to the constituent groups in 2019.

Upon approval by the BoG, the budget proposal for the California community colleges is submitted to the DoF in the form of Budget Change Proposals (BCPs). The budget change proposals are changes to the base budget from the previous year and can include either increases or decreases to amounts allocated in the previous budget year in addition to new budget items. These documents are then reviewed and analyzed by the DoF staff, and successful BCPs are included in the governor's budget proposal, which is released annually on or around January 10. These BCPs may determine how Prop 98 funds are allocated throughout the system, but they do not change the amount of funds available to the community colleges. Therefore, the constituent groups must reach some consensus on which BCPs will be sent forward, as every dollar spent on one item means that less is available to spend on other items.

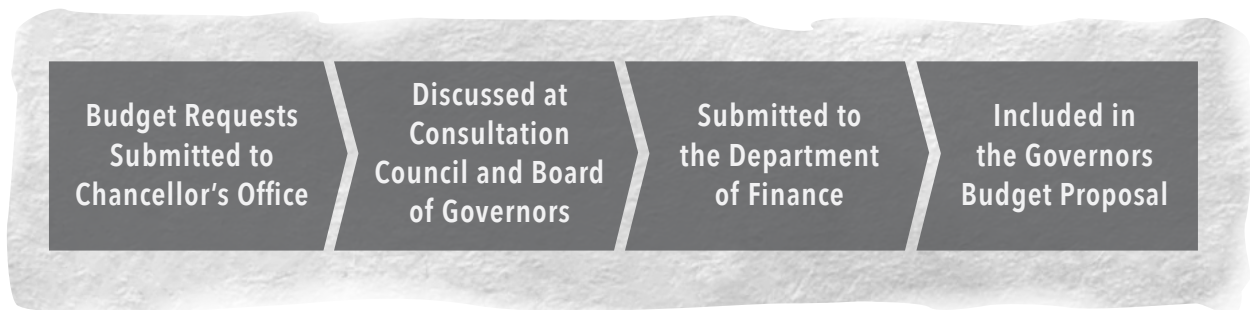


Figure 1

The governor's January budget proposal is introduced as a bill to each house of the legislature. Once the bills are introduced, legislative hearings are held from late February through early May, with the DoF, the Legislative Analyst's Office, Chancellor's Office staff, and others providing testimony at the budget subcommittee hearings. In May, the governor provides the May Revision to the budget, which is submitted to the legislature and includes changes in Proposition 98 revenues (*i.e.*, the total amount of money to be

allocated to colleges), general fund revenues, enrollments, population, and any other issues that might impact the budget overall. Because of the timing of the May Revision, budget committees in each house usually wait until after its release to pass their budget bills out of committee and to the full house.

In late May and early June, budget bills are then voted on in each house and referred to a conference committee to resolve differences in language and budget amounts that exist between the Senate and Assembly budget bills. In recent years, the final budget has been determined by the governor and senior leadership of the legislature. Technically, in order for the budget packet to pass out of the legislature and be presented for the governor's signature, a two-thirds vote in each house is required. The Constitutional deadline for the legislature to pass the budget bill is June 15th. The governor may choose to reduce or eliminate any budget item through a line-item veto. Once the governor signs the bill, it becomes law and is known as the Budget Act of that year (Figure 2).

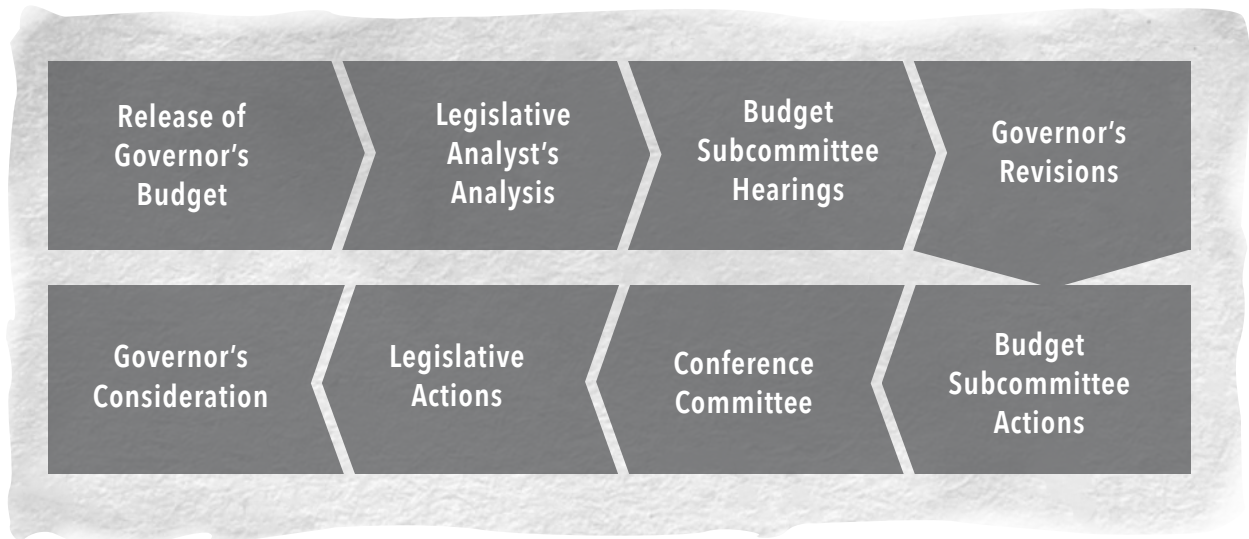


Figure 2

The state budget includes separate items known as “trailer bills”⁷ that can serve a variety of purposes. While they are often deemed necessary to authorize or implement various program or revenue changes, trailer bills can also include other political or budget items. Trailer bill language can be introduced at various points throughout the budget process from the governor's January budget proposal until the final budget is submitted for consideration, with the majority of trailer bills introduced either in the governor's January budget or the May Revision. Because trailer bills do not have to go through regular legislative processes, they may include items of concern; as such, faculty leaders should pay close attention to what is contained in the trailer bills. Given the frequent political nature of trailer bills—the new Student Centered Funding Formula was introduced in trailer bill language—local academic senates may be well served by having their legislative liaisons follow the trailer bills.

One of the key elements of the budget process is that state funds for districts and colleges are not allocated to the districts until the budget is enacted. If the legislature and the governor fail to reach agreement on the budget, no money can be provided to college districts for that fiscal year, which means that districts would need to rely on their reserves in order to remain open. As such, while the budget processes at the

state level may seem very distant for local colleges, senate presidents and other faculty leaders should pay close attention to the workings of the state budget

Student Centered Funding Formula

Until the 2018-2019 budget cycle, California community colleges were funded based on an apportionment determined by the number of students enrolled and taking courses at the colleges. Since many community college students are not full time, the enrollment was determined based on what would be the equivalent number of full-time students. For the purpose of apportionment, a full-time equivalent student (FTES) is the equivalent of 525 hours of student instruction.⁸ While some districts, called “basic aid” districts, received direct funding through property taxes, the majority of colleges in the California community college system were funded based on FTES.

In 2018, a new funding formula was introduced. Called the Student Centered Funding Formula (SCFF), it was intended to facilitate progress toward the student success goals articulated in the *Vision for Success*, which was adopted by the Board of Governors in July 2017.

Under the Student-Centered Funding Formula, the allocation to districts has three components. The first component, comprising 70 percent of the total allocation to districts, is the base allocation, determined by the enrollment factors that were previously used. The second component, 20 percent of the total, is the supplemental allocation. Often called the student equity factor, this component is intended to address barriers to access and success for low-income students, recognizing the additional investment required to serve these students. Currently, this calculation is based on the number of students who receive a College Promise Grant, a Pell Grant, or both or who are undocumented immigrant students under AB 540. As more complete data becomes available, students will be counted for this component based on other metrics as well. The third component, making up the remaining 10 percent of the allocation, is the student success or outcomes factor. Designed on a performance-based funding model, this component is intended to encourage progress toward the outcomes linked to the goals in the *Vision for Success*. The student success allocation is based on a series of metrics including how many students earn degrees or certificates, completion of specific indicators such as transfer-level mathematics and English within a specific timeframe, completion of nine or more career technical education units within a specific time frame, and achieving other outcomes such as transferring to a four year university or attaining the regional living wage within one year of leaving the community college.

With the addition of the performance-based aspect of the formula, faculty leaders have recognized the need to be vigilant in order to ensure that curricular decisions are based on student need rather than financial considerations for the institution. The ASCCC has consistently opposed the implementation of performance-based funding and has expressed concerns to the legislature and to the Chancellor’s Office about the introduction and implementation of this component of the SCFF. In fact, many groups have called for the elimination of the performance-based component.

8 Primer on Computing FTES (http://extranet.cccco.edu/Portals/1/CFFP/Fiscal_Services/Attndc_Acctg/General/PRIMER_ON_COMPUTING_FTES_3.pdf.)

OTHER REVENUE STREAMS FOR DISTRICTS AND COLLEGES

Categorical Programs

Categorical Programs are defined as programs established by state or federal legislation and designed to supplement existing instructional programs. Most categorical programs are developed to serve a specific targeted group or audience, although some categorical programs may serve a significant portion of the population.

Although funding for categorical programs comes from the same Proposition 98 monies dedicated to community colleges, categorical programs have traditionally been allocated using a different model than most other programs in the California community colleges. Instead of monies being placed in the general fund, a specific line item is established to restrict the funding for these programs. Historically, categorical programs have included apprenticeship, EOPS, DSPS, CalWORKS, and others. The decision to separate out the funding for these programs was made in order to protect them from being cut during budget downturns; however, at many colleges these programs have become more vulnerable to cuts, especially when the monies being used to fund categorical programs are one-time monies. In 2016, the Chancellor's Office decided to combine many of the categorical programs into a single budget allocation, the Student Equity and Achievement or SEA Program, which combines the categorical funding from programs focused on Basic Skills, Student Equity, and Student Success and Support.

Grants and One-Time Funding

Districts and colleges rely on various funding streams beyond apportionment funds. One funding opportunity is the application for and use of grants. All grants have different expectations regarding their use, intent, application procedures, and expected deliverables. Some grants are for a short-term implementation that will sunset upon completion—which is called one-time funding—while others are renewable.

Local academic senates should play a leadership role in colleges' grant discussions and processes. The ASCCC has passed numerous resolutions on this topic, including 17.03 F12 Integration of Grants with College Planning and Budget Processes⁹ and 17.01 S17 Academic Senate Involvement In and Sign-Off on Grants and Initiative Plans.¹⁰ Included within these resolutions is the affirmation that the grant development process for institutional planning is under the purview of academic senates in accordance with Title 5 §53200, as well as a call to action for local senates to stay involved in and vigilant about their contributions to and review of grants, programs, and initiatives that fall under the definition of academic and professional matters.

The involvement of faculty and local senates in the search and application processes for grants is crucial. Local faculty can take a leadership role to ensure that clear processes are established regarding how their colleges initiate grant opportunities and how and when the local senate reviews and provides input for applications and reports

⁹ <https://asccc.org/resolutions/integration-grants-college-planning-and-budget-processes>

¹⁰ <https://asccc.org/resolutions/academic-senate-involvement-and-sign-grants-and-initiative-plans>

Some colleges have established local budget or planning committees with senate-appointed representation where internal committee practices determine the viability of any grant application. Having clearly established and documented procedures for the review of grants and one-time funding notably minimizes frustration and potential conflict when the college considers any grant opportunity. Another strategy involves a designated office that searches for grants and then makes these opportunities known to administration, which then solicits faculty input. However local colleges manage these processes, the faculty involvement is crucial.

Local senates can take preventative actions to ensure that clear communication exists for the intent and expectations of grants and that grants are aligned with established college priorities. In addition, senate leadership can request periodic reports or updates on grants and work with administration to see draft reports before official submissions, especially for any grant that requires an academic senate sign-off.

Another consideration in dealing with grants involves expectations after a grant ends. If grant funding is one-time or limited, the college will need to plan for how to sustain successful programs that are supported by funding that will sunset. For example, local senates may want to ensure that a transition plan is established for the period following the end of the grant. Colleges must also determine whether they will feel an abrupt change once the grant has concluded and what impact this change might have on curriculum and staffing. All of these college-wide questions require faculty and senate conversations.

COLLEGE BUDGET PROCESSES

A budget reflects the priorities of the institution; however, the budget should not set the priorities for the institution. Priorities are set in a number of different ways across campuses, including the Educational Master Plan or Strategic Plan and broad goals established by the local board of trustees. Faculty input is assured in the process of collegial consultation throughout shared governance groups across a district, regardless of the number of colleges or centers. Deliberations in planning meetings can ensure that faculty have a voice in setting the priorities for the college and that the priorities are built from the ground up.

An institution's funds are built through revenue allocated by the state. The vast majority of funding for the California community colleges is allocated in the state budget based on Prop 98 funds, including some that may come in the form of grants or other one-time funding. This revenue is expended through two types of funds: unrestricted and restricted. Unrestricted funds are typically allocated from an institution's or district's general fund. These funds are expended on salaries, supplies, hospitality, activities like commencement, and contract services such as auditing and fingerprinting. On the other hand, institutions and districts allocate the restricted funds on projects and legislation-specific activities that may include the Student Equity and Achievement Program, Strong Workforce, miscellaneous grants, foster care, Gear-Up, Title IV, Upward Bound, Adult Education, Federal Work Study, and others.

California's community college budgets are full of account strings that help budget officers and business service officers allocate and track funds. Because colleges are service agencies, the majority of a budget for a community college is likely to be spent on salaries and benefits for staff, faculty, and management, which are paid primarily from an institution's or district's general fund. Exceptions to this practice include

positions that are grant funded or paid from other one-time use accounts. Institutions and districts must be able to pay salaries and benefits, and reserves are often accumulated to ensure that payment can be issued in times of economic hardship. Although the California Community Colleges Chancellor's Office recommends a minimum reserve,¹¹ many districts may choose a larger reserve.

Good fiscal stewardship, as well as accreditation standards such as ACCJC Standard III.D.¹¹, calls for long-term financial planning. Even for a fiscal year, an institution's budgets are often set many months in advance, since the institution has allocated payment for the staff, faculty, and management on record. Given this typical advanced allocation of salaries and benefits and the fact that salaries and benefits are generally allocated first and foremost, institutions may have less control over a budget than desired. In this case, institutions may elect to make fiscal cuts to areas other than salaries and benefits, for instance reducing travel funds or food expenditures in years where budgets are tight, although sometimes programmatic reductions may be considered in a budget crisis. Academic senates, through shared governance structures and professional development, can help educate faculty on the details and processes of developing the institutional budget. A faculty that is educated on basic budget terminology—such as expenditure, revenues, general and restricted funds, total cost of ownership, or return on investment—and that understands the warning signs of a financially troubled department or district can have a positive impact on the collective approach to budgeting and planning.

Especially in times of fiscal hardship, clear and consistent communication is essential in order to reach all of the institution's stakeholders, including faculty. At each California community college, the view that everyone owns the budget can help to get faculty involved and can also help an institution come together to make strategic fiscal decisions that minimize the impact on the institution's mission to serve students. Academic senates at all colleges should work with their local budget officers and business service officers to better understand how they can contribute to the budget process. One productive step that academic senates can take is to make the budget accessible to all stakeholders.

Aligning Budget Priorities with the College Mission and Goals

The college mission provides the framework for all institutional goals, plans, strategies, and activities. Colleges communicate their mission through a statement affirming the institutional commitment to student learning, student success, and service to the community. This affirmation is further contextualized within broad academic goals including completion, transfer, career technical education, and lifelong learning as well as any specific needs of the local community.

Institutions organize their decision making through a variety of plans that include mission-driven goals, objectives, and measures, and these plans should involve responsible parties, whether individuals, departments or units, or governance bodies. As the guiding framework for all institutional actions, the mission statement should inform all resource allocation decisions derived from that planning. Adequate human, physical, and financial resources to ensure that the institution can accomplish its goals should support each of the elements in a plan. No single recommended model can describe the different ways institutions choose to develop their processes and procedures for resource allocation; however,

¹¹ http://extranet.cccco.edu/Portals/1/CFFP/Fiscal_Services/Standards/AcctgAdvisories/FS0505_Fiscal_Monitoring_Accounting_Advisory4.pdf

regardless of the modality, decisions about resource allocation should refer to a prioritization document that reflects the mission and the mission-driven goals identified in the planning documents.

As colleges regularly review and evaluate their progress toward goals, the analysis of this progress should consider whether more resources are needed in areas where progress is not satisfactory or goals not on track to be met by the desired deadline. Instructional programs and service areas should be reviewed periodically to ensure an effective alignment with the mission and goals of the college.

The college budget committee, and in multi-colleges district the district budget committee, should establish clear policies and protocols to ensure that their allocation models and decision-making processes explicitly align with the priorities established by the college and district missions and goals. These committees are expected to broadly review expenditures and transfers frequently in order to assess whether the resources are effectively moving the institution toward the achievement of their mission-driven goals.

Relationship of Planning to Budget

College planning processes should always drive budget development and growth. Frequently, however, budget reductions, funding formula changes, grants, and statewide initiatives create reactive planning environments rather than proactive planning environments. When budget and outside factors function as the driving force behind planning, limitations are placed on innovative and visionary long-term planning. Proactive planning allows the college to use budget augmentations or other unexpected revenue sources to support already identified planning goals and guide budget development.

In order for planning to drive budgeting, a college must have well-developed participatory program review related to budget processes. Program review should serve multiple purposes: it should use institutional research to evaluate the quality of educational programs and services, encourage campus wide dialogue, establish campus priorities, and then integrate program review and prioritization results into institutional planning and resource allocation processes.

At some colleges, program review and budget function as one committee; other colleges may have separate committees for program review and budget. Whatever the way a college chooses to structure program review and prioritization, processes for program review are an academic and professional matter under Title 5 §53200, and academic senate presidents should ensure that program review follows the process agreed upon through collegial consultation between the board and the academic senate. Frequently, program review is a faculty-led process that operates under the authority of the academic senate, but whatever local structure is used, senate presidents should seek an agreement that ensures that the chair or co-chair of the committee is a faculty member appointed by the academic senate. The academic senate should also be certain that the committee charge, the composition, and the right of the academic senate to appoint a co-chair and faculty committee membership is documented in campus governance documents. The senate is responsible for appointing faculty to the Program Review Committee or its equivalent and ensuring equitable representation for all faculty areas, regardless of discipline, modality, or credit status. The senate should also ensure a means by which to document all processes for program review and prioritization of needs and should widely distribute the results of

program review and prioritization processes to the campus community. Finally, the senate president must pay careful attention to the timeline for each process to ensure that all planning and prioritization processes are completed prior to budget development. Failure to be aware of deadlines and processes can result in a scramble for resources, which colleges do well to avoid.

Accreditation standards also state that program review and planning must drive budget development. Accreditation requires that program review processes are ongoing and systematic and are used to assess and improve student learning and achievement. The ACCJC Accreditation Standards state,

Standard I.B.9: The institution engages in continuous, broad based, systematic evaluation and planning. The institution integrates program review, planning, and resource allocation into a comprehensive process that leads to accomplishment of its mission and improvement of institutional effectiveness and academic quality. Institutional planning addresses short- and long-range needs for educational programs and services and for human, physical, technology, and financial resources.

Standard IV.A.3: Administrators and faculty, through policy and procedures, have a substantive and clearly defined role in institutional governance and exercise a substantial voice in institutional policies, planning, and budget that relate to their areas of responsibility and expertise.

Program review and budget processes are interwoven throughout the accreditation standards. The need to comply with accreditation standards provides further incentive to integrate program review processes with institutional planning and resource allocation and provides further support for the faculty role in institutional governance and planning.

ACCJC Standard I.B.9 lays out the essential elements and provides an excellent framework for developing a program review process. The standard emphasizes that program review should be continuous and systematic, rather than defined by a specific timeline, and that institutional planning and resource allocation should be integrated within the review. Program review is intended to be a comprehensive review of educational programs and services, driven by the campus mission for improvement of institutional effectiveness and academic quality, and it should prioritize human, physical, technology, and financial resources.

Colleges should consider certain factors in developing program review, prioritization, and budget processes. Questions that should be asked include how grants, categorical and conditional funding, initiatives, and bond measures interact with institutional planning and resource allocations and whether in-kind contributions and institutionalization costs are integrated into planning. Program review planning, prioritization processes, and the results of these processes should be familiar to everyone on campus. Program review should be integrated with other campus planning documents, including, but not limited to, the Educational Master Plan, strategic initiatives, the college's planning model and staffing plan, the technology plan, the professional development plan, and the facilities plan.

Models for program review vary from campus to campus. Some campuses separate the comprehensive evaluation of educational programs and services from prioritization. For example, a college may establish a process through which programs complete a comprehensive evaluation every four years while prioritizing needs annually. Other colleges may choose to do a comprehensive evaluation and prioritize

needs every year. Because program review should be aligned with budget processes, whatever model a college chooses to adopt should be, at minimum, inclusive of elements outlined in ACCJC Standard I.B.9 and focused on continuous quality improvement of educational programs and services.

Cost Models

In order to assure that programs are adequately funded, a budget model should address the disparate costs of the various programs within the college and district. While some programs require only faculty, classroom supplies, and general educational technology such as computers and projectors, others require significantly greater expenses including highly specialized equipment, supplies, consumables, and other services and materials.

Programs that have higher costs associated with them should be budgeted for accordingly. In some cases, these costs are due to the smaller class sizes mandated for some programs by outside accreditors or safety regulations. In other cases, the costs involve highly specialized and program-specific equipment and supplies. Sometimes the costs may not be immediately apparent, such as the cost of significant program-specific materials or of hazardous waste disposal, which can cost tens of thousands of dollars. While in many districts these costs have been historically treated as utilities, much like electricity and heating, and are paid directly from the college's or district's operating budget, a recent trend has been to push these costs on to departments or divisions without concomitant increases in their base budgets. When the costs involve significant expenses like waste disposal, such moves have the effect of a substantial budget cut if passed on to a department or division.

In times when budgets are tight, shifting costs is one way to make budget cuts without appearing to do so. While no single faculty or academic senate leader can be expected to understand the intricacies of cost models for each program, an awareness of the potential for shifting budget costs is essential. Budget decisions, regardless of the cost models for various programs, should be made in accordance with the mission, goals, and objectives of the college, and the role of faculty in the budget process should not be circumvented. The purpose of community colleges is to serve all students and their educational needs. Part of the faculty role is to assure that programs are not reduced or eliminated simply by shifting budgets but that an assessment of how the college is serving the needs of students is included in all budget discussions.

College and District Planning and Budget

Faculty leaders should strive to constantly and consistently question where and how the processes and procedures regarding revenues and expenditures match the institution's priorities. As equity is commonly considered to be a vital component of community colleges, some equity practitioners advocate for specific budget processes that pay special attention to the most vulnerable students¹² (see appendix). Whatever budget process is agreed upon locally, the institution's priorities should be reflected in it. Structures such as planning and budget committees can be effective shared governance bodies, and their implementation and maintenance are supported by resolutions from the ASCCC.

12 Singhashri, G, Petty S., and Porter, E. (2010). *The Equity-Driven Systems Change (ESC) Model: A Toolkit for Improving Institutional Practice and Student Outcomes. Planning and Budgeting*, California Tomorrow, Pages 36-38. Retrieved from <https://skylinecollege.edu/seed/assets/resources/ESC-Toolkit.pdf>

At some colleges, a single committee is charged with planning and budget, while at others these areas are handled by separate committees. Even when planning and budget committees operate independently, they can be most effective when they move in sync to develop and fund the institution's priorities. In such cases, the planning and budget committees may have joint meetings where members can share information and synthesize knowledge to adopt refined institutional priorities by which the budget is shaped or guided. Alternatively, the committees may have common members that allow for ease of information to flow between committees. In all cases, the goals that planning committees develop and the budgets that budget committees adopt should be widely shared, affording institution stakeholders the opportunity through meetings, presentations, and written reports to ask questions and seek clarifications.

In addition to joint meetings, colleges may decide to create a steering committee that includes leaders from each constituency group who convene to assist in balancing priorities and goals between numerous disciplines, departments, or even colleges.¹³ Some colleges may turn to regularly produced reports, such as program plans, from which to begin all budgetary and planning discussions. Whether planning is spurred from program review, SLO assessment data, student success and completion data, student equity, or other metrics, colleges should maintain consistency and transparency when planning institutional priorities that guide a budget.

COMMITTEE STRUCTURES

College Planning

A part of providing consistency and transparency is to effectively govern and engage in a college's committee dedicated to planning. The planning committee provides a venue for stakeholders and leadership to discuss the direction of the institution in response to legislation, funding, effective practices, and other factors. The college's planning group is the structure through which the institution's stakeholders give rise to goals and priorities that guide the institution's services and instruction to students and the community. As a best practice, a faculty member appointed by the local academic senate should play a lead role on the planning body. Membership should be composed of sensible representation of faculty appointed by the senate along with members from administration, classified professionals, department chairs, and students.

The planning committee can review plans sent forward by departments and service areas for consistency with institutional goals in order to synthesize various plans, to locate where strategies and requests intersect, and to investigate trends that emerge. This work should include criteria such as department goals, institutional goals, SLO assessment results, or course success, retention, and completion. As an effective practice, the senate-appointed representatives of the planning committee should communicate frequently with the academic senate through either written reports or in-person presentations that enhance communication and understanding among the senate and the faculty.

¹³ For example, see Fullerton College's Planning and Budget Steering Committee, which created a summary report that detailed the intersections of numerous program reviews. The summary identified three themes in common across multiple plans, including technology and web design priorities (Fullerton College Self-Evaluation Report, 2017, p. 6869). The report is available at <https://accreditationarchive.fullcoll.edu/2017/ISER/Fullerton%20College%20Institutional%20Self-Evaluation%20Report%202017%20REVISED%20MISSION%20STATEMENT.pdf>

College Budget

Like a planning committee, a college's budget committee is a venue for stakeholders and leaders to convene for the sake of forming, monitoring, and sharing a college's budget. Often a budget is crafted in part through consideration of external factors like legislation, bonds, grants, and the economy. Internal factors also impact a college's budget, such as the Faculty Obligation Number, instructional equipment, and new programs or curriculum. Regular and transparent meetings of the budget committee can help to ensure information is properly conveyed and processes are inclusive of all stakeholders.

Faculty members appointed by the local academic senate should play a prominent role on the budget committee. As with planning committees, membership is ideally composed of representation from faculty, administration, classified professionals, and students. Budget committee members should play a role in developing priorities using a bottom up approach so that the institution's budget reflects its goals and priorities. Faculty serving as senators or executive committee members can participate as members on the Planning Council and Budget Committee to ensure faculty perspectives are voiced. The senate-appointed representatives of the budget committee should communicate regularly with the academic senate, either through written reports or in-person presentations, in order to enhance communication and understanding among the senate and the faculty.

Budget Processes in Multi-College Districts

Each institution is expected to demonstrate that it effectively utilizes financial resources to achieve its mission to improve academic quality and effectiveness, as articulated in ACCJC Standard III, and have established procedures that allow for the governing board, administrators, faculty, staff, and students to deliberate on goals and budgets that steer the institution toward enhanced quality and services, as indicated in ACCJC Standard IV.

However, multi-college districts are also presented with additional expectations. The ACCJC outlines that the systems of shared governance that bridge the institutions should be clearly articulated. The roles of the stakeholders from each institution should be aligned with the district-wide procedures for setting goals and adopting budgets for resource allocation. The academic senate at each institution, as well as the district academic senate if appropriate, must play an important role in these processes.

ACCJC Standard IV outlines expectations for colleges regarding leadership and governance at California's community colleges. Subsection D addresses the importance of the institutions within a multi-college district demonstrating participation in multi-college planning. The individual academic senates can assist their local institutions by ensuring that the district has an articulated policy for how goals are set and how resources are allocated across the district. Institutions can better demonstrate effective planning and resource allocation when faculty are included throughout shared governance structures, including institutional and district-wide planning and budget committees.

While these accreditation standards provide support for the faculty role, faculty participation in "processes for institutional planning in budget development" is one of the areas defined as academic and professional matters in Title 5 §53200, and therefore local governing boards should consult collegially

with their academic senates on the development of planning and budget processes for multi-college districts just as for single-college districts. Funds from the state are normally allocated to districts, not colleges. In multi-college districts, the allocation that each college receives is determined at the district level. This structure requires that the budget processes and priorities for budget allocation be clearly defined and documented.

District Planning

Institutions in a multi-college district often engage in institutional planning through a district planning committee. This structure allows stakeholder input through shared governance and allows a formal forum for discussion and planning. At the district level, the planning committee formulates district goals and priorities, which act as guiding forces for the district's colleges. Necessarily, such goals must include a consideration of the perspectives and positions of each college within the district. In order to ensure full representation, college academic senates should appoint faculty to the district committee, and those faculty should then report back to the college senate. Faculty members representing all of the district's colleges should have a prominent role in district planning. In general, membership of a district planning committee should include representation of each district college and be made up of faculty, administration, classified professionals, and students.

District planning committees should strive to create a sensible and efficient methodology for receiving, ranking, prioritizing, adopting, and sharing district-level goals. Planning committees can review plans for consistency with institutional goals and may need to synthesize various plans to best ascertain where goals intersect. Members can investigate trends that emerge across planning documents and across colleges and move forward in a collegial manner with a unifying plan that features goals that represent the shared interests of the district's colleges. The faculty on the district planning committee must be appointed by either their local or district academic senate, depending on local process. Such individuals should communicate frequently with their respective academic senates through either written reports or in-person presentations in order to enhance communication and understanding among senate members and faculty in general.

District Budget

Faculty members appointed by their local or district academic senates must play a prominent role on the district budget committee and represent all of the district's colleges in a fair and collegial manner. Membership of the district budget committee should be composed of representatives from faculty, administration, classified professionals, and students. These constituents should not only represent their own colleges but should also strive to understand the budget from a district-wide perspective. The district budget committee members play a role in developing budget priorities that represent both local college and district-wide needs and in creating a district budget that reflects the goals and priorities set by the district planning committee.

Like the district planning committee, the faculty on the district budget committee are expected to report back to their respective college and district academic senates. This practice can ensure updates are effectively communicated and miscommunications minimized.

BALANCING COLLEGE AND DISTRICT PRIORITIES

While the district budget is meant to reflect the district's priorities, each college's priorities will inform the budget and should be accounted for through whatever methodology is used by the committee. This process may include analysis or review of reports, such as program review and institutional planning, in order to ascertain where the different colleges' goals and priorities might overlap. Processes and procedures for establishing district budget priorities should be written and agreed upon prior to any specific decision regarding the disbursement of funds. One way to accomplish this understanding is to have a district governance body that is composed of constituents from each of the colleges as well as district services. The faculty from each college must be appointed by their local academic senates or by a district senate, depending on the local process. Faculty in such roles must recognize the need to balance advocating for their own local college priorities and the overall priorities of the district.

Coordination of College Budget Priorities Within the District Framework

District-wide efforts to coordinate multiple college budget priorities can be difficult. Several good practices can be foundational to successfully coordinating these priorities. First, representation from stakeholders, including administration, faculty, staff, and students, should be apparent in the planning and budget committees as well as any steering committees that help to guide integration. Members need to be able to represent their areas and colleges and consistently and clearly share information with other stakeholders.

Second, a methodology to receive, review, evaluate, and integrate multiple goals must be devised and adhered to. Some colleges may decide to operationalize the regular program review in order to glean intersecting priorities that many campuses or instructional programs share. Other colleges may turn to external factors, such as economic forces or legislation like the Student-Centered Funding Formula, to provide a guiding criterion for setting district plans. This approach may be suitable for districts to identify goals that align in order to increase completions or close equity gaps. Such a methodology should be consistent and transparent.

Districts will likely have set a framework for planning and budgeting in the form of a mission statement and strategic goals. A district framework should be responsive to external stimuli, such as economic factors and areas for improvement in serving the community. Ultimately, district frameworks, if effective, are generated from the colleges that comprise the district. Colleges respond to student need and will likely have differing perspectives and goals. A coordinated effort to align college priorities becomes easier when it is derived from the common need that the district's colleges share.

Forging Agreements Among Local Senates

The work of academic senates within a district spans far and wide, and planning and budgeting are no exceptions. Senators can consider several positive practices in order to forge agreements among local senates within a district. Senators should work together to better understand effective participation throughout planning and budgeting processes.

The 1998 ASCCC publication *Participating Effectively in District and College Governance*¹⁴ offers guidance to help operationalize how academic senates engage with one another to come to agreements in ways that can help balance varying priorities.

For instance, academic senates and individual senators must understand the scope of the academic and professional matters delineated in Title 5 §53200—commonly referred to as the 10+1 areas of academic senate purview—in establishing the right for faculty to participate in the planning process, but they must also understand that final budget decisions are ultimately made by the district’s governing board. The publication also encourages senates to avoid scattered responses to planning and budgeting by first creating a comprehensive planning process. Multiple senates within a district can spend time coming to agreements on which criteria to use, what goals should shape the budget, and how to integrate unforeseen challenges into the comprehensive process. Central to intra-district agreements is a sense of trust engendered by collegial leadership. A planning process that is built on trust, agreement, and timely responses can help to assuage the stress that comes with strict deadlines and the need to properly gather input from all stakeholders.

One way to engage multiple senates so that a unified understanding of the 10+1 can be applied to planning and budgeting may involve training and professional development. Fortunately, the ASCCC provides a variety of professional development opportunities and, in partnership with the Community College League of California, has published “Scenarios to Illustrate Effective Participation in District and College Governance.”¹⁵ This document, with more than twenty different scenarios regarding academic and professional matters, includes examples and explanations specifically related to the process for institutional planning and budget development. Understanding the nuances of faculty purview can help to lay a foundation upon which all senates within a district approach planning and budgeting from a perspective rooted in the 10+1. Finally, faculty who serve at multiple colleges within a district can be a well-spring of insight in efforts to connect senates across districts. The ASCCC’s paper *Part-Time Faculty: A Principled Perspective* (ASCCC, 2002)¹⁶ illustrates several ways senates can leverage expertise and insights that part-time faculty offer.

ACCREDITATION AND TITLE 5

All community colleges in California are accredited by Accrediting Commission for Community and Junior Colleges (ACCJC). However, ACCJC also accredits colleges outside of California. Therefore, the language in the accreditation standards is written broadly, as it must also apply to other states that may have different governing systems than those in California. Title 5 regulations define the system of college governance in California, including the role of the academic senates. This paper attempts to reconcile the accreditation standards based on national standards with Title 5 regulations only pertaining to California.

14 https://asccc.org/sites/default/files/publications/FinalGuidelines_0.pdf

15 https://asccc.org/sites/default/files/FinalScenario_0_0.pdf

16 <https://asccc.org/papers/part-time-faculty-principled-perspective>

ACCREDITATION AND BUDGET

ACCJC Accreditation Standard III. D supports the integration of institutional planning and budget processes and supports faculty participation in budget processes. Simply stated, colleges evaluate the achievement of their mission through program review (Standard I.B.5) and integrate program review, planning, and resource allocation processes to address short and long-range needs. Financial planning is integrated with and supports all institutional planning (Standard III.D.2). The distribution of resources should support the institution’s mission, programs, and services (Standards III.D.1; III.D.2).

The ACCJC *Guide to Institutional Self-Evaluation, Improvement, and Peer Review*¹⁷ provides various examples of how program review and planning documents can be used as evidence to support the standards and as part of the review criteria for a standard. For instance, suggested evidence and review criteria for Standard I.B.9 include “procedures that document how resource allocation requests are included as a component of program review” and “the College’s resource allocation is driven by program review (or other institutional evaluation process).” Evidence and review criteria for Standards III.D.1 and III.D.2 include “the institution’s resource allocation process provides a means for setting priorities for funding institutional improvements” and a “budget process that ties resource allocation to planning and program review.” These examples serve to reinforce the assertion that planning precedes budget development.

Additional support for faculty participation in the development of planning and budget processes can also be found the accreditation standards, notably in Standard III.D.3:

The institution clearly defines and follows its guidelines and processes for financial planning and budget development, with all constituencies having appropriate opportunities to participate in the development of institutional plans and budgets.

This standard includes as a component of its evidence and review criteria a “documented budget development process that identifies responsible parties for steps in the planning process and that identifies opportunities for input from constituencies” and “the college’s mechanisms or processes are used to ensure constituent participation in financial planning and budget development.”

This analysis of the accreditation standards clearly demonstrates that program review and planning are meant to drive budget allocation and that the faculty are to actively participate in the development of planning and budget processes. Title 5 §53200 further clarifies that the faculty voice in these processes is the voice of the academic senate.

Role of Faculty in Meeting Accreditation Standard III.D

In order for a college to meet Accreditation Standard III.D, faculty must be active participants in budget committees on a campus or at the district level. The academic senate president needs to ensure that all budget committee charges and membership are inclusive of faculty participation and that the faculty on these committees are appointed by the academic senate. The academic senate must ensure

¹⁷ <https://accjc.org/publications/>

that institutional planning is fully integrated with budget development and that campus planning and priorities drive budget development rather than the other way around. In addition, local senate presidents should be certain that budget processes and resource allocation models are developed using established collegial processes and that budget planning is inclusive of ongoing costs and in-kind cost.

The appointed faculty serving on budget committees should be familiar with state and local budget processes. When the governor's budget is released, faculty should know whether special funding has been designated for community colleges by the state to improve teaching and learning, improve facilities, or hire full-time faculty and should follow state and local budget development to ensure special funding is used for its designated purpose. Academic senates and faculty serving on budget committees need adequate preparation to be advocates for their campuses and their faculty and to ask uncomfortable questions, including advocating for the equitable division of funding according to FTES in multi-college districts. Senate presidents should also be prepared to ask what happens to unspent division or department budgets at the end of the year. In some cases, unspent funds are carried over to the next fiscal year's budget. In other cases, unspent funds are forfeited at the end of the year and reabsorbed into the college budget. Knowing which is the case in the local process can assist in planning. Additionally, faculty may appropriately question overly simplified budget proposals, and senate representatives on budget committees should advocate for board and district budget directives that honor program review processes. Finally, in multi-college districts, senate leadership should insist that district resource requests undergo a stringent program review process that is similar to campus program review processes.

Accreditation standards and the scarcity of budgetary resources can sometimes create a culture of compliance, competition, and skepticism. However, a well-defined and transparent budget process, collegially developed, can lead to a culture of mutual respect and growth.

Planning for Compliance and the Emerging Landscape

Even with thoughtful planning, as the cliché warns, one should expect the unexpected. Although a college or district may have well-functioning integrated budget and planning processes, these processes still need to have options for flexibility. Outside situations—e.g. new regulations or legislation, state or federal budget changes, or community needs—may require a college or district to reassess budget decisions and adjust accordingly. The need for compliance as well as adaptability to respond to emerging change is inevitable. Colleges and districts should have mechanisms to allow for necessary augmentation while including the academic senate in these deliberations.

BUDGETARY RESERVES

As fiscal agents of local boards of trustees, districts are required to have reserves or contingency funds, not only for good fiscal management but also to be in compliance with the state Governmental Accounting Standards Board (GASB),¹⁸ California Community Colleges Chancellor's Office guidelines,¹⁹ and accreditation standards for fiscal viability.

¹⁸ <https://www.gasb.org/home>

¹⁹ <http://extranet.cccco.edu/Divisions/FinanceFacilities.aspx>

In the most general sense, reserves are a line item in the budget that delineates a separate reserve fund. However, reserves may also include any funds in the budget that have not been expended. At the end of each budget year, the budget will have an ending account balance. If this balance is a positive number, these funds have not been spent and may be available to handle emergencies or other short-term or one-time expenditures. Any unallocated funds from that ending balance may be considered reserves. Although the Chancellor’s Office recommends a minimum reserve of 5%²⁰—often seen as the bare minimum to assure solvency—determining what constitutes a healthy reserve beyond that minimum is often a matter of debate. No magic number exists in terms of an ideal reserve, though a fiscally conservative board will generally insist on a much higher reserve than other boards.

A larger reserve can have advantages and disadvantages. The major advantage is that it insulates the district in the event of a significant financial downturn, minimizing the need for layoffs of full-time faculty and staff or for pay reductions. The disadvantage is that it leaves less money available to run the college in the current fiscal year, including money for important programs, equipment, facilities, maintenance, and salary and benefits. Each district must find a balance between those disparate needs, and faculty need to be involved in these conversations to assure that the district’s reserves are in line with its budget priorities.

LEGAL AND FINANCIAL IMPLICATIONS AROUND FACULTY HIRING

The hiring of full-time faculty is one of the most important functions of any college or district. However, the number of full-time faculty hired in a district is more often tied to legislative mandates than to student success or pedagogical needs. Further, because multiple pieces of legislation address faculty hiring, those legislative measures are often conflated. The three measures typically cited are the 50 percent law, the Faculty Obligation Number, and the 75:25 legislative goal.

The 50 percent law

The 50 percent law was originally designed to decrease class sizes in the K-12 system and was extended to include community colleges. Adopted in its current form in 1961, Education Code §84362 requires that a minimum of 50% of a district’s current expense of education be expended during each fiscal year for “salaries of classroom instructors.” Salaries include benefits and the salaries of instructional aides. As community college education has evolved, districts have struggled with this law. In the year 2000, the Community College League of California, an organization representing college presidents, chancellors, and community college trustees, published a paper providing background and details on the 50% law and how it interacts with other legislative mandates.²¹

This law is often seen as problematic because of the number of faculty and staff essential to the education of students that are not included as “classroom instructors.” These individuals include counseling and library faculty as well as faculty directors such as EOPS, transfer center, and athletic directors. Failing to

20 http://extranet.cccco.edu/Portals/1/CFFP/Fiscal_Services/Standards/AcctgAdvisories/FS0505_Fiscal_Monitoring_Accounting_Advisory4.pdf

21 <https://ccleague.amza.securityserve.com/sites/default/files/training-materials/PRP50law.pdf>

comply with the 50 percent law has significant financial ramifications for a district. As a result, districts often need to hire new faculty just to assure that they do not fall below the 50 percent threshold. While hiring more full-time faculty is a desired outcome, one of the obvious concerns with this law is that it provides no incentive to hire counselors, librarians, or others with duties that are essential to student success but are not included in the narrow definition of classroom instructors within the statute. Such positions, including some faculty reassigned time, are therefore described as being on the “wrong side,” or the non-instructional side, of the 50 percent calculation.

The difficulties with the 50% law can be seen by considering the example of a fictional district with \$10 million of expenditures from its the general fund. If that district spends \$5 million on classroom instructors as defined by the statute, it would be in compliance. If the expenditures are increased by \$100,000 and that money is used to hire a librarian for a newly constructed library facility, the district will no longer be in compliance and could face penalties, even if it has no full-time librarian for its facilities without this hire.

Another challenge with the 50 % law is that elements that are essential to student success, such as technology and student and classroom support including lab technicians, are on the non-instructional side of calculation. Furthermore, the items on the instructional side of the calculation tend to be fixed costs that are predictable—mostly faculty salaries and benefits—while the items on the non-instructional side of the calculation, such as utilities, may vary significantly throughout the year, making the balancing of the two sides more difficult for colleges to achieve.

The 50% law applies only to general fund dollars. Ongoing positions funded with restricted categorical funds are exempt, including positions funded under the SEA Program, EOPS, DSPS, and others. Districts may choose to use such restricted funds to hire counselors and librarians without having any impact on their compliance with the 50% law, although doing so may often mean that such positions are not permanent.

The Faculty Obligation Number

Based on the landmark community college reform bill AB 1725 (Vasconcellos 1988), the Faculty Obligation Number (FON) was intended move districts toward the goal of having 75 percent of all credit instruction taught by full-time faculty. As such, the FON determined the minimum number of full-time faculty each district was required to employ, with the assumption that the number of faculty would continue to grow. According to Title 5 §51025, community college districts must increase their base number of full-time faculty over the prior year in proportion to the amount of growth in credit FTES. Therefore, as a district's apportionment grows, the number of full-time faculty in that district should grow in kind, thus setting a minimum number of full-time faculty each year. Failure to meet the FON invokes a penalty equal to the average replacement cost of a full-time faculty member—salary and benefits—multiplied by the number of faculty the district is below its FON.

Districts normally make every effort to assure that they do not fall below their FONs, as the penalty associated with non-compliance is substantial, in theory equaling the salary and benefits of a faculty member that is not employed by the district. While the FON is generally welcomed as another mechanism

to assure the hiring of full-time faculty, a number of concerns have been raised with the FON as it currently exists.

First, the FON is inherently inequitable when used as a ceiling or maximum number of faculty a district is likely to hire, since it was established not based on any formula but on a snapshot in time. Whatever number of full-time faculty a district employed when the Title 5 regulation was established in 1989 became its FON. Since the ratio of full-time to part-time instruction varied greatly throughout the state at that moment, institutions of similar size could have drastically different FONs. Tying the FON to incremental changes in FTES then insured that those inequities were locked into the system since, as a matter of practice, the FON is often treated as a ceiling or a maximum rather than a floor or a minimum.

Second, the FON only considers credit instruction. Given the importance of noncredit programs throughout the system, the exclusion of noncredit from the FON puts many districts, especially those with significant noncredit programs, in a difficult predicament. While hiring more noncredit faculty may be in the best interest of students, districts' first priority is often to meet the FON by hiring credit faculty, thus avoiding the FON penalty. Recognizing the challenge this situation creates, the ASCCC has passed several resolutions supporting noncredit faculty, including Resolution 19.02 F07 Benefits of Full-Time Faculty in Noncredit²² and Resolution 7.01 F19 Re-Define the Faculty Obligation Number to Include Noncredit Faculty.²³

A comparison of the 50% Law with the FON is shown below:

Mandate	Provides	Does Not Include	Effect
50% Law	50% of general fund dollars must be spent on faculty salaries, including most classroom faculty and instructional aides.	Counseling faculty, librarians, tutoring and support services. Reassigned time for governance, curriculum, and program development. Categorially funded positions are exempt.	Hiring counseling faculty and librarians, granting reassigned time, and spending funds on tutoring and support services means a lower percentage is allocated for classroom instructors according to the current calculation, making it more difficult for a district to comply with this statute.
FON	Increase the number of full-time faculty in proportion to growth in credit FTES.	Noncredit faculty.	Hiring noncredit faculty does not help a district meet its FON.

While both the 50% law and the FON have mandates on faculty hiring with penalties for noncompliance, the interplay between the two can create challenges for districts. As just one example, if a district needed to hire additional faculty to satisfy its FON and its greatest need were for counselors or librarians, hiring such faculty would might satisfy the FON and the educational needs of the students but may put the district at risk of violating the 50% law.

The 75:25 legislative goal.

Although sometimes confused with a legal staffing requirement, the 75:25 ratio, established by AB 1725 (Vasconcellos 1988), is not a mandate but rather an aspirational legislative goal to have 75 percent of all credit instruction performed by full-time faculty, with the remaining 25 percent taught by part-time faculty. Further, the statute required that, based on how close a given district was to the legislative goal

of 75:25, that district would be required to apply a percentage of its program improvement funds each year to increase the number of full-time faculty until the goal of 75 percent of credit hours taught by full-time faculty was reached. Unfortunately, the allocation of program improvement funds to districts was short lived, and, with the financial incentive gone, progress on the 75% goal stalled.

Although the 75% goal has long been an aspiration for community colleges and was reaffirmed by Assembly Concurrent Resolution in 2017 (ACR 32, Medina), and despite the benefits of having more full-time faculty on campus, districts ultimately found this goal to be unfunded. Thus, given the current funding levels for community colleges and the costs of meeting “minimum conditions”²⁴ established by Title 5 and Education Code,²⁵ few districts in the system can actually afford to reach the 75% goal. Moreover, given that that no additional funding was provided for districts to move toward this goal and that no penalty was established for failing to do so, the system has not only failed to make progress toward the 75% goal but has actually seen a decrease in the percentage of instruction performed by full-time faculty.

While the system has long supported the aspirational goal of 75:25 for instruction, the current mandates, including the 50% law and the FON, have combined with inadequate funding to move the number of full-time faculty in the opposite direction while subjecting districts to potential financial penalties, often causing districts to make hiring decisions based on compliance rather than programmatic needs. The ASCCC has supported changes in the FON as well as changes in the 50% law, such as Resolution 6.03 F09.²⁶ Other constituency groups have expressed similar concerns, and in 2015 a workgroup was formed including representation from the Community College League of California, the ASCCC, the Chancellor’s Office, and other stakeholders. This group, called the Workgroup on CCC Regulations, convened to study the 50% law and FON. The workgroup made a series of recommendations to address long standing concerns, which can be summarized as follows:

The 50 % law in its current form does not address all of the roles of faculty in the success of students. As the work of counseling faculty and librarians is essential to student success, they need to be included on the instructional side of the 50% law calculation. This change would also require that the instructional threshold be raised above the current 50 percent to accommodate these additions. Also recommended was the inclusion of faculty reassigned time for governance, curriculum and program development, and other important roles such as EOPS directors. The workgroup further recommended increased funding specifically for hiring full-time faculty and that districts be required to make progress toward the 75% goal. Failure to do so would result in a penalty equivalent to the current FON penalty. The full report including all of its recommendations was presented to Consultation Council at its April 2019 meeting for consideration.²⁷

24 These are the programmatic requirements that a district must meet as a condition of receiving state funds

25 <https://ccleague.amza.securityserve.com/sites/default/files/training-materials/PRP50law.pdf>

26 <https://www.asccc.org/resolutions/revise-application-50-law>

27 https://extranet.cccco.edu/Portals/1/ExecutiveOffice/Consultation/2019_agendas/April/9-1-50-Percent-and-FON-Updated-Proposal.pdf

CONCLUSION

The voice of faculty in budget processes is assured by Education Code and Title 5 Regulations. Beyond that, students are better served when the perspective of faculty is included. Therefore, local academic senates must assert the faculty voice throughout planning and budget structures at the college level and at the district level as appropriate.

Regardless of local structure, program review is an important aspect of the planning and budget process. Program review processes should be determined through collegial consultation with the academic senate. Therefore, academic senate presidents should ensure that the chairs or co-chairs of such committees are faculty members appointed by the academic senate. The ultimate goal of planning and ultimately budget for community colleges is to provide students with the tools and the opportunity to be successful. As faculty interact most closely with students, the faculty voice, through the local academic senate, must be included in budget processes.

RECOMMENDATIONS FOR LOCAL SENATES

The ASCCC offers the following recommendations to local academic senates:

- Assure that faculty appointments to all governance committees, including committees that deal with planning and budget, are made by the academic senate in a manner that ensures an equitable representation of faculty.
- Evaluate all processes for program review, prioritization of needs, and budgeting and widely distribute the results of program review and prioritization processes.
- Engage in the assessment of budget processes, applying an equity lens.

RECOMMENDATIONS FOR THE BOARD OF GOVERNORS

The ASCCC offers the following recommendations to the California Community Colleges Board of Governors:

- Ensure that budget processes are transparent and clear to all constituent groups.
- Advocate for and provide a calendar of due dates for budgets and reports for categorical programs, grants, and statewide initiatives that align with academic calendars to allow for input from local senates.

APPENDIX

Example of an allocation model with an equity lens

One allocation model with an emphasis on the most vulnerable students is shown below. In this case, one of the institution's priorities is equity, and the institution has discovered a significant equity gap among students it deems most vulnerable. The budget allocation model needs to address the inequity. This goal can be accomplished by implementing a process for continuous reflection and improvement, ensuring that the elements below are integrated into planning and budgeting. The continuous cycles of review and improvement exist when deep attention is given to the needs of and impact on the most vulnerable students in each of these areas²⁸:

- resource prioritization and allocation.
- program review.
- strategic planning.
- enrollment.
- intentionality and focus on aligning efforts across the institution.

Along with these elements, the ASCCC encourages local academic senates to include institutional and program reflection processes that do the following:

- Establish collaborative institutional reflection processes—processes that are collaborative and engage appropriate cross-sections of individuals, departments, and teams around alignment.
- Adopt a robust data review—processes that include robust qualitative and quantitative data, including authentic student voice.
- Reflect on impacts of personal practice—processes that are used to promote deep inquiry about the effectiveness and impact of professional practice
- Adopt shared accountability for implementation—processes that promote shared ownership of quality implementation of the institution's initiatives and strategies, in a mutually supportive and critical friendly environment.
- Align all equity, diversity, and inclusion efforts—intentional ongoing work to align these efforts should happen across the institution.

Example of a planning and budget structure

Overview: The planning and budgeting structure consists of a college planning council that integrates the program review process and feeds into the campus budget committee.

The Program Review Committee is chaired or co-chaired by a faculty member appointed by the local academic senate. Instructional programs and service areas submit their program reviews to the committee on a regular cycle using structures developed by the committee. The committee analyzes these program reviews to assure that plans submitted and resources requested are aligned with the college's

28 Singhashri, G, Petty S., and Porter, E. (2010). *The Equity-Driven Systems Change (ESC) Model: A Toolkit for Improving Institutional Practice and Student Outcomes. Planning and Budgeting*, California Tomorrow, Pages 36-38. Retrieved from <https://skylinecollege.edu/seeed/assets/resources/ESC-Toolkit.pdf>.

goals. A summary of the program reviews including planning and resource requests is forwarded to the Planning Council and the Budget Committee.

The college's Planning Council gives rise to goals and priorities that guide the institution's services and instruction to students and their communities. A faculty member appointed by the local academic senate co-chairs the Planning Council along with an administrator, and membership is composed of faculty, administration, classified staff, department heads, and students. The council reviews plans from departments and service areas that were forwarded from the Program Review Committee to check for consistency with institutional goals, to locate where strategies and requests intersect, and to investigate trends that emerge across planning documents.

Plans endorsed by the Planning Council are submitted to the college's Budget Committee for budget prioritization. A faculty member appointed by the local academic senate co-chairs the Budget Committee with a member of the administrative team. Membership is composed of faculty, administration, classified staff, department heads, and students. Budget Committee members may prioritize budget requests to help the institution adequately fund projects and activities that match the goals established by the Planning Council and that were identified in program review. In this way, the faculty plays a role in developing priorities from the ground up so that the institution's budget reflects its goals and priorities.

The overall structure is outlined below:

Program Review Committee

- Establishes agreed-upon structure for program review
- Chair or co-chair is faculty appointed by the academic senate with an administrative co-chair
- Membership: faculty, administrators, classified staff
- Examines program reviews for alignment with college goals
- Forwards reports to Planning Council

Planning Council

- Establishes institutional goals and priorities
- Co-chairs: faculty appointed by the academic senate, administrator
- Membership: faculty, administrators, classified staff, department heads, students
- Establishes goals and priorities for the institution

Budget Committee

- Co-chairs: faculty appointed by the academic senate, administrator
- Membership: faculty, administrators, classified staff, department heads, students
- Determines how budget requests align to goals established by the Planning Council
- Prioritizes budget requests to align with goals



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