

TO: Board of Trustees
FROM: Dr. Raghu P. Mathur, Chancellor
RE: SOCCCD: Compliance with 50% Law
ACTION: Discussion

BACKGROUND

One of the many laws and regulations that affect community colleges is known as the 50% Law. This law requires fifty percent of the District's current expense of education is spent on salaries and benefits of classroom instructors and classified staff that perform services in the classroom under the direction of an instructor. In recent years the percentage in this district declined to be close to 50%.

STATUS

The Chancellor has established a 50% Law Advisory Council to review current spending patterns and make recommendations to raise compliance with this law to a reasonable level. The charge of the council is to provide recommendations to the Chancellor by November 1st for implementation in 2007-2008 (EXHIBIT A) and additional recommendations by December 15th for implementation in 2008-2009.

As background information, Exhibit B, Example of Calculation Elements is included to help facilitate discussion. Additional information will be presented at the meeting.

50% Law Recommendations for 2007-2008

Although we must recommend changes in pursuit of a satisfactory classroom instruction expense ratio, we must always keep foremost in mind consistency with the mission, goals, and strategic plans of each unit and consider every decision's long-term impact on students.

2007-2008

1. Begin process to hire replacement and new faculty positions.
2. Complete faculty salary negotiations by May 1st.
3. Monitor and control supply and operating expenditures in consideration of 50% Law calculation.
4. Review account coding for every college position. Reassign or split position account coding into instructional object codes as appropriate. Examine activity coding at the *Colleges, District Services, & ATEP* to identify exempted categories such as Economic Development and Outreach.
5. HR will work with colleges to review and revise classified position descriptions to assist in 50% Law calculations when appropriate.
6. Add positions and/or increase hours for instructional aide classified positions.
7. Review all vacancies and new position requests and fill only those critical to the operation of the College/ATEP/District Services as determined by the president/provost/chancellor.
8. District Services will delay hiring new positions requested during budget development.
9. Offer additional classes at ATEP and the colleges for spring 2008 when feasible, thereby increasing classroom expenditures and increase FTES.
10. Do not cancel classes with 10 and above at the discretion of the College Vice Presidents/ATEP Dean of Instruction and Student Services.
11. Except for capital outlay, delay the spending of the board designated \$4M Basic Aid funds for ATEP's future development of programs and staffing.
12. Identify non classroom expenditures that can be appropriately moved to categorical and grant programs. Identify classroom salary and benefit expenditures in categorical and grant programs that can be moved to the unrestricted general fund.
13. Identify and implement energy savings projects that will reduce non classroom expenditures.

50% Law Recommendations for 2007-2008

14. Establish a benchmark for each expenditure unit i.e. Saddleback, IVC, District Services and ATEP, based on 2006-2007 expenditures. For 2007-08 and future budget years each unit is charged with making expenditure decisions which improve its contribution to the district's 50% Law calculation. Details to be determined.
15. Instead of hiring part time faculty to replace full time faculty on reassigned time for work outside of the district (i.e. State Academic Senate, FACCC, CCA), sabbatical leave replacements and OSH banking replacements, hire one year temporary full time faculty. Basic aid funds would be used for this one time classroom expense.
16. At the discretion of the Vice President of Instruction, new Distance Education class sections should be added as appropriate.