

**Introduced by Senator Karnette**

February 21, 2001

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An act to add Section 87482.8 to the Education Code, relating to community colleges, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 393, as introduced, Karnette. Community colleges: Full-Time Excess Costs Rebate Fund.

Existing law requires the Board of Governors of the California Community Colleges to adopt regulations that establish minimum standards regarding the percentage of hours of credit instruction that shall be taught by full-time instructors.

This bill would create the Full-Time Excess Costs Rebate Fund in the State Treasury. Upon appropriation by the Legislature, moneys in the fund would be available for allocation to any eligible community college district as a supplemental allocation in the amount determined pursuant to a formula set forth in the bill to reward districts whose full-time/part-time ratios exceed the statewide average, and to partially reimburse those districts for the excess costs associated with maintaining those ratios.

The bill would appropriate \$10,000,000 from the General Fund to the Full-Time Excess Costs Rebate Fund for allocation to qualifying districts in the 2001–02 fiscal year. The funds appropriated by this bill would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. (a) The Legislature finds and declares as  
2 follows:

3 (1) The longstanding policy of the Board of Governors of the  
4 California Community Colleges has been that at least 75 percent  
5 of the hours of credit instruction in the California Community  
6 Colleges, as a system, should be taught by full-time instructors.

7 (2) In recognition of the policy of the board of governors, the  
8 Legislature, by statute added in 1988, required community college  
9 districts having less than 75 percent of their hours of credit  
10 instruction taught by full-time instructors to apply a portion of the  
11 program improvement allocation received as necessary to reach  
12 the 75 percent standard, or have the board of governors withhold  
13 the applicable percentage of the district’s program improvement  
14 allocation.

15 (3) Despite the legislative intent that community college  
16 districts have at least 75 percent of their hours of credit instruction  
17 taught by full-time instructors, the statewide average of hours of  
18 credit instruction taught by full-time instructors currently stands  
19 at 66 percent.

20 (4) Districts that exceed the statewide average of hours of credit  
21 instruction taught by full-time instructors have higher costs in  
22 maintaining a higher full-time ratio than districts at or below the  
23 statewide average.

24 (b) Therefore, it is the intent of the Legislature in enacting this  
25 act, to reward districts whose full-time/part-time ratios exceed the  
26 statewide average, and to partially reimburse those districts for the  
27 excess costs associated with maintaining those ratios.

28 SEC. 2. Section 87482.8 is added to the Education Code, to  
29 read:

30 87482.8. (a) There is hereby established in the State Treasury  
31 the Full-Time Excess Costs Rebate Fund. Upon appropriation by  
32 the Legislature, moneys in the fund are available for allocation by  
33 the Chancellor of the California Community Colleges to any  
34 eligible community college district as a supplemental allocation in  
35 the amount determined pursuant to the formula set forth in  
36 subdivision (b).



1 (b) The Chancellor of the California Community Colleges shall  
2 calculate the amount to be allocated to community college districts  
3 as supplemental allocations pursuant to the following formula:

4 (1) Obtain the data specified in subparagraphs (A) to (D),  
5 inclusive, for each district, using data from the immediately  
6 preceding academic year to compute the supplemental allocation  
7 for the current year:

8 (A) The full-time/part-time ratio.

9 (B) The full-time equivalent (FTE) value of full-time faculty.

10 (C) The statewide average compensation cost for full-time  
11 faculty, including benefits.

12 (D) The statewide average compensation cost for part-time  
13 faculty, including benefits.

14 (2) Calculate the statewide average full-time/part-time ratio by  
15 adding the FTE values of all districts of full-time faculty, as  
16 reported in their full-time/part-time reports, and dividing that sum  
17 by the sum of the FTE values of all districts of all faculty as  
18 reported in their full-time/part-time reports.

19 (3) Calculate the statewide average costs of full-time and  
20 part-time faculty.

21 (4) Calculate the standard cost at actual ratio for each district,  
22 using the statewide average full-time and part-time costs per FTE,  
23 by multiplying the total full-time FTE by the full-time cost and  
24 adding the total part-time FTE multiplied by the part-time cost.

25 (5) Calculate the standard cost at statewide average ratio for  
26 each district, commencing with the total faculty FTE and using the  
27 statewide average full-time/part-time ratio, by computing what  
28 that district's full-time FTE and part-time FTE would be if the  
29 district were at statewide average, then from these numbers  
30 computing the standard cost using the standard cost method set  
31 forth in paragraph (3).

32 (6) Calculate the excess cost per district by subtracting the  
33 standard cost at statewide average ratio from the standard cost at  
34 actual ratio. Add the excess costs for all districts that are above the  
35 statewide average to measure the total shortfall for those districts.  
36 This amount is the amount needed for appropriation to fully fund  
37 the supplemental allocations.

38 (7) Calculate the percentage of an appropriation to be allocated  
39 to a district by adding the excess cost figures for all districts above  
40 the statewide average, and dividing the excess cost for the district



1 by the total. Assign zero for all districts at or below the statewide  
2 average.  
3 SEC. 3. The sum of ten million dollars (\$10,000,000) is  
4 hereby transferred from the General Fund to the Full-Time Excess  
5 Costs Rebate Fund established pursuant to Section 87482.8 of the  
6 Education Code and hereby appropriated from that fund for  
7 allocation to qualifying districts in the 2001–02 fiscal year.

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