



Are we having FON yet?

OR

**A Primer on the
Full-Time Faculty Obligation Number
Calculation**

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Goals for Presentation

- Full-Time Faculty Obligation Number (FON) timelines
- How to do FON calculation for your district
 - When the BOG determines adequate funds
 - When the BOG determines inadequate funds
- Consequences of not meeting your FON
 - Penalty
 - 2 types of deferrals
 - NO waivers!
- Show how much fun FON can be



What is the FON?

Pursuant to Education Code Section 87482.6 and CCR Title 5 Section 51025, the FON is the number of full-time faculty a district is required to employ each Fall as adjusted by the lower of the projected fundable growth at the time of the budget enactment (at Advance) OR the actual percentage change in funded credit FTES from the prior year (at P2).



FON Calculation Fundamentals

- Calculation is based upon credit funded FTES
 - From Apportionment Exhibit C or E
- Compliance FON = lower of Advance FON or P2 FON
- If the Apportionment has a Deficit factor
 - FON is adjusted at P2
 - Deficit factor not known until P1



Annual Timelines

- **September:** Advance FON provided for next Fall
- **November:** BOG determines adequacy of funding for current fiscal year; could effect next Fall's FON if funds are inadequate
- **November 15:** Districts submit current Fall numbers
- **January:** Penalties determined for past Fall FON
- **June:** P2 FON and Compliance FON provided for next Fall

FON Calculation Detail

SAMPLE DISTRICT												
<u>Sequence of calculations</u>	1	2	3	4	5	6	7	8	9	10	11	12
	Fall 2007 (FY 2006-07)			Fall 2008 (FY 2007-08)			Fall 2009 (FY 2008-09)			Fall 2010 (FY2009-10)		
	Advance	P-2	Recal	Advance	P-2	Recal	Advance	P-2	Recal	Advance		
Approximate date of distribution	Aug-06	Jun-07	Jan-08	Aug-07	Jun-08	Jan-09	Aug-08	Jun-09	Jan-10	Aug-09		
Base FTES*	9,850	9,950	9,950	10,250	10,300	10,300	10,422	10,661	10,661	10,900		
Funded Credit FTES*	10,110	10,250	10,300	10,350	10,422	10,661	10,800	10,900	11,000	11,100		
deficit factor*	1.00	1.00	1.00	1.00	0.9951	0.9956	1.00	0.9901	0.9901	1.00		
Adjusted funded credit FTES*	10,110	10,250	10,300	10,350	10,371	10,614	10,800	10,792	10,891	11,100		
Difference between base&funded	260.00	300.00	350.00	100.00	70.93	314.09	378.00	131.09	230.10	200.00		
% of difference btwn base and funded	2.64%	3.02%	3.52%	0.98%	0.69%	3.05%	3.63%	1.23%	2.16%	1.83%		
Base FON	145	147	147	151	152	152	153	156	156	156		
Change to base FON	3.83	4.43	5.17	1.47	1.05	4.64	5.55	1.92	3.37	2.86		
Round change to base FON	3	4	5	1	1	4	5	1	3	2		
FON	148	151	152	152	153	156	158	157	159	158		
Compliance FON for Fall**	148			152			152			158		
**Lower of Advance or P-2	Fall 2007			Fall 2008			Fall 2009			Fall 2010		
*All information on these rows is from the CO Apportionments Unit, Ed Monroe.							Since BOG declared 2008-09 Budget Act inadequate, this district's Fall 2009 obligation remains at 152 instead of 157.		Assuming BOG determine 2009-10 Budget Act provides adequate funding. Base FON for Fall 2010 would be 2007-08 Recal FON.			

Advance FON

(for Fall 2008 FON; calculated in Fall 2007)

$$\text{I. } \frac{\text{Projected \% Change}}{\text{Change}} = \frac{[\text{Adv (2007-08) FTES}] - [\text{P2 (2006-07) FTES}]}{[\text{P2 (2006-07) FTES}]}$$

$$\text{II. } \text{Base FON} = \text{Previous years P2 FON}$$

$$\text{III. } \text{Change to Base FON} = (\text{Rounded down to the nearest whole number}) \\ [\text{Projected \% Change}] \times [\text{P2 (2006-07) FON}]$$

$$\text{IV. } \text{Advance FON (for Fall 2008 FON)} = \\ [\text{Base FON}] + [\text{Change to Base FON}]$$

Advance FON

(for Fall 2008 FON; calculated in Fall 2007)

$$\text{I. } \underline{\text{Projected \% Change}} = \frac{[10,350] - [10,250]}{[10,250]} = .0097561$$

$$\text{II. } \underline{\text{Base FON}} = 151$$

$$\text{III. } \underline{\text{Change to Base FON}} =$$
$$[.0097561] \times [151] = 1.47$$

$$\text{IV. } \underline{\text{Advance FON (for Fall 2008 FON)}} =$$
$$151 + 1 = 152$$

Recal FON

(for Fall 2008 FON; calculated in January 2008)

I. **Projected % Change** =
$$\frac{[\text{Recal (2006-07) FTES X (Def. Factor)}] - [\text{Recal (2005-06) FTES}]}{[\text{Recal (2005-06) FTES}]}$$

II. **Base FON** = Previous years Recal FON

III. **Change to Base FON** =
$$[\text{Projected \% Change}] \times [\text{Recal (2005-06) FON}]$$

IV. **Recal FON** (for Fall 2008 FON) (Rounded down to the nearest whole number) =
$$[\text{Base FON}] + [\text{Change to Base FON}]$$

V. **Recal FON** is calculated only for use in the P2 FON; it is not a choice for Compliance FON

Recal FON

(for Fall 2008 FON; calculated in January 2008)

I. Projected % = $\frac{[10,300 \times 1] - [9,950]}{[9,950]} = .03518$
Change

II. Base FON = 147

III. Change to Base FON =
[.03518] X [147] = 5.17

IV. Recal FON (for Fall 2008 FON) =
147 + 5 = 152



P2 FON

(for Fall 2008 FON; calculated in Spring 2008)

I. **Projected % Change** =
$$\frac{[\text{P2 (2007-08) FTES X (Def. Factor)}] - [\text{Recal (2006-07) FTES}]}{[\text{Recal (2006-07) FTES}]}$$

II. **Base FON** = Previous years Recal FON

III. **Change to Base FON** = (Rounded down to the nearest whole number)
$$[\text{Projected \% Change}] \times [\text{Recal (2006-07) FON}]$$

IV. **P2 FON (for Fall 2008 FON)** =
$$[\text{Base FON}] + [\text{Change to Base FON}]$$



P2 FON

(for Fall 2008 FON; calculated in Spring 2008)

I. Projected % = $\frac{[10,422 \times .9951] - [10,300]}{[10,300]}$ = .00689

II. Base FON = 152

III. Change to Base FON =
[.00689] X [152] = 1.04

IV. P2 FON (Fall 2008) =
152 + 1 = 153



Adequate vs. Inadequate Funds

- If the BOG determines adequate funds in November 2008 for 2008-09, then a normal “growth” FON calculation will occur for Fall 2009.
- However, since the BOG determined inadequate funds were provided in 2008-09, the FON increase will remain unchanged, and the Fall 2008 FON will continue as the Fall 2009 FON
 - UNLESS a drop in FTES “growth” produces a lower FON.
- The district has the option of choosing either the Fall 2008 FON or the percentage of FT/PT ratio reported on their Fall 2008 FTFO report.

Recal FON

(for Fall 2009 FON; calculated in January 2009)

I. **Projected % Change** =
$$\frac{[\text{Recal (2007-08) FTES X (Def. Factor)}] - [\text{Recal (2006-07) FTES}]}{[\text{Recal (2006-07) FTES}]}$$

II. **Base FON** = Previous years Recal FON

III. **Change to Base FON** =
$$[\text{Projected \% Change}] \times [\text{Recal (2006-07) FON}]$$

IV. **Recal FON** (for Fall 2009 FON) (Rounded down to the nearest whole number) =
$$[\text{Base FON}] + [\text{Change to Base FON}]$$

V. **Recal FON** is calculated only for use in the P2 FON; it is not a choice for Compliance FON

Recal FON

(for Fall 2009 FON; calculated in January 2009)

I. Projected % Change = $\frac{[10,661 \times .9956] - [10,300]}{[10,300]} = .03049$

II. Base FON = 152

III. Change to Base FON =
[.03049] X [152] = 4.64

IV. Recal FON (for Fall 2009 FON) =
152 + 4 = 156

Advance FON

(for Fall 2010 FON; calculated in Fall 2009)

- **Assumption**: BOG determines adequate funds for 2009-10

$$\text{I. } \frac{\text{Projected \% Change}}{\text{Change}} = \frac{[\text{Adv (2009-10) FTES}] - [\text{P2 (2008-09) FTES}]}{[\text{P2 (2008-09) FTES}]}$$

$$\text{II. } \text{Base FON} = 2007-08 \text{ Recal FON}$$

$$\text{III. } \text{Change to Base FON} = (\text{Rounded down to the nearest whole number}) \\ [\text{Projected \% Change}] \times [\text{Recal (2007-08) FON}]$$

$$\text{IV. } \text{Advance FON (for Fall 2010 FON)} = \\ [\text{Base FON}] + [\text{Change to Base FON}]$$

Advance FON

(for Fall 2010 FON; calculated in Fall 2009)

$$\text{I. } \underline{\text{Projected \% Change}} = \frac{[11,100] - [10,900]}{[10,900]} = .01835$$

$$\text{II. } \underline{\text{Base FON}} = 156$$

$$\text{III. } \underline{\text{Change to Base FON}} =$$
$$[.01835] \times [156] = 2.88$$

$$\text{IV. } \underline{\text{Advance FON (Fall 2010)}} =$$
$$156 + 2 = 158$$

Consequences of not meeting FON

- **Penalty** = [# Faculty Short] X [Statewide Average Replacement Cost]
- Penalty can be deferred up to 1 year:
 - **IF** the BOG determines inadequate funding in current fiscal year
 - Deferral maintained until subsequent year BOG declares adequate funds
- **OR**, Penalty can be deferred up to 3 years, if a district is:
 - Meeting its FON in each of the 3 subsequent years, **AND**
 - Chancellor determines the district's financial integrity would be jeopardized by paying this penalty now
- Waiver of penalty is not allowed



FAQ

- **How come there are so many calculations of the obligation during a cycle?**

There used to be just one calculation at P2. So, districts were notified in June what number they would have to meet by November. HR directors requested a revision that would provide a target number earlier in the process, particularly since many districts do much or all of their hiring during March and April. As a result of this request from the field, Title 5 was revised to provide for a calculation at Advance and the use of the lower of Advance or P2 as the enforceable number for November.



FAQ

- **If my obligation calculated at Advance is higher than the one calculated at P2, which one do I have to meet?**

The lower of Advance or P2 would be the Compliance FON obligation.

- **Are noncredit FTES counted in the obligation?**

No. Only funded credit FTES are included in the calculation.



FAQ

- **Does the Chancellor's Office use the November 15 report of actual full-time and part-time faculty to update the obligation calculations?**

No. The sole purpose of the November 15 report is to determine compliance. If a district misses its target number, the amount not achieved is multiplied by the statewide average replacement cost and the result is reduced from P1 apportionment . Also, if the November 15 report shows a district has reached 75% full-time faculty, no growth increment is added to its obligation, until a report is received showing below 75%.



FAQ

- **Can the Penalty be waived for FON noncompliance?**

NO! There is no authority in CCR Title 5 section 51025(e) to waive the penalty for noncompliance.



FAQ

- **What happens to the penalties for FON noncompliance?**

The law requires these funds be distributed statewide on a one-time basis to fund diversity in hiring in accordance with Education Code Sec 87107.

Questions/Comments

