

Everything You Always Wanted to Know About the 50% LAW (But Were Afraid to Ask)

And More.....

Team 3

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50% Law Background

50% Law was developed in 1961.

The law presently mandated that districts spend at least 50% of their unrestricted funding on direct classroom instruction.

The original intent of this law was K-12 and Junior Colleges to design an accounting system that would provide a clear distinction between expenditures for salaries of classroom teachers employed by the district and other expenditures of the district.

They also wanted to reduce class size in the public schools so that they could increase in FT Faculty, Not to an Increase in FT Faculty Salaries.

By capping the number of students and hiring more FT Faculty they were planning on FT Faculty providing guidance and counseling service to students.

50% Law Background

REQUIREMENT AND DEFINITION OF THE 50% LAW

Education Code 84362 (d): “There shall be expended during each fiscal year payment of classroom instructors by community college district, 50% of the district’s current expense of education”(CEE)

Title 5 Section 58204 (a):

(1) that portion of salaries paid for purposes of instruction of students by full-time and part- time instructors employed by the district, and

(2) all salaries paid to district classified employees who are:

- (A) assigned the basic title of “Instructional Aide” or other appropriate title designated by the governing board which denotes that the employees’ duties include instructional tasks, and
- (B) (B) employed to assist instructors in the performance of their duties, in the supervision of students, and in the performance of instructional tasks. . . An employee shall be deemed to be under the supervision of an instructor for the purpose of Education Code Section 84362 if the employee performs duties under the general direction of an instructor.

In addition, salaries of classroom instructors shall include the cost of all benefits provided such instructors and instructional aides.

50% Law Background

AB 1725 (1988) defines the intent to authorize more responsibility for faculty to expand their roles beyond the classroom. Some of these areas are

- Curriculum development

- Leadership Roles and Professional Development

- Release time for Collective Bargaining Units

However, these additional duties are outside of classroom instruction, which falls on the wrong side of 50% model.

As you can see the definition of Instruction has changed it is no longer just takes place in the classroom.

50% Law Background

50+ years later from the 50% law originated, many expenditures that support instruction were not considered at that time and are now on the “wrong” side of the 50% law

Minimum conditions are required to operate as a community college, most involve support services which are considered on the “wrong” side of the 50% law. Examples are:

- Educational and Facilities Master Plan

- Accreditation requirements

- Shared governance

- Providing a Resource library

Students are less prepared now then when the law was implemented. Colleges are having to provide more Supportive Services for students to succeed which falls on the wrong side of the 50% law.

50% Law Background

There is no similar law for community colleges in the nation nor does the 50% law apply to CSUs and UC's.

Due to differences between the regulations that govern K-12 and Community College operations, compliance with the 50% Law Contradicts other requirements and laws established specifically for community colleges.

The 50% Law is incompatible in the present day Community College setting.

Where do we report this information? 50% Calculation annually on the CCFS-311

50% Calculation

Calculated on Unrestricted subfunds ONLY

$$= \frac{\text{Instructional Salaries \& Benefits}^*}{\text{Total Current Expense of Education}^*}$$

* Less exclusions

50% Calculation-Numerator

Instructional salaries, including Learning Resources Center
Object codes 11xx, 13xx, 22xx and 24xx

Related benefits – Object code 3xxx

- Payroll taxes

- Pension benefits

- Medical benefits

50% Calculation-Denominator

All of the following Unrestricted expenditures:

Salaries

Benefits

Supplies

Operating Expenses

Equipment replacement

50% Calculation – Exclusions

Program codes 6800-7390:

6800	Community Services and Economic Development (Community Services, recreation, facilities)
6900	Ancillary Services (bookstores, CDC, farm, food services, parking, co-curricular activities, housing)
7000	Auxiliary Operations (contract education)
7100	Physical property and related acquisitions
7200	Long-term debt and other financing
7300	Transfers, student aid, other outgo

50% Calculation – Exclusions

Other exclusions:

- Instructional staff retirees' benefits and incentives

- Non-Instructional staff retirees' benefits and incentives

- Student health services

- Student transportation

- Rents and leases

- Capital outlay

- Other outgo

- Lottery expenditures

50% Law Analysis Table-Unrestricted GF

Object Code	Salaries of Classroom Instructors	Current Expense of Education	
1000 Academic Salaries			
Instructional	1100, 1300	1100, 1300	
Noninstructional		1200, 1400	
2000 Classified Salaries			
Noninstructional		2100, 2300	
Instructional Aides	2200, 2400	2200, 2400	
3000 Employee Benefits	3000	3000	
4000 Supplies & Materials		4000	
5000 Other Operating Expense		5000	
6000 Equipment Replacement		6420	
Less Exclusions	Exclusions as	Defined	

50% Law – Categorical Programs

In Fiscal Year 2016-17, Statewide funds for SSSP/BS/SE were \$436.3 million, or 18.5% of Unrestricted State General Apportionment of \$2.4 billion.

Categorical programs are excluded from the 50% calculation

Categorical programs often require salaries and benefits for a program director, often an instructional person in smaller colleges

Consequently, categorical funds are used to pay instructional salaries and benefits

50% Law – Categorical Programs

A reduction in categorical funding may cause an increase in unrestricted general fund expenses

Rather than terminate positions, the positions will more than likely be moved to the unrestricted fund

These costs may be on the “wrong” side of the 50% calculation

Decisions regarding categorical funding often do not consider the ramifications on the 50% calculation and may compound the problem that face community colleges

50% Law – Contrary to Current Initiatives

- **Guided Pathways** - Guided pathways is a student-centered approach that can dramatically increase the number of students earning community college credentials, while closing equity gaps. This is a college-wide initiative that provides a framework for integrating California-based initiatives such as SSSP, Equity, Basic Skills Transformation, the Strong Workforce Program, and California College Promise.

Included in program but not within “right side” of 50% law:

- *Design and maintenance of reporting structures (state and integrated planning)*
- *Strategic Planner to implement on campus by campus basis*
- *Additional counseling time to integrate and align all programs*
- *Additional time for Dean/Director of Institutional Effectiveness and other Deans to align and report*
- *Additional orientations, meetings, and trainings to implement and maintain*

50% Law – Contrary to Current Initiatives

College Promise - College Promise programs, which allow students to start and complete a community college education without taking on mountains of student debt by advancing on the path to earn a degree, a certificate, and/or credits that transfer to a four-year university (tuition, books, fees, and supportive services).

Included in program but not within “right side” of 50% law:

- *Books to students (\$1500/semester)*
- *VTA passes (accessibility)*
- *Health services (Physical and Mental Health)*
- *Additional Counseling needs (College Success)*
- *Program needs for student orientations, cohort needs, parental orientations*
- *Administrative needs (IT for coding, Financial Aid, and Business Office)*

What if Counselors & Librarians Counted?

HYPOTHESIS: Low Impact, may raise Instructional Costs by 1 – 2 %

Informal Survey Based on FY 16-17 Data:

How Many Counselors & Librarians are out there?

Are they primarily paid from Unrestricted General Fund or Categorical Funds?

What percent of salaries is paid from Categorical/Restricted Funds?

If 100% of Counselor & Librarian Salaries counted towards the “Right” side of the 50% Law, what would be the impact?

Survey Results – Who's Out There?

22 of 72 Districts Responded (30.6% response rate 😊 Thanks!)

Districts reported **23.8 Counselors** on average, ranging from 1 – 70 per district.

Districts reported **5.4 Librarians** on average, ranging from 1 – 26 per district.

Survey Results

Funding Source for Counselors & Librarians

13 of 22 reported that **UNRESTRICTED** General Funds are the **primary** funding source.

7 of 22 reported that **CATEGORICAL/RESTRICTED** funds are the primary funding source.

1 of 22 reported 50/50.

1 of 22 skipped the question.

On average, districts reported that **46.4%** of Counselor & Librarian Salaries are funded from **CATEGORICAL/RESTRICTED** funds, with a range of 15% - 80%.

Survey Results

Percent Increase to Instructional Costs ("Right" Side)

Districts reported that including Counselors & Librarians as instructional salaries would result in a **3.4% increase** to the 50% Law calculation.

Estimated percentage increases ranged from 1% to 8%.

Survey - Conclusion



More analysis needed

Better Questions

Disaggregated Data

And possibly even more important, considering the new system Vision for Success, Guided Pathways, and Funding based on Outcomes:

What truly is the “Current Expense of Education”?

What truly is an “Instructional Cost”?

QUESTIONS?