



**BUDGET COMMITTEE**

Wednesday, November 19, 2:30 – 3:30 p.m.  
In Person – Room 1102

**Approved Minutes**

**ROLL CALL:**

X	Becky McCall (Chair)	X	Jackie Parker (Co-Chair)	X	Stacey Bartlett		Elsa Gomez
	Scott Gordon	X	Jim Harrell	X	Rob McCandless	X	Jennine Meier
X	Juanne Van Der Linde	X	Courtney Zimbardo	X	Student Rep Evelyn Degutis		

Guests: Keri Mathews, Jenny Beckman, Nelli Smith, Heidi Diaz, Tim Johnston, Mathew Gallmeister, Beau Bailey, Heidi Loftus, Ioana (Yanna) Iatridis

1. **CALL TO ORDER:** The meeting was called to order at 2:34 pm by Committee Chair, Becky McCall.
2. **APPROVAL OF MINUTES:** November 5, 2025. Motion to approve minutes by Stacey Bartlett, 2<sup>nd</sup> Courtney Zimbardo. All approved, no abstentions or objections, motion passed.
3. **PUBLIC COMMENTS:** This portion of the meeting is reserved for persons wishing to address the Budget Committee on any matter not on the agenda. No action will be taken. Speakers are limited to three minutes.
4. **REPORTS**
5. **DISCUSSION ITEMS**

**A) Budget Updates from the State (if applicable)**

**School services updates**

Handout 1 – Longest Government Shutdown in U.S. History Ends

- There is still some uncertainty but as the government comes back online programs are getting funded.

GROUP REMINDERS:  
Honest Communication  
Transparency, No Hidden Agendas  
Listen to Each Other  
Do What We Say We Will Do

### Handout 2 – CalPERS Employer Contribution Rate Estimates

- An updated estimate of employer contribution rates. 26-27 came down a little. The ongoing estimate is projected to come down

### Handout 3 – October Revenues Continue Upward Trend

- This is new information that just came out today. Looking at the big three taxes. Last time they did not account for the LA fires. This update includes that but there are still some gaps and delays with data reporting. Income tax seems to be coming in higher than projected. Total 5.4 million overall projection. Personal income tax is actually higher but Corporate and sales tax is coming in lower.

### Handout 4 – Summary of the 50% Law in California Community Colleges

- This handout is for reference and for you to take with you to review. The financial projection dashboard is due in February 2026.

## **B) 50% Calc Review**

Becky went through her PPT presentation which was sent out to committee members and is attached to the minutes. All slides are self-explanatory. A few notes are below.

- Slide 1 - The 50% law was enacted in 1961 to bring a better proportion of enrollment in classes.
- Slide 5 - A lot of things have happened since then and more programs and services should be included on the Numerator side of the calculation as opposed to the Denominator side.
- What qualifies and what does not.
- Slide 6 - Exclusions listed are excluded from the entire calculation.

Field trips may be included but they must be for instructional purposes to improve the program.

Mandatory HR trainings are not directly tied to improving an instructional program, so the stipends paid to faculty for those trainings are counted on the bad side of the 50% calc. In order to count on the good side, the expenditures have to be tied directly to instruction and/or instructional program improvement.

- Slide 7, 8, & 9 - A question was asked about faculty overload – faculty must teach a certain amount based on their contract. Anything over that amount is overload and they are paid on an hourly basis or by a stipend. This generally should be no more than an extra 50% due to burn out. A decision must be made on which is better – to add a class when enrollment is large or to increase the class number. Part time faculty can only have a 67% load.

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Grant funded faculty positions are not included in the 50/50 calc.

- Slide 18 - 2023-2024 got close and 2024-2025 at 50.47 so we need to be mindful of positions. It is important to assess replacing faculty positions when they become vacant to ensure we are meeting the 50% calc requirements.
- Slide 19 - Expenditures have been creeping up, nothing is going down but we are still getting fully funded.
- Slide 20 - Each year we send out a personnel spreadsheet to departments with all staff and account codes to check and make sure that staff are coded correctly.
- We are checking all personnel requisitions to make sure the correct fund numbers are included.
- Slide 22 - Question: Do auditors look to see why one side has increased and other side has decreased.  
Jackie P – yes, this year we had to justify to our auditors why we made changes
- Slide 23 - There is talk to update or amend the law as things have changed and many programs have been created in areas that benefit students but are not included.

Jackie Parker

Handout 5 – Analysis of compliance with the 50 Percent Law (ECS 84362)

- First column instructional salary, second total cost of education and third shows exclusions.
- Second page goes into details of exclusions.
- Third page gives us the final number.
- The middle section shows 50.47%.
- We have experienced challenges with account coding.
- We are working with departments to make sure positions are coded correctly.

Becky and Jackie are going to set up a workshop on how to make sure the correct funding source is coded to each position.

## 6. OTHER

- Draft of topics – reach out to Becky to let her know if there are other topics you would like to hear about.

## 7. ANNOUNCEMENTS

GROUP REMINDERS:  
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- Rob acknowledged and congratulated Yanna about her new position at the Chancellors office – Yanna said she is looking forward to being a voice for the district
- International Thanksgiving November 20, still accepting monetary donations
- Giving tree reminder
- Public market downtown opens on December 5<sup>th</sup>.
- Nutcracker is coming up in our theatre – there will be a live orchestra.
- Tehama Campus – Center Status
  - Shasta College’s application for center status for our Tehama Campus was approved by the Board of Governors.
  - This means once we reach an enrollment threshold of 1000 FTES at the center, we will qualify for additional funding to help expand upon the good work serving the needs of Tehama County.
  - Instructional deans and student services have made Tehama a priority and we are looking to add further classes to support and boost the center.

**8. ADJOURNMENT – adjourn 3:25pm**

**9. NEXT MEETING: December 3, 2025**

GROUP REMINDERS:  
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Transparency, No Hidden Agendas  
Listen to Each Other  
Do What We Say We Will Do



## COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

### Federal Government Shutdown Enters Fifth Week



**BY KYLE HYLAND**

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posted October 31, 2025

The federal government shutdown is entering its fifth week after the Senate failed to advance a continuing resolution to fund operations through November 21, 2025. Despite ongoing talks between Senate leaders and the Trump Administration, no agreement was reached before adjournment, meaning the shutdown will continue into next week. While California Community Colleges are primarily funded through state and local sources, the ongoing stalemate is creating uncertainty around key federal programs that support students, including the Supplemental Nutrition Assistance Program (SNAP).

SNAP funding has become one of the most pressing issues during this shutdown. If a resolution is not reached soon, benefits for approximately 42 million Americans are at risk of running out, potentially as early as this weekend. This is especially concerning for college students who rely on SNAP (known as CalFresh in California) to meet their basic food needs. Reports indicate that hundreds of thousands of California college students could be impacted, with some campuses already preparing emergency food programs, grocery gift cards, and short-term assistance in anticipation of potential disruptions. In response to the Trump Administration stating they cannot legally tap into the SNAP Contingency Reserve Fund to pay for SNAP benefits during the shutdown, several states sued to release those funds. Two federal judges, Indira Talwani in Massachusetts and John McConnell Jr. in Rhode Island, issued rulings ordering the Trump Administration to continue issuing SNAP benefits during the ongoing government shutdown. Judge Talwani found that the Administration's plan to suspend payments was "likely unlawful," emphasizing that Congress had already provided contingency funds that the U.S. Department of Agriculture (USDA) could legally use to sustain benefits. She instructed the USDA to decide by Monday whether to issue partial or full November payments using those funds. Meanwhile, Judge McConnell granted a temporary restraining order blocking the Administration from halting benefits, ruling that cutting them off would cause irreparable harm to millions of families and that withholding funds was "arbitrary." He ordered the USDA to tap the available \$5.25 billion contingency fund and continue honoring existing SNAP work-requirement waivers.

For community colleges, the SNAP issue underscores broader student basic needs concerns. Many students already face food insecurity, and disruptions in benefits could drive higher demand for campus food pantries and emergency grants. Administrative barriers and confusion around student eligibility for SNAP are further

complicated by the shutdown. College leaders should ensure that students are aware of on-campus support and should coordinate with local CalFresh offices and county human services agencies to understand contingency plans.

Looking ahead, key developments that we will be watching for include how the Trump Administration reacts to the two federal judges' decisions to provide SNAP funding in November, potential Senate efforts to advance limited "carve-out" funding bills to restore SNAP, and whether the House will reconvene to consider additional funding measures.



# COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

## CalPERS Employer Contribution Rate Estimates

 **BY TEDDI WENTWORTH**

 **BY MICHELLE MCKAY UNDERWOOD**

Copyright 2025 School Services of California, Inc. posted November 18, 2025

Last week, the California Public Employees' Retirement System (CalPERS) released the school employer (which includes California Community Colleges) projected contribution rates for fiscal year 2026-27. Although the actual investment return for fiscal year 2024-25 are not yet known, updated projections were provided in the circular letter, which estimate future employer contribution rates as follows:

<b>Fiscal Year</b>	<b>Updated: Estimated School Employer Contribution Rate<sup>1</sup></b>	<b>Former: Estimated School Employer Contribution Rate<sup>2</sup></b>
2025-26	26.81% (Actual)	26.81% (Actual)
2026-27	26.40%	26.90%
2027-28	26.90%	27.80%
2028-29	26.10%	27.40%
2029-30	25.30%	27.00%
2030-2031	24.20%	26.20%

<sup>1</sup>As of November 13, 2025

<sup>2</sup>Prior to November 13, 2025

Across the projection period, the employer contribution rate has improved compared to the prior estimates. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. That makes this the best estimation at this time, but it is still subject to change by the time the 2026-27 rate is adopted by the CalPERS Board in April 2026.

CalPERS employer contribution rates will be included in the next version of our School Services of California Inc. Financial Projection Dashboard to be prepared with the 2026-27 Governor's Budget proposal in January 2026. The current California State Teachers' Retirement System (CalSTRS) employer contribution rate of 19.10% is expected to remain the same in fiscal year 2026-27. CalSTRS has not released out-year projections.



# COMMUNITY COLLEGE UPDATE

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*PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS*

## October Revenues Continue Upward Trend

 **BY WENDI MCCASKILL**

Copyright 2025 School Services of California, Inc.

posted November 19, 2025

The Department of Finance (DOF) released its November 2025 Finance Bulletin yesterday, offering a mixed portrait of the U.S. and California economies amid a federal government shutdown that temporarily halted several major federal data releases. Despite gaps in national Gross domestic product (GDP), labor market, and housing permits data for September and October, the Bulletin highlights notable developments in inflation and California's General Fund cash receipts as the state approaches the Governor's January State Budget proposal.

U.S. headline consumer price index (CPI) inflation rose from 2.9% in August to 3.0% in September, marking the fifth consecutive month of accelerating inflation after reaching a low of 2.3% in April. According to the DOF, the recent uptick was largely driven by higher prices for tariff-sensitive goods, including new vehicles, household furnishings, recreation, and education and communication.

Core inflation, which excludes food and energy, slowed slightly, edging down a 0.1 percentage point to 3.0%, led by deceleration in shelter costs. Gasoline prices continued their long downward trend with the 16th consecutive year-over-year decline, though the pace of decrease moderated substantially; gasoline inflation has accelerated by more than 11 percentage points since May, from -12.0% to -0.5%.

California CPI data shows headline inflation increasing from 3.0% in June to 3.3% in August, the highest level since mid-2024. Per the DOF and like national trends, California's inflation acceleration was concentrated in goods most affected by tariffs. Gasoline prices in the state also remain negative year-over-year but have narrowed significantly, moving from -9.5% in April to -1.4% in August. Shelter inflation in California moderated slightly to 3.4% in August, down from 3.9% the previous December.

The federal government shutdown, which began on October 1 and concluded on November 12, halted operations for several statistical agencies. As a result, no updated federal GDP, labor market, or housing permits data is available for September or October. This temporary gap limits visibility into broader national trends heading into the final quarter of the year.

Preliminary DOF agency cash data shows that October General Fund revenues exceeded Budget Act projections by \$2.2 billion (12.7%), continuing the strong fiscal performance seen since spring 2025. Year-to-date, General Fund agency cash receipts are \$8.6 billion above forecast, including \$2.7 billion attributable to late-arriving receipts from the prior fiscal year.

Personal income tax (PIT) receipts were the principal driver of the October surge, coming in \$2.1 billion above forecast (16.9%). These results reflect a larger-than-anticipated surge in payments from Los Angeles County taxpayers following the October 15 extended filing deadline, which shifted an estimated \$1.5-\$2 billion of receipts into October beyond the amounts assumed in the Budget Act. Corporation tax receipts fell \$75 million short of expectations, and sales and use tax receipts were \$26 million below projections for October.

As displayed in the table below, year-to-date PIT is 14.7% above projected levels. Corporation taxes and sales and use tax receipts are both below forecasted year to date. Cumulatively, through October, the state's primary revenue sources continue to run above expectations. With a substantial share of this year's revenue gains tied to timing shifts and taxpayer extensions, the Administration and Legislature will continue evaluating how much reflects ongoing increases in tax liability versus one-time or temporary shifts.

**2025-26 Fiscal Year-to-Date “Big Three” Tax Revenues**  
(In millions)

	Forecast	Actual	Difference
Personal Income Tax	\$39,209	\$44,977	\$5,768
Corporation Tax	\$6,960	\$6,699	-\$261
Sales and Use Tax	\$10,054	\$9,958	-\$96
Total	\$56,223	\$61,634	\$5,411

Source: California Department of Finance

With federal data delayed and inflation trending upward, the November Finance Bulletin highlights both progress and uncertainty in the state’s economic outlook. The Legislative Analyst’s Office is expected to issue its Fiscal Outlook this week, offering its own assessment of California’s fiscal trajectory ahead of budget negotiations.

# Summary of the 50% Law in California Community Colleges

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## Overview

- **Legal Basis:** California Education Code §84362 and Title 5 CCR §§59204–59214.
- **Core Requirement:** Each community college district must allocate at least 50% of its Current Expense of Education (CEE) to the salaries and benefits of classroom instructors.
- **Purpose:** Originally enacted in 1961 to ensure that a significant portion of educational spending directly supports classroom instruction and to maintain smaller class sizes.

## Key Definitions

- **Salaries of Classroom Instructors:** Includes full-time and part-time faculty salaries for classroom instruction, instructional aides under faculty supervision, and associated health and welfare benefits.
- **Current Expense of Education (CEE):** Total annual educational expenditures excluding student transportation, food services, community services, facilities, debt service, and certain categorical programs.

## Compliance and Reporting

- **Calculation:** Done annually through the CCFS-311 report, due October 10.
- **Penalty for Non-Compliance:** The Chancellor's Office may reduce apportionment dollar-for-dollar for districts failing to meet the 50% threshold.
- **Exemptions:** Districts may apply for exemptions under limited circumstances.

## Recent Audit Findings, Challenges & Reform Discussions

- **Oversight by the Chancellor's Office** has been limited, allowing inaccurate reporting.
- The law does not account for modern needs like counseling, librarians, and technology.
- Growth in administrative costs has outpaced faculty investment.
- **Challenges:** The law can be a barrier to funding student support services outside the classroom.
- **Recommendations:** Include counselors and librarians in the numerator, provide regular training, and explore raising the compliance threshold. Exclude technology or a portion in the numerator.

## Compliance Guidelines

- **Included in Calculation:** Classroom instruction salaries and benefits, instructional preparation, evaluation, and related duties.
- **Excluded:** Community service classes, economic development activities, student insurance, ancillary operations.
- **Best Practices:** Proper coding of expenditures in CCFS-311, regular internal audits, and training for fiscal staff.

# Handout 5

CALIFORNIA COMMUNITY COLLEGES

Analysis of compliance with the 50 Percent Law (ECS 84362)

Annual Financial and Budget Report

The Current Expense of Education

SUPPLEMENTAL DATA

S11 GENERAL FUND - UNRESTRICTED SUBFUND

For Actual Year: 2024-2025

Budget Year: 2025-2026

District ID: 170

Name: SHASTA-TEH-TRI

		Activity (ECSA)	Activity (ECSB)	Activity (ECSX)	
		ECS 84362 A	ECS 84362 B	Excluded	
	Object	Instructional Salary Cost	Total CEE	Activities	
Academic Salaries	Code	AC 0100-5900 & AC 6110	AC 0100 - 6799	AC 6800 - 7390	Total
<b>Instructional Salaries</b>					
Contract or Regular	1100	12,895,142	12,895,142		12,895,142
Other	1300	6,857,648	6,857,648		6,857,648
<b>Total Instructional Salaries</b>		19,752,790	19,752,790	0	19,752,790
<b>Non-Instructional Salaries</b>					
Contract or Regular	1200		3,528,114	568,657	4,096,771
Other	1400		244,273	240,559	484,832
<b>Total Non-Instructional Salaries</b>		0	3,772,387	809,216	4,581,603
<b>Total Academic Salaries</b>		19,752,790	23,525,177	809,216	24,334,393
<b>Classified Salaries</b>					
<b>Non-Instructional Salaries</b>					
Regular Status	2100		10,095,247	2,617,189	12,712,436
Other	2300		661,784	264,168	925,952
<b>Total Non-Instructional Salaries</b>		0	10,757,031	2,881,357	13,638,388
<b>Instructional Aides</b>					
Regular Status	2200	947,891	947,891		947,891
Other	2400	1,196,229	1,196,229		1,196,229
<b>Total Instructional Aides</b>		2,144,120	2,144,120	0	2,144,120
<b>Total Classified Salaries</b>		2,144,120	12,901,151	2,881,357	15,782,508
<b>Employee Benefits</b>	3000	9,168,756	17,283,042	1,673,714	18,956,756
<b>Supplies and Materials</b>	4000		1,016,749	519,522	1,536,271
<b>Other Operating Expenses</b>	5000	334,650	8,481,634	998,571	9,480,205
<b>Equipment Replacement</b>	6420				0
<b>Total Expenditures Prior to Exclusions</b>		31,400,316	63,207,753	6,882,380	70,090,133

For Actual Year: 2024-2025

Budget Year: 2025-2026

District ID: 170

Name: SHASTA-TEH-TRI

Exclusions	TOP Code	Activity (ECSA)	Activity (ECSB)	Activity (ECSX)	Total
		ECS 84362 A	ECS 84362 B	Excluded	
		Instructional Salary Cost	Total CEE	Activities	
		AC 0100-5900 & AC 6110	AC 0100 - 6799	AC 6800 - 7390	
<b>Activities to Exclude</b>	<b>TOP Code</b>				
Instructional Staff-Retirees' Benefits and Retirement Incentives	5900	1,128,383	1,128,383		1,128,383
Student Health Services Above Amount Collected	6441		61,446		61,446
Student Transportation	6491				0
Noninstructional Staff-Retirees' Benefits and Retirement Incentives	6740		980,991		980,991
<b>Objects to Exclude</b>	<b>Object Code</b>				
Rents and Leases	5060		127,016		127,016
Lottery Expenditures					
Academic Salaries	1000		106,306		106,306
Classified Salaries	2000		410,120		410,120
Employee Benefits	3000		217,555		217,555
Supplies and Materials	4000				
Software	4100				0
Books, Magazines, & Periodicals	4200				0
Instructional Supplies & Materials	4300		14,497		14,497
Noninstructional, Supplies & Materials	4400				0
Total Supplies and Materials		0	14,497	0	14,497
Other Operating Expenses and Services	5000		186,048		186,048

CALIFORNIA COMMUNITY COLLEGES

Analysis of compliance with the 50 Percent Law (ECS 84362)

Annual Financial and Budget Report

The Current Expense of Education

SUPPLEMENTAL DATA

S11 GENERAL FUND - UNRESTRICTED SUBFUND

For Actual Year: 2024-2025

Budget Year: 2025-2026

District ID: 170

Name: SHASTA-TEH-TRI

		Activity (ECSA)	Activity (ECSB)	Activity (ECSX)	
		ECS 84362 A	ECS 84362 B	Excluded	
	Object	Instructional Salary Cost	Total CEE	Activities	
	Code	AC 0100-5900 & AC 6110	AC 0100 - 6799	AC 6800 - 7390	Total
Capital Outlay	6000				
Library Books	6300				0
Equipment	6400				
Equipment - Additional	6410				0
Equipment - Replacement	6420				0
Total Equipment		0	0	0	0
Total Capital Outlay		0	0	0	0
Other Outgo	7000				0
<b>Total Exclusions</b>		1,128,383	3,232,362	0	3,232,362
<b>Total for ECS 84362, 50% Law</b>		30,271,933	59,975,391	6,882,380	66,857,771
<b>Percent of CEE (Instructional Salary Cost / Total CEE)</b>		50.47%	100.00%		
<b>50% of Current Expense of Education</b>			29,987,696		
<b>Nonexempted (Remaining) Deficiency from second preceding Fiscal Year</b>					
<b>Amount Required to be Expended for Salaries of Classroom Instructors</b>		30,271,933	59,975,391	6,882,380	66,857,771
<b>Reconciliation to Unrestricted General Fund Expenditures</b>					
<b>Total Expenditures Prior to Exclusions</b>		31,400,316	63,207,753	6,882,380	70,090,133
<b>Capital Expenditures</b>	6000	66,892	716,607	42,751	759,358
<b>Equipment Replacement (Back out)</b>	6420		0	0	0
<b>Total Unrestricted General Fund Expenditures</b>		31,467,208	63,924,360	6,925,131	70,849,491

# 50% LAW IN CALIFORNIA COMMUNITY COLLEGES

Budget Committee

November 19<sup>th</sup>, 2025

Presented by: Becky McCall, Vice President of Administrative Services





## OVERVIEW

- Originated from 1959 legislation to reduce class sizes and rebalance spending
- Enacted in 1961 for K-12 and junior colleges
- Requires 50% of current educational costs to be spent on instructional salaries and benefits
- Reported annually via CCFS-311 and audited independently

# OVERVIEW

The Fifty Percent Law requires all community college districts to spend at least half of their “Current Expense of Education” for “Salaries of Classroom Instructors.” (Includes Classroom Aids)

Education Code Section 84362 and the implementing regulations in the California Code of Regulations title 5, section 59200, et. al., provide for exemptions under certain circumstances.

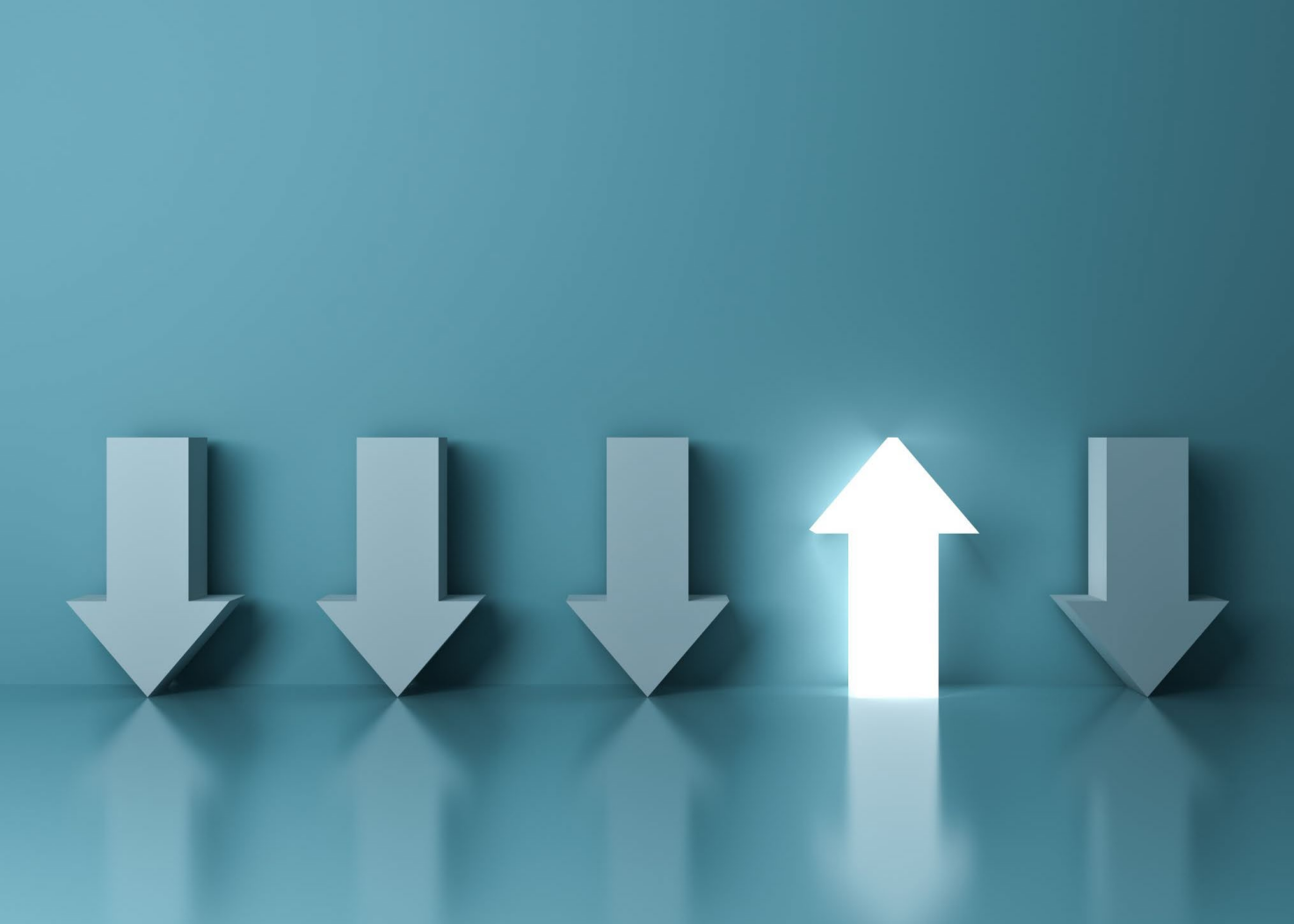




## 50% RULES:

- Education Code (EC) Sections 84362 and 84363
- California Code of Regulations Sections 59204 - 59214
- Contracted District Audit Manual (CDAM)
- Budget & Accounting Manual (BAM)

[Fifty Percent Law | California Community Colleges Chancellor's Office](#)



- Counselors and Librarians are faculty, but are not counted
- Pension increases for CalPERS have grown and are non instructional
- Instructional technology not included in instruction
- Instructional materials not included instruction
- Funding model includes metrics that are not related to direct instruction. Example is the supplemental portion, which include headcount of Pell, AB540 & Promise students-services that occur mainly in student services

# 50% CHALLENGES



# KEY DEFINITIONS

## **Total Cost of Direct Instruction- NUMERATOR**

Includes Salaries and Benefits for all Full Time and Parttime Faculty (including Overload); Instructional Aids (including OT, ET, Temp, Sub); Instructional Cost for Instructional Service Agreements (ISA)

- **Classroom Instructor:** “... an employee of the district employed in a position requiring minimum qualifications and whose duties require him or her to teach students of the district for at least one full instructional period each school day for which the employee is employed...”

## **Total Cost of Education- DENOMINATOR**

Includes Salary and Benefits for all Academic and Classified employees; Supplies and Materials; Other Operating Expenses; Equipment Replacement

### **Exclusions:**

The following are excluded: Student Health Services Fees, Retiree Benefits and Incentives, Rents/Leases, Lottery Expenses

## SALARIES OF CLASSROOM INSTRUCTORS (NUMERATOR)

“Salaries of Classroom Instructors” means:

1  
(1) Salary paid to each instructor employed by the district whose duties require that the full time for which the instructor is employed be devoted to the instruction of students of the district

2  
(2) The portion of the salary of each instructor whose duties require that a part, but not all, of the full time for which the instructor is employed be devoted to the instruction of students of the district

3  
(3) Salary paid to each instructional aide employed by the district, any portion of whose duties are required to be performed under the supervision of an instructor

4  
Note - The “salaries for classroom instructors” includes the salaries **and** fringe benefits for classroom instructors and instructional aides (full-time and part-time).

## SALARIES OF CLASSROOM INSTRUCTORS



Includes regular, contract, and prorated faculty salaries

Covers duties like instruction, prep, evaluation, and student supervision

Sabbaticals, overloads, and stipends may qualify if instructional

Noninstructional roles (e.g., department chairs) are excluded

# SALARIES OF INSTRUCTIONAL AIDES



Must be directly involved in classroom instruction

Salaries split between direct instruction and other duties

Regular and temporary aides tracked under specific object codes

Supervision by an instructor is required for inclusion

## INSTRUCTIONAL BENEFITS & SERVICES



Benefits tied to instructional roles are included (Object 3000)



Instructional Service Agreements (ISAs) may qualify if costs are reclassified to instructional codes



Only direct instructional costs count toward the numerator



EC 84362(c) defines Current<sup>11</sup> Expense of Education (CEE) as:

- The gross total expended within the General Fund...for the purposes classified in the final budget...
- Academic salaries
- Classified salaries
- Employee benefits
- Books, supplies and equipment replacement
- Contracted services and other operating expenses

CURRENT COST OF EDUCATION--WHAT IS INCLUDED?

## CURRENT EXPENSE OF EDUCATION (DENOMINATOR)

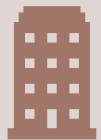


### “Current Expense of Education”



#### Includes:

General fund operating expenditures



#### Excludes:

Expenditures for food services/community services  
Capital (except equipment replacement)  
Auxiliary services  
Other costs specifically excluded by law

## EXEMPTED ACTIVITIES



Student transportation, food services, community services



Lottery-funded expenditures



Facility acquisition, retiree benefits, and leases



Specific activity codes (e.g., 6810–7090) are excluded from the denominator

## 50% LAW CALCULATION



**Numerator:** Unrestricted fund instructional salaries and benefits (includes instructional aides)



**Denominator:** Current cost of education minus exempted activities



Calculated annually for compliance

50 PERCENT  
(SIMPLE EXAMPLE)

Salaries of Classroom  
Instructors = \$3,120,000

Current Expense of Education =  
\$6,000,000

50% Calculation is:

- $\frac{\$3,120,000}{\$6,000,000} = 52\%$
- \$6,000,000

# CALCULATING THE 50% LAW EXAMPLE

	Before Exeptions	Percent
Instructional	\$ 32,630,225.00	50.21%
Current Cost of Education (CCE)	\$ 64,987,243.00	

Exempted Activities (6800-7300)	Exempted Lottery	Exempted Rent/Leases	Total Exemptions:
\$ 1,291,926.00	\$ 2,128,851.00	\$ 159,898.00	\$ 3,580,675.00

	After Exemptions	Percent
Instructional	\$ 32,030,225.00	52%
Current Cost of Education (CCE)	\$ 61,406,568.00	

## PENALTIES FOR NONCOMPLIANCE

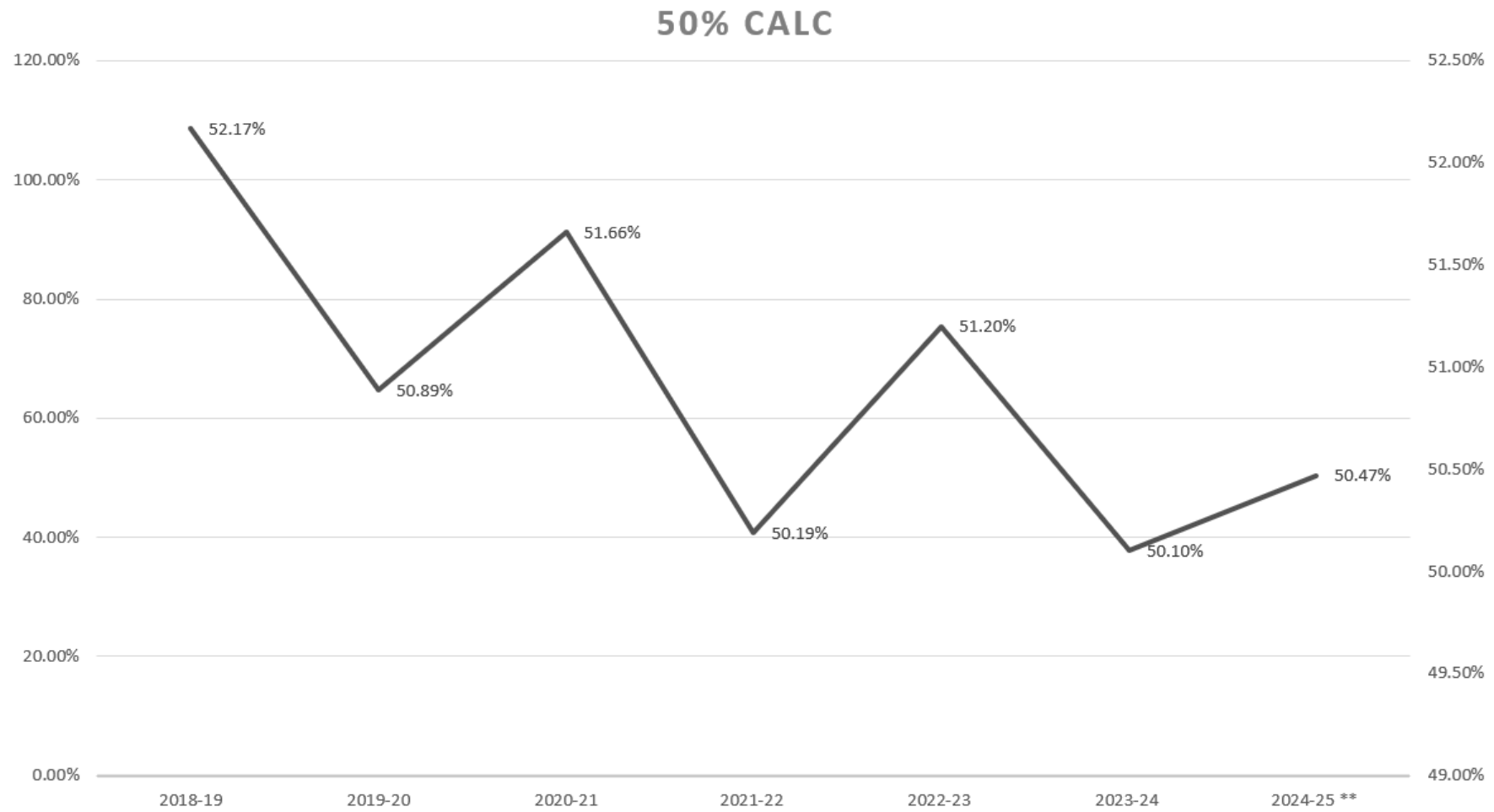


If unresolved within two years, deficiency amount deducted from apportionments

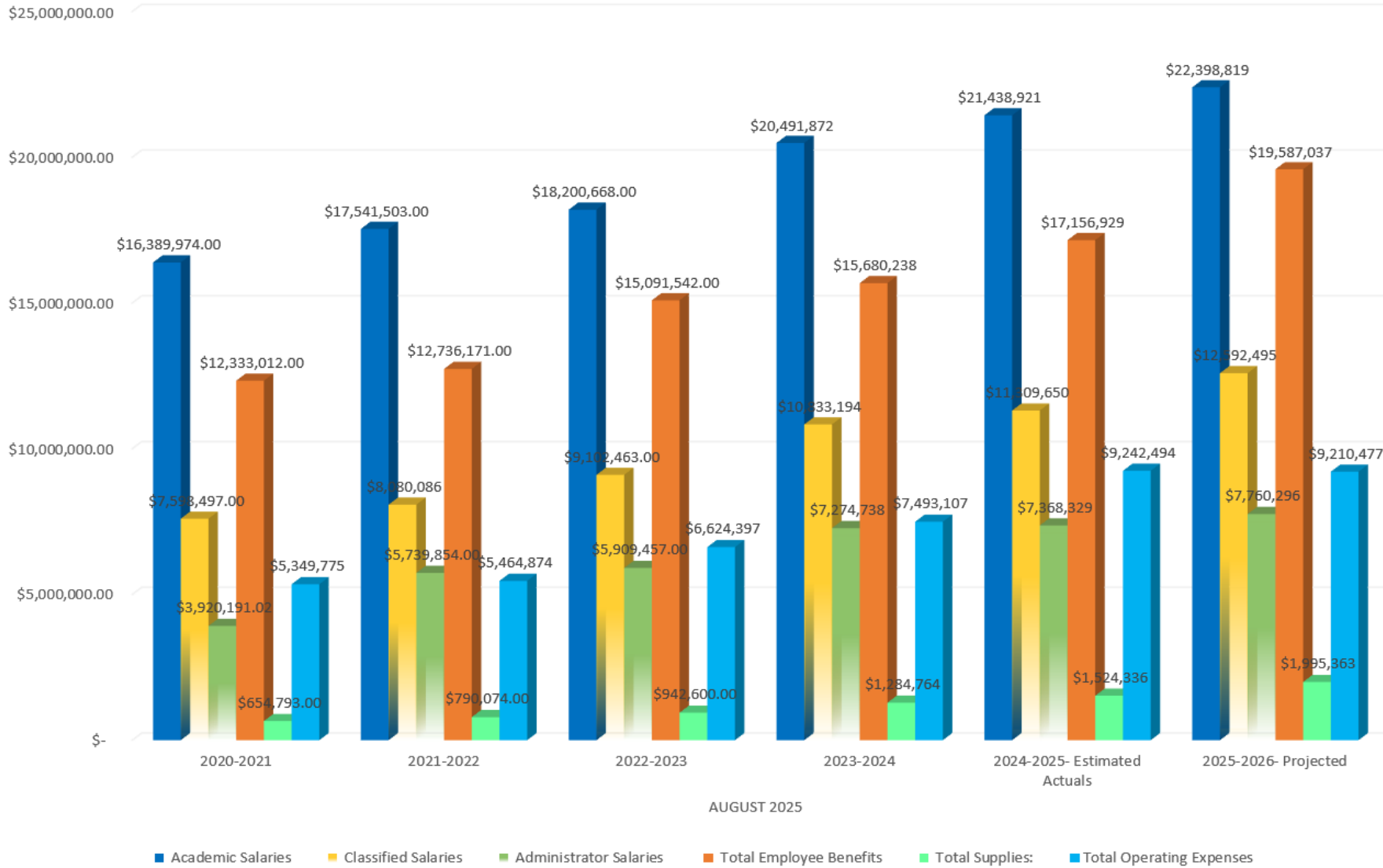


District must submit a plan to retire deficiency by redirecting funds to instructional salaries

# 50% HISTORICAL CALCS



# FUND 11 PAST, PRESENT AND PROJECTED MAJOR GROUP EXPENDITURES



# INTERNAL COMPLIANCE MONITORING

## Steps:

- Annual budget development-staffing worksheet prior to new fiscal year
- Personnel req and Account Code Change Form review
- Monthly running FSRP in Colleague
- End of year audit for final adjustments 2025





## TIME & EFFORT STUDIES

- Best practice is to conduct a time and effort study
- Training staff on 50% compliance as an institutional responsibility
- Salary coding studies can be provided by Cambridge West Partnership, LLC
- Allow appropriate time to train, send out surveys and make system changes. This can take 3-4 months. It's best to align before end of year processing.
- Ensure not just journal entries are done but personnel changes are done in the system; coordination with other departments is key
- Conduct annually or every two years at minimum

# COMPLIANCE AND REPORTING OVERSIGHT

## **Annual CCFS-311 Reporting**

Submission of the CCFS-311 report by October 10 annually monitors compliance with the 50% Law.

## **Financial Penalties for Non-Compliance**

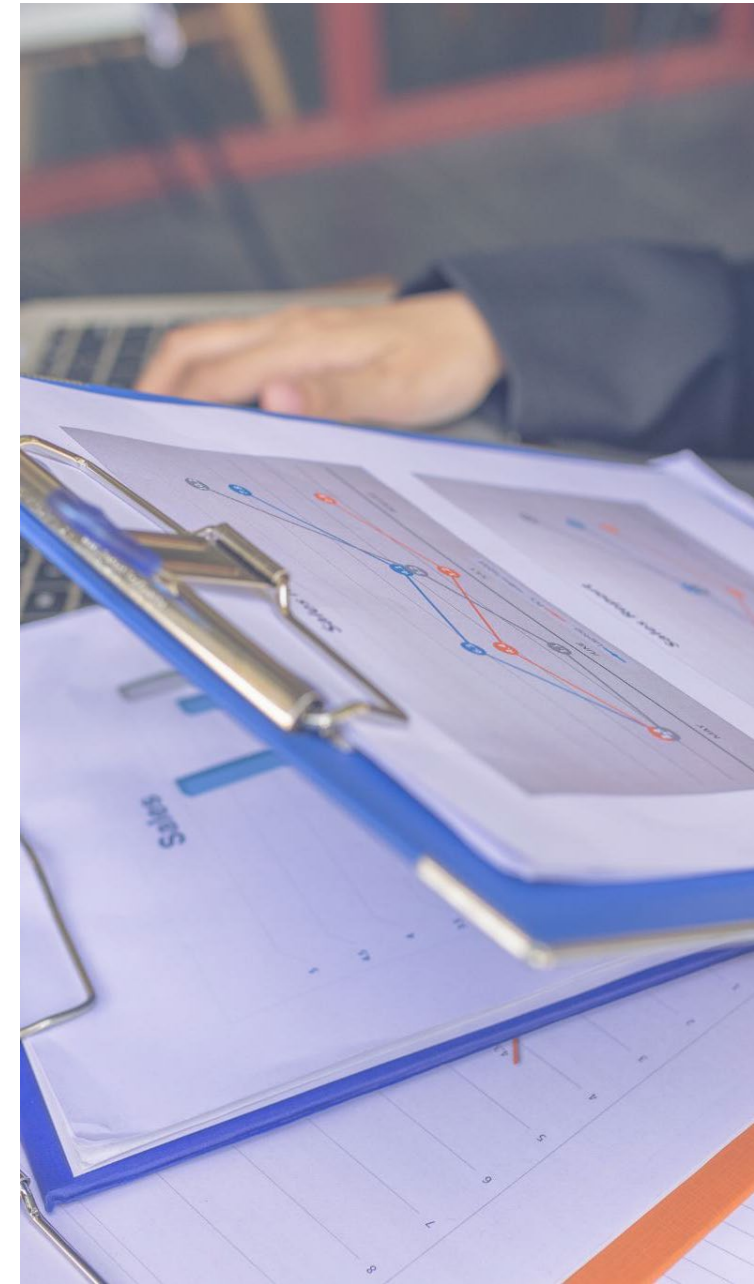
Non-compliance can cause dollar-for-dollar reductions in state funding and other significant penalties.

## **Oversight and Auditing**

The Chancellor's Office oversees compliance, but audits reveal gaps and inconsistent district reporting.

## **Training and Internal Audits**

Districts are encouraged to provide training and conduct internal audits for accurate expenditure classification.





# CRITICISM AND REFORM DISCUSSIONS

## **Criticism of 50% Law**

The law is criticized as a barrier to comprehensive student support by excluding key non-instructional roles.

## **Need for Holistic Models**

Modern education requires a broader definition of instructional costs to include wraparound and support services.

## **Reform Proposal Focus**

Proposals advocate redefining instructional expenses while preserving core protections and adding flexibility.

## **Inclusive Stakeholder Engagement**

Inclusive discussions among faculty, administrators, and policymakers are essential for effective law revisions.



QUESTIONS?