

**CALIFORNIA COMMUNITY COLLEGES
CHANCELLOR'S OFFICE**

1102 Q STREET
SACRAMENTO, CA 95811-6549
(916) 445-8752
[HTTP://WWW.CCCCO.EDU](http://www.cccco.edu)



October 22, 2009

TO: Board of Governors
Jack Scott, Chancellor
Steven Bruckman, Executive Vice Chancellor of Operations and General Counsel
Morgan Lynn, Executive Vice Chancellor of Programs
Boards of Trustees
Presidents and Superintendents/Chief Executive Officers
Chairpersons, Senate Education Committee, Senate Budget and Fiscal Review
Committee, Senate Appropriations Committee, Assembly Budget Committee,
Assembly Appropriations Committee, Assembly Education Committee,
Assembly Committee on Higher Education
Director, Department of Finance
Chief Business Officers
Chief Instructional Officers
Academic Senate Presidents
Chief Human Resources Officers
Consultation Council
Chancellor's Cabinet
Community College Attorneys
Interested Parties

FROM: Jonathan Lee, Staff Counsel

RE: Notice of Proposed Regulatory Action by the Board of Governors
Revisions to Title 5 Regulations:
Implementation of the Fifty Percent Law

Section 206 of the Procedures and Standing Orders of the Board of Governors of the California Community Colleges requires the Board to give 45 days written notice of proposed regulatory action. Accordingly, notice is hereby given that the Board of Governors of the California Community Colleges, at its meeting of November 2-3, 2009, will consider changes to regulations in title 5, division 6, of the California Code of Regulations described in the Informative Digest, as follows.

Informative Digest

This agenda item proposes revisions to title 5 regulations pertaining to implementation of the Fifty Percent Law. The changes, which would clarify the definition of serious hardship in the context of the state's current fiscal crisis, would be in effective for fiscal years 2009-10 through 2012-13.

In order to provide community college districts with greater flexibility to manage budget cuts, state leaders reduced funding for categorical programs much more deeply than general purpose

funds. Overall state funding for categorical programs was reduced by over 40 percent, with cuts to most categorical programs ranging from 38 percent to 52 percent. In contrast, funding for general apportionments was reduced by 3.39 percent.

While protecting general purpose funds did have the intended effect of providing districts with greater flexibility in budgeting, districts have found this flexibility hampered by the fact that most categorical expenditures, such as the salaries of counselors and tutors, do not count toward compliance with the Fifty Percent Law.

Given the difficulties that many districts are experiencing relative to the Fifty Percent Law, the Chancellor's Office recommends modifying current title 5 regulations to provide some limited relief to districts. The proposed changes would not address the underlying challenges presented by the pressure fixed costs place on a shrinking budget, rather the changes would mitigate the specific difficulties districts face as they attempt to use ARRA funds and unrestricted general fund resources to maintain core levels of support of categorical programs.

Further Information

Those who received the Board of Governors Agenda package for the November 2-3, 2009, meeting can find a further description of the proposal and the full text of the regulations in agenda item number 5.2. The November 2-3, 2009, agenda may also be obtained online at:

<http://www.cccco.edu/SystemOffice/BoardofGovernors/BoardofGovernorsMeetingSchedule/tabid/515/Default.aspx> or <http://tinyurl.com/nw43bz>

You may also request a copy of the proposal from Steve Bruckman, using the contact information provided below.

Public Comments

Notice is also given that any person interested may present statements or arguments orally or in writing relevant to the proposed action at a hearing to be held at the meeting of the Board of Governors at San Francisco City College, 50 Phelan Avenue, San Francisco, CA 94112 (415-239-3000), on November 2-3, 2009. The Board meeting will commence at the hour of 9:30 a.m., or as soon thereafter as the business of the Agency will permit. The public hearings will commence when agenda item number 5.2 concerning changes to the Board of Governors' regulations is heard on November 2-3, 2009.

All Board of Governors' meetings are held in locations that are wheelchair accessible. Other disability-related accommodations such as materials in alternate media, sign language interpreters, or real time transcription will be provided to persons with disabilities upon request. Parking accessible for persons with disabilities is available near the facility. Persons requesting such accommodations should notify Njeri Griffin, 1102 Q Street, Sacramento, CA 95811-6549, ngriffin@ccco.edu, 916-445-8283, no less than five working days prior to the meeting. The Chancellor's Office will make efforts to meet requests made after such date, if possible.

Comments in writing are requested no later than December 11, 2009, in order to be considered before the proposed regulatory action is taken. Based on comments received, the Chancellor may recommend changes in the proposed regulation revisions.

Cost to Local Community College Districts

The adoption of the proposed regulations will not impose increased costs or new costs to community college districts that are required to be reimbursed under section 17561 of the Government Code. Such determination will be made a formal part of the public hearing at the time and place described above. Furthermore, there are no direct costs or indirect costs, or savings to any state agency, no costs or savings in federal funding to the state and no discretionary costs to local agencies, nor is there any local mandate imposed.

Authority

In addition to the specific provisions of law cited above, the Board of Governors also relies upon its general authority under Education Code section 70901 to adopt the proposed regulatory changes.

Contact Person

Inquiries concerning these proposals or requests for copies of the proposed regulation changes may be addressed to Steve Bruckman, Executive Vice Chancellor of Operations and General Counsel, by calling (916) 322-4005 or sbruckman@cccco.edu and written comments may be sent to his attention at:

California Community Colleges
Chancellor's Office
1102 Q Street, 3rd Floor
Sacramento, CA 95811-6549

Attn: Steve Bruckman, Executive Vice Chancellor of Operations and General Counsel

JL/FR/fr