



**TO:** Chief Executive Officers  
Chief Human Resources Officers  
Chief Business Officers  
Chief Instructional Officers

**FROM:** Wrenna Finche, Vice Chancellor, Fiscal Health and Accounting  
College Finance and Facilities Planning  
Office of Institutional Supports and Success

**RE:** Accounting Advisory: Proper Use of Full-Time Faculty Hiring Funds

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The purpose of this accounting advisory is to remind districts of the proper use of full-time faculty hiring funds as prescribed in Education Code, section 87482.6 and to address the related findings identified in the California State Auditor's audit report noted below.

### **Full-Time Faculty Hiring Funds**

The 2018 Budget Act included \$50 million, and the 2021 Budget Act included \$100 million in ongoing funds to be used to hire new full-time faculty for community college districts to increase their percentage of full-time faculty toward meeting the 75% full-time faculty goal. Districts are expected to use their allocation of full-time faculty hiring funds to hire new full-time faculty, as described in the following memos:

- [FS 18-07 Full-Time Faculty Obligation and Hiring Funds](#)
- [FS 21-08 Update on 2021-22 Full-Time Faculty Hiring Allocation](#)

### **Ongoing Monitoring of Full-Time Faculty Hiring Funds**

Districts should separately track revenue and expenditures of the full-time faculty hiring funds within their accounting system to ensure the funds are being used for salaries and benefits of full-time faculty in order to make progress towards meeting the 75% full-time faculty goal. Districts should be able to identify the specific positions filled and maintained with full-time faculty hiring funds.

### **Audit Report Summary**

The California State Auditor (State Auditor) on February 23, 2023, issued the audit report *California Community Colleges – Increasing Full-Time Faculty and Diversity Remains a Challenge*.

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The audit report outlines that community college districts have not met the goal established in 1988 that at least 75% of instruction be taught by full-time faculty. Further, the report states that some districts improperly used or ineffectively accounted for funds allocated for full-time faculty hiring on part-time faculty costs or did not use the funds. The State Auditor recommends that districts should annually report on full-time faculty hiring fund expenditures and the associated positions filled and maintained with these funds.

The existing mechanism to measure progress toward the 75% full-time faculty goal is through the full-time equivalent faculty (FTEF) data reported in the annual Faculty Obligation Number (FON) compliance report. The calculation of FTEF attributable to full-time faculty is described in Title 5, section 53309, and includes credit instruction, regular teaching assignments, regular teaching assignments of classified staff and administrators, noninstructional activities of counselors and librarians, sabbatical, released/reassigned time, and unpaid leave. Overload and noncredit instruction are excluded. The calculation of FTEF attributable to part-time faculty is described in Title 5, section 53310, and includes credit instruction and noninstructional activities. Excluded from the calculation of part-time FTEF are noncredit instruction and any replacement time for full-time faculty on sabbatical, released/reassigned time, or unpaid leave.

Districts must continue to comply with the FON and report FTEF data to the Chancellor's Office annually.

More information about compliance with the FON and synthesis of district information can be found on the [Full-Time Faculty Obligation webpage](#).

cc: Dr. Daisy Gonzales, Interim Chancellor  
Dr. Lizette Navarette, Interim Deputy Chancellor