

California State Auditor

B U R E A U O F S T A T E A U D I T S

California Community Colleges:

*Part-Time Faculty Are Compensated
Less Than Full-Time Faculty for
Teaching Activities*



June 2000
2000-107

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June 28, 2000

2000-107

The Governor of California
President pro Tempore of the Senate
Speaker of the Assembly
State Capitol
Sacramento, California 95814

Dear Governor and Legislative Leaders:

As requested by the Joint Legislative Audit Committee, the Bureau of State Audits presents its audit report concerning the compensation of part-time teaching faculty within the California Community Colleges system.

This report concludes that community college districts pay their part-time faculty significantly less for the same teaching duties than full-time faculty. However, perspectives vary on whether this pay inequity creates a fiscal incentive for using part-time faculty that may eventually harm the long-term quality of education or whether the pay inequity represents an appropriate balance of market conditions that should not be tampered with. We present some possible options should the Legislature choose to take action to eliminate existing pay differences between part-time and full-time teaching faculty within the California Community Colleges system.

Respectfully submitted,

MARY P. NOBLE
Acting State Auditor

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SUMMARY

Audit Highlights . . .

Our review of the compensation of part-time teaching faculty in California's community colleges reveals that:

- Community college districts pay part-time faculty lower wages and provide fewer benefits than full-time faculty for the same teaching activities.*

Depending on one's policy perspective, the unequal compensation of part-time faculty either:

- Creates problems that should be addressed, or*
- Reflects an appropriate balance of market conditions that should not be tampered with.*

If it chooses to address the issue, the Legislature could increase pay for all part-time faculty or only part-time faculty that rely on college teaching as their primary employment.

RESULTS IN BRIEF

The California Community Colleges (CCC) system is composed of 108 colleges organized into 72 districts that serve more than 1.4 million students statewide. Under the direction of the CCC board of governors, the Chancellor's Office provides statewide guidance and leadership to the community colleges. In addition, the voters in each district elect a board of trustees charged with developing local policies that govern the day-to-day operations at the district's colleges, including overseeing the compensation of teaching faculty and other employees. For the fall 1999 semester, the districts reported to the Chancellor's Office a total population of 41,754 teaching faculty, of which 28,180 (67 percent) were classified as part-time and 13,574 (33 percent) as full-time.

Districts within the CCC system have increasingly turned to part-time faculty (faculty teaching no more than 60 percent of a full-time course load within one district) to provide instruction to their students. Over the past five years, the percentage of credit teaching conducted by part-time faculty has grown from 40 percent to 47 percent. This trend to increasingly rely on part-time faculty also prevails in the teaching of core classes such as math, science, English, and history.

Overall, part-time faculty earn lower wages and receive fewer benefits for teaching activities than full-time faculty with similar education and experience. Specifically, at the eight districts we reviewed, if part-time faculty were to teach a full course load at their current pay, they would receive an average of \$13,042 (or 31 percent) less in annual wages than full-time faculty for teaching activities. In addition, none of the eight districts enhance the pay rate of part-time faculty who have more education and experience as attractively as they do for their full-time instructors. Also, by working in more than one district, some part-time faculty teach as many classes as full-time faculty but receive less for their efforts. Furthermore, the eight districts either do not provide medical benefits to part-time faculty or provide such benefits with restrictions that are not imposed on full-time faculty. Finally, it is more difficult for part-time faculty to obtain the retirement benefits provided to full-time faculty.

Depending on one's policy perspective, the unequal compensation of part-time faculty either creates problems that should be addressed or reflects an appropriate balance of market conditions at the local level that should not be tampered with. In particular, all of the eight districts we reviewed indicated that the existing pay disparity between part-time and full-time faculty creates a financial incentive to use part-time faculty over full-time faculty. This incentive is not in keeping with current Chancellor's Office standards, which stress the importance of maintaining a balance between part-time and full-time faculty to ensure the quality of a CCC education. Furthermore, legislative intent, Chancellor's Office policy, and some district administrators' views support equal pay for equal work for part-time faculty. The general argument is that since the colleges hold part-time faculty to the same standards as full-time faculty, they should offer them the same pay. On the other hand, the former governor, the Chancellor's Office, and certain district administrators oppose mandating equal pay for equal work because it would interfere with the collective bargaining process and limit local flexibility.

The condition of unequal pay for part-time faculty prevails because districts have been able to attract significant numbers of part-time faculty who are willing to work for less pay than full-time faculty. Most districts defend their extensive use of part-time faculty and their lower rate of pay by citing their dependence on the State for the majority of their financial resources, stating that these funds are not sufficient to meet all their needs.

The Legislature has two options if it chooses to address the issue of unequal pay for part-time instructors, each with a different fiscal impact. One option would be to increase the pay of all part-time faculty to match what full-time faculty presently earn on a pro rata basis for teaching activities. The other option would be to raise the level of pay of part-time instructors whose primary employment is college teaching. We estimate an annual fiscal impact ranging from \$18 million to \$144 million to implement these options.

RECOMMENDATIONS

Should the Legislature decide to address the issue of unequal pay of part-time faculty for teaching activities in California Community Colleges, it could consider one of the following two options:

- To maintain local control in establishing pay for teaching activities, the Legislature could establish a program that provides additional funding to those districts that establish equal pay scales for teaching activities for their part-time and full-time faculty. The objective of this option is to eliminate, for all part-time teaching faculty, the existing pay differences for teaching activities that currently exist between part-time and full-time faculty. We estimate this option to cost about \$144 million annually.
- Rather than eliminate the pay difference for all part-time teaching faculty, the Legislature could opt to establish a program to remove the pay difference for only a portion of part-time teaching faculty based on workload. The objective of this approach would be to raise the level of pay of part-time instructors whose primary employment is college teaching while leaving at a lower level the pay of part-time instructors who generally only teach one or two classes a term and have regular employment in another occupation. We estimate the annual cost for this program would range from \$18 million to \$38 million.

AGENCY COMMENTS

The Chancellor's Office stated that it believes that our audit report provided some useful insights and analysis regarding compensation patterns. It regrets that the complete study envisioned in AB 420 (Chapter 738, Statutes of 1999) that was to be performed by the California Postsecondary Education Commission has not been completed and made some specific observations and comments about the findings, options, and recommendations presented in the report. ■

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INTRODUCTION

BACKGROUND

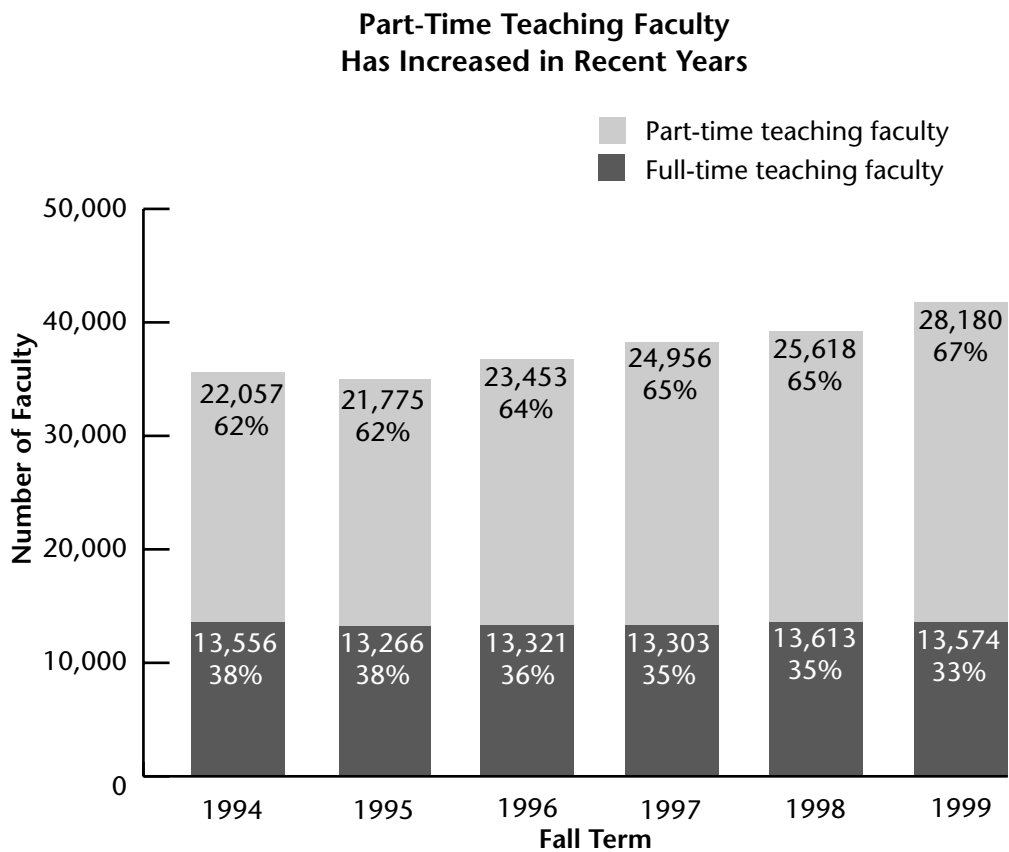
The California Community Colleges (CCC) system comprises 108 two-year public institutions organized into 72 districts that serve more than 1.4 million students statewide. Under the direction of the CCC board of governors, the Chancellor's Office provides statewide guidance and leadership to the community colleges. Additionally, voters in each district locally elect a board of trustees charged with developing the day-to-day regulations that govern their respective college(s). The districts vary from small, one-college districts that may serve as few as 1,000 students to larger districts with as many as nine colleges that serve more than 120,000 students.

Within the CCC system, teaching activities generally include preparing for classroom instruction, providing classroom instruction, and assisting students with class work. Teaching activities also include evaluating students' class work, maintaining records of student attendance and grades, and providing student consultations – which may be done at a location other than the instructor's office, such as a tutorial center, computer lab, or classroom. Nonteaching activities are institutional tasks and responsibilities such as curriculum development, college or district committee work, faculty meetings, in-service training, or staff development. In addition, nonteaching activities may include acting as a mentor for newly hired faculty, participating in a performance appraisal of peers, or assisting in the preparation and completion of a college's accreditation materials.

In 1991, the Chancellor's Office implemented a new system under which the community colleges receive state funding. Under this system, the Chancellor's Office sets recommended standards for the colleges, including addressing the use of part-time versus full-time faculty. This standard establishes a goal of having full-time faculty perform 75 percent of the total teaching workload for credit-earning courses, leaving only 25 percent of the workload for part-time faculty. If a college does not meet this standard, it may receive additional funds and priority in future state allocations to improve its performance.

As Figure 1 shows, since 1995 districts have steadily increased their hiring of part-time faculty while maintaining a more or less constant number of full-time faculty. For the fall 1999 semester, districts reported to the Chancellor’s Office that part-time instructors represented about 67 percent of the total number of teaching faculty in the CCC system and taught approximately 47 percent of the total classes offered during the semester. This represents a fairly significant increase since 1995, when 62 percent of the faculty were part-time and taught 40 percent of the classes.

FIGURE 1



Source: California Community College districts, as reported to the Chancellor’s Office for fall semesters 1994 through 1999.

Each district has the authority to decide which type of faculty will best serve the needs of its college(s). Each district locally negotiates compensation agreements with faculty representatives. Generally, different compensation agreements apply to

part-time positions than to full-time positions. For example, full-time faculty members are generally compensated with an annual salary while their part-time colleagues are paid on an hourly basis.

In October 1999 the Legislature passed Assembly Bill 420 (Chapter 738, Statutes of 1999) requiring the California Postsecondary Education Commission (CPEC) to conduct a comprehensive study of part-time faculty employment, salary, and compensation compared to those of full-time faculty. Since CPEC has not been able to perform this study, citing a lack of resources, a state committee asked us to review the issue.

SCOPE AND METHODOLOGY

The Joint Legislative Audit Committee (committee) requested that the Bureau of State Audits (bureau) conduct a study of the compensation of part-time faculty within the CCC system. The committee requested that the bureau evaluate faculty compensation practices at a representative sample of districts to identify how these districts determine faculty salaries and benefits, the educational requirements and job responsibilities of faculty positions, whether part-time faculty are fairly compensated, and whether the community colleges are staffed with part-time faculty when full-time faculty are available.

To gain an understanding of the CCC system, we reviewed relevant state laws and regulations. In addition, we reviewed preliminary data collected on the subject by CPEC.

Rural Districts

- Lake Tahoe Community College
- Yuba Community College

Suburban Districts

- Sierra Joint Community College
- South Orange County Community College
- West Valley-Mission Community College

Urban Districts

- Los Angeles Community College
- Los Rios Community College
- San Francisco Community College

To evaluate the employment compensation practices in the CCC system, we selected a sample of eight community college districts—two rural, three suburban, and three urban—and interviewed representatives of each district’s administration, teaching faculty, and faculty union. In addition, at each of those eight districts, we reviewed and evaluated the compensation agreements in effect for the fall 1999 term to identify the process by which the CCC districts determine faculty salaries, benefits, educational requirements and job responsibilities, and to determine whether part-time faculty are fairly compensated.

To determine whether community colleges are being staffed with part-time faculty when full-time faculty are available, we analyzed the prevalence of part-time versus full-time teaching faculty, as well as the number of credit classes taught by each, using the CCC faculty data contained in the management information system maintained by the Chancellor's Office.

We limited our study of faculty compensation to teaching faculty, excluding from our consideration faculty such as administrators, counselors, and librarians. Additionally, we considered only the teaching of credit classes. Finally, in our calculation of faculty pay differences, we used the classroom lecture rate for part-time faculty. ■

AUDIT RESULTS

PART-TIME FACULTY RECEIVE LESS FOR TEACHING DUTIES THAN FULL-TIME FACULTY WITH THE SAME EDUCATION AND EXPERIENCE

Part-time faculty are compensated less overall for teaching activities than full-time faculty with the same education and experience. In addition, medical and retirement benefits of part-time faculty are not always comparable to those given to full-time faculty and are often more difficult to obtain.

Part-Time Faculty Are Not Paid the Same as Full-Time Faculty for Teaching Activities

The difference in pay between part-time faculty and full-time faculty varies from district to district. For the eight districts we visited, if part-time faculty were to teach a full course load at their current pay, they would receive an average of \$13,042 (or 31 percent) less annually than full-time faculty for the same teaching activities. (See Appendix A for our calculation of this annual difference in pay.) Our comparison of the pay ranges of part-time and full-time faculty took into account the fact that full-time faculty are expected to participate in certain nonteaching activities that part-time faculty generally do not handle.

Even though most districts pay part-time faculty less, they generally expect part-time and full-time faculty to perform the same teaching activities, including conferring with students outside of the classroom. However, of the eight districts we visited, only four provide additional pay to part-time faculty for this expected teaching activity by paying for office hours. The remaining four districts still expect part-time faculty to confer with students, but they do not provide additional pay for this activity.

Of the four districts that pay part-time faculty for office hours, three give these part-time instructors the option of holding formal office hours and pay them less for this activity than their full-time colleagues. Specifically, Lake Tahoe pays part-time

Even though districts expect part-time faculty to perform the same teaching activities as full-time faculty, they pay them significantly less.

faculty teaching at least two classes a term for one office hour per week, at an hourly wage that is 55 percent less than the pay given to full-time faculty. Los Rios pays part-time faculty teaching at least 40 percent of a full-time assignment, for up to one office hour each week, at an hourly rate that is 23 percent less than the pay given to full-time faculty. San Francisco pays part-time faculty teaching at least 40 percent of a full-time assignment, for up to 15 office hours per semester, at an hourly rate that is 15 percent less than the pay provided to full-time faculty. The remaining district, Los Angeles, requires part-time faculty to hold office hours of a half-hour per week for each class, and pays an hourly rate for this service that is 47 percent more than the pay for full-time faculty. We derived the above percentage differences based on a computed hourly rate from the districts' annual teaching salaries shown in Appendix A.

The Chancellor's Office requires part-time faculty to possess the same minimum qualifications as full-time faculty. Full-time faculty who exceed these minimum qualifications—those with education beyond a master's degree, for example, or with extensive work experience—receive a higher salary at each of the eight districts we visited. However, this same pay is not always provided to the part-time faculty. Two of the eight districts we visited, Sierra Joint and Lake Tahoe, have one hourly rate for part-time faculty regardless of the instructor's education or experience. Three other districts, San Francisco, Los Rios, and Yuba, recognize education but not experience when determining initial pay for new part-time faculty, while Los Angeles recognizes neither. In addition, at Los Angeles and West Valley-Mission, progression through the hourly rate schedule is based only on experience, not additional education. Finally, although South Orange County recognizes education and experience, it places a cap on part-time faculty's maximum hourly rate. Therefore, as part-time faculty obtain additional education, their ability to achieve pay increases based on experience diminishes. As a result of these various practices, part-time faculty with the same education and experience are paid less than full-time faculty at their respective colleges.

Part-time faculty are expected to possess the same minimum qualifications as full-time faculty.

Part-Time Faculty Teaching the Equivalent of a Full-Time Course Load Are Paid Less Than Full-Time Faculty

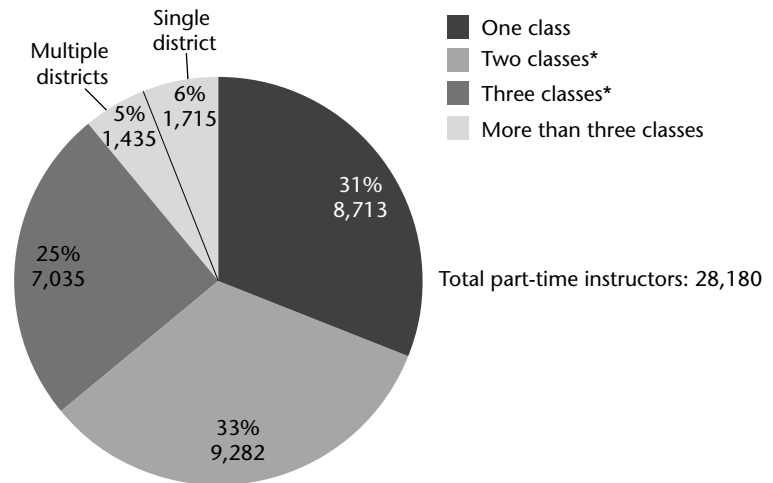
Some part-time faculty teach as many classes as full-time faculty, but without the same pay. The courts' interpretation of legislation limits the annual lecture hours of part-time faculty within each district to no more than 60 percent of an equivalent

full-time assignment. Assuming that a full-time instructor normally teaches five classes per week, the workload of a part-time instructor would be limited to no more than three classes in a single district.

Figure 2 shows the population of part-time faculty grouped by the number of classes they taught during fall 1999. As the figure shows, two groups of part-time faculty teach more than three classes. The 1,715 part-time instructors in the first group are either substituting for full-time instructors and are receiving full-time pay or their workload averages 60 percent or less over one year. The 1,435 part-time faculty in the second group teach more than three classes by crossing district boundaries to obtain a full-time teaching load. Even though these instructors teach as many classes as full-time instructors do, the districts involved classify them as part-time faculty and pay them less.

FIGURE 2

Part-Time Faculty Have Different Teaching Workloads



Source: California Community College districts, as reported to the Chancellor's Office for the fall 1999 semester.

*These part-time faculty maybe teaching at more than one district.

Part-Time Faculty Find It More Difficult to Obtain Medical and Retirement Benefits Than Full-Time Faculty

Part-time faculty experience greater difficulty in obtaining medical benefits comparable to full-time faculty. This is less of a concern for the approximately 18,000 part-time faculty teaching

It is more difficult for part-time faculty to obtain medical and retirement benefits comparable to full-time faculty.

one or two classes since many may have medical benefits from another employer. However, it may be a problem for the 3,150 part-time faculty teaching more than three classes since it is unlikely many have another employer providing such benefits. All of the eight districts we visited provide full-time faculty with medical benefits at little or no cost. However, depending on the district, part-time faculty receive no medical benefits or receive benefits with certain restrictions. The Yuba and Lake Tahoe districts provide no medical benefits to part-time faculty. A more generous district is San Francisco, which provides part-time faculty with the same medical benefits as full-time faculty, beginning at the start of their third semester, if they work at least 50 percent of a full-time assignment. Another district, Los Rios, provides medical benefits to part-time faculty working at least 30 percent of a full-time assignment as long as the faculty member has successfully completed the teaching assignment during two of the last five semesters.

In addition, part-time faculty have greater difficulty than full-time faculty in obtaining retirement benefits. Part-time faculty are eligible to participate in the California State Teachers Retirement System (STRS). Under STRS, full-time faculty participate in the Defined Benefit membership plan (DB plan), in which contributions are made by both the faculty member and the district, with vesting generally occurring after five years. Part-time faculty can also participate in the DB plan and benefit from district contributions, but vesting usually takes much longer than five years. This is because, to become vested, part-time faculty must accumulate five years of “service credit.” Because a part-time member earns service credits in proportion to the salary received by a full-time member, obtaining five years of service credit can take a long time.

For example, if service credits were based only on teaching load, a part-time instructor teaching 60 percent of a full-time assignment would earn 0.6 service credits each year, regardless of any inequity in pay. However, given that service credits are based on the salary of full-time faculty, if the full-time pay equivalent for the same part-time instructor is only half the salary of the full-time member, the part-time member would earn only 0.3 service credits each year. At this rate, the part-time instructor would have to teach for 17 years before accumulating 5 years of service credit for vesting. If part-time faculty do not become vested before they retire or change jobs, they lose all the benefits derived from the districts’ contributions.

If the district chooses to participate, an alternative plan known as the Cash Balance plan, or CB plan, is available to part-time faculty. Under this plan, part-time faculty become vested immediately, which allows portability of benefits, but the contributions made by both the member and the district are one-half the level of contributions made under the DB plan.

OPINIONS VARY AS TO THE EFFECTS OF UNEQUAL COMPENSATION FOR PART-TIME FACULTY

Some argue that unequal compensation creates a fiscal incentive to use more part-time faculty than full-time faculty.

The Legislature, the former governor, the Chancellor's Office, and district administrators have expressed various opinions regarding the unequal compensation for part-time faculty in the CCC system. Depending on one's perspective, the current system of unequal compensation for part-time faculty either causes negative effects that need to be addressed or represents an appropriate balance of market conditions at the local level that should not be tampered with. Some argue that unequal compensation creates a fiscal incentive to use more part-time faculty than full-time faculty and that this incentive could ultimately have negative consequences for the quality of community college education. Others argue that it is simply a fairness issue: Since part-time instructors are expected to offer students the same quality of teaching as full-time faculty, they should receive the same compensation (equal pay for equal work). Finally, others believe that decisions about compensation should continue to be determined at the local level based on market conditions and fiscal considerations through the collective bargaining process. Districts are concerned that using scarce funds to raise the pay of part-time faculty could take funding away from existing educational programs or prevent program growth and facility expansion.

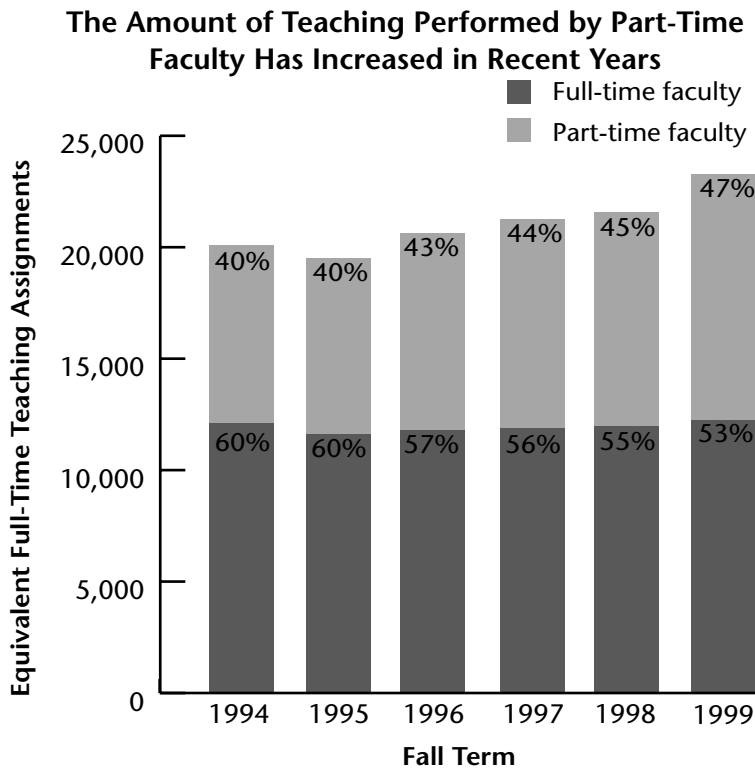
One View Suggests That Unequal Pay of Part-Time Faculty Creates a Fiscal Incentive That May Have a Negative Effect on Educational Quality

All of the eight districts we visited indicated that the pay disparity between full-time and part-time faculty provides a financial incentive for using part-time instructors over full-time instructors in an environment of limited funding to operate their districts. This financial incentive decreases to the extent that pay for part-time faculty moves closer to that of full-time faculty. In Chapter 738, Statutes of 1999, the Legislature also raised concern about using part-time faculty for financial

reasons alone. Furthermore, the Chancellor’s Office has indicated that the districts need an appropriate balance between part-time and full-time faculty to maintain overall educational quality. Accordingly, the Chancellor’s Office continues to require that full-time faculty teach 75 percent of the credit course workload and part-time faculty teach only 25 percent. This balance arises because full-time faculty must provide services in addition to teaching such as committee work, curriculum development, and program continuity that the Chancellor’s Office considers important to ensure the long-term quality of community college education.

Whether or not one believes that full-time faculty should provide 75 percent of all credit instruction at community colleges, trends indicate movement away from this goal. Figure 3 shows the percentage of the workload taught by part-time and full-time faculty for the last six years. As the figure shows, the percentage of the overall course workload taught by part-time faculty has grown from 40 percent to 47 percent since 1994. (These trends also hold true when considering part-time faculty instruction of core classes such as math, science, English, and history.) In addition, the total instruction workload has

FIGURE 3



Source: California Community College districts, as reported to the Chancellor’s Office for fall semesters 1994 through 1999.

increased by the equivalent of 3,212 full-time positions, and the districts have met 95 percent of this new demand with part-time faculty.

These percentages differ from what the Chancellor's Office currently reports—63 percent of the credit hours of instruction and equivalent work being performed by full-time faculty and 37 percent being performed by part-time faculty. The Chancellor's Office percentage of instruction and equivalent work performed by full-time faculty is higher than what is shown in the figure primarily because it included the nonteaching hours of full-time faculty and professional staff such as counselors, and librarians. Since our objective was to determine the amount of teaching performed by full-time and part-time faculty, we excluded these nonteaching hours from our calculations.

Another View Suggests That Part-Time Faculty Should Receive Equal Pay for Equal Work

To varying degrees, the Legislature, the Chancellor's Office, and certain district administrators have supported the concept of equal pay for equal work. The general argument is that since the districts have the same teaching expectations of part-time faculty as of full-time faculty, their pay should be the same as well. In particular, part-time faculty must meet the same minimum qualifications as full-time faculty, must maintain the same classroom standards as full-time faculty, and must deliver the same quality of education to students as full-time faculty. All faculty are expected to provide the same level and quality of education to the students and therefore should be compensated equally, according to this view.

Another view suggests that since districts expect part-time faculty to provide the same level and quality of education to students as full-time faculty, their pay should be the same.

The Legislature has indicated its support of equal pay for equal work in the passage of Chapter 738, Statutes of 1999. Specifically, the Legislature stated that compensating part-time faculty in a manner not equal to the nature and type of work they provide to the community colleges is unfair. The legislation further stated that the principle of equal pay for equal work requires that part-time faculty be provided compensation that is directly proportionate to full-time faculty employment. In this way, part-time faculty employed in settings that more closely resemble full-time situations will receive compensation that more closely resembles full-time compensation.

In addition, the Legislature attempted to improve the current compensation of part-time faculty by providing additional money for office hours and medical benefits. Specifically, in 1997, the Legislature created the Community College Part-Time Faculty Office Hours Program for improving student access to instructors. Districts that choose to participate in this program are reimbursed up to one-half the cost of office hours held by part-time faculty. The program pays for at least one office hour for every two classes, or 40 percent of a full-time assignment. A second program the Legislature created in 1996, the Part-Time Community College Faculty Health Insurance Program, encourages districts to provide medical benefits to part-time faculty by reimbursing the district for up to one-half the cost of such benefits. This program also applies only to faculty teaching at least a 40 percent workload.

In addition, the Chancellor's Office supports equal pay for equal work for part-time faculty and contends that consideration should be given to developing guidelines that either recommend or establish what constitutes pro rata pay. The Chancellor's Office also supports providing the districts additional funding to improve the pay of part-time faculty.

Furthermore, three of the eight districts we visited have made efforts toward achieving equal pay for equal work through their collective bargaining process. These three districts have different views about the amount of time full-time faculty should spend on nonteaching activities, which affects how much they pay part-time faculty. For example, the San Francisco district currently pays its part-time faculty 74 percent of the amount it pays full-time faculty, not including the additional pay provided for voluntary office hours. The district has committed to moving toward paying part-time faculty 85 percent of full-time pay. It considers the remaining 15 percent to be the amount full-time faculty are paid for nonteaching activities, such as attending department meetings and serving on committees, which part-time teaching faculty are not required to do. The Los Rios district currently pays its part-time faculty approximately 69 percent of the amount it pays full-time faculty, not including additional pay for voluntary office hours. The district believes that this amount is close to the amount it pays full-time faculty for just teaching duties. Finally, the West Valley-Mission district currently pays its part-time faculty 62 percent of the wage given to a full-time faculty member with a master's degree or its equivalent. This rate will increase to 64 percent of the full-time

Some districts have made efforts toward achieving equal pay for equal work through their collective bargaining process.

wage next year, with the remaining 36 percent attributed to duties not required of part-time faculty.

The different value that these districts place on the nonteaching activities performed by full-time faculty poses a dilemma that would need to be resolved in implementing equal pay for equal work statewide. In Appendix A, we use 12 percent as the measure of nonteaching activities of full-time faculty in our calculation of pay differences and describe how we arrived at that percentage.

Under Another Perspective, Market Conditions and Collective Bargaining Should Determine the Appropriate Level of Part-Time Faculty Compensation

Various decision makers are hesitant to interfere with the local collective bargaining process for determining part-time faculty compensation.

Although not necessarily opposing the concept of equal pay for equal work, the former governor, the Chancellor's Office, and certain district administrators have been reluctant to interfere with the local collective bargaining process. In 1998, the Legislature passed Senate Bill 1848 in an attempt to require districts to compensate part-time faculty at a rate directly proportional to the salary of full-time faculty. However, the governor at the time vetoed this bill because it would have provided an employee benefit normally addressed during the collective bargaining process and would have restricted local flexibility. Furthermore, although the Chancellor's Office supports the concept of equal pay for equal work, it believes this should be accomplished in a manner consistent with local collective bargaining agreements.

Even though five districts do not oppose the concept of equal pay for equal work, they prefer allowing the market to drive their local collective bargaining process. They believe that permitting this process to react to market demands, rather than imposing the concept of equal pay for equal work, better addresses the needs of each particular district. Furthermore, these districts oppose a statewide mandate of equal pay for equal work, stating that raising the pay of part-time faculty without additional state funds would diminish the level of services they currently provide or would prevent establishment of new programs. They believe the resources currently available to them are insufficient to meet all their needs, and they argue that permitting the market to drive local collective bargaining respects the priorities of each district.

AN AMPLE SUPPLY OF PART-TIME FACULTY ALONG WITH FISCAL CONSTRAINTS HAVE RESULTED IN LOWER PAY FOR PART-TIME FACULTY

As mentioned earlier, the CCC system employs 28,180 part-time faculty, which as a group represents 67 percent of the teaching faculty. Further, as Appendix A shows, these part-time instructors work for lower wages than their full-time colleagues do. This indicates there is an ample pool of part-time faculty willing to work in the system for lower wages.

Moreover, most of the districts we visited indicated that state funding plays a significant role in the disparity of pay between part-time and full-time faculty. Specifically, four of the eight districts claim that they cannot pay part-time faculty equitably because state funding of the CCC system is insufficient to address all of their needs. For these districts, the compensation of part-time faculty is less a priority than other needs, such as maintaining existing programs and operations. Further, these districts indicate that, given the financial constraints imposed by the State, any increase in compensation for part-time faculty would require additional state funding.

District representatives indicate that state funding plays a significant role in the disparity of pay between part-time and full-time faculty.

Furthermore, the three districts that have moved toward pro rata pay for part-time faculty agree that this has come at a cost. For example, the Los Rios district indicated that achieving more equitable pay for part-time faculty has required sacrifices in other areas. Moreover, the Chancellor's Office recognizes the need for additional state funding, as evidenced by its recent budget change proposal requesting additional funding for part-time faculty pay and other human resources needs.

OPTIONS EXIST RELATED TO THE LEVEL OF PAY FOR PART-TIME TEACHING FACULTY

The Legislature has several options for addressing the unequal pay of part-time and full-time teaching faculty in the CCC system. First, it can continue with the status quo and let local collective bargaining and market conditions determine pay levels for part-time faculty. This option would emphasize the importance of local control over pay issues and would require no additional funding. The other options would require the Legislature to appropriate to community college districts additional funds to remove existing pay differences between part-time and full-time faculty. The goal of these funds could range

from eliminating the pay differences for all part-time teaching faculty to eliminating them only for those part-time instructors whose primary employment is college teaching, as indicated by the number of classes they teach. Raising the pay of part-time faculty to the level of full-time faculty for the same teaching duties would address the issue of equal pay for equal work and would remove the current incentive for districts to use part-time faculty to save money. We discuss the details of two possible funding options in the sections that follow.

For either option described here, the Legislature could consider a phase-in approach over a time period of its choice. This could spread the fiscal impact over a longer period if funding could not accommodate full implementation of an option in a single year.

Establish a Program to Help Eliminate the Pay Difference for All Part-Time Faculty

Should it decide to address the issue of equal pay for equal work or remove the current fiscal incentive for districts to use part-time faculty because they are less expensive, the Legislature could establish a program to provide districts with a fiscal incentive to eliminate existing pay differences between part-time and full-time faculty. We estimate the annual cost of raising part-time faculty pay to the equivalent of full-time pay to be about \$144 million for the same teaching duties based on equal education and experience. Appendix B discusses in detail how we calculated this amount. Our estimated cost of \$144 million falls within the range of \$87 million to \$300 million that the Chancellor's Office stated would be necessary to make part-time faculty salaries equal to full-time salaries for teaching in its July 1999 position paper on Chapter 738, Statutes 1999.

Existing pay differences between part-time and full-time faculty could be eliminated for an estimated annual cost of \$144 million.

One important part of estimating the cost of this option involves attaching a value to the nonteaching activities of full-time faculty. This is based on the premise that part-time faculty are not expected to participate in nonteaching activities and therefore should not be paid 100 percent of a full-time instructor's pay. As we mentioned previously, districts' views differ regarding how much time a full-time instructor should spend on nonteaching activities. We believe a nonteaching percentage of about 12 percent is reasonable. (Appendix A describes how we arrived at this percentage.) Therefore, when we developed our cost estimate for this option, we presumed that pay for part-time faculty would be increased to 88 percent of

full-time faculty pay. The exact percentage used, however, is not as important as the need to use one percentage consistently statewide for all districts that participate in the program.

In our view, the annual appropriation of \$144 million could be distributed to the districts under current allocation practices based on the number of the districts' full-time equivalent students. Because the number of teaching faculty roughly correlates with the number of full-time equivalent students, those districts with a higher number of students would receive a proportionately larger amount of the funds. The average annual amount for each full-time equivalent student would be about \$327.

In implementing this option, certain additional controls would be necessary. Specifically, to be eligible for additional funding, districts would have to submit certified district pay scales for part-time and full-time faculty showing that all faculty are paid proportionally the same for teaching duties. Within these pay scales, the number of steps the districts establish to reward education and experience would also have to be the same. In addition, the districts' policies for setting starting salaries would need to be the same for all faculty, based on the prospective employee's education and experience.

This funding option would act as an incentive for districts that pay their part-time faculty proportionally less than other districts to increase part-time pay. It would also reward those districts that have moved closer to equal pay for equal work, allowing them to enhance funding for activities they may have curtailed to increase part-time faculty pay. Districts could still use local collective bargaining to establish benefits, return rights, and other issues of importance to faculty members. Of course, each district would be free to use local collective bargaining to set salaries for full-time faculty. The only change would be that part-time faculty would keep step with full-time pay.

Fund Pay Increases for Part-Time Faculty Based on Teaching Workload

The Legislature might also consider funding pay increases based on the workload of part-time faculty. As we discussed earlier, about 1,435 part-time instructors currently teach what is considered a full-time load (more than three classes) but do not receive full-time pay because they teach in more than one district. Unlike many part-time instructors who have regular employment in another occupation or career, these instructors

The Legislature could consider funding pay increases for certain part-time faculty that rely on college teaching as their primary employment.

make a substantial time commitment to college teaching and generally appear to rely on college teaching as their primary employment.

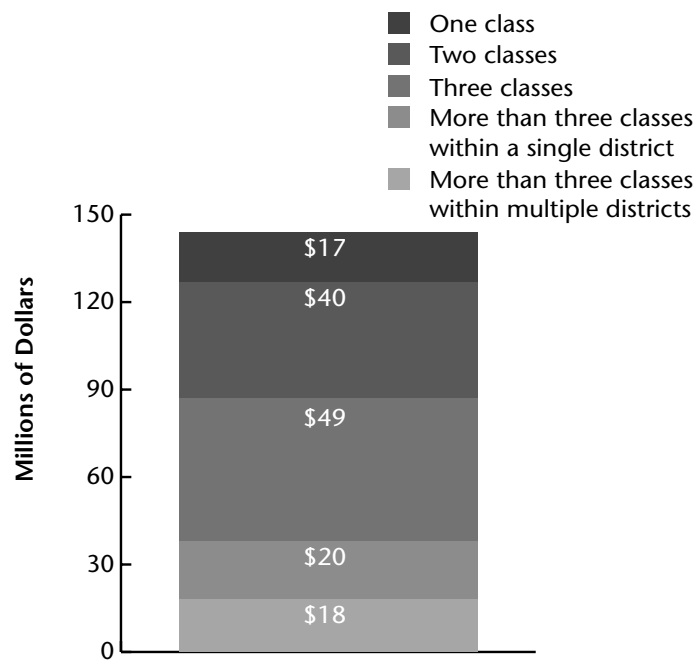
Should the Legislature choose to provide districts with additional funding to increase the part-time pay of these instructors to a full-time pay level, we estimate the annual cost would be \$18 million. Appendix B details how we calculated this cost.

To distribute funds to part-time faculty working a full-time load in multiple districts, the Legislature could establish and fund a claim process. Affected instructors would submit a claim to the Chancellor’s Office specifying the number of hours they taught at each district. Based on district-certified pay information supplied by the claimant, the Chancellor’s Office would pay the instructor an additional amount to raise the instructor’s pay to the pro rata amount of a full-time instructor, based on a legislatively determined statewide rate for nonteaching activities.

Figure 4 shows the annual cost to eliminate the pay difference for part-time faculty with various teaching loads, based on fall 1999 numbers. We present this information should the Legisla-

FIGURE 4

Cost of Providing Equal Pay for Part-Time Faculty Depends on How Many Groups of Part-Time Faculty Receive Equal Pay



Source: California Community College districts, as reported to the Chancellor’s Office for the fall 1999 semester.

ture choose to look at options for funding the elimination of pay differences for some portion of part-time faculty other than those teaching more than three classes in multiple districts.

RECOMMENDATION

The Legislature should consider taking action on the options we have presented related to the unequal pay of part-time faculty in the California Community Colleges system.

We conducted this review under the authority vested in the California State Auditor by Section 8543 et seq. of the California Government Code and according to generally accepted government auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Respectfully submitted,

MARY P. NOBLE
Acting State Auditor

Date: June 28, 2000

Staff: John F. Collins II, CPA
Reed M. McDermott, CPA
Theresa Gartner, CPA
Jerry A. Lewis
Joel Riphagen
Ken L. Willis, CPA

APPENDIX A

Calculation of Differences in Part-Time and Full-Time Faculty Pay for Teaching Activities

As discussed in the body of the report, we found that part-time faculty with the same education and experience are paid significantly less for teaching than full-time faculty at the eight community college districts we visited. Table 1 compares the teaching-related pay of full-time faculty with that of part-time faculty for each of the eight districts. As the table shows, when we converted part-time faculty pay to a full-time equivalent, we found that part-time faculty at the eight districts were paid on average \$13,042 (or 31 percent) less for equivalent teaching activities than full-time faculty with the same education and experience.

To create the table, we reviewed the individual employment agreements for faculty at each of the eight districts and found numerous variances and inconsistencies that required we make certain assumptions in determining the pay difference between part-time and full-time faculty for the same teaching activities. For example, the districts define teaching activities differently in their employment agreements. Some districts specifically list lecture, preparation, and office hours as teaching activities, while others specify only lecture and office hours. Further, the number of office hours required by the agreements varies from two to seven hours per week. Also, full-time faculty are paid an annual salary while part-time faculty are generally paid on an hourly basis. The number of total hours that the agreements require full-time faculty to work each week varies greatly as well, with some districts clearly specifying teaching and nonteaching duties and others leaving the duties performed up to the professional discretion of the instructors.

As a result of these variations, we made several assumptions in calculating the pay differences between part-time and full-time faculty for the eight districts. We discuss these assumptions in the sections that follow.

TABLE 1

The Differences in Teaching Pay for Part-Time and Full-Time Faculty Varies Widely at Eight Districts

District	Full-Time Pay		Part-Time Pay			Teaching Pay Difference		Weight Factor
	Full-Time Annual Salary	88 Percent Estimate of Teaching-Related Pay	Hourly Teaching Rate	Office Hour Rate*	Equivalent Annual Pay	Dollars	Percent	Equivalent Full-Time Assignment Worked by Part-Time Faculty
Lake Tahoe	\$45,029	\$39,626	\$29.30	\$14.65	\$15,895	(\$23,731)	(60%)	39
Los Angeles	51,708	45,503	43.21	54.54	27,485	(18,018)	(40)	663
Los Rios	44,687	39,325	58.88	24.78	31,779	(7,546)	(19)	517
San Francisco	51,098	44,966	71.54	31.28	38,497	(6,469)	(14)	218
Sierra Joint	41,935	36,903	40.84		21,441	(15,462)	(42)	158
South Orange County	45,649	40,171	52.05		27,326	(12,845)	(32)	167
West Valley-Mission	46,757	41,146	51.30		26,932	(14,214)	(35)	132
Yuba	43,809	38,552	46.92		24,633	(13,919)	(36)	61
Weighted Average		\$42,031			\$28,989	(\$13,042)	(31%)	

Source: Calculated by State Auditor based on collective bargaining agreements in effect for the fall 1999 semester and California Community College districts' reported information to the Chancellor's Office for the fall 1999 semester.

* Four districts pay part-time faculty an additional hourly rate for office hours they work. The maximum number of office hours per year on an annual full-time equivalent basis for each of these districts, assuming a 35-week year, is as follows: Los Angeles, 88 hours; Los Rios, 35 hours; San Francisco, 30 hours; and Lake Tahoe, 34 hours.

EQUAL EDUCATION AND EXPERIENCE

To provide a fair comparison, we compared the pay level of part-time and full-time faculty with the same level of education and experience. The salary and hourly pay in Table 1 are for faculty with a master's degree plus 30 units of education and five years of teaching experience, which is near the center of most of the faculty pay schedules we examined. However, as discussed in the body of the report, districts do not reward education and experience the same for part-time and full-time faculty, so the disparity between part-time and full-time pay may be larger or smaller at higher or lower levels of education and experience.

PAY RELATED TO TEACHING

Because part-time faculty generally have no responsibilities beyond their teaching-related activities, we compared part-time pay to the portion of full-time pay that is attributable to teaching-related activities. This portion was difficult to determine because the districts divide faculty hours into teaching time and nonteaching time differently. Specifically, we found that the districts' employment agreements require full-time faculty to spend differing amounts of time on teaching activities. Additionally, we found that most of the agreements are vague when addressing exactly what teaching activities are and what is required of full-time faculty. Table 2 summarizes the work requirements included in the employment agreements of the full-time faculty at each of the eight districts.

TABLE 2

Full-Time Faculty Workload Requirements Vary Between Districts

District	Teaching Activities			Nonteaching	Other	Total Specified Hours
	Lecture	Preparation	Office Hours			
Lake Tahoe	16	16	5	3		40
Los Angeles	15		5		10*	30
Los Rios	15		3 to 5	5 to 7	not quantified†	25
San Francisco	15		2	2	not quantified†	19
Sierra Joint	15		7		18*	40
South Orange County	15	15	5	1		36
West Valley-Mission	15	15	3		not quantified†	33
Yuba	15		5		20*	40
State Auditor's Assumption	15	15	5	5		40

Source: Faculty employment agreements negotiated at each district.

* The employment agreement indicates the total weekly hours required, but it does not break down all hours into specific activities.

† The employment agreement specifies additional expectations, such as preparation, grading, or nonteaching activities that are not quantified.

Rather than work with eight different interpretations regarding the proportion of a full-time faculty member's salary that is attributable to teaching activities, we used one standard percentage that we based on the following assumptions:

1. A full-time teaching load is generally accepted to be the equivalent of 15 credit hours of instruction per week.
2. For each hour of instruction, we assumed that a faculty member would spend, on average, 1 additional hour per week for preparation, grading, and evaluation-related activities. This adds 15 teaching-related hours per week.
3. For each class taught, we assumed that a faculty member would spend, on average, 1 hour per week in office hours. Assuming that a standard class is 3 credit hours, a teaching load of 15 credit hours translates to 5 office hours per week.
4. Adding these three components, we arrived at a 35-hour teaching week. We then added 5 weekly hours for nonteaching activities to arrive at a 40-hour workweek as shown in Table 2. Translated into percentages, these numbers showed that about 88 percent of a full-time faculty member's work hours are spent on teaching-related activities. The remaining 12 percent of the full-time salary is assumed to be for nonteaching activities, such as curriculum development and committee work, which part-time faculty are generally not required to perform.

As we noted earlier, each district has its own understanding of faculty responsibilities, and the estimate we used does not exactly match each district's understanding. However, using the same estimate of full-time teaching responsibilities for all the districts we visited allowed us to compare the relative full-time and part-time faculty wages across districts.

EQUIVALENT ACTIVITIES

Although full-time salaries for all the districts we visited include office hours, the districts vary in whether they provide additional pay to part-time faculty for office hours. Specifically, only four of the eight districts pay part-time faculty an additional hourly rate for office hours they work. To ensure that we compared full-time to part-time pay for the same teaching

activities, our calculations assumed that all faculty are performing the same teaching-related activities for each class, including holding office hours or making themselves accessible to students outside of class in some other way.

PART-TIME EQUIVALENT ANNUAL PAY

Because part-time faculty pay is generally expressed in terms of an hourly rate and full-time faculty pay is expressed as an annual salary, we converted the part-time hourly wage to an annual basis. To do this, we multiplied the hourly teaching rate by 525 hours (15 lecture hours per week multiplied by 35—the typical number of weeks in a teaching year). We then added any office hours that part-time faculty could be paid for. The resulting amount represents what a part-time faculty member would be paid if they taught the average full-time teaching load and kept the maximum number of paid office hours allowed.

WEIGHTING

The eight districts in our sample vary widely in the number of teaching faculty. Therefore, in order to arrive at an average annual difference between full-time and part-time pay across all districts, we weighted the difference in pay for each district we visited by the number of full-time equivalent positions worked by the part-time faculty in that district. (That is, if one instructor has a 60 percent teaching assignment and another has a 40 percent teaching assignment, the two add up to one full-time equivalent position.) This allowed us to calculate the average cost of providing equal pay to part-time faculty for their total teaching workload in the eight districts we visited.

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APPENDIX B

Estimated Cost to Eliminate Pay Differences Between Part-Time and Full-Time Faculty

As we discussed in the body of the report, based on the pay differences we calculated at eight districts, we estimate that approximately \$144 million would be needed annually to eliminate existing pay differences between all part-time and full-time faculty for teaching activities. Of that amount, \$18 million would be required to equalize the pay of part-time faculty carrying a full-time teaching load by working in more than one district. We also estimated the annual cost to increase the pay for part-time faculty teaching one, two, three, or more than three classes with that of the full-time faculty. Table 3 shows the number of part-time teaching faculty grouped by the number of classes they taught in fall 1999, the total number of full-time teaching assignment equivalents (FTEs) for each group, and the estimated annual cost to increase each group's pay to a level equal to the teaching portion of a full-time instructor's pay.

TABLE 3

Cost to Provide Equal Pay for Part-Time Faculty by Teaching Workload

Number of Classes per Week	Number of Part-Time Faculty	Total Full-Time Teaching Assignment Equivalents (FTE)	Average Cost Difference at 88 Percent	Total Annual Cost* at 88 Percent
1 class (0.2 FTE)	8,713	1,329.5	\$13,042	\$ 17,339,339
2 classes (0.4 FTE)	9,282	3,065.4	13,042	39,978,947
3 classes (0.6 FTE)	7,035	3,726.2	13,042	48,597,100
More than 3 classes (greater than 0.6 FTE)				
Working in only one district	1,715	1,531.6	13,042	19,975,127
Working in more than one district	1,435	1,393.5	13,042	18,174,027
Total	28,180	11,046.2	\$13,042	\$144,064,540

* Formula: Total FTEs worked x average difference = estimated cost.

Assuming that a full-time teaching assignment is five classes per week, or one FTE, we determined the number of classes taught based on one class equaling 0.2 FTE, two classes equaling 0.4 FTE, and so on. The courts' interpretation of legislation limits the annual workload of part-time faculty within each district to no more than 60 percent of the equivalent full-time assignment. Given our assumption that the regular assignment of a full-time instructor is five classes per week, the workload of a part-time instructor would be limited to three classes.

Based on our calculation, an estimated 3,150 part-time faculty taught more than three classes, or what is considered a full-time load under our assumption. However, of this group, 1,715 either substitute for a full-time instructor and already receive full-time pay or their workload averages 60 percent or less over one year. The remaining 1,435 instructors in this group had a workload greater than three classes by teaching in more than one district.

Agency's comments provided as text only.

California Community Colleges
Chancellor's Office
1102 Q Street
Sacramento, CA 95814-6511

June 23, 2000

Mary P. Noble*
Acting State Auditor
Bureau of State Audits
555 Capitol Mall, Suite 300
Sacramento CA 95814

Dear Ms. Noble:

On behalf of the California Community Colleges, I appreciate the opportunity to provide preliminary comments on your report, *California Community Colleges: Part-Time Faculty Are Compensated Less Than Full-Time Faculty for Teaching Activities* (#2000-107). The California Community Colleges is firmly committed to fair and equitable working conditions for part-time instructors, and to the highest level of quality education for our students.

Following our initial review of your report, we believe that your audit team has provided some useful insights and analysis regarding compensation patterns. We regret that the complete study envisioned in AB 420 has not been completed, since that legislation contemplated a more expansive assessment of compensation and employment practices and a full analysis of the educational, operational, fiscal, and market context of those practices. There are many assumptions but little research regarding the characteristics and working conditions of part-time faculty, the labor market context, or the relationship of these issues to student outcomes. It is important to note that the speedy review which you were asked to conduct therefore warrants significant caution in interpreting the results. In this preliminary response, we wish to make some specific observations and comments about the findings, options, and recommendations, as well as comments related to the text.

①

System Leadership on Part-Time Faculty Issues

Employment and compensation patterns for part-time and full-time faculty have been a major concern of the Board of Governors and the local districts, and we appreciate your attention to this important issue. The Board has adopted policies encouraging both equitable compensation and an appropriate balance between full-time and part-time instructors, and these policies have been the basis for legislative enactments on these topics. As you observe, we have undertaken a series of initiatives in recent years that seek to address the conditions of employment for part-time faculty:

- We have supported creation and subsequent expansion of the Part-Time Faculty Health Benefits Program. Last year, our system won an additional \$500,000 for those

*California State Auditor's comments begin on page 37.

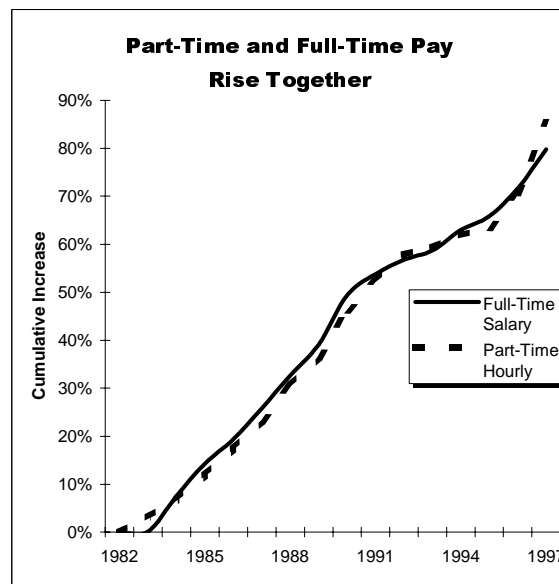
part-time faculty members who do not have access to health coverage through another existing employer or their spouse's employer. This program is now oversubscribed and there are insufficient state funds to provide the match to local funds as required by law.

- We have supported creation and expansion of the Part-Time Faculty Office Hours Program, which last year received an augmentation of \$500,000 in the Budget Act, to include faculty who teach only one course per semester. We are supporting an additional augmentation of \$5 million for the program as proposed in the current version of the 2000-01 Budget Bill pending in the Legislature.
- Through the Partnership for Excellence program, we have significantly increased the hiring of full-time faculty—full-time hiring is occurring at the colleges at the fastest pace in our system's history.
- We proposed an \$80 million budget augmentation for 2000-01 for the purpose of strengthening our human resources infrastructure. The Board of Governors is currently considering guidelines for these funds that would require districts to allocate 60% (or a total of \$48 million) to improve the compensation, benefits, and office hours for part-time instructors, with the remainder for such purposes as adding full-time positions so as to improve the percentage of instruction taught by full-time faculty.

The National Context is Omitted

1

Due to unfortunate time and scope constraints, you were unable to examine the employment and compensation practices of community colleges in other states, even though such an analysis is expressly required by AB 420. The limited evidence available from other sources indicates that both part-time and full-time faculty in our colleges are among the highest paid in the nation. Full-time faculty in the California Community Colleges earn an average of nearly 20% more than the national average, and they face higher class sizes and larger course loads. Part-time faculty wages have kept pace with full-time salaries consistently over the past two decades. In addition, the relative balance of part-time and full-time faculty in our colleges reflects the national norm; part-time faculty account for an average of 65% of the community college faculty workforce.



Analysis Should Address the Characteristics and Intentions of the Part-Time Faculty Workforce

Some of the text of your analysis, such as statements that part-time faculty experience difficulties obtaining medical insurance and retirement benefits, is built upon an implied assumption that all or

most part-time faculty are career employees who rely primarily on their college employment for subsistence and benefits. We are often asked to picture a prototypical part-time faculty member as a person desirous of a full-time teaching post who is stretched beyond their means and commuting from college to college teaching a class or two at a time. It is a compelling image, but there is no evidence to support the claim that this profile is typical. Although college teaching is primary employment for many of our part-time faculty, many faculty of this type have regular employment in another occupation or career. Others are retired and have other sources of income and health benefits. One reason why, as you observe, there continues to be a fully adequate supply of applicants for most part-time faculty positions despite the persistence of a pay gap is likely that monetary compensation and benefits are not a principal concern for individuals who have other employment or retirement income. ②

The actual distribution of part-time faculty among these types is an empirical question, and we believe that a survey of part-time faculty characteristics—although outside the scope of your analysis—would be appropriate. For your report, we note merely that it is not appropriate to assume that the community college is the principal employer for all or most part-time faculty. ②

We concur with your finding that the “freeway flier”—a faculty member who teaches the equivalent of a full-time load by simultaneously holding part-time positions at multiple colleges—is a rare phenomenon. Your analysis confirms that 95% of all part-time faculty are not teaching in multiple districts simultaneously. ③

Report's Estimate Significantly Exaggerates the Workload Taught by Part-Time Faculty

You reach the surprising conclusion that part-time faculty performs 47% of the teaching in our colleges. To test the sensitivity of your methodology to its assumptions, we compared your result with the part-time proportion generated using a number of other alternative methodologies (Fall 1998 semester data): ④

1. **Title 5 Regulation Definition.** Using the definition in the Title 5 regulation implementing the Education Code statute on the full-time:part-time faculty ratio, part-time faculty provide 38.4% of the credit hours of instruction and equivalent work.
2. **Weekly Contact Hours.** Of the 400,000 weekly contact hours of instruction, 37.5% are taught by part-time faculty.
3. **Full-Time Equivalency.** On a full-time equivalency (FTE) basis, part-time faculty comprise 37.2% of the total instructional faculty workforce.

Your estimate that part-time faculty provide 47% of the teaching in our colleges is inconsistent with every other measure of the same construct; indeed, the other estimates are 20% lower than your figure. The precise methodology and data used in the calculation is not reported in the draft audit, and so we are unable to account for the anomaly that your estimate presents. We would welcome the opportunity to further explore the basis for the differences, but we are concerned that your figure and corollary analyses portray our colleges and their teaching workforce in an inaccurate light. The appropriate figure for the share of instruction provided by part-time faculty is approximately 38%.

You have limited your trend analysis of part-time faculty employment to only the most recent five years, and observe that the number of part-time faculty has grown significantly during that period. As you know, the number full-time faculty has also risen during the period. Indeed, our system has hired more new full-time faculty in the last four years than at any other time in its history. In some disciplines, districts are facing tight labor markets and competition that constrain the pool of available candidates for hire. Unfortunately, your analysis assumes perfect substitutability between part-time and full-time instructors in terms of labor supply; our experience suggests that some isolated rural areas and high-cost urban areas may not have an available pool of full-time instructors even though there may exist a sufficient pool of qualified individuals willing to teach on a part-time basis.

In choosing to examine only the period 1994-1999, your analysis ignores the previous offsetting trend. Between 1990 and 1994, the proportion of part-time employees among the faculty workforce declined by 8%, and then rebounded to the 1990 level in the subsequent period. While we are concerned about the upward trend, ignoring the long-term variability significantly exaggerates a very complex and durable problem.

- 5 In describing one perspective on compensation, your report notes that “[s]ome argue that unequal compensation creates a fiscal incentive to use more part-time faculty than full-time faculty.” This is a common assumption that does not appear to be supported by empirical evidence. To test the claim, we conducted a bivariate analysis of faculty compensation and use of part-time faculty over time in the California Community Colleges.¹ That analysis indicates no statistical correlation between either full-time or part-time pay (or any disparity) on the one hand, and the overall use of part-time faculty on the other. This is not surprising, since the gap between full-time and part-time compensation has not changed significantly in at least 20 years.

Report’s Analysis Understates Nonteaching Activities of Full-Time Faculty and Cost of Pay Equality

- 6 The basic analysis of pay disparities between part-time and full-time faculty relies heavily upon your assumption that only 12% of a full-time faculty member’s salary is related to responsibilities and activities other than teaching. A more complete study and analysis of this question was recently undertaken in the State of Washington, where the state community college system was concerned with similar issues. That analysis, supported by the various interested parties and adopted for use by the system and state government for modeling purposes, indicates that 31.2% of a community college faculty member’s compensated time is devoted to teaching. The remainder is allocated to such activities as professional development and scholarship, administration, institutional governance, and community and campus service. Given the more elaborated shared governance system in place in California, there is reason to believe that full-time faculty here devote at least a comparable

¹ Data were drawn for the 16-year time series from 1982 through 1997 from Fiscal Profiles (California Postsecondary Education Commission, 1998) for constant-dollar per-student funding, and from the Chancellor’s Office Management Information System for the other variables. Per-student funding and faculty salaries were deflated to constant 1997 dollars using the Higher Education Price Index.

percentage of their time to nonteaching activities. In any event, there is no empirical evidence to support a figure that diverges from the Washington analysis by nearly one-third.

Substituting the 31.2% figure for your simple estimate, the weighted average pay disparity between full-time and part-time faculty drops from \$13,042, or 31%, to \$3,872, or 12%, using your methodology. The essential point is that your 12% assumption substantially overstates the magnitude of the pay disparity, and the cost of reducing or eliminating that disparity.

We note also that pay rates for laboratory instruction are excluded from your analysis of pay differences, even though the report acknowledges that part-time faculty play an important role in core courses, including the sciences. In addition, there is no evidence to support the implied assumption that all or most part-time faculty are currently providing a proportional amount of out-of-class office hours even in those districts where such hours are not compensated. This assumption biases upwards your analysis of the disparity and the cost of any solution. Only those districts that reimburse part-time faculty for office hours have the right to require such out-of-class access. In fact, many part-time faculty do not provide office hours, and that is why the California Community Colleges have sought funding from the State to expand compensation for office hours.

STRS Service Credit Rules Deserve Reform

We concur with your analysis of the inappropriate treatment of part-time service for purposes of determining both vesting and benefits for the State Teachers Retirement System (STRS), and believe that the service credits should be earned in proportion to the workload, rather than the salary level, of a full-time faculty member. I will ask the Board of Governors to consider seeking such changes with the STRS Board and/or the Legislature.

Local Collective Bargaining Can Solve Compensation and Office Hours Issues

In the report, you note but do not discuss or separately consider the option of allowing local collective bargaining and market forces to determine part-time compensation. Collective bargaining is a well-established function of the local districts, and it has been successful in resolving concerns about salaries and working conditions in the context of local needs and resources. We believe that local districts and employee representatives are capable of achieving our system goal of pay equity, if sufficient general purpose revenues are provided by the state. In the meantime, we continue to support some system-level earmarking of funds—to be bargained locally—as we did with the human resources infrastructure proposal.

7

As you observe elsewhere in the report, “three of the five districts we visited have made efforts towards achieving equal pay for equal work through their collective bargaining processes.” Indeed, if you consider the 31.2% nonteaching activity estimate generated by the Washington analysis, as well as local assessments of nonteaching responsibilities, those three districts are at or very close to full part-time pay equity.

Legal and Administrative Barriers to Option for Part-Time Faculty Employed by Multiple Districts

8 You recommend that the Legislature consider implementing a program whereby individual part-time faculty employed concurrently by multiple districts for an aggregate load equivalent to a full-time position could submit a claim directly to the Chancellor's Office. We would then pay the instructor an additional amount so that the total compensation is equal to the compensation provided a full-time faculty member, after adjusting for a "legislatively determined statewide rate for nonteaching activities." Under this option, the Chancellor's Office would become an employer for the 1,435 faculty meeting the eligibility requirements. This presents significant challenges that would have to be worked out to ensure that part-time instructors could remain in STRS, to ensure that Proposition 98 local assistance revenues would be used, and to ensure that we had a rate of appropriate compensation.

In addition, a legislatively determined statewide rate for nonteaching activities could not account for significant variation in faculty responsibilities and expectations among the 72 local districts and 107 colleges. The differences between districts noted in your report reflect real variation in job duties and institutional needs, not mere measurement error.

As a matter of necessity given the brief time for consideration, this preliminary response focuses largely on those areas where we would suggest changes in your analysis. Nevertheless, we appreciate the balanced, analytical approach in which the report is framed, and believe that it will make a useful contribution to the continuing effort to assure compensation equity for part-time faculty in the California Community Colleges.

Sincerely,

(Signed by: Thomas J. Nussbaum)

THOMAS J. NUSSBAUM
Chancellor

COMMENTS

California State Auditor's Comments on the Response From the California Community Colleges Chancellor's Office

To provide clarity and perspective, we are commenting on the response to our audit report from the California Community Colleges Chancellor's Office (Chancellor's Office). The numbers below correspond to the numbers we placed in the Chancellor's Office response.

- ① We agree with the observation of the Chancellor's Office that our audit is not as expansive as the study envisioned by AB 420 (Chapter 738, Statutes of 1999). We completed the audit scope approved by the Joint Legislative Audit Committee, which was not intended to be as comprehensive as the AB 420 study that was to be performed by the California Postsecondary Education Commission. However, we believe that our report meets the primary objective of the study, which was to demonstrate how part-time faculty are compensated relative to their full-time counterparts and to provide the Legislature and governor with policy options to address the disparities.
- ② We agree with the Chancellor's Office statement that many part-time instructors have regular employment in another occupation or career outside the community college system. We attempt to illustrate this demographic in Figure 2 by showing that of the 28,180 part-time instructors teaching in the system, only 3,150 (or 11 percent) teach more than three classes or what is considered a full-time workload. We assume, in order to make a living, that many of those teaching less than a full-load likely have regular income from other sources. Additionally, many of these individuals may also receive medical and retirement benefits from this other income. In an effort to mitigate additional misunderstandings, we have modified the text in our report where we discuss the medical and retirement benefits of part-time faculty.
- ③ Figure 2 does not say that only 5 percent of part-time faculty are teaching in multiple districts. The Chancellor's Office misinterpreted our presentation. In Figure 2, we detail the number of

part-time faculty teaching in multiple districts for only those instructors teaching more than three classes. It is possible that the part-time faculty shown in the figure as teaching three classes or less are also teaching in multiple districts. We have added a note to the figure to clarify this point. In addition, our analysis was not designed to identify “freeway fliers” traveling between community college districts and the California State Universities, Universities of California, and K-12 districts in order to make a living wage.

- ④ We are not surprised that the Chancellor’s Office estimate of the percentage of classroom teaching performed by full-time faculty exceeds our estimate. By using the Title 5 definition, the Chancellor’s Office is including the nonteaching assignments of full-time faculty. Although including these nonteaching assignments may be appropriate for the purposes of Title 5, they are not relevant when determining the percentage of classroom teaching performed by full-time faculty versus part-time faculty. It appears that the Chancellor’s Office may have used the Title 5 definition of full-time faculty and part-time faculty in its weekly contact hours and full-time equivalent calculations and thus each calculation arrives at a similar answer.
- ⑤ We did not consider the Chancellor’s Office bivariate analysis of faculty compensation and the use of part-time faculty because the Chancellor’s Office never provided it to us. We met with Chancellor’s Office staff on April 17, 2000, and requested any information and studies that they might have relevant to the subject of our audit. In addition, we had numerous discussions with staff of the Chancellor’s Office regarding our audit and its progress and they made no mention of any bivariate analysis of faculty compensation. However, this does not change the fact that all eight of the districts told us that in an environment of limited financial resources there is a fiscal incentive for using less expensive part-time faculty.
- ⑥ Our assumption that 12 percent of a full-time faculty member’s salary is attributed to nonteaching duties is based on the compensation agreements for the eight districts we visited and our conversations with district administrators and faculty representatives. Further, in our report we clearly disclose why such an assumption was necessary and that the actual practices of some districts may vary from our assumption. On page 25, we allotted 5 office hours and 15 hours of preparation (including grading) for each weekly full-time class load of 15 lecture hours. The Chancellor’s Office does not state which of these it believes are

unreasonably high. The remainder is the nonteaching time of 5 hours (12 percent) that the Chancellor's Office asserts is too low. Again, we did not consider the results of the referenced Washington study in our analysis, because the Chancellor's Office never provided it to us.

- ⑦ We agree with the Chancellor's Office statement that allowing the local collective bargaining process to determine the compensation of part-time faculty is an option for the Legislature. This alternative is the first option presented on page 18 of our report.
- ⑧ The Chancellor's Office misunderstands the intent of our option. The intent was that the part-time faculty member not be an employee of the Chancellor's Office. If the method we describe is administratively burdensome, another method would be for the employee to file a claim with the Chancellor's Office and have the Chancellor's Office remit to one of the employing districts the amount owed to the instructor plus any employer retirement and social security contributions. This method would be similar to a grant between the Chancellor's Office and one of the employing districts and should be able to be administratively handled similar to a federal grant subsidizing the cost of specific individuals.

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