TO: ALL STAFF  
From: Fred Williams, Interim Chancellor  
Date: March 26, 2015

It’s been a few weeks now since I’ve stepped into this new role of Interim Chancellor, and I have to say that the view from here is interesting. For over 20 years I’ve looked at the District through a fiscal lens, and—while I have always kept the big picture in mind—numbers are pretty straightforward. There isn’t a lot of ambiguity in budgeting—at least not the way we do it. But I’ve already discovered that when you’re Chancellor, it’s not about drawing a line in the sand. This job is all about people: how they work, what they need and want, and how they relate to one another. It’s already been a lot of fun getting to know people I’ve never talked to before—especially because now our conversations are about more than money!

Of course, though I’ll only be Chancellor for four months, I would like to accomplish more than sharpening my social skills. In speaking with the Board of Trustees, I’ve identified a couple of goals that I think I can make substantial headway on during my tenure (and beyond, in my normal function as Vice Chancellor). The first of these is to establish appropriate legislative priorities to focus the District’s advocacy efforts. The second is to develop a process to help identify and pursue additional District-wide resource opportunities. To facilitate this, Vice Chancellor of Educational Services and Technology Cherry Li-Bugg has already begun researching methods to support and expand existing campus grant activities so that we can increase efficiencies and free up resources.

As you hopefully know, in recent years the North Orange County Community College District has been far more aggressive in advocating on behalf of student success and state budgetary issues. We have seen a lot of movement in a short time, especially in regards to legislation surrounding student veterans, noncredit education, and financial aid. I believe that we could be even more successful if we focused on a few main issues instead of reacting in a piecemeal fashion. That’s why, with the help of Chancellor’s Staff and our lobbying firm Nossaman, we have begun to create legislative priorities for 2015-16 which include: securing differential funding for high-cost programs, supporting a state facilities bond to maximize Measure J resources, advocating for a fair disbursement of funding for adult education under AB 86, strengthening college-to-career pathways, and right-sizing the faculty obligation number (FON) formula. We are certainly interested in and will continue to monitor opportunities above and beyond these concerns, but the majority of staff time and energy will be spent in these areas. Already this year many District administrators have traveled to Sacramento to meet with legislators. In fact, the last time I was in Senator Marty Block’s office his staff commented that NOCCCD has a noticeable presence in the Capitol!

I am particularly eager to use that presence in regards to challenging the current faculty obligation number formula. A baseline number for each district’s FON was established in 1988, and the California Code of Regulations requires districts to increase the number of full-time faculty over the prior year in proportion to the amount of growth in funded credit FTES. The problem is that the baseline number set nearly 30 years ago was an arbitrary snapshot of what was happening that year—it’s not based on any real science or demographic parameters. That’s why NOCCCD has the third largest FON in the state even though we’re not the third largest district.
The ramifications of an inequality in calculating the FON are enormous. Not only does it affect obvious campus issues like hiring and curriculum, it is a key reason why NOCCCD is not able to offer highly competitive salaries. Just to take one example: if we compare NOCCCD with Coast Community College District—similar in student numbers and demographics—our FON last year was 131 more. That’s approximately $9 million that we are not able to utilize in discretionary dollars for things like salary increases, retiree health benefits, or maintenance.

It is time this disparity is addressed. A coalition of like-minded districts and organizations, including the Community College League of California, has begun to actively explore ways of improving the revenue-to-faculty ratio. You’ll hear more about what we can do about the FON as the work continues, and it is my hope we can have some candid conversations as a District about how all the pieces of the budgeting puzzle come together to form the complex reality of what we’re able to offer our employees. It’s tempting—but futile—to just look at an ending balance. In finance, that is only the beginning.

I look forward to the next four months and all the good work we can do together.