

February 1, 2026

Dear SMCCCD Community:

At the request of the State Chancellor's Office, the District applied for an exemption to the 50% Law for FY 2024-25. The application was approved by the Board of Trustees at the December 10, 2025 Regular Board Meeting. We are currently awaiting the Board of Governor's decision on that application for exemption.

As your Chancellor, I have prioritized making progress toward meeting the 50% Law. Prior to becoming Chancellor, the District had been on a continuous downward trend, and since assuming leadership of the District we have reversed this trend. We are engaged in a thoughtful and strategic process to make additional progress toward meeting the 50% Law.

I have attached our District's FY 2024-25 multi-year compliance plan that we submitted as part of our annual reporting to the State Chancellor's Office. This plan is meant to be reviewed and adjusted as the situation of the District changes. In this instance, since our financial outlook has changed due to the softening of assessed valuation, we are submitting a revised version for FY 2025-26, the draft of which is also attached. For example, we are no longer able to be ambitious by adding new full-time instructional faculty positions and, instead, are pursuing all other available avenues toward progress.

Based on a Board directive, we have taken a critical eye to our administrative structure and have eliminated administrative positions/departments that no longer serve us. For some areas, special funding has ended, and for others, performance data and newly established

priorities indicate the need for elimination. We will continue this analysis and anticipate more reorganization in furtherance of the 50% Law and the Board's fiscal goals.

In addition, the Board considered a retirement incentive program at its January 28, 2026 Regular Board Meeting and will bring this item back for action on February 25, 2026. The primary purpose of the program is to assist the Board in meeting its fiscal goals and work towards achieving smarter and more efficient administrative operations. It is also anticipated that it will help move the needle toward compliance with the 50% Law.

There is no affordable single solution. We must make purposeful and strategic incremental efforts with a sustained focus on making progress toward achieving the 50% Law.

Sincerely,



Melissa Moreno, J.D.  
Chancellor

## SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

# **DRAFT** MULTI-YEAR PLAN TO ACHIEVE COMPLIANCE WITH THE FIFTY- PERCENT LAW

PURSUANT TO TITLE 5, §59213  
JUNE 30, 2026

### I. BACKGROUND AND CONTEXT

The Fifty-Percent Law, enacted in 1961, requires that no less than 50% of the district’s current expense of education be spent on the salaries of classroom instructors. Over the past decades, the landscape of California community colleges has evolved significantly, driven by increased compliance mandates, expanded student support services, and a strong focus on equity, diversity, and student achievement—most of which are not categorized as direct instructional costs.

The District has focused its great efforts on supporting students both inside and outside the classroom, and thus SMCCCD has not met the Fifty-Percent threshold from FY 2015-16 through FY 2025-26, and we anticipate continued non-compliance for the next few years as we make concerted efforts to comply. This deficit has been driven by increased investment in student supports, technology and other compliance obligations, and personnel-related costs amid fluctuating enrollments.

### II. SUMMARY OF HISTORICAL MEASURES (FY 2020–FY 2025)

The District has implemented a series of structural and budgetary reforms to address the imbalance in the 50% Law calculation over the past five years. These have included:

## INSTRUCTIONAL FACULTY INVESTMENTS

- \$700,000 ongoing (FY 2020–21) to convert part-time faculty to full-time.
- \$2.1 million cumulative (FY 2020–22) for part-time faculty parity.
- \$1.5 million from the state to hire additional full-time faculty (FY 2021–22).

## ADMINISTRATIVE RESTRUCTURING

- Reduction in the number of vice chancellors from seven to two.
- Division, department, and program reorganization to eliminate administrative positions.
- Offering an early retirement incentive with an anticipated positive impact on the 50% Law in FY 2026-27 through strategic refilling of vacated positions.
- Review of job descriptions and consultation with the external auditors, to ensure correct assignment of positions for the calculation of the 50% Law (e.g., Distance Education Coordinators and Instructional Designers).

## EQUITY IN COMPENSATION

- Negotiated parity-focused adjunct faculty salary schedule (FY 2022–23).
- Differentiated compensation increases (e.g., 22.5% for instructional part-time faculty; 0% for the chancellor).

## POLICY ENHANCEMENTS

- Employer-paid health benefits for part-time faculty (effective July 2024).
- Revised Resource Allocation Model (effective FY 2024–25).
- External subject matter review of 50% Law compliance.
- Participation in a State 50% Law Audit (FY 2023-24), resulting in no findings.
- Implement new process for position justification and other expenditures that require 50% Law impact evaluation and analysis.
- Review of release time and professional development categorization to reclassify qualifying activities as instructional where appropriate.
- Implement productivity and load targets and minimum class size standards across colleges with savings reinvested in instructional uses.

These efforts have helped narrow the compliance gap, evidenced by improved ratios from FY 2022–23 to FY 2024–25.

### III. MULTI-YEAR COMPLIANCE STRATEGY (FY 2026–FY 2030)

**GOAL:** ACHIEVE COMPLIANCE WITH THE FIFTY-PERCENT LAW NO LATER THAN FY 2029–30, WHILE MAINTAINING THE DISTRICT’S COMMITMENT TO STUDENT EQUITY AND SUCCESS.

#### YEAR 1: FY 2026–27

- Continue analysis of non-instructional programs and positions for elimination or reallocation with approval of the Board of Trustees.
- Implementation of a data dashboard to monitor progress throughout the year.
- Participate in advocacy for updates to the statute that reflect modern community college operations such as promoting counseling and library services and technology investments to be included in the numerator of the calculation.
- Reclassify qualifying activities as instructional where appropriate.
- Manage position replacements in accordance with the goals of the retirement incentive program.
- Include in the budget 50% Law impact in the evaluation of expenditures, including new and replacement positions.

#### YEAR 2: FY 2027–28

- Evaluate and recalibrate faculty budgets to reflect enrollment recovery and course demand.
- Continued efforts in reorganization of administrative units.
- Continue to analyze the administrative structure and look for opportunities to reorganize programs, departments, and divisions to synergistically optimize efficiencies.
- Comprehensive audit and validation of instructional spending ratio.
- Develop recommendations for long-term compliance maintenance.
- Continue managing position replacements in accordance with the goals of the retirement incentive program.

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YEAR 3: FY 2028–29

- Continue to analyze the administrative structure and look for opportunities to reorganize programs, departments, and divisions to synergistically optimize efficiencies.
- Comprehensive audit and validation of instructional spending ratio.
- Develop recommendations for long-term compliance maintenance.
- Continue to manage position replacements in accordance with the goals of the retirement incentive program.

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YEAR 4: FY 2029–30

- **Projected compliance achievement by June 30, 2030.**
- Comprehensive audit and validation of instructional spending ratio.
- Finalize recommendations for long-term compliance maintenance.

#### IV. MONITORING AND ACCOUNTABILITY

- The Chancellor’s Cabinet and Fiscal Services Team will review bi-annual projections and report progress to the Board of Trustees.
- Annual audit for compliance with the 50% benchmark.
- Implementation of a compliance dashboard to track key instructional and non-instructional expense indicators.
- Monitor statewide policy and legislation discussions.

#### V. CONCLUSION

The San Mateo County Community College District remains fully committed to achieving compliance with the Fifty-Percent Law, balancing fiscal responsibility with its mission to provide comprehensive student support.

## SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

# MULTI-YEAR PLAN TO ACHIEVE COMPLIANCE WITH THE FIFTY- PERCENT LAW

PURSUANT TO TITLE 5, §59213  
JUNE 30, 2025

### I. BACKGROUND AND CONTEXT

The Fifty-Percent Law, enacted in 1961, requires that no less than 50% of the district’s current expense of education be spent on the salaries of classroom instructors. Over the past decades, the landscape of California community colleges has evolved significantly, driven by increased compliance mandates, expanded student support services, and a strong focus on equity, diversity, and student achievement—most of which are not categorized as direct instructional costs.

Despite consistent efforts to support students inside and outside the classroom, SMCCCD has not met the Fifty-Percent threshold from FY 2015-16 through FY 2023-24. This deficit has been driven by increased investment in student-centric services, compliance obligations, and personnel-related costs amid fluctuating enrollments.

### II. SUMMARY OF HISTORICAL MEASURES (FY 2020–FY 2024)

To address the imbalance, the District has implemented a series of structural and budgetary reforms:

#### FACULTY INVESTMENT

- \$700,000 ongoing (FY 2020–21) to convert part-time faculty to full-time.
- \$2.1 million cumulative (FY 2020–22) for part-time faculty parity.
- \$1.5 million from the state to hire additional full-time faculty (FY 2021–22).

#### ADMINISTRATIVE RESTRUCTURING

- Reduction in vice chancellors from seven to two.

#### EQUITY IN COMPENSATION:

- New parity-focused faculty salary schedule (FY 2022–23).
- Tiered COLA increases (22.5% for instructional part-time faculty; 0% for the chancellor).

#### POLICY ENHANCEMENTS:

- Employer-paid health benefits for part-time faculty (effective July 2024).
- Revised Resource Allocation Model (effective FY 2024–25).
- External subject-matter review of 50% Law compliance.
- Participation in a State Audit (FY 2023-24), with no findings.

These efforts have helped narrow the compliance gap, evidenced by improved ratios from FY 2022–23 to FY 2023–24.

### III. MULTI-YEAR COMPLIANCE STRATEGY (FY 2025–FY 2028)

**GOAL: ACHIEVE COMPLIANCE WITH THE FIFTY-PERCENT LAW NO LATER THAN FY 2029–30, WHILE MAINTAINING THE DISTRICT’S COMMITMENT TO STUDENT EQUITY AND SUCCESS.**

#### YEAR 1: FY 2025–26

- Begin implementation of revised collective bargaining agreements, incorporating 50% Law compliance goals.
- Convert 20 part-time FTEF to full-time faculty.
- Launch review of release time and professional development categorization to reclassify qualifying activities as instructional where appropriate.
- Implement new position justification process requiring compliance impact evaluation.
- Roll out productivity and load targets and minimum class size standards across colleges with savings reinvested in instructional uses.
- Explore and model an early retirement incentive for non-instructional positions.
- Continued efforts in reorganization by eliminating excess administrative positions.

#### YEAR 2: FY 2026–27

- Continue conversion of 20 additional part-time FTEF to full-time.
- Evaluate and recalibrate faculty budgets to reflect enrollment recovery and course demand.

- Conduct cost-benefit analysis on non-instructional programs and positions for reallocation potential as directed by the Board of Trustees.
- Implement additional parity compensation strategies in negotiations aligned with compliance targets.
- Continue faculty schedule optimization, balancing classroom time and non-instructional assignments.

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#### YEAR 3: FY 2027–28

- Final cohort of 20 FTEF conversions completed (total of 60).
- Evaluate and recalibrate faculty budgets to reflect enrollment recovery and course demand.
- Comprehensive audit and validation of instructional spending ratio.
- Finalize recommendations for long-term compliance maintenance.

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#### YEAR 4: FY 2028–29

- Evaluate and recalibrate faculty budgets to reflect enrollment recovery and course demand.
- Comprehensive audit and validation of instructional spending ratio.
- Finalize recommendations for long-term compliance maintenance.

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#### YEAR 5: FY 2029–30

- **Projected compliance achievement by June 30, 2030.**
- Evaluate and recalibrate faculty budgets to reflect enrollment recovery and course demand.
- Comprehensive audit and validation of instructional spending ratio.
- Finalize recommendations for long-term compliance maintenance.

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### IV. MONITORING AND ACCOUNTABILITY

- The Chancellor’s Cabinet and Fiscal Services Team will review quarterly projections and report progress to the Board of Trustees.
- Annual internal performance audits will assess alignment with the 50% benchmark.
- Implementation of a compliance dashboard to track key instructional and non-instructional expense indicators.
- Participation in statewide policy discussions and advocacy for updates to the statute that reflect modern community college operations.

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### V. CONCLUSION

The San Mateo County Community College District remains fully committed to achieving compliance with the Fifty-Percent Law, balancing fiscal responsibility with its mission to provide comprehensive student support.

While historical investments in non-instructional services have been deliberate and aligned with student success, the District is confident that this structured multi-year plan will achieve the statutory requirement while upholding its “student-first” vision.