

# 50% Law Compliance Training

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# What is the 50% Law?

- The Fifty Percent Law, established under Education Code section 84362, and detailed in California Code of Regulations title 5, section 59204-59214, requires community college districts allocate at least 50% of their annual Current Expense of Education (CEE) to the salaries and benefits of classroom instructors
- Enacted in 1961, the 50% law, as it has become known, applied to teachers in both (K-12) school districts and “junior colleges.”
- Calculation done at District’s CCFS-311 Reporting due October 10<sup>th</sup> of each year (based on actual expenditures)
- Part of the District’s Annual Audit

## Why Should I Care?

- If the Districts is not exempt, the Chancellor's Office can reduce a college's apportionment dollar-for-dollar of non-compliance as a penalty; basic aid districts fall outside of these parameters because they are community supported
- Non-compliance can erode public trust; laws passed to protect the classroom
- As a person responsible for budgets or entering purchase requests, proper coding is necessary for accurate financial statements-reporting of TOP and ASA code expenditures to CCCCCO via CCFS-311
- Compliance is an institutional responsibility

## The Calculation (General Unrestricted Fund)

Instruction-related salaries  
& benefits

Current Cost of Education (CCE) - Exclusions

=

50%  
Calculation

# Instructional-Related Salaries

- Salaries and benefits of full time and part time faculty including:
  - Classroom instruction to students
  - Preparation for and evaluation of classroom work
  - Extracurricular activities that arise out of, or are extensions of, classroom work
  - Duties ordinarily assigned to faculty personnel in connection with the custody and control of students in situations other than in the classroom (work experience programs or field trips)
  - Intermittent duties as assigned either individually or in connection with committee work, in-service training, or institutes whose purpose is the evaluation or improvement of the educational program in the district (SLO, Program Review, EMP, Curriculum Development)
- Classified lab techs, instructional aids and student tutors
- Instructional Service Agreements (ISAs)

# Exempted Activities

- 6810 Community Recreation
- 6820 Community Service Classes
- 6830 Community Use of Facilities
- 6840 Economic Development
- 6890 Other Community Services and Economic Development
  - This activity is used to record expenditures associated with providing general public services to the community-at-large or to business and special groups within the community.
  - Applicable costs for community services include expenditures for conferences, lecture series, institutes, classes, and recreational activities, as well as the costs of providing facilities for the nonpartisan benefit of the community-at-large.
  - Applicable costs for Economic Development include expenditures for education and services provided to the business community to advance California's economic growth and global competitiveness.

## Exempted Activities

- 69600 Student and Co-curricular Activities (ASG, Athletics, etc.)
  - Expenditures for student and co-curricular activities that the district has elected to provide above and beyond the regular instructional program.
  - Co-curricular activities are activities and events that are an extension of classroom instruction or related community college programs.
  - Examples include the costs of such items as student newspapers, intramural athletics, intercollegiate athletics, and clubs.
- Also excluded: parking, retiree costs, student housing, unrestricted lottery, rents & leases, capital items, new equipment, bookstore, food services, foundation, auxiliary services, student health, student transportation, facility use, debt, transfers, student aid, student insurance, library books and databases

## Replacement Equipment (Included in CCE)

- Expenditures for the identical replacement of equipment (necessitated by normal use) on a piece-for-piece basis to perform the same function(s).
- Question to ask:
  - Is there increased functionality? If so, new equipment not replacement



# Exempted Activities

## ➤ 71000 Physical Property and Related Acquisitions

- This classification is used to record expenditures for capital outlay required in developing campus facilities. The following are examples of expenditures that should be charged to this activity:
- purchase of land and buildings & initial equipping of buildings
- purchase of equipment permanently affixed to buildings & construction of buildings
- modifications that improve the functionality or extend the useful life of land or buildings
- nonroutine repair and maintenance of buildings and other structures (e.g., scheduled maintenance and special repair items defined under EC §84660)
- upgrades of telecommunications and information technology infrastructure

The portion of the salaries and benefits of district personnel (e.g., Facilities and Information Technology managers, facilities planners, and support staff) related to the above expenditures are also charged to this activity.

## Tips

- Charge a portion of Facilities management, IT management, VP, etc. to Activity Code 7100
- Charge Interpreters to Object Code 22xx or 24xx and Activity Code 49xx
- Charge security parking enforcement to Administrative & Support Activity (ASA) Code 69XX
- Charge Library database access to Object Code 63xx
- *Update from 50% Law Audit 4/2025:* Charge Unrestricted Lottery funds to Instructional Support Services and Direct Student Support Services

## Tips

- Charge marketing efforts for athletics and student co-curricular activities to ASA code 69XX
- Charge portion of salaries and benefits to providing general public services to the community-at-large or to business and special groups within the community to ASA Code 68XX
- Charge appropriate percentage of personnel salaries, benefits, and supplies, etc. to Activity Code
  - 6960 – Student and Co-Curricular Activities such as:
    - Grounds/Maintenance staff and supplies for athletic fields
    - College Newspaper staff or supplies
    - Intercollegiate and/or Club staff and activities
    - Athletic Directors, if appropriate
    - Public Relations

## Tips

- Look at reassign time and charge instructional reassign time portion to instruction such as Student Learning Outcomes (SLO) and curriculum development.
- Activity Code 7090 – Other Auxiliary Operations for the time spent with the foundations
- If you rent out facilities, make sure that the custodial and/or utilities are separated out so you can abate those expenditures
  - Charge purchases for students to Object Code 76xx and Activity Code 7320 for items such as:
    - Bus Passes
    - Bookstore and/or Child Care Vouchers
    - Hot Spots

[illegible]

	RESPONSIBILITY												
EXEMPTED ACTIVITY -- EXCLUDED FROM THE 50% LAW CALCULATION	Originating Dept.	BUSINESS SERVICES- Review @ PO, Contract	ACCOUNTING Final Oversight	Human Resources	MARKETING	WORKFORCE DEVELOPME T	Office of Instruction	Student Services	Athletics	Information Technology	POLICE	FACILITIES	ACTIVITY CODE and/or ACCOUNT
Student Travel	x		x				x	x					696000
Field Trip	x	x	x				x	x					696000
Farm Operations	x	x	x				x						693000
Intramural Sport	x	x	x		x			x					696000
Clubs staff & activities	x	x	x		x			x					696000
Athletic Intercollegiate sports	x	x	x		x			x					696000
Conferences	x	x	x	x		x	x	x		x	x	x	696000
Lecture Series	x	x	x	x		x	x	x		x	x	x	696000
Institutes	x	x	x	x		x	x	x		x	x	x	696000
Recreation	x	x	x					x					696000
Food Service	x	x	x					x				x	694000
Grounds/Maint Athletics	x	x	x									x	696000
Student Housing	x	x	x					x					697000
Bus Passes	x	x	x					x					696000
Bookstore	x	x	x					x					691000
Child Development Center	x	x	x										692000
Hot Spots	x		x										696000
Marketing time supporting Co Curricular activities	x		x	x	x		x	x					696000
Economic Development Program Contracts	x	x	x			x	x						684000
Health Services Cost beyond Fees Collected	x	x	x					x					699000
% of District personnel-- Facilities and IT, Exec Staff, mgers, facilities planners, and support staff) related to Physical Property expenditures	x	x	x				x	x		x		x	710000

	RESPONSIBILITY												
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Management/Custodial time spent maintaining Bookstore(6910), Child Care Center (6920), Food Service(6940)	x	x	x					x				x	691000/692000/694000
Facilities Rental Support	x	x	x									x	683000
Auxiliary Operations	x	x	x				x	x					709000
Parking	x	x	x								x		695000

## Resources

- Responsibility Matrix
- 50% Law Handbook Developed by CWP, LLC
- California Community College Budget and Accounting Manual, [2024 EDITION Budgeting and Accounting Manual](#)