

2023-126 AUDIT SCOPE AND OBJECTIVES

California Community Colleges—Instructor and Administrator Spending

The audit by the California State Auditor will provide independently developed and verified information related to the California Community Colleges compliance with the 50 percent law and administrative expenditures. The audit's scope will include, but not be limited to, the following activities:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Determine the extent to which community college districts complied with the 50 percent law for at least each of the past five years (up to ten years to the extent feasible) and whether any state funding was improperly spent as a result of noncompliance.
 - (a) For a selection of 10 community college districts, review relevant calculations and accounting information to determine whether the districts accurately reported to the Chancellor's Office their compliance with the 50 percent law.
 - (b) To the extent that districts reviewed in Objective 2(a) made material errors in their calculations of district compliance with the 50 percent law, recalculate the compliance percentage and determine the amount of money inappropriately spent by each district.
 - (c) Determine the causes of any noncompliance with the 50 percent law, including whether the noncompliance was due to the district misspending or misclassifying state allocations.
3. Evaluate the Chancellor's Office's exemption approval process, including whether the process includes a requirement to resolve the underlying condition used to justify the exemption. For a selection of exemptions the Chancellor's Office approved over at least the past five years (up to ten years to the extent feasible), determine whether it adequately followed applicable law, policies, and procedures.
4. Determine whether the Chancellor's Office implemented, and then continued to meet, the underlying purpose of the recommendations from the California State Auditor's October 2000 report, and any steps taken by the Chancellor's Office to ensure district compliance.
5. Evaluate the adequacy of the Chancellor's Office's oversight of district compliance with the 50 percent law. Specifically, determine whether the Chancellor's Office provides sufficient training and guidance to the districts and whether it adequately holds districts accountable for compliance with the law. Identify the reasons for any inadequate oversight.
6. Determine whether any of the California Community Colleges Board of Governors regulations represent a barrier to achieving the Legislature's goals for reducing classroom size and increasing the effectiveness of classroom instruction.
7. Determine the full-time equivalents, total compensation provided, and district operating budgets for administrative positions, including district management, executives, presidents, and superintendents for all districts for fiscal years 2012-13 through 2021-22. Report these amounts as totals and as ratios to comparable information for faculty, support staff, all staff, and students.

2023-126 AUDIT SCOPE AND OBJECTIVES

California Community Colleges—Instructor and Administrator Spending

Page 2

8. To the extent possible, determine the reasons for any significant changes in the totals or ratios identified in Objective 7, including any changes in district costs to provide salaries and benefits for administrative positions.
9. For significant increases in management or executive positions at a selection of districts, determine the extent to which a district's justification for those positions is warranted, including the following:
 - (a) Whether districts can adequately demonstrate how the new positions contributed to improved student academic success.
 - (b) Whether districts can demonstrate that increased workload warranted the additional positions.
 - (c) To the extent possible, estimate any significantly increased costs for administrative support for newly created management positions.
10. Review and assess any other issues that are significant to the audit.