



TO: Chief Executive Officers
Chief Human Resources Officers
Chief Business Officers

FROM: Dr. Lizette Navarette, Executive Vice Chancellor, Institutional Supports and Success
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Office of Institutional Supports and Success, College Finance and Facilities Planning
Division

RE: Changes to the Part-Time Faculty Health Insurance Program

The Part-Time Faculty Health Insurance Program authorizes a community college district to provide health insurance for part-time faculty and their dependents and provides reimbursements to districts that submit claims for the cost of part-time faculty insurance premiums. This memo includes preliminary guidance on recent changes in funding, eligibility, and administrative requirements for the program as established by AB 190, the 2022 Higher Education Budget trailer bill. Due to the complexity of implementation, additional guidance will be provided in coming months as details are worked through.

Significant Ongoing Investment in Part-Time Faculty Health Insurance

The 2022 budget provided an additional ongoing \$200 million annually for the Part-Time Faculty Health Insurance Program as a means of incentivizing districts to expand healthcare coverage for their part-time faculty. In prior years, this program was funded at \$490,000 annually, with around 40 districts participating each year. In any year where funds provided in the budget are insufficient to cover the total cost of all claims submitted, each district will receive a proportionate share of the available funds. Any funds remaining after all participating district claims have been reimbursed will revert to the State general fund each year.

Eligibility and Reimbursement

Multidistrict part-time faculty are now eligible to participate in the Part-Time Faculty Health Insurance Program through a reimbursement model. Further, districts may be eligible to receive up to 100% reimbursement if they meet certain criteria described in page 2 of this memo. Districts can participate in the Part-Time Faculty Health Insurance Program in two ways: 1) by meeting all of the criteria for 100% district reimbursement, or 2) by offering part-time faculty insurance that does not meet the criteria for 100% reimbursement and submitting claims for 50% district reimbursement.

Funding Mechanism

The Chancellor's Office shall first reimburse all districts that establish a part-time faculty health insurance program up to 50% of the districts' costs. After an initial allocation of up to 50% of costs, any remaining funds will be allocated to districts participating in the expanded part-time faculty and multidistrict part-time faculty program.

Definitions of Part-Time Faculty and Multidistrict Part-Time Faculty

The amended statute defines an adjunct faculty as either a part-time faculty or a multidistrict part-time faculty; however, they cannot simultaneously be both. The definitions are as follows:

- **Part-Time Faculty:** Defined as having a teaching assignment at a single district that is greater than or equal to 40% of the minimum full-time teaching assignment at that district.
- **Multidistrict Part-Time Faculty:** Defined as an adjunct faculty with total teaching assignments at two or more college districts equal to or greater than 40% of a full-time teaching assignment

Important Considerations: A part-time faculty member, multidistrict part-time faculty member, or their dependents whose premiums for health insurance are paid by an employer other than a community college district are not eligible to participate in the program. If an adjunct faculty has a teaching load of 40% or more at a single district that offers part-time faculty benefits, they are not eligible for an additional health insurance premium reimbursement by another district under the new multidistrict part-time faculty reimbursement component of the program.

Eligibility for 50% Reimbursement

For districts to be eligible to receive a 50% reimbursement, the governing board must establish a part-time faculty health insurance program, negotiate with the exclusive representative as to the payment of the portion of the health insurance premium that is not funded by the state, and submit a claim form to the Chancellor's Office by the June 1 due date, which includes the number of participants in the program and the total cost of the individual premiums paid by the district.

Eligibility for up to 100% Reimbursement

Districts can receive reimbursement for up to 100% of the total cost of health insurance provided to part-time faculty, multidistrict part-time faculty, and their dependents meeting the following requirements, up to the total cost of the individual premiums paid:

- Offers health insurance coverage to all eligible part-time faculty.
- Offers part-time faculty the same health insurance benefits provided to full-time faculty.

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- Only if a district is unable to identify an insurance carrier that will provide the same plan structure and option(s) offered to full-time faculty, can they seek different carrier options that offer the same cost share, quality, and benefits.
- Limits individual premiums (i.e. employee contributions) paid by part-time faculty to no more than the actual individual premium (employee contribution) paid by full-time faculty in that district.
- Offers health insurance coverage, through a reimbursement plan, to all eligible multidistrict part-time faculty.
 - Districts can reimburse multidistrict part-time faculty who individually purchase health insurance benefits, up to a proportionate share of the district's most commonly subscribed family coverage plan.
 - If a participating district is seeking 100% reimbursement of their costs, then they **must** reimburse multidistrict part-time faculty who individually purchase health insurance benefits, up to a proportionate share of the district's most commonly subscribed family coverage plan.

All participating districts will include the cost of these reimbursements to multidistrict part-time faculty in their total claim for reimbursement submitted to the Chancellor's Office.

Documentation from Multidistrict Part-Time Faculty

A district may request reasonable documentation from a multidistrict part-time faculty once per term to verify (1) the cumulative teaching assignment is equal to or greater than 40% and (2) enrollment in a health insurance plan and the amount of the premium.

Reimbursement of Multidistrict Part-Time Faculty

For districts that offer reimbursement to multi-district part-time faculty, the reimbursement amount is determined as follows:

$$\text{District's share of reimbursement} = (A \div B) * C$$

A = total premium paid by the multidistrict part-time faculty

B = total number of districts in which the multidistrict part-time faculty works

C = % of health care cost paid by the district toward the total cost of the premium (but not greater than a proportionate share of a district's most commonly subscribed family coverage plan)

Further Considerations

The Chancellor's Office recognizes the complexity of the changes to the part-time faculty health insurance program and remains committed to a successful statewide implementation in partnership with all stakeholder groups for the benefit of our part-time faculty. We continue to gather frequently asked questions, and will develop additional guidance, forms, surveys, and other tools and resources as needed. Areas for further exploration include leveraging economies of scale through a statewide program or pooled plan, learning more about insurance provider eligibility criteria, recognition that teaching assignment percentages can change between and within sessions, developing standardized forms and sample verification for multidistrict part-time faculty reimbursements, and exploring the details of the proportionate share reimbursement calculation.

Important Administrative Dates

June 1, 2023

Districts submit a reimbursement claim for the 2022-23 part-time health insurance premium costs on a form provided by the Chancellor's Office. Because the 2022-23 fiscal year is not final at the time the claims are due, districts may submit an estimate and provide the finalized claim amount no later than November 30. Claims are reviewed and a preliminary, estimated reimbursement amount is determined based on each district's proportionate share of the total available funds.

June 2023: 2022-23 Second Principal Apportionment

The Chancellor's Office certifies an allocation equal to 80% of the preliminary, estimated reimbursement for each district. This certified amount is displayed on Apportionment Exhibit A, District Apportionments and Payments by Program. The 80% allocation allows for flexibility as districts finalize and submit revised claims by November 30 and ensures that no funds will need to be returned by a participating district if final adjustments to the allocation are made based on revised claims.

November 30, 2023

Final revised reimbursement claims are due to the Chancellor's Office. Final claims are reviewed, and a final reimbursement allocation is determined based on each district's proportionate share of the total available funds.

February 2024: 2022-23 Recalculation Apportionment

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The Chancellor's Office certifies an allocation of 100% of the final revised reimbursement for each district. This certified amount is displayed on Apportionment Exhibit A, District Apportionments and Payments by Program.

Additional Report Requirement of the COVID-19 Recovery Block Grant

As a condition of receiving the COVID-19 Block Grant funds, districts are required to report metrics on their employer-sponsored health insurance for part-time faculty in 2021-22 by March 1, 2023. The Chancellor's Office will send out a survey to collect this information by the end of November 2022.

Contacts

If you have additional questions regarding the Part-Time Faculty Health Insurance Program, please contact the fiscal standards and accountability email at fiscalstandards@cccco.edu, Lorena Romero at lromero@cccco.edu, or Amanda Voie at avoie@cccco.edu.