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# SENATE COMMITTEE ON EDUCATION

Senator Sasha Renée Pérez, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	AB 1171	<b>Hearing Date:</b>	June 10, 2026
<b>Author:</b>	Patel		
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<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
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**Subject:** Part-Time Community College Faculty Health Insurance Program.

## SUMMARY

This bill requires that any unspent program funds from the Part-Time Community College Faculty Health Insurance Program be deposited annually into a newly created fund, rather than be reverted annually to the General Fund, and requires that these deposited funds continue to be used for eligible program expenditures.

## BACKGROUND

Existing law:

- 1) Establishes the Part-Time Community College Faculty Health Insurance Program with the purpose of providing a state incentive program to encourage community college districts (CCDs) to offer health insurance for part-time faculty. (Education Code (EC) § 87860.5)
- 2) Defines the following:
  - a) “Health insurance benefits” as medical benefits but do not include vision and dental benefits.
  - b) “Part-time faculty” as any faculty member whose teaching assignment is at least 40% of the cumulative equivalent of a minimum full-time teaching assignment.
  - c) “Multidistrict part-time faculty” as any faculty member whose total teaching assignments at two or more CCDs is at least 40% of the cumulative equivalent of a minimum full-time teaching assignment. (EC § 87861)
- 3) Permits the governing board of a CCD to provide health insurance for part-time faculty, multidistrict part-time faculty, and their dependents. (EC § 87862)
- 4) Prohibits a part-time faculty, multidistrict faculty member, or their dependents from participating in the Part-Time Community College Faculty Health Insurance Program if their premiums are paid by an employer other than a CCD. (EC § 87864)
- 5) Requires a CCD to reimburse a multidistrict part-time faculty member for the CCD’s proportionate share of the total health insurance premium paid, and permits

- a CCD to require reasonable documentation from the multidistrict part-time faculty member a) to verify the faculty member's total cumulative assignments at other CCDs is at least 40% of the cumulative equivalent of a minimum full-time teaching assignment, and b) to determine district's proportionate share as specified. (EC § 87865)
- 6) Determines that a proportionate share for a CCD, for purposes of reimbursing the total health insurance premium paid by a multidistrict part-time faculty member, is calculated by dividing the total health insurance premium paid by the multidistrict part-time faculty member by the total number of CCDs in which the multidistrict part-time faculty member works, then multiplying that quotient by the percentage of health care cost paid by the CCD toward the total cost of the health insurance premium. (EC § 87865)
  - 7) Requires CCDs participating in the Part-Time Community College Faculty Health Insurance Program to do both of the following:
    - a) Negotiate with the exclusive representative as to the payment of the portion of the health insurance premium that is not funded by the state.
    - b) Send verification to the Chancellor of the California Community Colleges (CCCs) as to the number of participants in the program by June 1 of each year. (EC § 87866)
  - 8) Requires the Chancellor, by June 15 of each year, to apportion to each participating CCD an amount equal to half of the total cost of individual premiums required to be paid for the health insurance coverage of participating part-time faculty, multidistrict part-time faculty, and their dependents. (EC § 87867)
  - 9) Requires the Chancellor, by June 15 of each year, to apportion any remaining funds appropriated for this program to each participating CCD, after apportioning funds specified for #8, above and up to the total cost of the individual premiums to be paid for the health insurance coverage of participating part-time faculty, multidistrict part-time faculty, and their dependents in the CCD if they meet all of the following criteria:
    - a) Offers health insurance coverage to all part-time faculty as defined for the Part-Time Community College Faculty Health Insurance Program.
    - b) Offers part-time faculty the same health insurance benefits provided to full-time faculty at the CCD.
    - c) Limits individual premiums paid by part-time faculty to no more than the actual individual premium paid by full-time faculty in that district.
    - d) Offers health insurance coverage to all multidistrict part-time faculty as defined for the Part-Time Community College Faculty Health Insurance Program and reimburses a multidistrict part-time faculty for their health insurance premium as specified. (EC § 87867)

**ANALYSIS**

This bill:

- 1) Requires that any unspent funds from the Part-Time Community College Faculty Health Insurance Program be deposited annually into the Part-Time Community College Faculty Health Insurance Program Fund, rather than be reverted annually to the General Fund.
- 2) Creates the Part-Time Community College Faculty Health Insurance Program Fund to be continuously appropriated, without regard to fiscal year, for the purpose of apportioning funds to CCDs for eligible expenditures for the Part-Time Community College Faculty Health Insurance Program, until reappropriated or reverted by the Legislature through the annual budget act or any other act.
- 3) Adds that it is the intent of the Legislature that, by January 1, 2030, each CCD commence negotiations with the exclusive representatives for part-time community college faculty to offer health insurance benefits to part-time and multidistrict part-time community college faculty and their eligible dependents.

**STAFF COMMENTS**

- 1) ***Need for the bill.*** According to the author, “California appropriates \$200 million annually to provide part-time faculty at community colleges with healthcare coverage through a program that incentivizes Community College Districts to offer healthcare to their part-time employees. Yet only 35% of those funds are reaching their intended purpose, while the rest revert to the General Fund each year, unspent and unable to address any hurdles that prevent participation.

This bill prevents funds appropriated for this purpose from reverting to the General Fund, giving the Legislature the capital necessary to address the structural hurdles that have long prevented part-time faculty from receiving the coverage they deserve. That urgency has only grown as rising premiums and Medi-Cal eligibility restrictions push more faculty into coverage gaps they cannot afford. AB 1171 does not ask for new money; it simply ensures that funds the Legislature and the Governor have already committed to faculty healthcare are used for exactly that purpose, and that we finally give ourselves the tools to make this program work.”

- 2) ***Recent augmentation for the Part-Time Community College Faculty Health Insurance Program.*** The Part-Time Community College Faculty Health Insurance Program is a categorical program within the CCC system with the purpose of encouraging CCDs to offer health insurance for part-time faculty. Prior to the 2022 Budget Act, the program received an annual appropriation of \$490,000 and was heavily oversubscribed, with participating CCDs being reimbursed for only a fraction of the cost of providing health insurance to part-time faculty. When AB 375 (Medina, 2021)—which would have redefined CCC part-time faculty course load as not to exceed 85% of a full-time assignment, rather than not to exceed 67% of a full-time assignment—was vetoed by Governor Newsom, his veto message included a note that he was committed to considering options to support CCC part-time faculty in the following Governor’s Budget.

Making good on the veto message's promise, the 2022 Budget Act added \$200 million for the program for an ongoing total of \$200.5 million, expanded the program to include eligible part-time faculty working across multiple districts, and provided an avenue for CCDs to receive up to 100% reimbursement for the employer share of costs of offering health insurance to part-time faculty.

- 3) ***Eligible part-time faculty.*** CCDs participating in the program are required to offer health insurance to eligible part-time faculty, multidistrict part-time faculty, and their dependents. Program statute defines part-time faculty and multidistrict part-time faculty relative to a full-time faculty teaching assignment. A full-time teaching load, which earns the employee a full salary, benefits, and tenure, is determined through collective bargaining and is 15 units on average.

Program statute defines eligible part-time faculty as any faculty member whose teaching assignment is at least 40% of the cumulative equivalent of a minimum full-time teaching assignment, and it provides a similar definition for "multidistrict part-time faculty", though this courseload would be distributed across two or more CCDs. As of Fall 2024, there were roughly 39,000 part-time faculty working across the CCC system, but it is unclear how many of these faculty members meet the 40% threshold defined by program statute.

- 4) ***Program's reimbursement mechanism.*** Participating CCDs are eligible to be reimbursed for 50% of their total cost of health insurance provided to part-time faculty, multidistrict part-time faculty, and their dependents. Moreover, participating CCDs meeting additional requirements can be reimbursed in excess of 50% and up to 100% of their costs, depending on available program funding:
- a) For a CCD 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 California Community Colleges Chancellor's Office (CCCCO) by June 1 every year, which includes the number of participants in the program and the total cost of the individual premiums paid by the CCD.
  - b) For a CCD to receive reimbursement in excess of 50% and up to 100%, a CCD must be eligible to receive a 50% reimbursement, and a CCD must also meet the following additional requirements:
    - Offers health insurance coverage to all eligible part-time faculty.
    - Offers part-time faculty the same health insurance benefits provided to full-time faculty.
    - Limits individual premiums paid by part-time faculty (i.e., employee contributions) to no more than the actual individual premium paid by full-time faculty in that CCD.

- Offers health insurance coverage, through a reimbursement plan, to all eligible multidistrict part-time faculty.

If a CCD is deemed eligible to receive reimbursement greater than 50% and up to 100%, their reimbursement percentage is determined by the amount of available funding after allocating funding for CCDs receiving a 50% reimbursement.

- 5) ***Uptick in CCD participation and statewide spending since 2022-23.*** The Part-Time Community College Faculty Health Insurance Program does not require CCDs to offer health insurance to part-time faculty, which would constitute a mandate, but instead provides a fiscal incentive for participating CCDs by reimbursing at least 50% of their costs related to providing health insurance for eligible part-time faculty. Since 2022-23, there has been a steady uptick in district participation, the number of part-time faculty participants, and program expenditures, according to the CCCCCO, as seen in the table below.

Fiscal Year	Participating CCDs	Part-Time Faculty Participants	Program Expenditures (in millions)
2022-23	38	3,840	\$23.3
2023-24	44	4,711	\$37.7
2024-25	48	6,950	\$69.5

With regard to employer reimbursement, of the 48 participating CCDs in 2024-25, 21 were reimbursed for 50% of their costs, and the remaining 27 were reimbursed for 100% of their costs. With regard to employee coverage, 7 out of the 48 CCDs covered 100% of health insurance premiums, meaning employees paid no premiums, and 37 out of 48 CCDs covered at least 85% of the total health insurance premium, meaning employees paid a premium equivalent to 15%.

In addition, the CCCCCO recently received preliminary data on 2025-26 participation in this program. In 2023-24 and 2024-25, the final counts grew by 10% and 17% compared to preliminary numbers, respectively. Using these numbers as a range, it's possible that the final number of participating districts in 2025-26 is between 52 to 56 districts and the final program expenditures are between \$72 million and \$77 million. These amounts tend to grow between preliminary and final data because districts are sometimes late in submitting and finalizing their claim forms.

- 6) ***Some districts have reservations about participating in this program.*** Though the potential reimbursement for participating CCDs through the Part-Time Community College Faculty Health Insurance Program is generous, and there is currently ample available funding in the program, some CCDs have reservations about participating in this program, even if they would like to provide access to health insurance for their part-time faculty and their families. Anecdotally, this is sometimes attributed to uncertainty about the state budget and program statute—including fears of a funding cut to the program, changes to program statute, or a scenario where all program funding is spent and the state must prorate funding to CCDs—and what it means for a CCD to offer a significant benefit to employees under one set of assumptions, and the fiscal implications if those assumptions

change. To address this uncertainty, some CCDs have built in provisions in their collective bargaining agreements that reopens the agreements if they are reimbursed for less than 100% of their costs.

- 7) ***This bill seeks to remove a provision requiring program savings to be reverted annually to the General Fund.*** Despite more CCDs participating in the program over the past several years since the 2022 Budget Act augmentation, the savings from the Part-Time Community College Faculty Health Insurance Program continue to be significant. Savings in 2024-25 were approximately \$130 million, and they are projected to be over \$100 million in 2025-26. Program savings from 2024-25 were reverted in the 2025 Budget Act and were used to fund other CCC priorities, such as apportionment deficits. *The Committee may wish to consider the following questions when discussing this bill:*
- a) *With more districts participating in the program each year, might it be considered premature to remove the provision that reverts unused funding if district participation and program expenditures have not yet stabilized?*
  - b) *This bill proposes that program savings should be redirected and reinvested into this program. Should available savings from the Part-Time Community College Faculty Health Insurance Program be used to provide one-time funding for other CCC needs, or should these savings be used for the original purpose of this program, which is health insurance for part-time faculty, even if there is currently more than enough funding available to fund all eligible expenditures?*

8) ***Related and Prior Legislation.***

AB 190 (Committee on Budget, Chapter 572, Statutes of 2022) expanded the program to include eligible part-time faculty working across multiple districts and allowed eligible CCDs to receive up to 100% reimbursement for the employer share of costs of offering health insurance to part-time faculty.

AB 375 (Medina, 2021) would have redefined community college part-time faculty course load as not to exceed 85% of a full-time assignment, rather than not to exceed 67% of a full-time assignment. AB 375 was vetoed by the Governor.

**SUPPORT**

Faculty Association of California Community Colleges (sponsor)

**OPPOSITION**

Association of California Community College Administrators  
Community College League of California

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