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FISCAL IMPACT REPORT

ORIGINAL DATE 02/09/07

SPONSOR Picraux LAST UPDATED _____ HB 572

SHORT TITLE Higher Ed Accountability Report Faculty Info SB _____

ANALYST Moser

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$5,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates: HB 384

SOURCES OF INFORMATION

LFC Files

Responses Received From

NM Department of Higher Education (HED)

SUMMARY

Synopsis of Bill

House Bill 572 makes amendment changes relating to higher education to include faculty information in the annual New Mexico Higher Education (NMHED) accountability report and appropriates \$5,000,000 from the General Fund to NMHED for expenditures in FY08 for part-time faculty salary increases and to initiate group insurance benefits for these individuals.

FISCAL IMPLICATIONS

The appropriation of \$5,000,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund.

HED points out that it is unsure of the total fiscal impact for part-time faculty salary increases and for the inclusion of group insurance benefits for part-time faculty. HED additionally indicates that \$5,000,000 may not cover the actual costs initially or in future years as costs continue to escalate.

HED would be the administrator for these funds and indicates that additional staffing, not provided for in this bill, may be required to support additional data collection and analysis for this request.

SIGNIFICANT ISSUES

HED indicates that its annual accountability report, *The Condition of Higher Education*, requires all public post-secondary institutions to report information on student progress and success; student access and diversity; affordability and costs of educational services; and public and community service by the institution.

HB384 proposes to change Section 1. Section 21-1-26.7 NMSA 1978 (being Laws 1990 (1st S.S.), Chapter 4, Section 2, as amended) to establishing faculty information reporting requirements for all public post-secondary institutions. The amendment proposes the following information be reported to HED annually for inclusion in the report:

Faculty diversity, orientation, evaluation, compensation, and benefits practices, including:

- number and percentage of part-time and full-time faculty by ethnicity and gender
- number of vacant positions posted, average number of applicants for each position and percentage of applicants interviewed for full-time and part-time faculty positions
- percentage of full-time and percentage of part-time faculty receiving an annual performance evaluation that includes peer review and a meeting with a supervisor
- list of dates and locations for formal orientation sessions for full-time faculty and a list of dates and locations for formal orientation sessions for part-time faculty
- per-credit-hour pay rate for full-time instructors or lecturers and per-credit-hour pay rate for part-time faculty
- percent salary increase for full-time faculty and percent salary increase for part-time faculty
- description of the institution's policy for offering benefits to full-time faculty and to part-time faculty.

This data is necessary in order to conduct any analysis of the salary increases necessary for part-time faculty and to assess the financial impact of providing benefits to these individuals.

HED indicates that \$3,000,000 would be distributed to the public post-secondary educational institutions so that the institutions may begin to phase in part-time faculty compensation rates that on a per-credit-hour basis equal those of full-time instructors or lecturers.

The remaining \$2,000,000 would be distributed to the public post-secondary educational institutions so that the institutions may begin to phase in the provision of group insurance benefits for part-time faculty.

POSSIBLE QUESTIONS

Why should appropriations be given to fund compensation increases and insurance benefits for part-time faculty prior to knowing how much is needed to fully fund this need?