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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/20/07

SPONSOR Garcia, M. P. LAST UPDATED \_\_\_\_\_ HB 591

SHORT TITLE Nontenure Track Faculty Salary Standard SB \_\_\_\_\_

ANALYST Williams

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	See Text		

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Senate Bill 910

Relates to House Bill 384, House Bill 572 and Senate Bill 1002

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		See Text				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Department of Labor (DOL)

### SUMMARY

#### Synopsis of Bill

House bill 591 mandates each academic department within a public, post-secondary educational institution with at least eight full time equivalent positions must have at least seventy-five percent of courses taught by tenured or tenure-track faculty beginning the 2007 academic year.

An increase in the percent must be demonstrated every year thereafter. In particular, each department must not have a 1/10<sup>th</sup> reduction in the gap between the percentage of undergraduate courses taught by tenured or tenure-track faculty and the required seventy-five percent.

Further, every academic department must ensure 75 percent of its courses are taught by tenure track faculty in academic year 2013.

The bill directs an extension of health care benefits to qualifying faculty carrying at least 50 percent of the established teaching load of tenured and tenure-track faculty.

Each academic department must develop an action plan for the 2103 targets. Colleges and universities may not rely on eliminating current adjunct or other nontenure-track faculty positions. Further, the plan must include detail on “creating new opportunities for adjunct and other nontenure-track faculty to attain full-time, tenure-track positions and by filling vacancies in tenure or tenure-track positions.

The bill directs these institutions to establish a process by which adjunct and other nontenure-track faculty receive notice and priority consideration for future adjunct or nontenure-track teaching assignments. Further, these individuals are to receive preferential consideration for vacant tenure-track positions. These individuals are to accumulate seniority. This is to occur after these individuals successfully complete a reasonable probationary period and in compliance with institutional and state policies.

Finally, by 2007 academic year, each public college and university shall determine a “pro-rata salary plan” for adjunct and other nontenure-track faculty employed in each department based on salaries of tenured and tenure-track faculty with comparable qualifications and doing comparable work. The plan is to provide for progressive salary increases for adjunct and other nontenure-track faculty to meet a salary target of 85 percent of comparable tenure and tenure-track faculty. This plan will be developed during collective bargaining or with a faculty/administration committee, in the absence of collective bargaining.

All provisions of the bill would be subject to collective bargaining with designated parties.

## **FISCAL IMPLICATIONS**

The bill does not include an appropriation. However, there are significant costs associated with this bill. The first immediate impact is the extension of health care benefits to adjunct or other nontenure track faculty members. Data to estimate the extent of this cost element is not currently available. The second area of fiscal impact would occur due to the increase of tenure and tenure-track faculty over time. Typically, faculty costs (both direct compensation along with benefits) for these individuals is higher than that of adjuncts. It is not clear whether this cost would be borne by increases in the general fund appropriation or by increase in student tuition.

## **SIGNIFICANT ISSUES**

HED notes: “Research in higher education faculty indicates that since 1998, the proportion of full-time tenured faculty in the nation’s colleges and universities has declined significantly and been replaced by part-time adjunct and other non-tenure-track faculty. With increasing student enrollments and decreased public spending on higher education, the most commonly used cost-

cutting measure is to offer courses taught by adjuncts. This allows institutions to offer more courses at a fraction of what it would cost if the classes were taught by full-time faculty. Also, the diversification and specialization of the higher education curriculum has increased the demand to hire more part-time faculty with specific expertise to broaden course offerings to meet the demands of a diverse student population. Often practitioners in different fields are hired as part-time faculty to enrich the curriculum.”

HED notes 21-3-7 NMSA 1978:

"Said Boards of Regents shall have full and complete power and control over their respective normal schools [universities]. Each board shall employ a superintendent or principal for such school who shall have the supervision and control of the school under such rules and regulations as may be provided by such board. Such board shall determine and provide as to what branches of learning shall be taught in such school and the classification and order of the same, and shall also direct the number of teachers that shall be employed, and shall determine the compensation to be paid to the superintendent and teachers. Such board shall also prescribe upon what terms and conditions pupils shall be admitted to such school, but no pupils shall be admitted who are not residents of this state, except on payment of a tuition fee to be prescribed by the Board of Regents for each term."

### TECHNICAL ISSUES

Does this bill refer to the 2007-2008 academic year? To the 2013-2014 academic year?

HED notes the mechanism to provide for preferential consideration for tenure-track positions may be in conflict with the requirements of Title VII of the Civil Rights Act of 1964, who prohibits employment discrimination.

### OTHER SUBSTANTIVE ISSUES

Potential unintended consequences which could result:

- Institutions already exceeding the mandated rate would be able to reduce the course load of tenure track faculty
- Larger class sizes for tenure track faculty course sections to meet the targets

According to the HED *Report of the Best Practices Task Force* issued September 30, 2005 in response to House Joint Memorial 73 from the 2005 legislative session:

National level data for Fall 2003 indicated part-time faculty made up the following percentages of total faculty and instructional staff:

<u>Institution Type</u>	<u>Headcount % Part-Time</u>
Public Doctoral Institutions	22.2%
Public Master's Institutions	36.7%
Public Associate's Institutions	66.7%

HED staff conducted a survey to gather data regarding the extent of part-time faculty utilization in Fall 2004 and various other items of information concerning the terms and conditions of

employment for this group of faculty at New Mexico post-secondary institutions. Summarized below are the findings relative to the percentage of faculty that are employed on a part-time basis:

<u>Institution Type</u>	<u>Headcount % Part-Time</u>	<u>FTE % Part-Time</u>
Research Universities	36.6%	15.1%
Comprehensive Universities	54.8%	27.4%
Branch Community Colleges	73.3%	48.8%
Independent Comm. Colleges	69.6%	46.9%
Statewide Total	56.3%	31.5%

The report noted the pattern of part-time faculty utilization in New Mexico has not changed appreciably since a similar survey was conducted in Fall 2001. As expected, part-time faculty utilization is relatively lowest at the research universities and highest at the community colleges. However, New Mexico institutions tend to make somewhat greater use of part-time faculty than similar institutions across the country.

The report identified best practices and examples for New Mexico institutions with respect to recruitment, retention and promotion of adjunct faculty.

#### **POSSIBLE QUESTIONS**

1. How do the requirements specified in this bill compare to various accreditation requirements?
2. What data is available to compare the effectiveness of tenure-track versus adjunct faculty with respect to student learning?
3. Would it be appropriate for the tenure or tenure-track requirement to differ for different types of institutions?

AW/nt