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FISCAL IMPACT REPORT

SPONSOR Picraux **DATE TYPED** 03/08/05 **HB** HJM73/aHEC

SHORT TITLE NM Colleges Part & Fulltime Faculty Study **SB** _____

ANALYST Woods

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SJM59

SOURCES OF INFORMATION

LFC Files
Commission on Higher Education

SUMMARY

Synopsis of HEC Amendment

House Education Committee amendment to HJM73 amends the legislation as follows:

- *On page 2, line 18:* after the word “include” the phrase “a member of the house of representatives appointed by the speaker of the house of representatives and a member of the senate appointed by the president pro tempore of the senate,” is inserted.
- *On page 2, line 24:* after the word “force” the phrase “prepare a written” is inserted.
- *On page 2, line 25:* after the word “report” the phrase “be presented” is deleted, and the phrase “and present it” is inserted in lieu thereof.

Synopsis of Original Bill

House Joint Memorial 73 requests that the Commission on Higher Education convene a “best practices taskforce” to examine compensation practices and conditions of employment for part-time faculty at post-secondary institutions. The joint memorial outlines specific issues that are to

be addressed in a report of the task force to be presented to an appropriate interim legislative committee by September 30, 2005. The task force is also requested to develop a set of best practice principles and recommendations for use of all institutions beginning in 2007. Finally, the joint memorial requests CHE to develop a ten-year implementation plan for improved part-time faculty salaries and benefits.

Significant Issues

The Commission on Higher Education notes that, historically, compensation practices at the post-secondary institutions have been matters within the full control of institutional governing boards and administrations, further that the commission has not played a significant role in the development of common compensation practices. The commission additionally suggests that the current higher education funding mechanism generates resources for the institutions primarily based on estimated costs per student credit hour of instruction, and the formula does not, at present, directly address issues related to full-time versus part-time faculty compensation.

ADMINISTRATIVE IMPLICATIONS

While this joint memorial does not address the matter of costs, the Commission on Higher Education observes that it could impact the commission in two respects:

- The commission would bear the fiscal impact of conducting the requested study, preparing reports, etc. These non-recurring costs would impact the operating budget of the commission; and
- implementation of a multi-year proposal to improve part-time faculty salaries and benefits could have very substantial fiscal impacts on the state general fund appropriations to the institutions. This would occur in the event that the higher education funding formula is revised to provide additional financial resources to the institutions for this purpose.

The Commission on Higher Education adds that the commission is charged with the administrative responsibility for the activities outlined in this joint memorial, and that implementation will require a significant commitment of staff time and resources, especially in view of the relatively short time frame defined in the bill for development and presentation of recommendations.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HJM73 and SJM59 are duplicate measures.

OTHER SUBSTANTIVE ISSUES

The Commission on Higher Education indicates that the higher education funding mechanism currently used in New Mexico provides a lump sum appropriation to the institutions for "Instruction and General" purposes. Institutions have broad discretion to allocate the state funding to best address institutional priorities. Institutional practices with respect to faculty compensation and fringe benefits have generally been under the purview of the institutional boards and administrations. Commission involvement in this area has historically been very limited.

BFW/sb