

N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

HB84 creates a new section in Chapter 21 NMSA 1978 that would establish minimum compensation levels for non-temporary nine-month and temporary faculty at public postsecondary educational institutions.

NON-TEMPORARY FACULTY. Minimum compensation shall be:

- ? \$60,000 when appointed to a full-time nine-month contract at a four-year institution
- ? \$55,000 when appointed to a full-time nine-month contract at a two-year institution.

TEMPORARY FACULTY. Minimum compensation shall be:

- ? \$2,000 per credit hour at a four-year institution
- ? \$1,800 per credit hour at a two-year institution.

\$44,000,000 is appropriated to the New Mexico Higher Education Department (NMHED) for FY25 and future fiscal years to meet these increased compensation needs.

FISCAL IMPLICATIONS

The most recent data for full-time and part-time faculty at New Mexico public institutions is from Fall 2021. There were 1,117 full-time faculty and 1,872 part-time faculty reported at two-year colleges and 3,237 full-time and 1,379 part-time faculty at four-year institutions. HB84 refers to non-temporary faculty as having nine-month appointments, but many faculty have twelve-month appointments, so equivalent salary adjustments for those faculty would need to be computed.

Temporary faculty may teach only one class, however some teach several classes, so the full fiscal impact is difficult to estimate. The pay for a temporary faculty to teach one class also varies based on the education level of the instructor and the subject matter being taught. A typical compensation for teaching one class may range from \$2,500 to \$3,000. HB84 would increase the compensation to \$6,000 for a three-credit class at a four-year institution and \$5,400 at a two-year institution. If the assumption is made that the average course load of a temporary faculty member is one and a half three-hour classes, then bringing the compensation up to the bill minimum could run around \$13,000,000.

The average salary for instructional faculty in 2021 (the most recent year of data available) shows an average salary of \$54,324 for two-year faculty and \$67,116 for four-year faculty. Since these are average numbers, approximately half of the faculty would fall below the average. Also, at the four-year institutions, the average salary for Instructors is \$49,300, for Lecturers is \$50,739, and for those with no academic rank, \$41,793. We don't have exact distribution numbers, but a very rough estimate of the dollars to bring all non-temporary faculty up to the minimums is around \$22,000,000.

If these estimates are accurate, then approximately \$35,000,000 would be needed to bring faculty compensation up to the specified minimums, so the appropriation of \$44,000,000 is likely to be large enough to cover the increased cost. We'd have better estimates of the full cost of this program after a full year of implementation.

This would be a new program for the New Mexico Higher Education Department (NMHED) to administer and there is no appropriation in the bill to cover those increased costs.

SIGNIFICANT ISSUES

One issue would be to ensure that the institutional money currently going to faculty salaries is maintained and that this new appropriation is only used as supplemental funding. There is a risk that institutions could reduce their current expenditures and rely on this supplemental funding to cover some of their existing faculty salaries. The New Mexico Higher Education Department (NMHED) would need to monitor the use of this supplemental funding, and that will require increased data collection and reporting.

Not all employees with faculty rank are instructional. Many administrators have faculty rank. There are research faculty who primarily do research and clinical faculty who may spend much of their time seeing patients.

Some faculty have twelve-month appointments and this bill only addresses salary issues for nine-month faculty.

This bill addresses salaries, but it does not address benefits, tax withholdings and other items affected by salary changes. This may result in additional expenses for institutions.

PERFORMANCE IMPLICATIONS

There are not any performance measures specified in the bill. The New Mexico Higher Education Department (NMHED) would look to retention and recruitment to determine the performance impacts of the bill.

ADMINISTRATIVE IMPLICATIONS

There would be significant administrative issues to be resolved, as well as additional reporting and monitoring. The bill does not cover these increased costs. The increased administrative work may require one or more additional Full Time Employees (FTE's) at New Mexico Higher Education Department (NMHED).

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

The definitional, reporting, and monitoring issues would need to be resolved in order to award the new funding.

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

Additional institutional funding that was earmarked for faculty salaries, especially for salaries for temporary part-time faculty, would be an alternative way to improve salaries of faculty at institutions.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB84 isn't enacted, then the current salary structure at institutions would remain in place.

AMENDMENTS

N/A

