

LFC Requester:**Connor Jorgensen****AGENCY BILL ANALYSIS
2024 REGULAR SESSION****WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:****AgencyAnalysis.nmlegis.gov***{Analysis must be uploaded as a PDF}***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Check all that apply:

Original Amendment
 Correction Substitute

Date January 16, 2024Bill No: HB 84

Sponsor: Joy Garratt **Agency Name and Code** Eastern New Mexico University 960
Short Title: MINIMUM COMPENSATION AT PUBLIC POSTSECONDARY **Person Writing** Tony Major
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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
\$44,000,000		Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$6,984,000	\$7,194,000	\$7,413,000	\$21,591,000	Recurring	ENMU I&G

(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

Synopsis:

A. The minimum compensation for non-temporary faculty at a public post-secondary educational institution shall be:
(1) sixty thousand dollars (\$60,000) when appointed to a full-time, nine-month contract at a four-year institution; or
(2) fifty-five thousand dollars (\$55,000) when appointed to a full-time, nine-month contract at a two-year institution.

B. The minimum compensation for temporary faculty employed at a public post-secondary educational institution shall be:
(1) two thousand dollars (\$2,000) per credit hour at a four-year institution; or
(2) one thousand eight hundred thirty-three dollars (\$1,833) per credit hour at a two-year institution."

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

The proposed legislation would have a significant financial impact on ENMU System.

The proposed bill would require an additional \$1.52 million in **recurring** expenditures for the Portales campus starting in Fall 2024. Moreover, as detailed below, we would need an additional \$1.3 million in **recurring** funds to address the substantial salary compression that would occur across all faculty ranks—a total financial impact of approximately \$2.82 million.

For full-time faculty, the direct financial impact is at the instructor level. Currently, the minimum 9-month salary for our instructors is \$52,000, and the average Instructor salary is \$59,505. To increase all instructors to a minimum of \$60,000 would require an additional \$120,000 recurring per year. Of course, the approximate 15% increase to the minimum salary (52 to 60K) would create unprecedented salary compression across all ranks (Instructor, Assistant, Associate, Professor.) Addressing the resulting salary compression would require approximately \$1.3 million recurring (approximate 10% increase across all lines).

For the Roswell campus, the total impact on faculty salaries would be \$467,250.00 in recurring cost per year and the impact on adjunct pay would be much more substantial at a recurring cost of \$1,849,584.00 per year.

The impact of this legislation would be minimal on full-time faculty salaries on the Ruidoso campus. However, for part-time the impact will be an estimated \$400,000-\$450,000 recurring per year.

SIGNIFICANT ISSUES

The proposed minimum salary of \$60,000 is significantly higher than the most recent 2022-2023 CUPA average for 9-month Instructors (average salaries vary by discipline, but with the exceptions of the professional fields (Nursing, CDIS, Business, etc.) the national averages for most are in the 49-54K range.

The proposed \$2,000/SCH rate is about 80% higher than the most recent 2022-2023 CUPA average for adjuncts (\$1,109/SCH; n=288 institutions nationally.)

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS