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FISCAL IMPACT REPORT

ORIGINAL DATE 2/8/06

SPONSOR Picraux LAST UPDATED 2/14/06 HB 656/aHAFC

SHORT TITLE Higher Education Report Faculty Info SB _____

ANALYST Earp

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	Indeterminate (see below)		

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

SUMMARY

Synopsis of HAFC Amendments

The House Appropriations and Finance Committee amendments to House Bill 656 delete the appropriations from the bill. As amended, the bill still requires the reporting of additional data on full-time and part-time faculty as elements of the annual higher education accountability report. HED states that some of the additional data is not readily available; therefore, the impact of the bill is noted above as indeterminate (see Performance Implications below).

Synopsis of Original Bill

House Bill 656 amends Section 21-1-26.7 NMSA 1978 (the higher education “accountability report” statute) to require that a variety of additional information be reported regarding full-time and part-time faculty at the institutions. Specifically, the new data to be collected consists of:

- (a) Number and percentage of part-time and full-time faculty by ethnicity and gender;
- (b) 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;

- (c) 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;
- (d) 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;
- (e) per-credit-hour pay rate for full-time instructors or lecturers and per-credit-hour pay rate for part-time faculty;
- (f) Percent salary increase for full-time faculty and percent salary increase for part-time faculty; and
- (g) Description of the institution's policy for offering benefits to full-time faculty and to part-time faculty.

An appropriation of \$3 million is made to HED for distribution to institutions to begin to phase in part-time faculty compensation rates on a per-credit-hour basis equal to those of full-time instructors or lectures. A second appropriation of \$2 million is made to HED for distribution to institutions to begin to phase in group insurance benefits for part-time faculty.

FISCAL IMPLICATIONS

The total appropriation of \$5 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund. While no firm data has been provided, it is anticipated that full implementation of the proposals relating to part-time faculty pay and group insurance coverage could significantly exceed the \$5 million level contained in the bill.

SIGNIFICANT ISSUES

This proposal was not included among the funding requests submitted by the Higher Education Department (HED) for consideration during the 2006 legislative session.

The provisions of this legislation relate to issues addressed by HED in developing a response to House Joint Memorial 73, Best Practices Task Force, from the 2005 legislative session.

PERFORMANCE IMPLICATIONS

HED reports that some of the requested data on full-time and part-time faculty is available through existing reporting mechanisms such as the Integrated Post-secondary Education Data System (IPEDS) and surveys compiled within the state. However, the data requested in sub-items 5(b), 5(c) and 5(d) is not readily available and would create a significant reporting burden on institutional and HED staff.

ADMINISTRATIVE IMPLICATIONS

HED would administer the provisions of this legislation, including the development of reporting mechanisms to collect the proposed faculty data for the annual accountability report. HED would also need to define a mechanism for distribution of the proposed appropriations to the institutions. These administrative tasks would be significant during the first year of implementation.

OTHER SUBSTANTIVE ISSUES

HED convened a task force during the 2005 interim to address the requirements of House Joint Memorial 73 of the 47th Legislature, First Session. The final report of the task force, dated September 30, 2005, includes recommendations to the institutions on the following major topics:

- Best Practices Concerning Selection, Orientation, and Performance Evaluation of Part-Time Faculty
- Best Practices Concerning Compensation Practices for Part-Time Faculty
- Best Practices Concerning Employee Benefits & Privileges for Part-Time Faculty
- Best Practices Concerning Institutional Support for Part-Time Faculty
- Best Practices Concerning Working Conditions

The appropriation provisions of HB 665 appear to be related to the implementation of recommendations contained in the HJM 73 report pertaining to institutional best practices relative to part-time faculty compensation and fringe benefits. However, the report did not directly recommend state general fund appropriations to HED for this purpose. Under a formula-based funding mechanism such as used in New Mexico, the expectation is that institutions apply the resources provided for “Instruction & General” purposes to implement faculty and staff compensation practices that are appropriate for their missions and financial circumstances.

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