

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5557 SB	<b>Title:</b> Part-time faculty pay	<b>Agency:</b> 699-Community and Technica College System
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
<b>Account</b>					
General Fund-State 001-1	0	5,000	5,000	65,607,000	131,250,000
<b>Total \$</b>	0	5,000	5,000	65,607,000	131,250,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

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## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

This bill seeks to establish a minimum salary for part-time faculty that would be 85 percent of full-time, comparably qualified faculty.

By the 2026-27 academic year and subject to appropriations specifically for this purpose, community and technical colleges are directed to develop and implement pay equity plans to provide compensation to part-time and adjunct faculty that equals or exceeds 85 percent of the compensation provided to comparably qualified full-time and tenured faculty.

By January 1, 2025, the State Board for Community and Technical Colleges (State Board) is directed to report to the Legislature and Governor on the progress made, both at the system and college level, toward meeting the 85 percent goal.

By December 1, 2027, the State Board is directed to report to the Legislature and Governor on the implementation status of pay equity plans required of the bill. At a minimum, the report must include:

- The percentage of full-time pay attained for part-time and adjunct faculty
- Demographic information for faculty contracts not meeting pay equity plans
- Academic departments of faculty not meeting pay equity plans
- Progress at the college-level toward meeting pay equity plans.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

No cash receipts impact.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

## SECTION 2

### Section 2(1) - Compensation Increases

Indicates by 2026-27 (FY27), colleges will develop and implement plans to provide part-time and adjunct faculty compensation that equals or exceeds 85 percent of “comparably qualified,” full-time and tenured faculty.

Planning: Developing plans to increase part-time faculty wages can be accomplished with existing resources.

Compensation increases: Providing compensation increases equivalent to 85% of full-time, tenured faculty compensation would require local-level analysis at the college district level. Full-time, tenured faculty often teach additional classes in excess of their full-time load. This practice is known as “moonlighting.” It is unclear whether full-time faculty teaching moonlight courses would be paid the increased compensation level for part-time faculty. For the purposes of this fiscal note, it is assumed they would.

The cost estimate for this note was compiled based on systemwide averages for the community and technical colleges. In FY 2022, the average salary for full-time faculty was \$75,909. The bill’s target salary for part-time faculty per full-time equivalent (FTE) is \$64,523 (85% of 75,909).

In FY 2022, there were over 10,000 individuals teaching part-time in the college system. The full-time equivalency for all part-time faculty combined was 3,311 FTE.

SBCTC assumes it would require \$19,816 per FTE to bring all part-time faculty salaries and benefits to the 85% target. Wage-dependent benefits include social security withholding and pension.

3,311 FTE x \$19,816 = \$65,606,834 (\$65,607,000 rounded) beginning in FY 27 and beyond.

Note:

This estimate is based on data available at this time, upcoming I-732 COLAs and other changes in FY 2024-26 could affect the total costs.

**Section 2(2) - Reporting Requirements**

Requires the State Board to submit a progress report to the Legislature by January 1, 2025. It is assumed the survey of colleges and subsequent report would require 60 hours (.03 FTE) by the Director of Human Resources in FY 25.

FY25 - \$150,000 salary and benefits x .03 FTE = \$4,500. (\$5,000 rounded)

Section 2(2) also requires a comprehensive report by December 1, 2027. The report must include:

- The percentage of full-time pay attained for part-time and adjunct faculty
- Demographic information for faculty contracts not meeting pay equity plans
- Academic departments of faculty not meeting pay equity plans
- Progress at the college-level toward meeting pay equity plans.

To conduct the research required for this report, SBCTC would require 0.3 FTE of a Policy Research Associate to design and implement a survey; collect the data from 34 colleges, manage sensitive data protections with employee-level salary data, analyze results, then evaluate and compile information for the final report.

FY28 - \$120,000 salary and benefits X 0.3 FTE = \$36,000

**TOTAL COSTS**

FY24 - \$ 0  
 FY25 - \$5,000  
 FY26 - \$ 0  
 FY27 - \$65,607,000  
 FY28 - \$65,607,000 + \$36,000 = \$65,643,000  
 FY29 - \$65,607,000 onward

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	5,000	5,000	65,607,000	131,250,000
<b>Total \$</b>			0	5,000	5,000	65,607,000	131,250,000

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages		4,000	4,000	48,898,000	97,823,000
B-Employee Benefits		1,000	1,000	16,709,000	33,427,000
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	0	5,000	5,000	65,607,000	131,250,000

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*