

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5557 S 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	13,922,000	13,922,000	27,844,000	79,529,000	131,214,000
<b>Total \$</b>	13,922,000	13,922,000	27,844,000	79,529,000	131,214,000

### Estimated Capital Budget Impact:

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

*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.

Legislative Contact:	Phone:	Date: 02/22/2023
Agency Preparation: Cherie Berthon	Phone: 360-704-1023	Date: 03/03/2023
Agency Approval: Cherie Berthon	Phone: 360-704-1023	Date: 03/03/2023
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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.*

The substitute bill differs from the original in the following ways:

By July 1, 2024, the State Board for Community and Technical Colleges is directed to develop and submit a plan to the Governor or Legislature to increase part-time and adjunct faculty wages to 85 percent of their comparably qualified full-time, tenured peers by the 2026-27 academic year. It is the intent of the Legislature to achieve equity for part time and adjunct faculty during the 2025-27 biennium in accordance with the plan.

Colleges are to increase part-time and adjunct faculty pay to at least 60 percent of their full-time, tenured peers in fiscal year 2024.

An appropriation is added to the bill.

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The State Board for Community and Technical must develop 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 the 2026-27 academic year. It is the intent of the Legislature to achieve equity for part time and adjunct faculty during the 2025-27 biennium in accordance with the plan.

The standards used to determine equal compensation must include time spent in direct student support, time in class, preparation for class, grading and assessment, and office hours.

Colleges are to increase part-time and adjunct faculty pay to at least 60 percent of their full-time, tenured peers in fiscal year 2024 and fiscal year 2025.

An appropriation is added to the bill.

### 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.*

Developing a compensation plan for part-time faculty and providing compensation increases would have the following expenditure impacts.

#### SECTION 2(1) – COMPENSATION PLAN DEVELOPMENT

By 2024-25 (FY25), colleges must develop and submit to the Governor and Legislature, plans to provide part-time and adjunct faculty compensation that equals or exceeds 85 percent of “comparably qualified” full-time and tenured faculty by the 2026-27 academic year. Developing plans to increase part-time faculty wages can be accomplished with existing resources.

**SECTION 2(2) – COMPENSATION INCREASES to 60% of FULL-TIME FACULTY**

Providing compensation increases equivalent to 60% of full-time, tenured faculty compensation requires local-level analysis at the college district level. Based on a survey of college districts, it is estimated that 23 colleges are already paying part-time and adjunct faculty at least 60% of their full-time peers and nine colleges are below the 60% threshold in this bill.

The cost to bring all part-time/adjunct faculty salaries to at least 60% starting in FY 2024 would be \$13,922,000 in additional salaries and benefits (wage-related benefits calculated at 15%).

FY24 - \$13,922,000  
 FY25 - \$13,922,000  
 FY26 - \$13,922,000

**SECTION 2(3) – COMPENSATION INCREASES to 85% of FULL-TIME FACULTY**

Providing compensation increases equivalent to 85% of full-time, tenured faculty compensation requires local-level analysis at the college district level. Based on system-wide averages for the community and technical colleges, the cost to bring all part-time/adjunct faculty salaries to at least 85% starting in the 2026-27 academic year (FY 2027) as required in the plan, would be \$65,607,000 in additional salaries and benefits.

FY27 - \$65,607,000 onward

**TOTAL COSTS:**

FY24 - \$13,922,000  
 FY25 - \$13,922,000  
 FY26 - \$13,922,000  
 FY27 - \$65,607,000 onward

**Note:**

Estimates are based on data available at this time, upcoming I-732 COLAs and other changes in FY 2024-27 could affect the total costs.

**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	13,922,000	13,922,000	27,844,000	79,529,000	131,214,000
<b>Total \$</b>			13,922,000	13,922,000	27,844,000	79,529,000	131,214,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages	10,376,000	10,376,000	20,752,000	59,274,000	97,796,000
B-Employee Benefits	3,546,000	3,546,000	7,092,000	20,255,000	33,418,000
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>	13,922,000	13,922,000	27,844,000	79,529,000	131,214,000

**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**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

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

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

**IV. C - Capital Budget Breakout**

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

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

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

NONE

Section (1) references “student and instruction related” and “office hours” as one purpose for increasing part-time faculty compensation. Part-time faculty rarely have designated office space for advising and meeting with students. This bill would require colleges to find or create additional space for faculty to consult with students. While some can be done online, in person options are critical for students.

It would require space analysis at each college to determinate whether there are any capital budget impacts, therefore the fiscal impact is indeterminate.

**Part V: New Rule Making Required**

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