

**FINAL
FISCAL NOTE**

Drafting Number: LLS 14-0086
Prime Sponsor(s): Rep. Fischer
 Sen. Kefalas

Date: May 30, 2014
Bill Status: Postponed Indefinitely
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SHORT TITLE: EMPLOYMENT OF COMMUNITY COLLEGE FACULTY

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures		
General Fund	\$86,226,520	\$86,226,520
FTE Position Change		
Appropriation Required: \$82,226,520 General Fund-Department of Higher Education (FY 2014-15)		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill requires that all employees with teaching responsibilities in Colorado's community colleges, including adjunct instructors and those with part-time teaching responsibilities, be considered as faculty. Beginning July 1, 2014, each community college is required to:

- have only one salary schedule for all faculty with the lowest step on the salary schedule equal to the average salary of regular full-time faculty as of September 1, 2013;
- have only one incremental or step increase schedule for all faculty;
- consider a full-time workload to be no more than 30 credit hours of teaching or a combination of teaching and non-teaching duties that equates to 30 credit hours of teaching;
- place all new faculty on the appropriate step in the salary schedule based on the new hire's degree of academic attainment, experience, and other appropriate factors;
- pro-rate faculty salary and benefits based on the employee's percentage of full-time workload; and
- determine a faculty member's step increase based on the faculty's combined workload at all state institutions of higher education.

Beginning July 1, 2014, when class assignments are available, community colleges must permit faculty to teach up to a full-time workload, with preference given to senior faculty, where seniority is calculated based on the course hours a faculty member has taught. A community college may assign non-teaching duties to faculty; however, the college must pay the same rate of pay for teaching and non-teaching duties. Finally, this bill requires that faculty be given written notice when their contracts are terminated and that they be provided access to a fair appeals process.

State Expenditures

Beginning in FY 2014-15, this bill increases expenses for the Colorado Community College System (CCCS) by \$86,226,520 for faculty compensation (salary + benefits).

Currently, the CCCS has a total salary cost of about \$47,900 per faculty FTE, supporting 1,117 FTE faculty employees. The CCCS has a salary cost of about \$18,340 per adjunct instructor FTE, supporting 2,917 FTE adjunct instructor employees. At these rates, the CCCS has a combined salary and benefits cost of \$107,002,080 for FY 2013-14.

This bill requires that all instructional staff be paid at an equivalent rate to faculty instructors and receive full benefits, pro rated to the amount of full-time workload. If 4,034 FTE employees are paid at the average faculty rate of \$47,900, total costs for salary and benefits are \$193,228,600, an increase of about \$86.2 million (\$193,228,600 - \$107,002,080 = \$86,226,520). Tables 1 and 2 show this impact.

Table 1. Community College Instructor Salary under Current Law		
FTE	Average Pay	Total Expense
Faculty FTE = 1,117	\$47,900	\$53,504,300
Adjunct FTE = 2,917	\$18,340	\$53,497,780
TOTAL COMPENSATION		\$107,002,080

Table 2. Community College Instructor Salary under House Bill 14-1124		
FTE	Average Pay	Total Expense
Faculty FTE = 4,034	\$47,900	\$193,228,600
Adjunct FTE = 0	\$18,340	\$0
TOTAL COMPENSATION		\$193,228,600

In addition to increasing salary and compensation expenses, community colleges will also have other implementation costs. The bill requires that CCCS adopt a single salary schedule, and place instructors on the schedule based on educational degree, experience, and other appropriate factors. Since this is a change from existing compensation methods, there are additional costs for the system to create new salary procedures and policies, develop a computer-based planner to calculate placement on a single salary schedule, and rewrite related policies for evaluation and advancement. These implementation costs include expenses for legal services, and additional staff in the human resources office of each community college campus.

Effective Date

The bill was postponed indefinitely by the House Appropriations Committee on April 10, 2014.

State Appropriations

For FY 2014-15, this bill requires an appropriation of \$86,226,520 General Fund to the Department of Higher Education.

State and Local Government Contacts

Higher Education