

Colorado Legislative Council Staff Fiscal Note

**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-0428 **Date:** January 20, 2015
Prime Sponsor(s): Sen. Kefalas **Bill Status:** Senate SVMA
 Rep. Salazar **Fiscal Analyst:** Josh Abram (303-866-3561)

BILL TOPIC: EMPLOYMENT OF COMMUNITY COLLEGE FACULTY

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures		
General Fund	\$506,875	\$97.1 million
FTE Position Change		
Appropriation Required: \$506,875 General Fund -Colorado Community College System (FY 2015-16)		

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

Summary of Legislation

No later than June 30, 2016, this bill requires that the state community college system classify all employees with teaching responsibilities as faculty. When making course assignments, each community college is required to permit faculty to teach up to a full-time workload, with preferences given first to faculty members who were hired prior to the effective date of this legislation, and second to faculty members based on seniority. The seniority system may be replaced with a faculty-developed and faculty-approved system for assigning courses no sooner than three years following the bill's effective date.

Once reclassified, all faculty employees must be treated the same, commensurate with the employee's education and experience, with respect to compensation, benefits, job security, due process, and teaching and non-teaching responsibilities.

State Expenditures

For FY 2015-16, this bill increases expenses for the Colorado Community College System (CCCS) by about \$500,000 in one-time implementation costs. Beginning FY 2016-17, the bill increases expenses for the system by about \$97.1 million per year for faculty compensation (salary and benefits).

One-time implementation costs. The bill requires that the CCCS adopt a system-wide faculty and course assignment process based on seniority. Implementation workload includes hiring new administrative staff to develop processes to base course assignments on credit hours of instruction, new information technology staff to design and implement an electronic seniority-based scheduling system, additional system-level and campus-level human resources staff, legal services, and modifications to existing vendor contacts. Total one-time implementation costs are estimated at \$506,875 for FY 2015-16.

On-going, each campus in the community college system will require the addition of a 0.25 FTE human resources professional to manage the course assignment process. This ongoing expense is estimated at approximately \$202,000 annually. Finally, the bill will increase legal costs for the system, estimated at \$25,000 annually.

Ongoing salary and benefits. In the current fiscal year the CCCS has a total salary and benefits cost, including employer contributions to the Public Employee Retirement Association (PERA) of about \$69.1 million supporting 1,135 faculty FTE, and a total salary and benefits cost of about \$63.3 million supporting 2,633 adjunct instructional FTE. This equates to about \$24,037 per adjunct instructor FTE, and \$60,923 per faculty instructor FTE. At these rates, the CCCS has a combined salary and benefits cost of about \$132.4 million per year.

This bill requires that all existing instructional staff be paid at an equivalent rate to faculty instructors and receive full benefits and other consideration. If 3,768 total FTE employees are paid at the total average faculty cost of \$60,923, total costs for salary, benefits, and PERA are \$229.6 million, an increase of about \$97.1 million (\$229,557,864 - \$132,437,026 = \$97,120,838). Tables 1 and 2 compare the CCCS salary and benefits cost under current law and under SB 15-094.

Table 1. Community College Instructor Salary & Benefits Current Law		
FTE	Average Pay	Total Expense
Faculty FTE = 1,135	\$60,923	\$69,147,605
Adjunct FTE = 2,633	\$24,037	\$63,289,421
TOTAL COMPENSATION		\$132,437,026

Table 2. Community College Instructor Salary and Benefits Under Senate Bill 15-094		
FTE	Average Pay	Total Expense
Faculty FTE = 3,768	\$60,923	\$229,557,864
Adjunct FTE = 0	\$24,037	\$0
TOTAL COMPENSATION		\$229,557,864

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2015-16, this bill requires a General Fund appropriation of \$506,875 to the Colorado Community College System.

State and Local Government Contacts

Higher Education