

- SUBJECT:** Higher-education faculty compensation comparison and adjustment
- COMMITTEE:** Higher Education — favorable, without amendment
- VOTE:** 6 ayes — Rangel, F. Brown, Farabee, Goolsby, J. Jones, West
1 nay — Uher
2 absent — Morrison, E. Reyna
- WITNESSES:** For — Chuck Hempstead, Texas Association of College Teachers
Against — None
- BACKGROUND:** Education Code, sec. 51.908 governs faculty compensation policies at higher education institutions. The governing body of each institution must establish faculty compensation policies that, to the greatest extent possible, provide the faculty with an average salary and benefits at least equal to the average provided by similar institutions nationwide. In its master plan for higher education, the Texas Higher Education Coordinating Board (THECB) must include information relating to national average salary and benefits and correlate that information to Texas schools having a similar role and mission.
- DIGEST:** HB 1014 would require the governing board of each public institution of higher education to perform a faculty compensation review. If faculty salaries were below average compared to similar institutions in the 10 most populous states, they would have to reduce the percentage difference in each of the next four biennia by reallocating available resources.
- By August 31 of each fiscal year, general academic teaching institutions would have to compare the compensation of tenured and tenure-track faculty with institutions in their same category as established by the Southern Regional Education Board, the Carnegie Foundation, or another major system for classifying institutions of higher education institutions. Separate determinations would have to be made for each faculty rank. THECB would have to assist the governing boards in providing necessary information regarding comparisons.

No later than December 1, 2002, and in each subsequent fiscal year, each governing board would have to report progress made in remedying faculty compensation deficiencies to the Legislative Budget Board (LBB), the governor's Office of Budget and Planning, and to THECB.

If fewer than four fiscal bienniums remained before the expiration date of the provisions of this bill (September 1, 2009), the governing board would have to adopt the program to reduce the percentage difference by one-fourth in each fiscal biennium by September 1, 2009.

In making appropriations recommendations to the governor and the LBB, THECB would have to take into account any salary increase required to be made at those institutions that had established a reallocation program.

The bill would take effect January 1, 2002.

SUPPORTERS
SAY:

HB 1014 is needed to address the increasing problem of poorly-compensated faculty at Texas public universities. According to the American Association of University Professors, Texas university faculty are the lowest paid among the top 10 most populous states; states with which Texas most directly competes for faculty talent. Texas is having a difficult time retaining and recruiting faculty in public colleges and universities in part because it does not pay competitive salaries. Even though university faculty have received cost of living increases, Texas still has fallen behind the national average.

Without requiring additional appropriations, HB 1014 would give regents and presidents the flexibility to remedy this situation through the implementation of a reallocation program, if in fact it were confirmed by institutional review that Texas faculty salaries fell below the average. A plan would be devised with THECB to reallocate existing discretionary funds over the next four biennia to bring salaries up to parity with the average salaries of the 10 most populous states. This bill would begin the process by which Texas could approach a competitive level of salaries at a time when many faculty are approaching retirement age and the state has set a goal of increasing enrollment by 50 percent during the next 15 years.

HB 1014 does not establish a salary schedule or a requirement that any individual faculty member be paid a minimum or maximum amount, and it would take into account that salary schedules vary among institutions.

OPPONENTS
SAY:

HB 1014 is not needed to give Texas universities and colleges the authority to reallocate available resources for faculty compensation. Money appropriated to universities can be divided among various strategies; universities have great flexibility over how to use their funds. This results in better management decisions and a more efficient use of state money. Public universities should continue to be able to use discretionary funds where they see the greatest need and should not be mandated to use these funds on faculty salaries.

NOTES:

According to the bill's fiscal note, the cost per fiscal year through the biennium ending August 31, 2003 would be \$256,690, \$513,379 in 2004, \$770,069 in 2005, and \$1,026,758 in 2006. Costs to the state would result from additional expenditures for retirement benefits and would begin in fiscal year 2004 and last through the end of the program.

Both the House-passed and Senate-passed versions of SB 1 by Ellis, the fiscal 2002-03 general appropriations act, include a contingency rider appropriating \$256,690 to fund retirement contributions for faculty salaries if either HB 1014 or SB 1101 were enacted.

The companion bill, SB 1101 by Haywood, was referred to the Senate Education Committee on March 7.