



Legislative Fiscal Office
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Bill Title: Relating to part-time faculty at community colleges; declaring an emergency.

Government Unit(s) Affected: Higher Education Coordinating Commission, Community Colleges

Summary of Fiscal Impact

The measure is anticipated to have a fiscal impact on the Higher Education Coordinating Commission and Community Colleges.

Measure Description

The measure requires each community college in Oregon to pay part-time faculty at least 85% of the total salary that the community college pays equally experienced full-time faculty who teach comparable courses. The measure includes a blank General Fund appropriation to the Higher Education Coordinating Commission (HECC) in the 2025-27 biennium for allocation to the Community College Support Fund for the purpose of paying for salary equity.

Fiscal Analysis

The Oregon Community College Association estimates that the measure will increase educational operating costs statewide by approximately \$40.4 million in the 2025-27 and 2027-29 biennia.

Oregon has 17 community colleges with campuses and centers throughout the state. The primary sources of funding for Oregon community colleges are tuition revenue, local property tax revenue, and state funding. The primary source of state funding comes from the Community College Support Fund (CCSF), which is a block grant that HECC distributes to community colleges based on a distribution formula for their educational services and general operating costs.

While \$40.4 million is the estimated amount needed to implement the measure, CCSF distributions are primarily based on the number of full-time equivalent (FTE) students enrolled at each college. As a result, CCSF distributions may not align with the amount of funding each college may need to pay part-time faculty at least 85% of the salary paid to full-time faculty. As a hypothetical example, at one college, part time faculty may earn 48% of a full-time faculty member's hourly rate. To move part-time pay to 85% of the full-time faculty hourly rate would cost the college \$6.8 million. However, based on the number of full-time equivalent students enrolled, the college would receive roughly \$3.6 million. With less funding than needed, the college may have to resort to raising tuition, laying off employees, cutting services, and/or hiring fewer part-time faculty members. For colleges with higher student enrollment, the reverse situation may be true. In addition, the measure limits the ability of community colleges to collectively bargain faculty pay structures, which could hinder their ability to respond to fluctuating student enrollment, tailor faculty pay structures to their unique institutional needs, and effectively allocate resources to serve their students.

Relevant Dates

The measure declares an emergency and takes effect on July 1, 2025.