

FINANCIAL ANALYSIS OF THE NEW PROPOSED ADJUNCT

FACULTY COMPENSATION FORMULA

The working group analyzed the impact of the formula on the revenue generation and the cost for conducting the summer program for the coming semester based on the minimum number of students of 10 in a class. The analysis covered two options for calculating the rate:

	Summer 2013	Revenue Projection	Over/short
1. Based on 20.5 pay period hourly rate:	\$296,214.95	\$513,975.00	\$217,760.02
2. Based on 26 pay period hourly rate:	\$233,554.12	\$513,975.00	\$280,420.88
3. The difference between the two calculations is:	\$62,660.86		
4. The old flat rate is much lower than the above formula.			

Current Computation and Compensation for Temporary Instructors

Appendix C and D provide the compensation scales and computations used to calculate compensation of temporary instructors that include full-time faculty members who teach during the summer sessions or over load during spring and fall sessions. Temporary instructors are those contractors who are employed on a semester basis to teach needed sections and courses at the College. These include individuals from the external community and non-teaching college staff. Based on their degree, teaching experience and the number of contact hours they teach, one of the appendices will apply when calculating their compensation.

Appendix C is the salary scale with two years of college teaching experience. The Rest of the computation is based on the following formula.

$\$86.56$ (hourly rate) $\times 2$ (1 teaching hour and 1 preparation hour) $= \$17.12 \times 16$ (weeks) $= \$273.92 \times 20\%$ (incentive) $= \$328.70$ per credit/contact hour.

On the formula above, both a full time regular instructor and a part-time instructor are compensated exactly the same figure if both have at least 2 years of teaching experience and with the same degree level and teaching the same number of contact hours.

Example:

3 contact hours is compensated with \$1,260.30 for a Master's degree with at least 2 years of college teaching experience.

Appendix D is the salary scale with less than two years of college teaching experience. The rest of the computation is based on the following formula.

$\$7.76$ (hourly rate) $\times 2$ (1 teaching hour and 1 preparation hour) $= \$15.52 \times 16$ (weeks) $= \$248.32 \times 20\%$ (incentive) $= \$297.96$ per credit/contact hour.

On the formula above, both a full time regular instructor and a part-time instructor are compensated exactly the same figure if both have at least 2 years of teaching experience and with the same degree level and teaching the same number of contact hours.

Example:

3 contact hours is compensated with \$1,141.82 for a Master's degree with less than 2 years of college teaching experience.

Recommended Approaches to compensation of Non Full-Time Instructors and Full-time Faculty members.

Non Full-Time instructors are the individuals contracted on a semester basis to teach needed sections or courses at the College who may be from the external community or from the college but whose primary responsibilities are not teaching.

Full-time faculty members refer to the college full time instructors employed on a regular full time basis as instructors who may from time to time teach additional courses during the spring and fall sessions as needed and whose annual salary is based on a 10th month schedule though prorated for a 12 month period. As such, they are to be paid whenever they are needed to teach during the summer sessions.

With the clearly defined types of instructors above, the proposed approaches are recommended to compensate each group accordingly as presented below.

Proposed Computation and Compensation for Non Full-Time Instructors

Appendices C and D attached were developed by consultant who designed the current Salary scale that was implemented on January 1, 2011. These proposed salary scales took on the same structure of the current scales and using the same formula but based on the rate of the approved new Salary scale. In essence, Appendices C and D will only apply to Non Full-Time Instructors.

Proposed Appendix C is the salary scale with at least 2 years of teaching experience. The calculation of compensation of non-Full Time instructors will follow the computation/formula below.

$\$6.22(\text{hourly rate}) \times 2 (1 \text{ teaching hour and } 1 \text{ preparation hour}) = \$12.44 \times 16(\text{weeks}) = \$199.04 \times 1.2 \% (\text{ incentive}) = \$475.40 \text{ per contract hour.}$

Proposed Appendix D is the salary scale with less than 2 years of teaching experience. The calculation of compensation of non-Full Time instructors will follow the computation/formula below.

$\$5.63 (\text{hourly rate}) \times 2 (1 \text{ teaching and } 1 \text{ preparation hour}) = \$11.26 \times 16 (\text{weeks}) = \$180.16 \times 1.2\% (\text{ incentive}) = \$389.50 \text{ per contact hour}$

Computation and Compensation for Full Time Faculty Members

Calculations of payment of Full-Time Faculty Members when teaching during the summer sessions and/or over load during the spring and fall sessions will be based on the computation/formula below.

Example: A faculty with an annual salary of \$21,743.00 when teaching additional sections or courses will be compensation as follows.

$\$21,743$ (Annual Salary) \div 20.5 (Pay Periods) = $\$1,060.60$ \div 80 (biweekly hours) = $\$13.26$ hourly rate

$\$13.26$ (hourly rate) \times 2 (1 teaching hour and preparation hour) = $\$26.52$ \times 16 (weeks) = $\$424.32$ (per contact hour) \times 1.2% (incentive) = $\$509.19$ per contact hour.

The cost of a 3 contact hour course for a full-time faculty member with a master's degree and more than 2 years of college teaching is $\$1,527.57$ versus $\$938.88$ for a Non Full-Time instructor with a master's degree and with at least 2 years of college teaching. The difference is pretty significant; $\$588.69$.

The recommendations above considered a number of issues and factors carefully before making the decision to present them here. Discussions and multiple scenarios entertained centered on sustainability, availability, quality, enrollment, and faculty retention and program continuity. When the formula applied toward the projected summer 2013 cost and revenue projection, it is found that the allocated budget is sufficient to support these recommendations if they will be approved for summer 2013 implementation. FY 2013 budgeted funds in this area is actually more or less the same budget level per year. Additionally, the instructional department has considered establishing standards/criteria to manage the number of Full Time Faculty Members who need to teach over loads.