

OFFICE OF FISCAL ANALYSIS

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sHB-6582

AN ACT CONCERNING UNEMPLOYMENT BENEFITS FOR
ADJUNCT FACULTY.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 22 \$ | FY 23 \$ |
|---------------------------------------|--------------------------|-----------------------|-----------------------|
| Board of Regents for Higher Education | Various - Cost | 39,529 | 40,714 |
| Board of Regents for Higher Education | Various - Potential Cost | Potential Significant | Potential Significant |
| UConn | Various - Potential Cost | Potential Significant | Potential Significant |

Note: Various=Various

Municipal Impact: None

Explanation

The bill establishes a new process regarding potential eligibility for unemployment among college and university adjunct instructors. The bill results in a potential significant annual cost to the constituent units, beginning in FY 22, associated with the possibility of increased unemployment claims. The significant cost is potential because the Connecticut Department of Labor ultimately determines whether to grant unemployment benefits. The bill also results in costs to the Board of Regents of \$39,529 in FY 22 and \$40,714 in FY 23, associated with the addition of personnel needed to comply with the bill.

The potential significant cost related to unemployment benefits is borne by the constituent units because as reimbursable employers, the units do not pay unemployment insurance taxes. Rather, they reimburse the state Unemployment Insurance Trust Fund dollar-for-

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dollar on all benefits paid for former employees.

The potential significant cost to the Board of Regents institutions is based on adjunct employment information for each fall and spring semester since fall 2019. Every semester, between 885 and 1,037 adjuncts did not return from the prior semester and therefore could potentially be determined as eligible for unemployment benefits under the bill, as they may have lacked "reasonable assurance" of returning to a similar position. However, the bill's criteria for "reasonable assurance" includes that the person's position is not contingent on course programming, and it is possible that at least some adjunct contracts are contingent; if so, then the reach of the bill expands. Similarly, the bill requires the "reasonable assurance" information on each adjunct to be submitted ten days before the end of every term, and if adjuncts typically do not have next-term offers at that point, then it is possible more adjuncts would be potentially eligible.

The cost to the Board of Regents is associated with the hiring of a 0.5 FTE Data Analyst I at anticipated costs of \$39,529 in FY 22 and \$40,714 in FY 23. The FY 22 costs consist of \$20,212 in wages and \$19,317 in benefits, with FY 23 costs of \$20,818 in wages and \$19,896 in fringe benefits.¹ The data analyst will be responsible for gathering and submitting the required information on each adjunct employed by a Board of Regents institution, ten days before every term, as the bill mandates. The Board of Regents institutions annually employs between 3,400 and 4,500 adjuncts annually. Because the University of Connecticut has fewer adjuncts, between 630 and 700 per term, it is anticipated the university will handle the bill's responsibilities using existing resources.

The potential significant cost to the University of Connecticut (UConn) is also associated with the possibility of newly paying

¹ The fringe benefit costs for employees funded out of other appropriated funds are budgeted within the fringe benefit account of those funds, as opposed to the fringe benefit accounts within the Office of the State Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes for other appropriated fund employees is 95.57% of payroll in FY 22 and FY 23.

unemployment compensation to some adjuncts due to the bill. Data regarding the number of UConn adjuncts who do not return for the next semester were unavailable.

The extent of the bill's potential costs to the constituent units will depend on numerous factors regarding the adjuncts who are determined to lack reasonable assurance. These factors include but are not limited to the pay rates of the adjuncts (approximately \$1,000 biweekly, on average, with individual variation due to teaching load) and whether the potentially eligible adjuncts file for unemployment benefits.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation in adjunct pay rates and the number of adjuncts employed by the constituent units.