

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 10, 2003

TO: Honorable Geanie Morrison, Chair, House Committee on Higher Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB91 by McClendon (Relating to the automatic admission of certain undergraduate transfer students.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB91, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.

The bill requires public universities to admit an applicant as an undergraduate transfer student if, in the year preceeding the student's application for admission, the applicant received a degree or certificate from a public community or technical college in a program requiring atleast 30 semester credit hours (including courses in the core curriculum), and completed the program with atleast a 3.0 GPA.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$1,207,963
2007	\$1,334,511
2008	\$1,401,237

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings from <i>GENERAL REVENUE FUND</i> 1
2004	\$0
2005	\$0
2006	\$1,207,963
2007	\$1,334,511
2008	\$1,401,237

Fiscal Analysis

Savings result from the difference in general revenue generated through the general academics formula versus the two-year institutions' formula. Since formula funding is generated on a base year, FY 2006 is the first base year to be impacted by the bill.

Methodology

Savings are based on an assumption that approximately five percent of new students would choose to enroll at a community college instead of a general academic university because of this program.

The net savings per student is \$281, and the following numbers of students would be expected to meet the criteria of the bill.

FY 2006: $4,523 \times \$281 = \$1,207,963$

FY 2007: $4,749 \times \$281 = \$1,334,511$

FY 2008: $4,987 \times \$281 = \$1,401,237$

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: JK, JO, CT, PF, DSB