

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 14, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB838 by Smith, Todd (Relating to student preparedness for higher education.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB838, As Introduced: a negative impact of (\$87,698,442) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$46,724,221)
2005	(\$40,974,221)
2006	(\$10,724,221)
2007	(\$6,724,221)
2008	(\$6,724,221)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2003
2004	(\$46,724,221)	4.0
2005	(\$40,974,221)	4.0
2006	(\$10,724,221)	4.0
2007	(\$6,724,221)	4.0
2008	(\$6,724,221)	4.0

Fiscal Analysis

The bill partially implements recommendation ED9(A) of the e-Texas study.

The bill amends the automatic admission law. Prior to 2008-2009, the current law will continue to apply, which requires students to graduate in the top 10 percent of their high school graduating class to be eligible for automatic admission to a public university in Texas. Beginning with admissions in 2008-2009, students will be required to graduate in the top 15 percent of their high school graduating class and complete the recommended or advanced high school program to be eligible for automatic admission.

The bill amends current law regarding additional automatic admissions for institutions that choose to automatically admit the top 25 percent of high school graduates. It requires these students to complete

the recommended or advanced high school program beginning with admissions in 2008-2009. After admitting students who are eligible for automatic admission, a university may admit a student who has completed the recommended or advanced high school program or has at least 24 semester credit hours in the core curriculum.

The bill also requires the Coordinating Board, after consulting with the Texas Education Agency (TEA), to adopt rules that determine whether a private high school is accredited by a generally accepted accrediting organization and whether a person completed the recommended or advanced high school curriculum.

The bill would require the Commissioner of Education to award grants to one or more institutions for the purpose of developing and identifying research on mathematics and science skills acquisition and student learning in mathematics and science, monitoring the effectiveness of professional development institutes for teachers of high school mathematics and science; examining the effectiveness of professional development institutes on the performance of teachers; identifying common practices used in high performing campuses in math and science; developing research on cognitive development in high school students concerning math and science skills development. The Commissioner would also be required to develop math and science training materials for high school teachers and professional development institutes for specific high school math and science subjects.

This legislation would take effect on September 1, 2003 or immediately upon passage by the necessary voting margins.

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Methodology

This estimate is based upon information provided by Texas Education Agency and the Texas Higher Education Coordinating Board.

Sections 1-4: Changing the criteria for admissions would not have a cost in the five year period included in this estimate because the implementation period proposed in the legislation begins in FY2009.

Sections 5-7: Based on similar statutory language for the grades 5-8 math initiative, TEA anticipates that approximately \$6.5 million would be needed in fiscal year 2004 to accomplish the research-related purposes described for high school mathematics and science with \$750,000 in fiscal year 2005 and \$500,000 each of the remaining fiscal years to address the requirements concerning student and teacher performance in evaluating the effectiveness of the professional development institutes. Four new FTE's would be needed to accomplish the new responsibilities.

Section 7: Based on costs for similar professional development institutes and training materials for grades 5-8 mathematics, annual costs are estimated to be about \$40 million for each of the first two years of implementation. After the first two-year period, costs would likely be scaled down somewhat to \$10 million per year in FY2006, and then to \$6 million in FY2007 and FY2008.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 701 Central Education Agency, 781 Higher Education Coordinating Board

LBB Staff: JK, WP, CT, PF, SS