

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 12, 2005

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

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB1529 by Zaffirini (Relating to policies and measures to promote timely graduation of students from public institutions of higher education.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would implement 4 of the recommendations in the report "Streamline College Degree Semester Credit Hour Requirements from the Legislative Budget Board's Staff Performance Report, State Government Efficiency and Operations Submitted to the 79th Legislature.

The bill would require general academic teaching institutions to report to its governing board efforts concerning timely graduation of its undergraduate students. The report must include: average number of semester credit hours (SCH) attempted; average number of fall and spring semesters attended; specific efforts implemented by the institution; and other information required by the Texas Higher Education Coordinating Board (THECB).

The bill would set a maximum bachelor's degree length to the minimum number of SCH required for a degree by the Southern Association of Colleges and Schools unless the institution determines that there is a compelling academic reason for requiring completion of additional SCH. The bill would require THECB to develop standards for determining whether there is compelling academic reasons for institutions to require additional academic SCH. The bill would not apply to those student who initially enroll before 2008 fall semester.

The bill would require institutions of higher education to adopt a core curriculum of not fewer than 36 and no more than 42 semester credit hours (SCH). Students will be required to take the revised core curriculum beginning with the 2008 fall semester.

The bill would allow institutions of higher education to charge an undergraduate student a higher rate of tuition for any course the student enrolls in that is the same or substantially similar to a course the student previously completed. THECB will develop standards to exempt students from this section due to a hardship.

The bill would reduce the undergraduate funding cap and allow universities to charge non-resident tuition to students who exceed the funding cap. The current funding cap is 45 semester credit hours (SCH) above the degree requirement. The bill would reduce the funding cap to 30 SCH over the minimum number of SCH required to complete the degree program. The bill would also allow schools to adopt a policy to exempt students from paying the higher rate of tuition due to hardship. The bill would apply to those students who initially enroll as an undergraduate student in the Fall 1999.

Cost avoidance to the state depends on discipline and level of the hours taught. However, cost avoidance could be estimated by multiplying 25 percent of the semester credit hours taken over an average degree plan of a 130-hours with the 2004 average undergraduate General Revenue appropriation. The state could avoid spending approximately \$7.4 million annually in General Revenue Funds after fiscal year 2011.

Local Government Impact

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

Source Agencies:

LBB Staff: JOB, CT, KK