

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION
Revision 1

May 3, 2007

TO: Honorable Judith Zaffirini, Chair, Senate Committee on S/C on Higher Education

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

IN RE: HB2198 by Flores (Relating to authorizing certain public junior colleges to offer baccalaureate degree programs.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2198, As Engrossed: a negative impact of (\$159,918) through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$85,984)
2009	(\$73,934)
2010	(\$73,934)
2011	(\$73,934)
2012	(\$73,934)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2008	(\$85,984)
2009	(\$73,934)
2010	(\$73,934)
2011	(\$73,934)
2012	(\$73,934)

Fiscal Year	Change in Number of State Employees from FY 2007
2008	1.0
2009	1.0
2010	1.0
2011	1.0
2012	1.0

Fiscal Analysis

The bill would require the Higher Education Coordinating Board to authorize an undetermined number of baccalaureate degree programs at the three community college districts currently participating in the B.A. degree pilot program. Currently, statute restricts to five the number of B.A.

programs offered at each pilot program district. Since the bill would give the Coordinating Board permission to authorize more than five B.A. programs per district, there could be an undetermined number of B.A. degree programs authorized.

The bill would also require the state fund the semester credit hours generated by community college baccalaureate degree programs at a level roughly similar to the state funding provided for equivalent semester credit hours generated at four-year institutions and require the Coordinating Board to work with "junior college representatives" to study the "feasibility and benefits of increasing the number of public community colleges that offer baccalaureate degree programs.....and the number of baccalaureate degree programs offered by each of those public community colleges."

Based on the above study, the Coordinating Board would be permitted to authorize an undetermined number of community college districts to offer an undetermined number of B.A. degree programs. As is the case for districts with an existing pilot B.A. degree program, the bill would restrict to five the number of B.A. programs offered by each community college district unless "otherwise provided by a Coordinating Board rule."

Since the bill would restrict each of the 50 community college districts to five B.A. degree programs, 247 new B.A. programs could be authorized (250 minus the 3 currently in existence). However, because the bill would also permit the Coordinating Board to authorize an undetermined number of B.A. degree programs in excess of the five program limit, there is no upper limit to the number of B.A. degree programs that may be potentially authorized by the Coordinating Board.

Methodology

The Coordinating Board estimates the need for a Program Director at a cost of \$73,934 and associated start-up cost in fiscal year 2008.

Local Government Impact

The establishment of a new baccalaureate degree program at a community college district would require a considerable commitment of resources on the part of the district to cover start-up and operating costs. Such costs include, but are not limited to, securing SACS accreditation, upgrading facilities and libraries to accommodate upper division coursework, and costs associated with faculty salary and workload. These local costs would be offset by any state contributions for "start-up" funding.

Source Agencies:

LBB Staff: JOB, MN, RT, JAW