

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 23, 2007

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

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

IN RE: HB2336 by Bonnen (Relating to authorizing certain public junior colleges to offer baccalaureate degree programs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2336, As Introduced: 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 Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2007
2008	(\$85,984)	1.0
2009	(\$73,934)	1.0
2010	(\$73,934)	1.0
2011	(\$73,934)	1.0
2012	(\$73,934)	1.0

Fiscal Analysis

The bill would allow the Higher Education Coordinating Board to authorize an undetermined number of baccalaureate degree programs at the three community college districts currently participating in the baccalaureate degree pilot program. Statute currently allows no more than five baccalaureate degree programs per participating district.

The bill would also direct the Higher Education 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 Higher Education Coordinating Board would be able to authorize an undetermined number of community college districts to offer undetermined number of baccalaureate degree programs.

The Higher Education Coordinating Board estimates it would need funding for, and authorization to hire, one additional FTE.

The bill would require the semester credit hours generated by new baccalaureate degree programs at community colleges to be funded at the same rate used for general academic institutions. On the assumption students would seek a B.A. degree from either a 4-year institution or a community college offering a baccalaureate degree, the Coordinating Board projects an insignificant state cost for these new baccalaureate degree programs.

There is a possibility the availability of a baccalaureate degree program at a community college may induce certain students who would otherwise not continue their education to continue working toward a 4-year degree at the community college. Any additional state cost would thus depend on the number of students seeking a 4-year degree at a community college who would not otherwise have sought a 4-year degree elsewhere.

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

There are significant local costs to any community college district electing to establish a new baccalaureate degree program. These local costs would be offset by any state contributions for "start-up" funding.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: JOB, MN, RT, JAW