

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION
Revision 2

April 30, 2007

TO: Honorable Florence Shapiro, Chair, Senate Committee on Education

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

IN RE: SB101 by Shapiro (Relating to limitations on the automatic admission of undergraduate students to general academic teaching institutions.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB101, Committee Report 1st House, Substituted: a negative impact of (\$4,000,000) through the biennium ending August 31, 2009.

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
2008	\$0
2009	(\$4,000,000)
2010	(\$4,000,000)
2011	(\$4,000,000)
2012	(\$4,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2008	\$0
2009	(\$4,000,000)
2010	(\$4,000,000)
2011	(\$4,000,000)
2012	(\$4,000,000)

Fiscal Analysis

The bill would amend Section 51.803 of the Texas Education Code, relating to the current automatic admission of high school students graduating in the top ten percent of their class, by: 1) requiring top ten percent students to complete the recommended or advanced high school curriculum to be eligible for automatic admission to a Texas public university; and 2) allowing universities to admit as little as sixty percent of the institution's freshman enrollment capacity to these students. Institutions would be required to offer admission to those applicants by percentile rank according to their graduating class standing until a sufficient number of applicants have accepted admission offers to fill those spaces.

Institutions would be required to provide financial aid to students who the institution elected to offer

admission above the sixty percent threshold of required students. The bill provides \$4 million for this financial aid. If admission is not offered at the student's first choice, admission would be offered at all other components of the university system.

The bill would also direct the Texas Higher Education Coordinating Board to consult with the Texas Education Agency to adopt rules establishing standards applicable to students who attended a school that did not offer the recommended or advanced high school curriculum. Each general academic institution would have to submit a report to Higher Education Board and post on their website information about the demographic characteristics of the incoming freshman class.

Methodology

Beginning with fiscal year 2009, the bill provides \$4 million in General Revenue for purposes of awarding financial assistance to students who the institutions elected to offer admission above the sixty percent threshold of required students. The bill will not affect overall state enrollment in institutions of higher education and would not require significant changes to current enrollment processes. General academic institutions could absorb the new reporting requirements with existing institutional resources and the Higher Education Coordinating Board could absorb costs associated with passage of the bill within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, JSp, MN, RT, JMI