

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 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: SB1377 by Shapleigh (Relating to studies and determinations by the Texas Higher Education Coordinating Board regarding funding to accomplish the goals of the state master plan for public higher education "Closing the Gaps."), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1377, As Introduced: a negative impact of (\$784,583) 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	(\$478,686)
2009	(\$305,897)
2010	(\$305,897)
2011	(\$305,897)
2012	(\$305,897)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1
2008	(\$478,686)
2009	(\$305,897)
2010	(\$305,897)
2011	(\$305,897)
2012	(\$305,897)

Fiscal Year	Change in Number of State Employees from FY 2007
2008	4.0
2009	4.0
2010	4.0
2011	4.0
2012	4.0

Fiscal Analysis

The bill would require the Higher Education Coordinating Board to examine funding requirements to accomplish the goals of the state master plan for public higher education (Closing the Gaps). These goals include acquiring, constructing, and improving instructional support facilities, acquiring instructional equipment and supplies, paying the cost of instruction, providing for general administration at institutions of higher education, providing student financial aid, recruiting and retaining students, providing for tutoring of students, and obtaining and administering federal and private research. The agency would study the available revenue sources, such as state revenue, tuition revenue and federal sources, and issue a report on their findings no later than December 31st of each even-numbered year.

While the Coordinating Board already compiles a lot of the information required by the bill, as it pertains to general academic institutions, the agency does not have mechanisms in place for collecting much of the required information for community colleges. For example, the Coordinating Board will have to implement a mechanism for collecting community college facility information.

Methodology

The Coordinating Board indicates it would need two program directors (salary cost of \$51,240 per year) in resource planning, one administrative assistant (salary cost of \$37,608 per year) to work with committees and collection of data from institutions required for completion of the studies, and one auditor (salary cost of \$54,588 per year) to verify facility information. In addition of the total salary cost of \$194,676 per year there are benefit and insurance costs of \$55,074 per year and office equipment costs of \$78,936 for fiscal year 2008 and \$31,147 in the remaining years. The total salary, benefits and office equipment costs would be \$328,686 in fiscal year 2008 and \$280,897 in fiscal year 2009, for a 2008-09 biennium total of \$609,583.

Technology

The Coordinating Board indicates that the current facility inventory program would have to be modified to include community colleges and the technology cost is estimated at \$150,000 in fiscal year 2008, and \$25,000 annually for fiscal year 2009 through fiscal year 2012. These amounts also include training of institution staff each year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: JOB, MN, RT, GO