

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 7, 2009

TO: Honorable Dan Branch, Chair, House Committee on Higher Education

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

IN RE: HB708 by Rose (Relating to coordination of postsecondary curricula and to an academic planning Internet website to support academic progress by students enrolled at public institutions of higher education.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB708, As Introduced: a negative impact of (\$4,867,627) through the biennium ending August 31, 2011.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$3,537,014)
2011	(\$1,330,613)
2012	(\$1,330,613)
2013	(\$1,030,613)
2014	(\$1,030,613)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2007
2010	(\$3,537,014)	4.0
2011	(\$1,330,613)	4.0
2012	(\$1,330,613)	4.0
2013	(\$1,030,613)	4.0
2014	(\$1,030,613)	4.0

Fiscal Analysis

The bill would direct the Higher Education Coordinating Board to compare the curricula of Texas' two-year institutions and four-year General Academic Institutions (GAIs) to ensure the courses offered at two-year institutions meet the following goals; provide prerequisite courses required for students to enroll at GAIs; provide courses that are transferable to GAIs; and provide courses that prepare students for academic success at GAIs.

The bill would provide the Higher Education Coordinating Board with broad authority to establish standards necessary to meet the above goals.

The bill would direct two-year institutions to identify in their respective course catalogs those courses that GAIs determine are not generally transferable.

The bill would direct the Higher Education Coordinating Board to maintain an academic planning

website for all higher education students that would provide:

- 1) a tracking guide for students seeking to complete a degree or certificate program
- 2) information regarding description of core curriculum requirements and core curriculum transfer provisions
- 3) information regarding various major and minor areas of study available at institutions of higher education
- 4) any other information determined by the Coordinating Board to be useful in facilitating students' academic progress

The bill would also require all institutions of higher education to provide a web link on their primary admissions website to the Coordinating Board academic planning website noted above.

Methodology

The fiscal note will be broken down by technology costs, other operating expenses and administrative costs based on information provided by the Higher Education Coordinating Board.

Technology Costs

There are several commercial products available that could be used in a statewide implementation. Developing a similar product "from scratch" in house would be far too expensive and time-consuming. The cost estimate was based on information provided by redLantern,LLC, which licenses the u.select course applicability software (formerly called CAS), an already-available product that has the functionality required by the bill. Based on redLantern's statewide implementation discounted license costs of \$24,000 per institution, the cost for the first-year initial licensure in fiscal year 2010 would be \$24,000 multiplied by 120 (which includes general academic institutions, community college campuses, health related institutions and technical colleges), or \$2,880,000. For fiscal year 2011 and subsequent years, additional annual maintenance costs would amount to \$6,000 per institution or \$720,000 per year.

Operating Costs

The Higher Educational Coordinating Board has indicated that additional resources would be needed to defray the cost of convening approximately 25 advisory groups, similar to the vertical teams that helped develop College Readiness Standards. These advisory groups would be needed to determine curricular alignments and to develop model academic associate degree plans to meet the provisions of the section. Each task force or work group would develop several model degree plans, and would meet as many as six times over three years. The cost estimate is based on a minimal stipend of \$100 per meeting per participant. Travel costs are anticipated at an average of \$400 per person per meeting. Assuming that each group would have 12 participants and attend two meetings a year, the total cost would be \$300,000 in fiscal year 2010-12.

Administrative Costs

The Higher Education Coordinating Board would require 4 additional FTEs to implement and maintain the provisions of this bill. These FTEs include one director, one program director, one web developer, and one data specialist. Total salaries and benefits for these four FTEs would be \$357,014 in fiscal year 2010 and \$310,613 in the subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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