

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 24, 2009

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

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

IN RE: HB708 by Rose (relating to higher education transfer practices, articulation agreements, policies for dropping courses, and special-purpose centers and to the formula funding for certain credit hours.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB708, Committee Report 2nd House, Substituted: a negative impact of (\$363,674) 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	(\$192,855)
2011	(\$170,819)
2012	(\$98,819)
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2010	(\$192,855)
2011	(\$170,819)
2012	(\$98,819)
2013	\$0
2014	\$0

Fiscal Year	Change in Number of State Employees from FY 2009
2010	1.5
2011	1.5
2012	1.5
2013	1.5
2014	1.5

Fiscal Analysis

Under the provisions of the Section 1 of the bill, the limitation on the number of courses that could be dropped by a student would not apply to public junior colleges.

Under Section 2 of the bill, semester credit hours earned before a student graduates from high school that are used to satisfy high school graduation requirements would not be counted for purposes of determining whether the student has exceeded the limit of semester credit hours that can be counted for formula funding.

Under Section 3 of the bill, amends the definition of "core curriculum" and defines "statewide articulated transfer council".

Under Section 4 of the bill, the minimum core curriculum requirements for all academic associate's degrees shall be 42 semester credit hours, except for programs designated under board-approved field of study curricula or statewide articulated transfer curricula.

Section 5 of the bill would require each institution of higher education, in a format adopted by the Texas Higher Education Coordinating Board, to publish all institutional and statewide articulation agreements in its course catalogs and on its website. Each institution would include the expiration dates for each published articulation agreement on its website and remove expired agreements within 30 days. The bill would direct the Texas Higher Education Coordinating Board to make recommendations, no later than September 30 of each even-numbered year, to improve the dissemination of transfer information to students and institution participation in articulation agreements. Students would be entitled to transfer to another institution under an articulation agreement within four years of first enrollment. The Texas Higher Education Coordinating Board indicates that it could absorb the costs associated with the bill within its current resources.

Section 6 of the bill provides for a pilot program to develop and assess methods of increasing the number of students earning a baccalaureate degree in engineering. The program would require standards for achievement of disciplinary fundamentals, provide a process for transitioning from the associate's level to the baccalaureate level, and establish an orientation and advising methodology to support students choosing the engineering disciplines. The bill requires the development of a statewide articulated transfer curriculum in engineering disciplines, up to the level of the associate's degree, that would satisfy the lower-division requirements in specific engineering disciplines and reinforces the lower limit of the core curriculum sequence at 42 semester credit hours, unless otherwise approved by the Higher Education Coordinating Board for programs engaged in field-of-study curricula or other statewide articulated transfer curricula.

Not later than January 1, 2011, the Higher Education Coordinating Board, with the assistance of advisory committees, would develop the statewide articulated transfer curricula and report to the legislature regarding the board's progress in developing and evaluating the program. The program shall:

(1) develop levels of academic attainment, including, if feasible, standard associate's degrees: (A) for specific engineering disciplines, including biomedical, chemical, civil, computer, electrical, environmental, industrial, mechanical, nuclear, and petroleum engineering; or (B) that provide a foundation in any engineering discipline; (2) develop a well-defined process for transitioning students who earn an associate's degree or other level of academic attainment in an engineering discipline into an accredited engineering degree program at a four-year institution; and (3) establish methods to provide orientation and advising to support students in choosing an engineering discipline and in completing a baccalaureate degree in engineering.

Section 7 of the bill would establish the Texas Hurricane Center for Innovative Technology as part of the University of Houston's College of Engineering. The institution estimates that establishing the Center could be done within existing resources.

Methodology

The only costs associated with the bill that cannot be absorbed under existing resources is the pilot program under Section 6. The Higher Education Coordinating Board has indicated that the bill would require the convening of nine advisory committees. One advisory committee for mechanical engineering is already being piloted. Managing the nine committees at once would require one FTE employee (program director) and 0.5 FTE admin tech employee for fiscal year 2010 through 2012. Salaries and benefits and other costs associated with these FTEs would be \$120,855 in fiscal year

2010 and \$98,819 in fiscal year 2011 and 2012. By the end of the fiscal year 2012, the implementation of the projects required in the bill should be completed, and only the evaluation of the projects would remain. Evaluation could be handled by existing staff.

The Higher Education Coordinating Board has also estimated the travel costs associated with the advisory committees based on the following assumptions. Each committee would have 20 members and each committee would meet once each year. The average travel cost per each member per meeting would be of \$400. Based on these assumptions the travel costs per year would be \$72,000 (20 x 9 x 1 x \$400) per year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

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