

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 24, 2009

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

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

IN RE: HB2518 by Menendez (relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2518, Committee Report 1st House, Substituted: a negative impact of (\$500,000) through the biennium ending August 31, 2011.
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General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$250,000)
2011	(\$250,000)
2012	(\$165,000)
2013	(\$165,000)
2014	(\$165,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2010	(\$250,000)
2011	(\$250,000)
2012	(\$165,000)
2013	(\$165,000)
2014	(\$165,000)

Fiscal Analysis

The bill would direct the Texas Higher Education Coordinating Board (THECB) to authorize the creation of one Bachelor of Applied Technology (B.A.T.) degree program at an unspecified community college district, provided the program is in the field of applied science or applied technology, or if the district currently offers an existing B.A.T. program.

Methodology

The bill would not require a state contribution to fund the B.A.T. program authorized by the bill.

However, in the past, the state has provided two sorts of support for the three existing pilot B.A.T. programs: start-up funding and formula funding.

Start-up Funding: Assuming \$0.25 million in start-up funding is provided by the state in the fiscal year 2010-11 biennium, the start-up cost for the single new B.A.T. program would total \$0.25 million.

Formula Funding: Using current formula contribution levels for the three existing B.A.T. programs (averaging about \$165,000 per year per district) as an estimated measure of the annual formula contribution cost for the new B.A.T. program, the formula funding cost would be about \$165,000 per year, starting in fiscal year 2012.

Local Government Impact

If a local community college district is authorized to offer a new BAT program, the district would, unless the state provides assistance, bear the initial costs of starting up the new program, until such a time when the state may provide formula contributions for the new program.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: JOB, KK, RT, JAW