

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**  
**Revision 1**

**April 14, 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.), **As Introduced**

<b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for HB2518, As Introduced: a negative impact of (\$8,000,000) 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	(\$4,000,000)
2011	(\$4,000,000)
2012	(\$1,320,000)
2013	(\$1,320,000)
2014	(\$1,320,000)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2010	(\$4,000,000)
2011	(\$4,000,000)
2012	(\$1,320,000)
2013	(\$1,320,000)
2014	(\$1,320,000)

**Fiscal Analysis**

The bill would direct the Texas Higher Education Coordinating Board to authorize the creation of an undetermined number of Bachelor of Applied Technology (B.A.T.) degree programs at certain community college districts (i.e. those districts currently offering a degree program in Fire Science). The THECB estimates the bill could result in up to eight community college districts choosing to offer a new B.A.T. program.

**Methodology**

The bill would not require a state contribution to fund the B.A.T. programs 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:** Using the THECB's assumption that eight districts would opt to offer new B.A.T. programs, and assuming \$1.0 million in start-up funding is provided by the state in the fiscal year 2010-11 biennium, the start-up costs would total \$4.0 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 eight new B.A.T. programs, the formula funding costs would be about \$1.32 million 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