

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 22, 2009

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

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

IN RE: SB1394 by Zaffirini (relating to notification of an applicant for admission to a general academic teaching institution regarding the availability of degree programs in the applicant's preferred major field of study offered by other institutions.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1394, Committee Report 2nd House, Substituted: a negative impact of (\$107,045) through the biennium ending August 31, 2011.

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 |
|-------------|--|
| 2010 | (\$107,045) |
| 2011 | \$0 |
| 2012 | \$0 |
| 2013 | \$0 |
| 2014 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from <i>General Revenue Fund</i> 1 |
|-------------|--|
| 2010 | (\$107,045) |
| 2011 | \$0 |
| 2012 | \$0 |
| 2013 | \$0 |
| 2014 | \$0 |

Fiscal Analysis

The bill would require that any student applying to a general academic teaching institution through any online admission application form who designates a choice of major field of study be redirected by the application website to a notification regarding the availability of degree programs in that field of study offered by other general academic teaching institutions. The notification would include information to assist the applicant in selecting among institutions. Under provisions of the bill, an institution must direct a student who has designated a major field of study and has been denied admission to the same information.

Methodology

It is assumed that the Higher Education Coordinating Board would be required to implement changes to the ApplyTexas online admission application. According to the Higher Education Coordinating Board, the University of Texas at Austin has been the contractor on the ApplyTexas electronic application project since its inception. All ApplyTexas costs are based on the standard hourly amount currently charged by The University of Texas at Austin's Information Technology Services (ITS) Applications Department of \$65 per hour. The estimated number of hours to complete this project is estimated to be 1,550. Therefore the project will cost $\$65 * 1,550 = \$100,750$. In addition, the estimated cost for the HECB programming is estimated to be \$6,295 which represents 135 hours at various hourly rates, for a total of \$107,045 for fiscal year 2010 and the biennium.

The current model for financing the ApplyTexas online application has the institutions pay for all costs. Since the development and implementation is to be completed prior to the next payment cycle for the institutions, it is assumed for purposes of this fiscal note that these costs will be covered by General Revenue.

The Coordinating Board estimates that for fiscal year 2010, it would take 260 hours for each of the 36 general academic teaching institutions/campuses using the ApplyTexas electronic application to change systems for new system requirements and to modify current denial systems. Therefore, each institution will incur a cost of $260 * \$65 = \$16,900$, giving a total cost for all institutions of $36 * \$16,900 = \$608,400$. It is assumed that these and any other costs to the institutions could be absorbed within existing resources.

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, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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