

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 4, 2011

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

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

IN RE: HB991 by Castro (Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB991, As Introduced: a negative impact of (\$10,000,000) through the biennium ending August 31, 2013.

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
2012	(\$5,000,000)
2013	(\$5,000,000)
2014	(\$2,551,314)
2015	(\$551,314)
2016	(\$551,314)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2012	(\$5,000,000)
2013	(\$5,000,000)
2014	(\$2,551,314)
2015	(\$551,314)
2016	(\$551,314)

Fiscal Analysis

The bill would direct the Higher Education Coordinating Board to authorize the establishment of baccalaureate degree programs at those community college districts offering a degree program in fire science.

Methodology

The three community colleges that participated in the original Bachelor of Applied Technology pilot program each received \$1.0 million in start up funding in fiscal years 2006 and 2007, as well as \$200,000 in special item appropriations in fiscal year 2008.

Based on this fiscal precedent, the Coordinating Board uses these cost assumptions:

- 1) Each of the 10 districts made eligible for baccalaureate programs per the eligibility criterion of the bill would opt to offer a baccalaureate degree program, for a total of 10 new baccalaureate degree programs.
- 2) The same level of startup funding that was provided to the pilot institutions would be made available to the 10 new programs;
- 3) Each affected district would be eligible for formula funding at the university upper division level, with an assumption of 15 students.

The annual cost based on these assumptions is as follows:

- FY 2012: Start up funding = \$5,000,000
- FY 2013: Start up funding = \$5,000,000
- FY 2014: Start up funding = \$2,551,314
- FY 2014: Formula funding for upper division courses identified as nursing for 30 semester credit hours each for 15 upper division students = \$551,314
- FY 2015: Formula funding for upper division courses = \$551,314
- FY 2016: Formula funding for upper division courses = \$551,314

Local Government Impact

A community college wishing to offer a baccalaureate degree would have to be reaccredited by the Southern Association of Colleges and Schools as a Level II degree-granting institution. This reaccreditation process could be human and fiscal resource intensive.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: JOB, JAW, KK, RT