

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 3, 2011**

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

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

**IN RE: HB1508** by Legler (Relating to authorizing certain public junior colleges to offer a baccalaureate degree in nursing.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1508, As Introduced: a negative impact of (\$1,000,000) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2012	(\$500,000)
2013	(\$500,000)
2014	(\$268,567)
2015	(\$68,567)
2016	(\$68,567)

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

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>
2012	(\$500,000)
2013	(\$500,000)
2014	(\$268,567)
2015	(\$68,567)
2016	(\$68,567)

**Fiscal Analysis**

The bill would direct the Higher Education Coordinating Board to authorize the establishment of a baccalaureate degree program in nursing at a certain community college district.

**Methodology**

The three community colleges that participated in the original Bachelor of Applied Technology pilot program each received \$1 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) The affected district would be eligible for formula at the university upper division rate;
- 2) the same level of startup funding that was provided to the pilot institutions would be made available to the new institution;
- 3) formula funding is calculated for upper division major courses only with an assumption of 15 students.

The annual cost based on these assumptions is as follows:

- FY 2012: Start up funding = \$500,000
- FY 2013: Start up funding = \$500,000
- FY 2014: Start up funding = \$200,000
- FY 2014: Formula funding for upper division courses identified as nursing for 30 semester credit hours each for 15 upper division students = \$68,567
- FY 2015: Formula funding for upper division courses = \$68,567
- FY 2016: Formula funding for upper division courses = \$68,567

### **Technology**

None.

### **Local Government Impact**

A community college wishing to offer a baccalaureate degree in nursing 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, KK, RT, JAW