

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 4, 2011

**TO:** Honorable Mike Jackson, Chair, Senate Committee on Economic Development

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

**IN RE: SB1472** by Shapiro (Relating to the coordinated dissemination of online information regarding the operation and performance of certain for-profit educational entities.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1472, As Introduced: a negative impact of (\$148,598) 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	(\$109,642)
2013	(\$38,956)
2014	(\$38,956)
2015	(\$38,956)
2016	(\$38,956)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2012	(\$109,642)
2013	(\$38,956)
2014	(\$38,956)
2015	(\$38,956)
2016	(\$38,956)

Fiscal Year	Change in Number of State Employees from FY 2011
2012	1.1
2013	0.6
2014	0.6
2015	0.6
2016	0.6

## **Fiscal Analysis**

Under provisions of the bill, the Higher Education Coordinating Board and Texas Workforce Commission would develop a comprehensive strategy to improve and coordinate the dissemination of online information regarding the operation and performance of for-profit private postsecondary educational institutions and for-profit career schools or colleges in this state. The bill would require that for each for-profit private postsecondary educational institution or for-profit career school or college that the Board or Commission identifies as doing business in this state, the Board and Commission shall each publish on the agency's Internet website information that the Board and Commission jointly determine would assist a person in deciding whether to enroll in the institution, school, or college or in identifying or choosing which institution, school, or college to attend. The bill provides guidance on what information, including on-line reporting of complaints, would be included on the website.

## **Methodology**

The Higher Education Coordinating Board has indicated there will be a cost of running the data and IT cost for adding/creating new resumes for these institutions. The cost will be higher in the first year and then it will be lower, for maintenance. A new complaints system will need to be created by building and programing for a template, creating a database for storing the data received, and creating a form of feedback to the originator. The analysis of the complaints received will add to the workload of a program director in charge. These technology costs would be \$49,420 in fiscal year 2012 and \$4,572 in the remaining years. Cost tied to personnel, salaries, wages and benefits, would total \$60,222 in fiscal year 2012 and \$34,384 in the remaining years.

The Texas Workforce Commission has indicated that it would need to modify the reporting structures to accommodate additional data elements necessary to create data transfer to the Higher Education Coordinating Board, and maintenance would be required in the intervening years to maintain the system but these costs would be absorbed within existing resources.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 320 Texas Workforce Commission, 781 Higher Education Coordinating Board

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