

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 21, 2015

TO: Honorable John Zerwas, Chair, House Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB926 by Canales (Relating to a study and report regarding the use of open-source instructional materials at public institutions of higher education.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB926, As Introduced: a negative impact of (\$221,029) through the biennium ending August 31, 2017.

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
2016	(\$221,029)
2017	\$0
2018	\$0
2019	\$0
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2016	(\$221,029)
2017	\$0
2018	\$0
2019	\$0
2020	\$0

Fiscal Analysis

Under provisions of the bill, the Higher Education Coordinating Board (Board) would be required to conduct a study regarding the use of open-source instructional materials at institutions of higher education. The study must include: (1) an analysis of any impact that the use of open-source instructional materials has on the cost of other instructional materials; (2) any difference

in the quality of content or effect on the learning process between open-source instructional materials and other instructional materials; and (3) an evaluation of information from other states that have implemented the use of open-source instructional materials at similar institutions regarding: (A) the benefits realized and costs incurred from the use of those materials; and (B) best practices for the use of those materials. The bill requires the Board submit this information to each legislative standing committee with primary jurisdiction over higher education by September 1, 2016.

Methodology

The Higher Education Coordinating Board (Board) has indicated that the agency does not currently collect data on the use of open-source instructional materials, and that implementing provisions of the bill would require the use of an outside consultant to create a survey, gather and analyze data, and assist in writing the final report. The Board estimates the cost of hiring the consultant to be \$200,000, based on a study of Dual Credit programs which also required the hiring of a consultant. This study cost \$150,000, but did not assess the quality of learning outcomes, which is required under the provisions of this bill. The Board also indicates that internal staff resources would likely also be required to interface, coordinate, and assist with the report at an estimated cost of \$21,029.

Local Government Impact

No significant 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, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: UP, EMu, DEH, GO