

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 27, 2017

TO: Honorable J. M. Lozano, Chair, House Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1212** by Phillips (Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Education Code relating to authorization by the Texas Higher Education Coordinating Board (THECB) for certain public junior colleges to offer baccalaureate degree programs. The bill would allow THECB to authorize baccalaureate degree programs in nursing at one public junior college with district boundaries wholly located in two counties that are adjacent to the Red River and have demonstrated a workforce need. This analysis assumes the bill would affect one junior college district.

The bill would require THECB, in consultation with the Texas Workforce Commission (TWC), institutions of higher education, and local workforce development boards, to identify three to five applied science disciplines each biennium for which baccalaureate degree programs may be offered by a public junior college.

It is assumed there would be a cost to General Revenue from an estimated increase in formula funding to the public junior college that offered a baccalaureate degree under the provisions of the bill due to additional students enrolling in the program, generating additional contact hours. This cost would not be seen until at least fiscal year 2020, as formula funding is provided based on student data prior to the biennium to be funded. The amount of additional formula funding would depend on the level of enrollment in the nursing program at the public junior college.

It is assumed there could be a decrease in formula funding and tuition and fee revenue at certain general academic and health related institutions resulting from students who choose to enroll in the nursing program at the junior college instead of at a general academic or health related institution. However, this decrease is not assumed to be significant.

The bill would take effect immediately if a two-thirds vote is received, otherwise it would take effect September 1, 2017.

Local Government Impact

This analysis assumes that the establishment of a baccalaureate nursing degree program at the junior college district under the provisions of the bill could result in a significant fiscal impact for

the junior college to cover start-up and operating costs. Such costs include, but are not limited to, securing proper accreditation, upgrading facilities and libraries to accommodate upper division coursework, and costs associated with faculty salary and workload. However, this analysis assumes that these costs would be paid for out of local institutional funds.

Source Agencies: 320 Texas Workforce Commission, 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

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