

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 2, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4092 by Davis, Sarah (Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined at this time. The bill could result in a net decrease in General Revenue due to decreased formula funding at general academic institutions and health related institutions, which could be partially offset by increased formula funding at public junior colleges in fiscal years 2020-2021. The bill could result in a net decrease in tuition and fee revenue at general academic institutions and health related institutions due to estimated declines in enrollment in certain programs. The net change in General Revenue and institutional funds for institutions of higher education would depend on the number of baccalaureate degree programs offered by public junior colleges and the number of students who choose to enroll in those programs instead of programs at general academic and health related institutions.

The bill would amend the Education Code by adding a subchapter 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 applied science and applied technology at a public junior college that previously participated in a pilot project. The bill would also allow THECB to authorize baccalaureate degree programs at a public junior college that already offers a degree program in applied science, applied technology, or nursing. Under the provisions of the bill, a public junior college may not offer more than three baccalaureate degree programs at a time, unless it is offering a baccalaureate degree in applied science or applied technology, in which case it may not offer more than five of these programs at a time.

Under the provisions of the bill, a public junior college must submit a report to THECB that includes a long-term plan for accreditation, faculty recruitment, program and course delivery, and information regarding existing articulation agreements and dual enrollment agreements. The bill would limit the ability of junior colleges to offer baccalaureate degree programs to districts that have a taxable property valuation of not less than \$6 billion, and to those that received a positive assessment of overall financial health made from THECB.

The bill would not require the Legislature to appropriate state funds to support a degree program, however THECB can recommend that a public junior college authorized to offer baccalaureate degree programs receive the same funding support that is provided to general academic institutions for a similar course. The bill would require that a public junior college not charge a student enrolled in a baccalaureate degree program tuition and fees in an amount that is greater than the amount of tuition and fees charged to a student enrolled in an associate degree program

in a corresponding field.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. This analysis assumes any costs associated with this bill would be paid for out of institutional funds, partially offset by any state appropriations from formula funding.

Source Agencies: 507 Texas Board of Nursing, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: UP, THo, DEH, ESC