

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 7, 2021

TO: Honorable Jim Murphy, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2766 by Rogers (Relating to the creation of a rural dual credit pilot program by the Texas Higher Education Coordinating Board.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2766, As Introduced : a negative impact of (\$75,433,208) through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$37,724,104)
2023	(\$37,709,104)
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$37,724,104)	2.0
2023	(\$37,709,104)	2.0
2024	\$0	0.0
2025	\$0	0.0
2026	\$0	0.0

Fiscal Analysis

The bill would require the Higher Education Coordinating Board to establish a pilot program under which the Board would award grants to participating public junior colleges to provide financial assistance to educationally disadvantaged high school students for all or part of the cost of enrolling in dual credit courses at the college. The bill would require the Board to select not more than 10 public junior colleges in the small or medium public junior college peer group, as identified by the Board, to participate in the pilot program. The Board would report on the effectiveness of the pilot program to the legislature by December 1, 2022. The pilot program would expire on September 1, 2023.

Methodology

Based on information provided by the Higher Education Coordinating Board, there was a total of 25,989 students enrolled in dual credit at the ten largest small and medium peer group junior colleges and these students enrolled in approximately 6 semester credit hours (SCH) of dual credit courses in the fall of 2019. The Higher Education Coordinating Board estimates that at an approximate rate of \$1,200 for tuition and fees for 6 SCH the total cost for the dual credit enrollment would be \$31,186,800 per semester. Based on information TEA provided the agency, 60.2 percent of students were economically disadvantaged in 2019-2020 resulting in a cost of \$18,774,454 per semester. Based on these factors, the Higher Education Coordinating Board estimates that grants under the new program would cover tuition and fees for the spring and fall semester, at a total cost of \$37,548,908 for fiscal year 2022 and \$37,548,908 for fiscal year 2023.

The Higher Education Coordinating Board indicates that staff would be needed to establish and implement the dual credit grant program and conduct the associated evaluation and report. The agency reports that 2 FTEs with experience in dual credit policy and report writing would be needed to implement provisions of the bill. The salaries and wages associated with these two FTEs total \$141,509 per year. The agency reports other costs of \$33,687 in fiscal year 2022 and \$18,687 in fiscal year 2023.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 701 Texas Education Agency, 781 Higher Education Coordinating Board

LBB Staff: JMc, LBO, JSM, GO