

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 2, 2025

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education K-16

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB757 by Middleton (Relating to the review, funding, and continuation of degree and certificate programs at public institutions of higher education based on certain performance standards.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB757, As Introduced: a negative impact of (\$2,958,277) through the biennium ending August 31, 2027.

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>
2026	(\$1,695,252)
2027	(\$1,263,025)
2028	(\$1,083,736)
2029	(\$1,083,736)
2030	(\$1,083,736)

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 2025</i>
2026	(\$1,695,252)	12.0
2027	(\$1,263,025)	8.0
2028	(\$1,083,736)	6.0
2029	(\$1,083,736)	6.0
2030	(\$1,083,736)	6.0

Fiscal Analysis

The bill would require the Higher Education Coordinating Board (THECB) to review the number of degrees or certificates awarded through a degree or certificate program at least every 5 years and to review each degree or certificate program offered by an institution of higher education at least every 5 years after a new program is established. The bill would establish program performance standards based on student loan debt as a percentage of annual earnings for program graduates and require the assignment of related performance ratings as part of THECB's review of new degree or certificate programs.

The bill would establish requirements of institutions of higher education resulting from certain performance ratings, including limitations on expenditure of certain appropriated funds and a process for consolidating or ending a program.

Methodology

THECB indicates that there would be one-time FTE costs in fiscal years 2026 and 2027 related to the development of an infrastructure to support the review process and ongoing FTE costs to implement provisions of the bill.

The agency estimates that 6.0 FTEs (1 Database Administrator, 3 System Analysts, 1 Project Manager and 1 Data Specialist) would need 18 months to build the new system. Beginning in fiscal year 2028, there will be an ongoing need for 1.0 FTE to continue to support the new system. THECB indicates that the Academic and Health Affairs division would need to hire 4.0 FTEs, which includes a director, to conduct the required program reviews. The Data Management and Research division would require 2.0 FTEs (Data Analyst IV) in fiscal year 2026 and 1.0 FTE in subsequent fiscal years to develop and maintain the methodology and code for reviews, determine possible new data collection needs, and to develop data products needed to track data output and ratings. Total costs for salaries, benefits, and other costs for the FTEs across the three divisions would be approximately \$1.2 million in fiscal year 2026, \$0.8 million in fiscal year 2027, and \$0.6 million in fiscal year 2028 and subsequent years.

The agency indicates that there would be an annual cost of \$500,000 for enhanced infrastructure associated with the new system. These costs would support the necessary application servers, databases, firewalls, and various middleware and utility tools that facilitate the use of an application by the public as well as necessary structure for application administration and reporting of data collected.

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, 717 Texas Southern University, 719 Texas State Technical College System Administration, 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, 966 Howard College, 978 San Jacinto College

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