

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 22, 2009

TO: Honorable Leticia Van de Putte, Chair, Senate Committee on Veteran Affairs & Military Installations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB269 by Lucio III (relating to course credit for certain students at a public institution of higher education.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB269, Committee Report 2nd House, Substituted: a negative impact of (\$2,938,577) through the biennium ending August 31, 2011.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$1,583,254)
2011	(\$1,355,323)
2012	(\$1,355,323)
2013	(\$1,355,323)
2014	(\$1,355,323)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2010	(\$1,583,254)
2011	(\$1,355,323)
2012	(\$1,355,323)
2013	(\$1,355,323)
2014	(\$1,355,323)

Fiscal Year	Change in Number of State Employees from FY 2009
2010	20.0
2011	20.0
2012	20.0
2013	20.0
2014	20.0

Fiscal Analysis

Section 1 of the bill would require an institution of higher education shall award to an undergraduate student course credit for all physical education courses required by the institution for an undergraduate degree and for additional credit hours (not to exceed 12) that may be applied to satisfy any equivalent

elective requirements if the student graduated from a public or private high school in this state or from a high school operated by the United States Department of Defense and was discharged because of a disability. The Higher Education Coordinating Board would be required to adopt rules establishing standards for determining the equivalency of military service experience to elective course requirements for which a student may receive credit.

Section 2 of the bill would require the Higher Education Coordinating Board, in consultation with institutions of higher education, to determine a standard fee for a course offered through a ROTC program that takes into account the average statewide costs per student to an institution in providing the program. This cost would not include any reimbursement or other amounts the institution receives from the applicable military service or other source for offering the course. Except as otherwise provided in the bill, the governing board of each institution may not charge a student enrolled in an ROTC course an amount for the course in excess of the fee as determined by the Higher Education Coordinating Board. It is assumed that any impact to institutions in terms of lost revenue associated with these courses would be minor.

Methodology

Depending on the number of students who would be granted course credit, there could be an indeterminate fiscal impact to the institutions based on tuition revenue not being collected and an indeterminate fiscal impact to the State based on formula funding derived from those credit hours under Section 1 of the bill.

This section would also require the Higher Education Coordinating Board to adopt rules establishing standards for determining the equivalency of military service experience to elective course requirements for which a student may receive credit. This provision would apply to all veterans who served at least 2 years or were discharged due to disabilities. In 2006 there were 33,260 veterans using federal education benefits to attend college in Texas. The Higher Education Coordinating Board estimates approximately 40,000 veterans could apply for this benefit, beginning in fiscal year 2010. They indicate that the determination of equivalencies will be unique per individual (due to his/her array of military training), and unique to each of the state's institutions with its unique set of course offerings. The Higher Education Coordinating Board has indicated personnel will have to be added to examine and make decisions on academic or technical course equivalencies for all the varieties of military training. They estimate that 20 additional FTEs will be required to carry out the mandatory evaluation of military service records that will include several thousand military occupational speciality (MOS) training courses to determine equivalency in the content and learning outcomes of each. As new courses are continually added and removed, this will be an ongoing evaluation project. Once courses have been evaluated for content, they must then be compared to the tens of thousands of current courses offered by institutions of higher education for equivalency.

To carry out this responsibility, the Higher Education Coordinating Board has indicated they would need to add 1 director; 1 assistant director; 4 program directors, 10 program specialists (5 senior and 5 junior), 2 senior administrative technicians, and 2 junior administrative technicians. Personnel salary and benefits cost for the state are estimated to be \$1,583,254 in fiscal year 2010, and \$1,355,323 in subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board, 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

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