



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0614	Title:	Require transferability of university system credits
Primary Sponsor:	Butcher, Edward B	Status:	As Introduced

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|--|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$1,291,099	\$253,901	\$312,500	\$312,500
Revenue:	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>(\$1,291,099)</u>	<u>(\$253,901)</u>	<u>(\$312,500)</u>	<u>(\$312,500)</u>

Description of fiscal impact: An act requiring all accredited institutions of higher education within the Montana University System to accept the transfer of course credits from each other.

FISCAL ANALYSIS

Assumptions:

- The Board of Regents' policy 301.5, Transfer of Credits, requires accredited institutions of higher education within the Montana University System to accept the transfer of course credits from each other.
- The Montana University System has a process in place to review "similar" credits.
 - This is done by each campus on a student by student, course by course basis.
 - All campuses of the Montana University System have established an appeals process to review decisions concerning the transfer of credits.
 - The campuses are required to notify students of their appeal rights when a decision has been made about the applicability of their transfer credit coursework.
- The Montana University System is requesting funding to approach transferability on a system-wide basis. The budget request includes developing a comprehensive and refined data warehouse (\$350,000 OTO). Fund faculty program council expenses (\$500,000 OTO). Fund management and sustainability through

2.50 FTE (1.00 FTE with requisite academic credentials to lead the transferability effort and 1.00 FTE to lead the comprehensive database effort and 0.50 FTE to assist with the development of an integrated data system for K-12 through post-secondary education and related operating funds which facilitates dual enrollment and Advanced Placement college credit courses.

4. This one-time only decision package (NP 1051) listed has been approved by the Education Appropriations Subcommittee.
5. This decision package was approved with specific accountability measures that are included in a companion bill to HB 2 (LC2537). These accountability measures include the following:

The University System is encouraged to:

Create 11 faculty councils to work on transferability.

Create transfer pathways in 11 different program and subject areas; those pathways may include common coursework, a common curriculum, common course content, articulation agreements, etc.

Increase the number of pre and postsecondary educational credits that are accepted by the university by 15 percent above the 2007 baseline, including but not limited to dual enrollment, running start, advanced placement, and tech prep.

Reduce the number of appeals of transfer credit decisions below the rate that is documented for the 2006-2007 base year, toward the goal of reducing the rate by at least 50% by the 2009-2010 year.

By August 2008, the office of the commissioner of higher education shall report to the education and local government interim committee success in achieving the measures, If the measure are achieved then the education and local government interim committee shall recommend to the office of budget and program planning that an appropriation of \$312,500 may be treated as a present law adjustment for the 2011 biennium.

6. Even with new policies and a transferability system, differences in the definition of “similar courses” will exist. It is probable that “all” course credits will not be counted towards a degree by other units of the Montana University System. This is especially true for students transferring and switching majors.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	2.50	2.50	2.50	2.50
<u>Expenditures:</u>				
Personal Services	\$218,834	\$218,901	\$218,901	\$218,901
Operating Expenses	<u>\$1,072,265</u>	<u>\$35,000</u>	<u>\$93,599</u>	<u>\$93,599</u>
TOTAL Expenditures	<u><u>\$1,291,099</u></u>	<u><u>\$253,901</u></u>	<u><u>\$312,500</u></u>	<u><u>\$312,500</u></u>
<u>Funding of Expenditures:</u>				
General Fund (01)	<u>\$1,291,099</u>	<u>\$253,901</u>	<u>\$312,500</u>	<u>\$312,500</u>
TOTAL Funding of Exp.	<u><u>\$1,291,099</u></u>	<u><u>\$253,901</u></u>	<u><u>\$312,500</u></u>	<u><u>\$312,500</u></u>
<u>Revenues:</u>				
General Fund (01)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Revenues	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$1,291,099)	(\$253,901)	(\$312,500)	(\$312,500)

Technical Notes:

The Montana Supreme Court has stated that the "Board of Regents is the competent body for determining priorities in higher education," and academic issues are clearly within the regents' area of competence and constitutional authority.

Sponsor's Initials

Date

Budget Director's Initials

Date