

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 897

PRINTER NO. 3505

AMOUNT

\$2,000,000

FUND

General Fund

DATE INTRODUCED

April 17, 2023

PRIME SPONSOR

Representative Kinkead

DESCRIPTION

House Bill 897 amends the Public School Code to include the following provisions related to postsecondary education.

Transfer of Credits/Guaranteed Admission

The legislation provides guaranteed admission of an undergraduate student transferring from a community college to a parallel program at a Pennsylvania State System of Higher Education (PASSHE) university. It requires a PASSHE university to apply all college-level credits earned, including major and general education requirements, toward the parallel baccalaureate degree requirements by December 31, 2024.

The legislation requires that students holding an associate degree from a community college or PASSHE university transferring into a parallel program will be granted full junior standing towards the baccalaureate degree program and will complete no more than 60 credit hours to earn a 120-credit hour baccalaureate degree unless required to meet specific accreditation, licensure or certification requirements.

The legislation requires a student transferring into a parallel baccalaureate degree program with an associate degree to be guaranteed admission to the parallel baccalaureate degree program subject to capacity, if the student meets the program criteria, such as mandated admission requirements, required of students in the parallel baccalaureate degree program at the receiving institution.

The enactment of these provisions will have no fiscal impact on Commonwealth funds. The costs incurred by colleges and universities to report information prescribed by the department related to transfer of credits and the administrative work necessary to comply with the provisions in the legislation can be accommodated within existing operating budgets.

Higher Education Cost and Fee Transparency

The legislation requires an institution of higher education (institution) to provide the following information to a prospective student as part of student’s offer of enrollment or as part of the financial aid: (1) an estimate of the total cost of attendance; (2) an estimate of the financial aid offered; (3) an estimate of the net cost that subtracts scholarship or grants; (4) an estimate of the total cost of attendance in subsequent years; and (5) all repayable financial aid shall be in easily understood terms.

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The legislation requires institutions of higher education to publish a description of each of their mandatory fees on the institution's website and online student portal prior to the term for which the fee will be charged. The description of the fee must include: (1) the fee's purpose; (2) how the fee will be allocated and utilized; and (3) how the fee will be collected and the academic year or semester for which the fee will be assessed.

The legislation also requires an institution to post on its website the total amount of mandatory fees collected, the amount of fees collected by use and an estimate tuition, fees and room and board that may be charged in an academic year.

The enactment of these provisions will have no fiscal impact on Commonwealth funds. Institutions of higher education should be able to provide the required information to students at a minimal cost as it is routine to their operations.

Financial Aid Exit Counseling

The legislation requires each institution to make financial aid counseling available to each student at the end of the student's final academic term. It requires higher education institutions to give counseling to a student who withdraws or transfers unless the institution is unable to contact the student. Allows an institution to partner with PHEAA on loan counseling.

These provisions will have no fiscal impact on Commonwealth funds. To the extent that higher education institutions do not provide financial aid exit counseling to students they may experience additional costs.

Dual Credit Innovation Grant Program

The legislation establishes the Dual Credit Innovation Grant Program under the Department of Education (department) to award grants to public institutions of higher education that offer dual credit opportunities to high school students enrolled in a school entity. It provides that funds may be used to operate dual credit courses that are tuition free, support public institutions seeking external accreditation for their dual credit courses, provide academic supports to in students in dual enrollment courses and increase the use of no-cost or low-cost textbooks and materials.

This legislation requires the Department of Education to give priority in grant funding to applicants proposing to expand current offerings with an emphasis on providing courses aligned with high-priority career paths and serving students that are experiencing education instability, enrolled in career and technical programs, low-income, historically underserved or living in rural areas.

The legislation requires the department to issue an annual report of aggregated student-level data including demographics with information related to the value of dual credit courses and the success of students as they graduate from high school and transition to postsecondary education.

The enactment of these provisions will have no fiscal impact on Commonwealth funds. The department has indicated that it does not anticipate incurring additional costs to administer the program. Funding for the dual credit innovation grants will be

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dependent on appropriations made by the General Assembly in the General Appropriations Act.

State Board of Higher Education

This legislation establishes the State Board of Higher Education (board) within the Department of Education (department) for the purpose of providing direction, coordination and support to ensure that institutions of higher education fully meet the workforce and economic development needs of this Commonwealth and ensure that all residents have access to affordable, world-class postsecondary education.

The legislation provides for the board to consist of the following members including:

- the Secretary of Education or a designee;
- The Secretary of Labor and Industry or a designee;
- A member of the Senate appointed by the President pro tempore or a designee;
- A member of the Senate appointed by the Minority Leader or a designee;
- A one member from the House of Representatives appointed by the Speaker or a designee;
- A member from the House of Representatives appointed by the Minority Leader or a designee;
- The following members appointed by the Governor.
 - A representative of a state-owned university who must be a president, administrator or local trustee;
 - a representative of the Board of Governors of the State System of Higher Education;
 - A representative of a community college who must be a president, administrator or board member;
 - A representative of an independent institution of higher education who must be a president, administrator or board member;
 - Four representatives, one from each state-related university, who must be presidents, chancellors, administrators or local trustees;
 - Two representatives of a union representing employees at public institutions of higher education;
 - Two representatives of business;
 - Two student representatives, one of whom is a student at an independent institution and one of whom is a student at a public institution of higher education; and
 - One representative of the Thaddeus Stevens College of Technology.

The legislation provides for the Governor to designate a chair and vice chair of the board. It provides that members shall receive no compensation for their services but shall be reimbursed for the expenses necessarily incurred in the performance of their duties.

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The legislation provides for the board to select an individual to serve as the executive director and for the department in consultation with the executive director to provide administrative services and additional staff to the board. It also provides for the board to be entitled to legal counsel as designated by the Office of General Counsel.

The legislation charges the board with promoting quality, accessible and affordable postsecondary education by developing, planning and advancing the higher education policy agenda of the Commonwealth. The board's general powers include, but are not limited to: (1) adopting bylaws; (2) making and executing contracts and grants; (3) applying for and receiving money; (4) establishing subcommittees and advisory committees; and (5) holding public hearings and soliciting public comment.

Then legislation provides for the board's duties to include but not be limited to: (1) developing and advancing a higher education strategic plan; (2) making policy recommendations that align to workforce needs; (3) creating and maintaining a database for the collection and analysis of postsecondary data; (4) promoting the coordination and cooperation of institutions of higher education; (5) coordinating workforce development and economic development sectors to develop pathways to needed postsecondary credentials; and (6) developing recommendations for repurposing and reducing under-utilized facilities.

The legislation requires the board, in consultation with the State Board of Education, to make recommendations to the Governor and General Assembly no later than May 1, 2025, regarding the appropriate delineation of roles and responsibilities of the board, State Board of Education and department related to higher education.

The legislation requires the board to develop procedures for an institution of higher education to follow when the institution proposes taking action to discontinue operations no later than July 1, 2026. The board may, contingent on the availability of funds, enter into an agreement with a third party to establish a centralized repository of student and employee records for an institution of higher education that closes and fails to place student records into a readily accessible depository.

The legislation requires public institutions of higher education to share their annual budget requests with the board.

The board shall post its strategic plan and annual reports on its internet website and transmit them to (1) the Governor; (2) the General Assembly; (3) the president of each institution of higher education; and (4) the president of each bargaining unit that represents employees at the institutions of higher education.

According to the Department of Education, the operations of the State Board of Higher Education are estimated to cost \$2 million in Fiscal Year 2024-25. The costs include salary, benefits for 3 to 4 staff members, including the executive director and counsel, and funds to stand up a database for the collection and analysis of postsecondary education data.