



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 897

PRINTER'S NO. 3505

PRIME SPONSOR: Kinkead

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	See fiscal impact	See fiscal impact

SUMMARY:

House Bill 897 contains policy related to higher education, including creating a State Board of Higher Education, guaranteeing admission of a transferring community college undergraduate student into a parallel program at a PASSHE university, and establishing the Dual Credit Innovation and Equity Grant Program.

ANALYSIS:

House Bill 897 makes changes to several articles within the Public School Code of 1949.

House Bill 897 amends Article XX-C – Transfers of Credits Between Institutions of Higher Education – to require community colleges and Pennsylvania State System of Higher Education (PASSHE) universities to apply all college level credits to fulfill degree requirements toward parallel baccalaureate degree programs at the other institution of higher education. Subject to capacity, transferring students that meet the criteria are guaranteed admission.

House Bill 897 amends Article XX-H – Higher Education Accountability and Transparency – to improve student fee transparency. The changes require institutions of higher education to post student fee amounts as well as the purpose and use of the fee. The bill also provides for higher education cost transparency by requiring institutions of higher education to provide prospective students as part of the student's offer of enrollment an estimate of the total cost of attendance, the financial aid offered, and the net cost. It also requires that graduating students have access to exit counseling related to assistance with student loans.

The Dual Credit Innovation Grant Program is added to Article XX-I. Under the grant program, PDE would award grants to public institutions of higher education that offer tuition-free dual credit opportunities to high school students enrolled in a school entity, which includes school districts, area career and technical schools, and charter schools. The legislation defines a "public institution of higher education" to include institutions of the State System of Higher Education (PASSHE), community colleges, the Thaddeus Stevens College of Technology, the Pennsylvania College of Technology, and the rural regional college.

House Bill 897 adds Article XX-L – Institutions of Higher Education. This article creates the State Board of Higher Education within PDE to help institutions of higher education meet workforce demand and address affordability and access. The responsibilities and powers of the State Board of Education and the Council of Higher Education under Article XXVI-B are transferred to the new board.

The bill addresses board membership, operations, and powers and duties, including developing a strategic plan, making policy recommendations, creating a database for the collection and analysis of postsecondary data, promoting the coordination of institutions of higher education, focusing on meeting the workforce needs, establishing a performance-based funding council, assisting with assessing fiscal health, and developing recommendations for repurposing and reducing under-utilized facilities. Public institutions of higher education, defined as a state-owned university, community college, or state-related university, must provide a copy of their budget request to the board.

This bill would take effect immediately.

FISCAL IMPACT:

PDE projects that operating the new State Board of Higher Education will cost \$2 million in 2024/25. These costs are related to salaries and benefits for three or four staff plus operational funds.

PASSHE anticipates minimal fiscal impact from the provisions related to the transfer of credits between community colleges and PASSHE. The costs stem from reporting requirements, adjusting information technology systems, other administrative work (priority enrollment).

For the student fee transparency provisions, an institution of higher education may incur a cost related to publishing the student fee amounts and uses. The impact on student fee revenue from publishing the fees is indeterminant, but it may lead to reduced revenue from fees.

House Bill 897 provides the framework for a new Dual Credit Innovation Grant Program, but it does not include an appropriation for program grants. Therefore, there is no program cost from this legislation, and PDE staff indicated the program can be administered using existing resources.

PREPARED BY: Sean Brandon, Assistant Executive Director
House Appropriations Committee (D)

DATE: July 11, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.