

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 6, 2013

TO: Honorable Kel Seliger, Chair, Senate Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB922 by Birdwell (Relating to partnerships between the Texas State Technical College System and public junior colleges.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill amends the Education Code relating to partnerships between the Texas State Technical College System (TSTC) and public junior colleges. The bill adds Subchapter D which provides that, with approval of the Higher Education Coordinating Board, the TSTCs and a public junior college may enter into a partnership for delivery of technical education programs as long as the agreements meet certain conditions. The bill allows the participating institutions to fill necessary personnel by joint appointment and to assign certain functions to a particular institution in the partnership. The bill allows the participating institutions to individually or collectively lease, purchase, finance, construct, or rehabilitate physical facilities for the partnership and notes that the owning or financing of these facilities promotes public purposes as indicated under Section 52-a, Article III of the Texas Constitution. The bill also provides that the system and participating institutions remain eligible for formula funding on the same basis as if they were not in a partnership.

Based on the analysis of the Texas State Technical College System, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources. In addition, no fiscal impact to the state is anticipated unless state funds are appropriated to pay the debt service on any future bonds issued.

Local Government Impact

Based on responses from five community colleges, it is assumed that any additional costs to Public Community and Junior Colleges could be absorbed through existing resources. To the degree the community colleges issue bonds for physical facilities under the provisions of the bill, there may be a local impact to the district through the establishment of local property taxes for debt service.

Source Agencies: 719 Texas State Technical College System Administration, 758 Texas State University System, 781 Higher Education Coordinating Board

LBB Staff: UP, GO, KK, SK, EH, DE