

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 28, 2015**

**TO:** Honorable John Zerwas, Chair, House Committee on Higher Education

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3521** by Faircloth (Relating to the establishment of limited purpose public junior college districts by certain independent school districts.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Education Code relating to the establishment of limited purpose public junior college districts by certain independent school districts.

It is assumed there could be a cost to General Revenue from an increase in formula funding to limited purpose junior college districts established under the provisions of the bill due to additional students enrolling at the new districts generating additional contact hours. The cost would not be seen until at least fiscal year 2018, as formula funding is provided to institutions based on student data prior to the biennium to be funded. However, based on information provided by the Texas Education Agency (TEA) and local school districts, this analysis assumes the increase in formula funding would not be significant.

**Local Government Impact**

The provisions of the bill would apply to 23 independent school districts in counties with a population of less than 45,000 and a scholastic population of less than 15,000. Based on information provided by the TEA, independent school districts could incur administrative costs associated with holding the required election to establish a limited purpose junior college district. These costs would only impact school districts that choose to become a limited purpose junior college district under the provisions of the bill.

**Source Agencies:** 701 Central Education Agency, 781 Higher Education Coordinating Board

**LBB Staff:** UP, EMu, DEH, ED, JBi