

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 21, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3836** by Giddings (Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer early childhood education baccalaureate degree programs.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Education Code relating to authorization by the Texas Higher Education Coordinating Board (THECB) for certain junior colleges to offer early childhood education baccalaureate degree programs.

It is assumed that there would be a cost to General Revenue from an estimated increase in formula funding for any additional baccalaureate program offered by a public junior college under the provisions of the bill. This 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. Based on information provided by THECB, the estimated number of additional contact hours generated under the provisions of the bill would not be significant. Therefore, this analysis assumes the estimated increase in formula funding would not be significant.

Based on information provided by institutions of higher education, it is assumed that the authorization of early childhood education baccalaureate degree programs at certain public junior colleges could result in a decline in student enrollment in those degree programs at some general academic institutions for students who choose to enroll in a public junior college instead of a general academic institution. This decline in enrollment would result in a loss of tuition and fee revenue at the affected institutions.

It is also assumed there could be a savings to General Revenue from an estimated decrease in formula funding to certain general academic institutions that experience a decline in enrollment due to the implementation of the provisions of the bill. This savings would not be seen until at least fiscal year 2018. The amount of reduced formula funding would depend on the decline in enrollment resulting from the provisions of the bill. This analysis assumes any formula funding savings at general academic institutions would offset formula funding costs at public junior colleges. The net effect is assumed to not be significant.

Based on information provided by THECB and the Texas Education Agency, any costs associated with implementing the provisions of the bill could be accomplished within existing resources.

Local Government Impact

Based on information provided by a sample of community colleges, the establishment of additional baccalaureate degree programs for eligible community colleges under the provisions of the bill could result in a significant fiscal impact for those community colleges to cover start-up and operating costs. Such costs include, but are not limited to, securing proper regional accreditation, upgrading facilities and libraries to accommodate upper division coursework, and costs associated with faculty salary and workload. This analysis assumes these costs would be paid for out of institutional funds, partially offset by any state appropriations from formula funding.

Source Agencies: 701 Central Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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