

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

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 26, 2017**

**TO:** Honorable J. M. Lozano, Chair, House Committee on Higher Education

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

**IN RE:** **HB971** 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 to allow the Texas Higher Education Coordinating Board (THECB) to authorize a baccalaureate degree in early childhood education at each public junior college located in a county with a population of 2.2 million or more and adjacent to a county with a population of more than 660,000. This analysis assumes the bill would affect only one junior college district.

The bill would require that a public general academic institution in the same geographical area be given an opportunity to develop a curriculum to meet the early childhood education needs of the independent school districts in the county. Under the provisions of the bill, the curriculum must be approved by those independent school districts. If it is not approved, the public junior college would be authorized by THECB to offer the baccalaureate degree program, if the curriculum is approved by the independent school districts.

This analysis assumes the public junior college would be authorized to offer the baccalaureate degree program. It is assumed that there would be a cost to General Revenue from an estimated increase in formula funding to the public junior college that offered a baccalaureate degree under the provisions of the bill due to additional students enrolling in the program, generating additional contact hours. This cost would not be seen until at least fiscal year 2020, as formula funding is provided based on student data prior to the biennium to be funded. The amount of additional formula funding would depend on the level of enrollment in the early childhood education program at the public junior college.

It is assumed there could be a decrease in formula funding and tuition and fee revenue at certain general academic institutions resulting from students who choose to enroll in the early childhood education program at the public junior college instead of at a general academic institution. However, this decrease is not assumed to be significant.

This bill would take effect September 1, 2017.

**Local Government Impact**

This analysis assumes that the establishment of a baccalaureate degree in early childhood education at the public junior college district under the provisions of the bill could result in a significant fiscal impact to the public junior college to cover start-up and operating costs. Such costs include, but are not limited to, securing proper accreditation, upgrading facilities and libraries to accommodate upper division coursework, and costs associated with faculty salary and workload. However, this analysis assumes that these costs would be paid out of institutional funds.

**Source Agencies:** 701 Texas Education Agency, 781 Higher Education Coordinating Board  
**LBB Staff:** UP, THo, DEH, ESC