

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 30, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2639 by Clardy (Relating to the creation of a new university in Nacogdoches, Texas, within The University of Texas System; abolishing Stephen F. Austin State University.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2639, As Introduced : a positive impact of \$22,555,586 through the biennium ending August 31, 2025.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	\$11,277,793
2025	\$11,277,793
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings from General Revenue Fund 1
2024	\$11,277,793
2025	\$11,277,793
2026	\$0
2027	\$0
2028	\$0

Fiscal Analysis

The bill would abolish Stephen F. Austin University, which is currently an independent institution, and create a new university under The University of Texas System. Under current law Stephen F. Austin is eligible to receive distributions from the Higher Education Fund, which is funded with General Revenue. The new university would be entitled to participate in the Permanent University Fund.

Methodology

Stephen F. Austin is eligible to receive \$11.3 million per year in distributions from the Higher Education Fund. Under provisions of the bill, the new university would no longer be able to receive distributions from the Higher Education Fund. Included in the table above are savings associated with this change. Any estimated savings in fiscal year 2026 or afterwards due to this change cannot be determined, as the Higher Education Fund allocation methodology could be revised. Cost estimates associated with the university's eligibility to receive support from the Permanent University Fund are unknown, as The University of Texas System Board of Regents determines those distributions.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 720 The University of Texas System Administration, 755 Stephen F. Austin State University, 781 Higher Education Coordinating Board

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