LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 30, 2025

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **SB37** by Creighton (Relating to the governance of public institutions of higher education, including review of curriculum and certain degree and certificate programs, a faculty council or senate, training for members of the governing board, and the establishment, powers, and duties of the Texas Higher Education Coordinating Board Office of the Ombudsman.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for SB37, Conference Committee Report: a negative impact of ($1,573,580) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to *General Revenue Related Funds*
2026	($786,790)
2027	($786,790)
2028	($786,790)
2029	($786,790)
2030	($786,790)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from *General Revenue Fund* 1	*Change in Number of State Employees from FY 2025*
2026	($786,790)	5.0
2027	($786,790)	5.0
2028	($786,790)	5.0
2029	($786,790)	5.0
2030	($786,790)	5.0

Fiscal Analysis

The bill would establish provisions related to the governance of public institutions of higher education, including the review of curriculum and certain degree and certificate programs, responsibilities of and training for the governing board of an institution of higher education, and the establishment of a faculty council or senate.

The bill would establish the Office of the Ombudsman (Office) at the Higher Education Coordinating Board (THECB) to serve as an intermediary between the legislature and the public and institutions of higher education and to receive and investigate reports regarding noncompliance with requirements of the bill. The Office would coordinate THECB 's compliance monitoring functions under Education Code, Section 61.035. The ombudsman would serve as the director of compliance and monitoring.

Methodology

It is assumed that any costs for system offices and institutions of higher education associated with the bill's provisions could be absorbed within existing resources.

The Higher Education Coordinating Board indicates that the Office of the Ombudsman would require one Ombudsman and two Compliance Analysts IV to conduct investigations. The agency would also require one General Counsel I and one Legal Assistant III for legal support to assist ombudsman investigations and required reviews. The total costs for salaries and benefits and other operating expenses for the 5.0 FTEs would be approximately $0.8 million per year beginning in fiscal year 2026.

Local Government Impact

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

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 300 Trusteed Programs Within the Office of the Governor, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 717 Texas Southern University, 719 Texas State Technical College System Administration, 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, 775 Texas Woman's University System, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 966 Howard College, 978 San Jacinto College

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