

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 26, 2025

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education K-16

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB49 by Zaffirini (Relating to performance tier funding under the public junior college state finance program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB49, As Introduced: a negative impact of (\$26,754,063) 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:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$13,353,181)
2027	(\$13,400,882)
2028	(\$11,529,686)
2029	(\$9,687,426)
2030	(\$7,873,738)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from <i>General Revenue Fund</i> 1
2026	(\$13,353,181)
2027	(\$13,400,882)
2028	(\$11,529,686)
2029	(\$9,687,426)
2030	(\$7,873,738)

Fiscal Analysis

The bill would authorize community colleges to receive formula funding for student transfers to private or independent four-year institutions of higher education.

Methodology

THECB estimated the number of student transfers to private or independent four-year institutions of higher education that would receive community college formula funding by using a forecast model based on historical actual certified data from 2018 to 2024 and assuming the fiscal year 2025 funding weights and rates remain

constant through fiscal year 2030. The forecasted weighted transfer outcomes are estimated to be 3,815 in fiscal year 2026 and 3,829 in fiscal year 2027 followed by an expected downward trend through fiscal year 2030. The total number of such weighted student transfer outcomes multiplied by the fiscal year 2025 transfer outcome funding rate of \$3,500 would result in an estimated cost of \$13,353,181 in fiscal year 2026 and \$13,400,882 in fiscal year 2027.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board, 966 Howard College, 978 San Jacinto College

LBB Staff: JMc, FV, LBO, AO, NV