

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 25, 2015

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB382** by Canales (Relating to public junior college district branch campuses, including a requirement that the South Texas Community College District establish an extension facility in a certain location.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Education Code relating to public junior college district branch campuses. The bill would allow South Texas Community College District to establish instructional programs in Edcouch or Elsa beginning with the 2020-2021 academic year.

Based on information provided by the Higher Education Coordinating Board, it is assumed that there would be a cost to General Revenue from an increase in formula funding for South Texas College due to additional students enrolling in the new instructional programs generating additional contact hours and success points for formula funding. The cost would not be seen until at least fiscal year 2022, as formula funding is provided to institutions based on student data prior to the biennium to be funded. However, based on information provided by South Texas College, this analysis assumes the increase in formula funding for additional students enrolling in classes at the new program would not be significant.

Local Government Impact

Based on information provided by South Texas College, implementing the provisions of the bill would be a significant cost to the institution. Establishing new instructional programs could require costs associated with land acquisition, design of a new facility, construction of the facility and infrastructure, technology, and ongoing instructional, academic support, and operating costs. The institution is unable to determine the exact costs for establishing the instructional programs without further study. It is assumed that any additional costs associated with implementing the provisions of the bill would be funded with institutional funds.

Source Agencies: 781 Higher Education Coordinating Board

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