

- SUBJECT:** Establishing a Texas State Technical College campus in Ellis County
- COMMITTEE:** Higher Education — committee substitute recommended
- VOTE:** 8 ayes — Zerwas, Howard, Clardy, Crownover, Martinez, Morrison, Raney, C. Turner
- 0 nays
- 1 absent — Alonzo
- WITNESSES:** For — Alan Hugley, City of Red Oak, Texas; (*Registered, but did not testify*: Jim Pitts)
- Against — None
- On — (*Registered, but did not testify*: Susan Brown, Texas Higher Education Coordinating Board; Roger Miller, Texas State Technical College)
- BACKGROUND:** Education Code, ch. 135 governs the Texas State Technical College (TSTC) system, which provides technical-vocational education for which there is demand in the state. The college, which offers certificate and associate degree programs, has campuses in Harlingen, Marshall, and Waco, as well as a campus serving West Texas with permanent locations in Abilene, Breckenridge, Brownwood, and Sweetwater.
- HB 3640 by Pitts, enacted by the 83rd Legislature in 2013, authorized the creation of a TSTC extension center in Ellis County.
- DIGEST:** CSHB 1051 would establish a Texas State Technical College (TSTC) campus in the city of Red Oak in Ellis County.
- This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

SUPPORTERS  
SAY:

CSHB 1051 would convert a Texas State Technical College (TSTC) extension center in Ellis County into a campus to meet the demands of the local workforce. TSTC North Texas in Ellis County was established by the 83rd Legislature as an extension center with the plan to later convert the site into a campus. CSHB 1051 would fulfill this growth plan and satisfy the community's desire to establish a TSTC campus in the area.

Ellis County, part of the larger Dallas-Fort Worth region, has a growing need for a skilled workforce to attract and retain employers, and TSTC is best situated to address this need. It offers a range of technical programs focused on previously unmet training and education needs in the region. The offerings complement local community college programs and provide a dual-credit program at a local high school. TSTC North Texas is projected to become one of the largest parts of the TSTC system, necessitating independent campus status.

By becoming a campus, TSTC North Texas would become eligible for funds needed to support the institution, such as Higher Education Fund dollars appropriated to the TSTC system and other campus infrastructure funds. The campus designation would not allow TSTC North Texas to offer programs of a different size or scope than other TSTC branches, nor would it increase operational costs for the school.

The expansion would result in only a negligible increase, if any, to the state's appropriation to the TSTC system. The fiscal note for CSHB 1051 assumes the creation of an entirely new campus, whereas the bill instead would build upon an existing location, which would minimize costs. Funding for this transition already appears in both proposals for the fiscal 2016-17 general appropriations act. In addition, HB 100, as passed by the House on April 9, authorizes tuition revenue bonds (TRBs) for the development of a technology center for the TSTC Ellis County campus.

TSTC has a funding model in which funding for each branch depends upon employment after graduation and salary outcomes. Basing certain funding on outcomes helps to ensure that the system are a great

investment for the state. While converting to a campus could result in future growth requiring the issuance of additional TRBs, TSTC Ellis County already is eligible to receive TRBs as an extension of another TSTC campus. The bill would not expand this ability.

CSHB 1051 has support from the local community, which has made significant investments in the school, including the contribution of land and resources for the extension center. By establishing a campus in Ellis County, the community and TSTC could signify their commitment to one another and their joint commitment to economic development and industry.

TSTC North Texas has worked with Navarro College, the local community college, to ensure that programs run by the two schools would not be duplicative. While HB 1051 as introduced would have exempted TSTC North Texas' programs from receiving Texas Higher Education Coordinating Board approval under Education Code, sec. 135.04, CSHB 1051 would maintain this oversight. This would guarantee that education and training offered by TSTC North Texas did not offer redundant curricula or compete with local public junior colleges.

**OPPONENTS  
SAY:**

CSHB 1051 could result in added cost to taxpayers to fund higher education by establishing a campus of TSTC in Ellis County. According to the fiscal note, the campus would cost the state \$6.7 million in general revenue during fiscal 2016-17. While technical-vocational training offers a good alternative to increasingly expensive four-year degrees, offerings such as TSTC's could be made by private entities and do not need to be subsidized by the state. In addition, the conversion of TSTC's Ellis County extension center to a campus could result in increased TRBs being issued to the campus, which could result in a greater cost to the state in debt service.

**NOTES:**

According to the Legislative Budget Board's fiscal note, the bill would have an estimated negative net impact to general revenue funds of about \$6.7 million through fiscal 2016-17.

The companion bill, SB 420 by Birdwell, was placed on the intent calendar on April 1 and not again placed on the intent calendar on April 8.