

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 7, 2003

TO: Honorable Florence Shapiro, Chair, Senate Committee on Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB85 by McClendon (Relating to the establishment of an undergraduate medical academy at Prairie View A&M University.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB85, As Engrossed: a negative impact of (\$1,934,400) through the biennium ending August 31, 2005.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$975,200)
2005	(\$959,200)
2006	(\$1,211,888)
2007	(\$1,211,888)
2008	(\$1,211,888)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2003
2004	(\$975,200)	7.0
2005	(\$959,200)	10.0
2006	(\$1,211,888)	13.0
2007	(\$1,211,888)	13.0
2008	(\$1,211,888)	13.0

Fiscal Analysis

The bill would establish an undergraduate medical academy at Prairie View A&M University. The medical academy would provide academic and career counseling, faculty mentorship, undergraduate courses which focus on preparing students for medical school, distance education interaction with medical schools, visitation to medical schools, and visitation by medical school faculty.

To be eligible a student must be enrolled in the College of Science at Prairie View A&M University, complete at least one year of undergraduate courses, demonstrate interest in a medical career, and meet academic standards as determined by the admissions committee for the academy.

Methodology

According to the Texas Higher Education Coordinating Board's (THECB) publication "Feasibility Study for Any Institution of Higher Education to Provide Clinical Education to Support a Doctor of

Medicine Degree Program at Prairie View A&M University (PVAMU)," there would be implementation cost to establish an academy. It is assumed by the THECB the following would occur: (1) PVAMU would use existing resources and in-kind contributions from participating medical schools and general academic institutions, and minimal renovations would be required to prepare offices for new staff and faculty; (2) the academy would be located in existing buildings on PVAMU campus; and (3) PVAMU would require new faculty, staff, and library materials.

For Fiscal Year 2004, the THECB estimates there would be a one time cost to renovate office space of \$216,000. In addition, the estimate assumes there would an annual cost of \$180,450 for operating costs and academy activities such as travel, office equipment, and supplies, and \$100,000 annually for the purchase of library material. It is also assumed in the first year of operation the academy would require one director, two science faculty, two recruiters/counselors, and two support staff at a cost of \$478,750, including benefits.

In addition, the THECB estimates the academy would hire additional faculty and staff (three in Fiscal Year 2005 and three in Fiscal Year 2006) over the next two fiscal years. It is estimated the additional cost for salaries and benefits would increase by \$200,000 in Fiscal Year 2005 and \$452,688 in Fiscal Year 2006. Assuming library materials and operating cost remain stable, the estimated cost for the academy would be \$959,200 in Fiscal Year 2005 and \$1,211,888 in each successive fiscal year.

Local Government Impact

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

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 781 Higher Education Coordinating Board

LBB Staff: JK, JO, CT, PF, GS