

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 16, 2003

TO: Honorable Royce West, Chair, Senate Committee on Subcommittee on Higher Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1566 by Telford (Relating to lower-division and upper-division courses at Texas A&M University--Texarkana.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1566, As Engrossed: an impact of \$0 through the biennium ending August 31, 2005.

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
2004	\$0
2005	\$0
2006	(\$178,500)
2007	(\$178,500)
2008	(\$175,525)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain from <i>EST OTH EDUC & GEN INCO</i> 770
2004		\$33,672
2005		\$34,560
2006	(\$178,500)	\$36,000
2007	(\$178,500)	\$36,000
2008	(\$175,525)	\$35,400

Fiscal Analysis

This bill authorizes Texas A&M -Texarkana , which is currently an upper level institution, to become a four-year institution offering lower division undergraduate courses starting September 1, 2003.

Methodology

Based on analysis by the Texas Higher Education Coordinating Board, enrollment is estimated to increase 7.52 percent, which is the average of the first-year increases experienced by The University of Texas -Permian Basin, Texas A&M University-Corpus Christi, and Texas A&M University-International. There would be no General Revenue cost for the 2004-2005 biennium because formula funding is based on current enrollment. For fiscal years 2006, 2007 and 2008 an estimated increase in full time student equivalents (FTSE's) was multiplied by the undergraduate general revenue cost

per FTSE.

For fiscal year 2006: an estimated 60 FTSE X \$2,975 = \$178,500, For fiscal year 2007: an estimated 60 FTSE X \$2,975 = \$178,500. For fiscal year 2008: an estimated 59 FTSE X \$2,975 = \$175,525.

Additional tuition revenue for Texas A&M - Texarkana was calculated based on the estimated FTSE's multiplied by the hourly cost of tuition, \$46 for fiscal year 2004, \$48 for fiscal year 2005, and \$50 for fiscal year 2006 and after.

Local Government Impact

Enrollment at Texarkana College, the nearby community college, could be affected by the the new capability of Texas A&M-Texarkana to offer freshman and sophomore classes that were heretofore unavaiable.

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

LBB Staff: JK, CT, PF, SS