

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 20, 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 offered by Texas A & M-Texarkana.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1566, Committee Report 2nd House, Substituted: 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 GENERAL REVENUE FUND 1	Probable Revenue Gain from EST OTH EDUC & GEN INCO 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.

As amended, the bill could prohibit Texas A&M - Texarkana from having its own chief executive officer administration or faculty until it reaches enrollment equivalent to 2,500 full-time students for one semester. Until that time the bill states that the Board of Regents may operate Texas A&M University -Texarkana.

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. A change in enrollment would not affect General Revenue amounts in the funding formulas until the following biennium. The General Revenue costs for fiscal years 2006, 2007 and 2008 is based on the formula funding necessary related to the estimated increase in enrollment.

Additional tuition revenue (Estimated Other Educational and General Income) for Texas A&M - Texarkana was calculated based on the estimated full-time student equivalents (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 unavailable.

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

LBB Staff: JK, CT, PF, SS