

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 11, 2005

TO: Honorable Geanie Morrison, Chair, House Committee on Higher Education

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1624 by Goolsby (Relating to the establishment of a law school in the city of Dallas by the University of North Texas System.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1624, As Introduced: a negative impact of (\$600,000) through the biennium ending August 31, 2007.

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
2006	(\$300,000)
2007	(\$300,000)
2008	(\$300,000)
2009	(\$1,843,351)
2010	(\$3,272,814)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2005
2006	(\$300,000)	0.0
2007	(\$300,000)	0.0
2008	(\$300,000)	0.0
2009	(\$1,843,351)	6.0
2010	(\$3,272,814)	16.0

Fiscal Analysis

The bill would allow the Board of Regents of University of North Texas System to establish and operate a school of law in the city of Dallas.

Methodology

The University of North Texas System estimates they would annually need \$300,000 in fiscal years 2006, 2007 and 2008 to cover the cost of planning for the new law school and to help with the initial planning for the law school building. The University of North Texas System estimates that beginning in fiscal year 2009, \$1,170,000 in debt service would be needed to construct the law school. This debt service is based on a \$13 million authorization in Tuition Revenue Bonds. Another twelve to sixteen million would be requested from the City of Dallas to contribute toward the renovation. Beginning in

fiscal year 2009, six additional full-time employees, including administrative and library staff and a Dean, would be added at a cost of \$519,000. Due to anticipated increases in enrollment, employment would increase to 16 in fiscal year 2010 and 24 in fiscal year 2011. The total cost for personnel would be \$1,242,950 in fiscal year 2010 and \$2,036,400 in fiscal year 2011. Operating costs in fiscal year 2010 and 2011 are \$1,268,711 and \$1,515,267 respectively.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 769 University of North Texas System Administration, 781 Higher Education Coordinating Board

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