

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION
Revision 1

April 15, 2005

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

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

IN RE: HB3011 by Branch (Relating to authorizing the issuance of revenue bonds for The University of Texas at Dallas.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3011, As Introduced: a negative impact of (\$9,590,302) through the biennium ending August 31, 2007.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$4,795,151)
2007	(\$4,795,151)
2008	(\$4,795,151)
2009	(\$4,795,151)
2010	(\$4,795,151)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1
2006	(\$4,795,151)
2007	(\$4,795,151)
2008	(\$4,795,151)
2009	(\$4,795,151)
2010	(\$4,795,151)

Fiscal Analysis

The bill would authorize the issuance of a maximum of \$55,000,000 in revenue bonds by The University of Texas System for The University of Texas at Dallas to finance infrastructure repairs and improvements, including an administrative building and renovation of Green Hall and Jonsson Hall.

The bonds would be payable from pledged revenue plus tuition. The bonds would not be general obligations of the State. However, the issued bonds would have fiscal implications for the State. Although tuition income is pledged against the bonds, historically the Legislature has appropriated general revenue to reimburse institutions for the tuition used to pay the debt service. This policy is assumed to continue.

Methodology

It is assumed the bonds would be issued on September 1, 2005, at a 6 percent interest rate with a 20-

year debt service amortization. Based on calculations prepared by The University of Texas System, the amount of debt service payments would be \$4,795,151 for each fiscal year. The total estimated amount of debt service (principal and interest) from fiscal year 2006 to fiscal year 2025 is estimated to be \$95,903,020.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 347 Public Finance Authority, 352 Bond Review Board, 720 The University of Texas System Administration

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