

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 5, 2005

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

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

IN RE: SB276 by Staples (Relating to authorizing The University of Texas Health Science Center at Tyler to offer courses and degree programs in allied health and related fields.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB276, As Engrossed: an impact of \$0 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	\$0
2007	\$0
2008	\$0
2009	(\$167,688)
2010	(\$167,688)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2005
2006	\$0	0.0
2007	\$0	0.0
2008	\$0	0.0
2009	(\$167,688)	2.0
2010	(\$167,688)	2.0

Fiscal Analysis

The bill would authorize The University of Texas Health Center at Tyler (UTHCT) to offer courses and degree programs in the allied health field. The bill would take effect immediately upon two-thirds majority vote; otherwise it would take effect on the 91st day after the last day of the legislative session.

Methodology

Degree programs created as a result of the bill would be eligible for Instruction and Operations formula funding. If the degree programs would attract students who would otherwise not enroll in higher education, UTHCT's degree granting authority could eventually increase the overall cost of higher education to the State.

UTHCT would need additional faculty, equipment and other resources to meet regional accreditation standards of the Southern Association of Colleges and Schools (SACS) and to support the development of new degree programs. However, without more specific information about the expenses associated with the accreditation process and those new programs, the Texas Higher Education Coordinating Board (THECB) is unable to estimate the costs and assumes that UTHCT would absorb them.

THECB is concerned that UTHSCT would need additional physical space to meet SACS standards and to accommodate students enrolled in new degree programs. UTHSCT has requested \$2,971,929 in annual debt service, beginning in 2006 for a \$32.4 million academic center. The 110,000 gross square foot facility would include a medical library, classrooms, conference rooms, an auditorium, department offices, food court, and related support areas. THECB has rated this Tuition Revenue Bond project as "Critical" to meeting current and future space requirements of the institution.

The cost to the state of this the debt service is not included within this analysis.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 720 The University of Texas System Administration, 781 Higher Education Coordinating Board

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