

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 25, 2005

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

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

IN RE: SB296 by Madla (Relating to the student enrollment required for the operation of Texas A&M University--San Antonio and Texas A&M University--Central Texas as independent general academic teaching institutions.), **As Passed 2nd House**

The costs associated with implementation of the bill would depend on the legislature authorizing the issuance of tuition revenue bonds and the institutions reaching the threshold of 1,000 full time student equivalents.

The bill would amend Section 87.841(d), Education Code to lower the threshold for Texas A&M University – Kingsville System Center - San Antonio to become a free-standing general academic teaching institution from 2,500 to 1,000 full-time students. This would occur only if the legislature authorizes the issuance of tuition revenue bonds to finance education and related facilities.

The bill also would amend Section 87.861(d), Education Code to lower the threshold for Texas A&M University – Central Texas System Center in Killeen to become a free-standing general academic teaching institution from 2,500 to 1,000 full-time students. This would occur only if the legislature authorizes the issuance of tuition revenue bonds to finance education and related facilities.

Assuming the Legislature authorizes tuition revenue bonds for the expansion, additional costs to the state would include \$750,000 per year for the small institution supplement awarded to institutions with fewer than 5,000 students. Additional costs associated with the general academic institution formula funding would depend on the number of students enrolled and associated infrastructure needs. General Revenue formula funding for each full time student equivalent over the 1,000 threshold would be \$3,388 per semester.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: JOB, CT, RT, SSh