

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 13, 2005

TO: Honorable Royce West, Chair, Senate Committee on S/C on Higher Education

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

IN RE: SB448 by Zaffirini (Relating to the Texas Academy of International Studies at Texas A&M International University.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB448, As Introduced: a negative impact of (\$626,713) 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	(\$208,913)
2007	(\$417,800)
2008	(\$626,700)
2009	(\$626,700)
2010	(\$626,700)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1
2006	(\$208,913)
2007	(\$417,800)
2008	(\$626,700)
2009	(\$626,700)
2010	(\$626,700)

Fiscal Analysis

The bill would create the Texas Academy of International Studies at Texas A&M International University. The academy would be a residential, coeducational instituton for selected Texas high school students with an interest in international studies. For each student enrolled in the academy, the academy would be entitled to allotments from the foundation school fund under Chapter 42 of the Education code. The bill would take effect immediately if it received a vote of two-thirds of all the members of each house of the Legislature, otherwise the bill would take effect September 1, 2005.

Methodology

This estimate is derived from a similar academy at the University of North Texas, the Texas Academy of Math and Sciences, which currently has 359 students enrolled and receives special item funding

from the state in the amount of \$1.5 million per year. Amounts for the Texas A&M International University academy are based on an enrollment estimate of 50 students in 2006, 100 students in 2007, and 150 students for 2008, 2009, and 2010 at a cost of \$4,178 per student.

The bill alludes to Tier 1 allotments in the Foundation School Program as the source of funding for the academy. The bill does not give a school district as a reference for the cost of education index, and therefore it is assumed the academy would not receive that funding adjustment.

Based on the size of similar academies, it is assumed for purposes of this estimate the academy will be phased in over two years and have 150 students by fiscal year 2008 and will generate approximately \$3,900 per student in funding from the foundation school fund or \$585,000 annually. It is assumed these students would be enrolled in a public school were they not in the academy, and these funds would flow to Texas A&M International University when the students are enrolled in the academy, so this is cost neutral to the state.

It is assumed Texas A&M International University would receive proportional special item funding for any cost in excess of the student related transfers from the foundation school fund associated with the supporting the academy.

Local Government Impact

School districts whose students attend the academy would lose state funding for those students. To some extent, costs in those districts might decrease as a result of diminished populations.

To the extent that enrollment at the academy increases above the level of the first year, costs for the additional enrollment are shifted to regular school districts through a proration mechanism.

Source Agencies: 701 Central Education Agency, 710 Texas A&M University System Administrative and General Offices, 781 Higher Education Coordinating Board

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