

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 26, 2013

TO: Honorable Dan Branch, Chair, House Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1610** by Schaefer (Relating to the establishment of a pharmacy school at The University of Texas at Tyler.), **As Introduced**

No significant fiscal implication to the State is anticipated. Due to the bill's prohibition on formula funding, the primary means of state support for institutions, state costs are anticipated to be limited. However, state support via special item or Tuition Revenue Bond support could yield state costs.

The bill would allow The University of Texas System Board of Regents (Board) to establish a pharmacy school at The University of Texas at Tyler. Under provisions of the bill, the Board of Regents is required to support the operations and capital expenses through tuition, gifts, grants, and other institutional or system funds and the pharmacy school would not be eligible for state funding under the formula funding system. Since the bill includes language that the pharmacy school would not be eligible for formula funding and that the Board is required to support the operations and capital expenses through institutional funds, this analysis assumes there would be no significant fiscal impact to the State.

The bill would not prohibit the use of the Available University Fund for capital expenses or General Revenue funding for special item and tuition revenue bond debt service. General Revenue special item funding has been provided for new schools, programs, and degrees in the range of \$500,000 to \$3,000,000 per year. General Revenue funding for tuition revenue bond debt service for a new building could range from \$2,000,000 to \$8,000,000 per year depending on the cost of the building. General Academic Institutions who are appropriated formula funding for pharmacy students receive approximately \$12,000 to \$16,000 for each full-time student equivalent in General Revenue and General Revenue Dedicated (statutory tuition).

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

LBB Staff: UP, KK, SK, GO