

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 28, 2017

TO: Honorable J. M. Lozano, Chair, House Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1913 by Geren (Relating to the required qualifications for serving as president of the University of North Texas Health Science Center at Fort Worth and to the prohibition against the award of certain degrees by the center's governing board.), **As Introduced**

The fiscal implications of the bill are indeterminate, but costs associated with the bill could be significant, ranging from \$2.5 million in General Revenue Funds in fiscal year 2020 and increasing to \$9.9 million in General Revenue Funds in fiscal year 2024.

The bill would amend the Education Code relating to the required qualifications for serving as president of the University of North Texas Health Science Center at Fort Worth (UNTHSC) and to the prohibition against the award of certain degrees by the center's governing board. The bill would allow UNTHSC to offer a Doctor of Medicine (M.D.) degree.

Based on information provided by the Texas Higher Education Coordinating Board (THECB), it is assumed that the first class of 60 medical students in the M.D. program would matriculate in fiscal year 2019, making the program eligible for formula funding beginning in fiscal year 2020. Using a formula base value of \$9,829 and a weight of 4.753, it is estimated that the All Funds formula cost for these students would be \$2.8 million in fiscal year 2020. It is assumed that the formula statutory tuition income for those students would be approximately \$0.3 million and that the General Revenue formula cost would be approximately \$2.5 million. Based on information provided by THECB, it is assumed that 60 students would enter the school each year until enrollment reached 240. The formula costs associated with 240 students would be approximately \$9.9 million in General Revenue Funds and the anticipated statutory tuition would be approximately \$1.3 million in fiscal year 2024. Additional formula funding costs resulting from the other health related institutions formulas, including the Infrastructure Support, Research Enhancement, and Graduate Medical Education formulas, cannot be determined.

It is assumed that any remaining costs, including faculty and construction costs, associated with the M.D. program would be covered by existing institutional funds.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 769 University of North Texas System Administration, 781 Higher Education Coordinating Board

LBB Staff: UP, THo, DEH, ED