

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 9, 2017

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1815** by Hinojosa (Relating to the eligibility of certain health-related institutions for certain state funds.), **As Introduced**

As the number of prospective institutions without the statutory authorization required by the legislation is unknown, the amount of General Revenue and General Revenue-Dedicated savings cannot be determined.

The bill would amend the Education Code relating to the eligibility of certain health-related institutions for certain state funds. The bill would make a health-related institution established under the Education Code on or after January 1, 2017, ineligible to receive formula funding unless the legislature provides specific statutory eligibility under this code for such funding.

This analysis assumes that any new health-related institution established under the Education Code with specific statutory eligibility for formula funding on or after January 1, 2017, would receive General Revenue and General Revenue-Dedicated formula funding in addition to formula funding appropriated to existing health-related institutions. Therefore, this analysis assumes that if a health-related institution is created on or after January 1, 2017, without the necessary statutory authority for formula funding required by the provisions of the bill, there would be a General Revenue and General Revenue-Dedicated savings. The amount of General Revenue formula funding generated by an institution depends on student enrollment, the type of programs offered, facility space, research expenditures, and the number of graduate medical school residents. The amount of General Revenue-Dedicated formula funding an institution receives depends on the amount of statutory tuition estimated to be generated by the institution. Because these variables are unknown for future health-related institutions, the amount of General Revenue and General Revenue-Dedicated savings for an institution created without the necessary statutory authority for formula funding cannot be determined at this time but is assumed to be significant.

This analysis assumes that any foregone formula funding for an institution without the necessary statutory authority required by the provisions of the bill would be covered by institutional funds.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices,
720 The University of Texas System Administration, 758 Texas State

University System, 768 Texas Tech University System Administration,
769 University of North Texas System Administration, 781 Higher
Education Coordinating Board, 783 University of Houston System
Administration

LBB Staff: UP, KK, DEH, ED