

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 21, 2023

TO: Honorable Greg Bonnen, Chair, House Committee on Appropriations

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1794 by Schaefer (relating to funding for The University of Texas at Tyler's school of pharmacy.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB1794, Committee Report 1st House, Substituted : a negative impact of (\$3,259,062) through the biennium ending August 31, 2025.

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:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	(\$1,629,531)
2025	(\$1,629,531)
2026	(\$1,629,531)
2027	(\$1,629,531)
2028	(\$1,629,531)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue Gain from Est. Other Educational & General 770	Probable (Cost) from Est. Other Educational & General 770	Change in Number of State Employees from FY 2023
2024	(\$1,629,531)	\$257,098	(\$257,098)	2.0
2025	(\$1,629,531)	\$257,098	(\$257,098)	3.0
2026	(\$1,629,531)	\$257,098	(\$257,098)	5.0
2027	(\$1,629,531)	\$257,098	(\$257,098)	6.0
2028	(\$1,629,531)	\$257,098	(\$257,098)	8.0

Fiscal Analysis

The bill would remove the prohibition for the University of Texas at Tyler College of Pharmacy (COP) to receive formula funding, enabling the UT Tyler College of Pharmacy to receive funding through the General Academic Institution Instruction and Operations (I&O) formula and the Infrastructure Support formula. If no appropriation is made, formula funding could be reallocated across all institutions to include UT Tyler College of Pharmacy weighted semester credit hours and predicted square feet.

Methodology

It is assumed that the addition of estimated statutory tuition collected and weighted semester credit hours delivered through the UT Tyler College of Pharmacy would increase formula allocations to UT Tyler through the GAI I&O formula and the Infrastructure formula in fiscal years 2024 and 2025. Assumptions use Fall 2022 enrollment and space use data as reported by the institution and the Texas Higher Education Coordinating Board (THECB). Enrollment and formula driver estimates for future years are unknown, therefore assumptions for the purpose of this fiscal note maintain level formula funding through fiscal year 2028.

Tuition Estimate. The I&O and Infrastructure formulas use an All Funds rate that includes estimated statutory tuition (GR-D 770). For fiscal year 2024 and 2025, estimated statutory tuition for the UT Tyler College of Pharmacy is based on an enrollment of 134 students in the program, 120 resident and 14 non-resident, as reported by the institution. Including waivers and exemptions, assumptions include \$257,098 in GR-D 770 for the formulas in each year of the 2024-2025 biennium.

Instruction and Operations Formula. According to the THECB, UT Tyler College of Pharmacy reported 7,004 pharmacy hours in FY 2022 in the Special Professional level. At a weight of \$4.69 and an I&O funding rate of \$55.66 per weighted semester credit hour, the institution would be eligible for an additional \$1,816,629 in each year of the 2024-2025 biennium through the I&O formula, of which \$1,559,531 is estimated to be General Revenue funds and \$257,098 is estimated to be statutory tuition.

Infrastructure Formula. Assumptions include \$70,000 in General Revenue funds for Infrastructure formula funding each year based on estimates provided by the THECB.

Full-time Equivalent Positions. The institution anticipates a need for two additional state-funded full-time equivalent faculty positions in FY 2024 biennium and one additional state-funded full-time equivalent staff position in FY 2025. The institution projects similar increases through fiscal year 2028 for a total of eight additional state-funded full-time equivalent positions comprised of six faculty and two staff by fiscal year 2028.

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

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