

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 23, 2003

TO: Honorable Allan Ritter, Chair, House Committee on Pensions & Investments

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1376 by Farabee (Relating to the optional retirement program for certain employees of public institutions of higher education.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require the Higher Education Coordinating Board to establish uniform minimum standards for insurance or investment companies and their investment in order for those companies and products to be eligible for authorized selections for participants in the Optional Retirement Program (ORP).

Because the Coordinating Board lacks the expertise to accomplish the requirements of the bill, the services of an outside consultant would be required to provide the expertise. The estimated cost of a contract with a consultant to establish standards and review companies in the first year would be \$150,000 , and to review companies in succeeding years would be \$100,000.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 781 Higher Education Coordinating Board

LBB Staff: JK, RR, PF, DSB