

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 13, 2005**

**TO:** Honorable Craig Eiland, Chair, House Committee on Pensions & Investments

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB2945** by Eiland (Relating to participation in the optional retirement program by certain employees of institutions of higher education.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would provide authority for an institution of higher education to submit a list of employment positions at the institution to the Texas Higher Education Coordinating Board (THECB) that do not meet the eligibility criteria for Optional Retirement Program (ORP) participation that the institution would like included for participation. The list submitted by the institution to the THECB must be based on competitive labor market requirements.

The THECB may approve one or more of the positions for participation in ORP. The THECB must approve the position in writing for participation. The THECB shall periodically require an institution to reapply for continued approval of each employment position that is approved for participation.

There would be no cost to General Revenue Funds; however there would be a cost from other designated funds, more specifically from institutional funds (i.e., physician charges to patient) in the amount of \$1,420,000 for the 2006-07 biennium for approximately 3,000 positions. Through fiscal year 2008-10 the cost would be \$710,000 in each year of the biennium.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 327 Employees Retirement System, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board

**LBB Staff:** JOB, SR, RT, MM