

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 23, 2005

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: HB3001 by Morrison (Relating to the amount of the annual constitutional appropriation to certain agencies and institutions of higher education and to the allocation of those funds to those agencies and institutions.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3001, Committee Report 2nd House, Substituted: a negative impact of (\$87,500,000) through the biennium ending August 31, 2007.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$0
2007	(\$87,500,000)
2008	(\$87,500,000)
2009	(\$87,500,000)
2010	(\$87,500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2006	\$0
2007	(\$87,500,000)
2008	(\$87,500,000)
2009	(\$87,500,000)
2010	(\$87,500,000)

Fiscal Analysis

The bill would increase the fiscal year 2007 annual constitutional appropriation for the Higher Education Fund by \$87,500,000 (from \$175,000,000 to \$262,500,000 annually, or an increase of 50 percent). This increase would be carried through in the fiscal years following fiscal year 2007. This bill would also reapportion Higher Education Fund appropriations using updated formula data elements provided by the Texas Higher Education Coordinating Board.

Methodology

The \$87,500,000 annual cost to the General Revenue Fund starting in fiscal year 2007 is the amount above current yearly appropriation levels for the Higher Education Fund.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, SD, RT, JAW, CT