

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 2, 2007

TO: Honorable Judith Zaffirini, Chair, Senate Committee on S/C on Higher Education

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

IN RE: HB3564 by Darby (Relating to the transfer of Angelo State University to the Texas Tech University System.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would transfer Angelo State University from the Texas State University System to the Texas Tech University System. The bill modifies various Education Code provisions relating to Angelo State, included tuition revenue bonds and the Higher Education Fund. Under provisions of the bill, the Higher Education Coordinating Board would resolve any disagreements between the two Systems regarding the transfer. It is assumed that the transfer would be implemented within existing resources.

The Texas State University System raised several issues regarding the transfer. The Texas State University System indicates the refunding of bonds to remove the Angelo State debt from the Texas State University would cost approximately \$2.4 million. Maturities for Angelo State debt extend from 2008 through 2033. The existing parity debt is configured in seven series of bonds originally issued over the period 1998 through 2006. The System also indicated there would be construction transition costs, legal costs for a bond and tax attorney and a financial advisor totaling \$102,000. The Texas State University System also indicates that currently Angelo State participates in a system-wide effort to reduce technology costs. The System indicates the cost reallocation to the remaining Texas State University System institutions would be \$50,000 annually.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 758 Texas State University System, 768 Texas Tech University System Administration

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