

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 21, 2009

TO: Honorable Dan Branch, Chair, House Committee on Higher Education

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

IN RE: SB2146 by Duncan (relating to the annual allocation of certain constitutional funds to eligible agencies and institutions of higher education.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would provide two separate reallocations of the Higher Education Fund (HEF) for fiscal years 2009 through 2014, and would not change the total amounts appropriated to the HEF in any of the fiscal years this bill would affect.

However, individual institutions of higher education would be affected based on the dollar outcome generated by the updated HEF formula.

The first reallocation would apply to fiscal years 2009 and 2010. To maintain an equitable distribution basis for the HEF, this reallocation would correct certain errors in the existing HEF allocation. This reallocation would also provide additional HEF funds to those institutions that were under-allocated previously by reducing the allocation of previously over-allocated institutions.

The second reallocation would apply to the second half of the HEF's decennial period (fiscal years 2011 - 2014), and is based on a corrected allocation using updated data elements.

The bill would specify the University of North Texas at Dallas is entitled to participate in the HEF reallocation as soon as the UNT component operates as a general academic teaching institution.

Starting in fiscal year 2011, this bill would also provide separate HEF allocations to the Lamar Institute of Technology, and would direct the Comptroller to adjust the HEF allocations accordingly.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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