

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 5, 2009**

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

**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.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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This 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 allocation would correct the formula allocation of the HEF and further provide additional 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. Because this bill specifically introduces the Lamar Institute of Technology into the HEF reallocation, the voters must approve a constitutional amendment proposed by the 81st Legislature establishing the eligibility of this institution to receive HEF allocations.

**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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