

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 30, 2011**

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

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

**IN RE: HB1000** by Branch (relating to the distribution of money appropriated from the national research university fund and to one or more audits of certain general academic teaching institutions in connection with that distribution.), **Committee Report 1st House, Substituted**

<p><b>No fiscal implication to the State is anticipated.</b></p>
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The bill would amend Chapter 62 of the Education Code to specify the criteria used to determine annual distributions from the National Research University Fund (NRUF) and define the criteria used to allocate any such distributions among eligible institutions.

Currently, the Texas Constitution authorizes the Legislature to appropriate up to 7 percent of the average net market value of the investment assets of the NRUF corpus, provided the 10-year purchasing power of the corpus is preserved. The bill would stipulate the total amount appropriated from the NRUF corpus for any state fiscal year could not exceed an amount equal to 4.5 percent of the average net market value of the investment assets of the NRUF for the 20 consecutive state fiscal quarters ending with the last quarter of the preceding state fiscal year, as determined by the Comptroller.

The bill would stipulate the data submitted to the Higher Education Coordinating Board by institutions of higher education for purposes of establishing eligibility to receive allocations of NRUF proceeds are subject to an audit by the State Auditor. The bill would also authorize the Higher Education Coordinating Board to request certain audits from the State Auditor. The bill would require the Comptroller use appropriated NRUF proceeds to pay the costs of these audits.

The bill would establish a distribution formula based on the number of institutions eligible to receive appropriations of NRUF proceeds.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 781 Higher Education Coordinating Board, 308 State Auditor's Office

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