

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

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

**April 5, 2011**

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

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

**IN RE: HB2036** by Hochberg (Relating to certain competitive scholarships at public institutions of higher education.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would repeal Section 54.064(d) of the Education Code. Section 54.064(a) of the Education Code allows a University to charge resident tuition and fees to students who are non-residents and obtain a competitive scholarship. Section 54.064(d) states that the difference between resident and non-resident tuition for these students can not be accounted for in a way that would reduce general revenue appropriations to an institution that grants this waiver.

If the repeal of this section increased the General Revenue - Dedicated funds in the formula for schools that charge resident tuition to students who receive a competitive scholarship, the legislature could reduce General Revenue formula funds and maintain the formula rate. The legislature could also decide to keep the same amount of General Revenue funds in the formula, thereby increasing the formula rate.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 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

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