

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 29, 2011

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

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

IN RE: HB3507 by Villarreal (Relating to the tuition set aside requirement for the B-On-Time program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3507, As Introduced: an impact of \$0 through the biennium ending August 31, 2013.
--

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>Institutional Funds</i> 997	Probable Revenue (Loss) from <i>Texas B-on-Time Student Loan Acct</i> 5103
2012	\$51,602,000	(\$51,602,000)
2013	\$57,485,000	(\$57,485,000)
2014	\$63,578,000	(\$63,578,000)
2015	\$69,809,000	(\$69,809,000)
2016	\$76,092,000	(\$76,092,000)

Fiscal Analysis

The bill would require institutions to hold the B-On-Time tuition set-aside locally at the institutions rather than the current practice of depositing those funds in an account controlled by the Texas Higher Education Coordinating Board, which in turn distributes the funds to institutions. The funds would now be held in reserve at each respective institution and distributed to the students at that same institution.

Methodology

The bill would result in a method of finance change from general revenue dedicated funds to institutional funds for the program. Based on projections from the Higher Education Coordinating Board the estimated set aside amount is shown in the table of above. Although the overall funding level for the program would not change, the allocations per institution could change depending on whether they are retaining a greater or lesser amount than what they received from the Higher

Education Coordinating Board.

Any costs associated with implementing the provisions of the bill would be absorbed within current resources.

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, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board

LBB Staff: JOB, KK, RT, GO