

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 29, 2011

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Higher Education

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

IN RE: SB5 by Zaffirini (Relating to public institutions of higher education, including the administration, operation, financial management, and reporting requirements of those institutions.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill amends various sections of the Education, Government, Natural Resources, Tax, Utilities, Insurance, Labor and Health and Safety Codes and Texas Civil Statutes.

Article 1 of the bill relates to financial management for institutions of higher education, including the disposition of small credit balances and the issuance of state securities. The Article also eliminates the requirement that institutions of higher education seek Bond Review Board's approval before they issue securities unless the general revenue of the state is being pledged.

Article 2 relates to qualifications of certain business entities to enter into contracts with institutions of higher education, utility rate discounts provided to institutions of higher education, and eliminates certain reporting requirements.

Article 3 relates to payroll deductions for employees of university system or institution of higher education, the definition of dependent under the State University Employees Uniform Insurance Benefit Act, and programs promoting diseases prevention, wellness and health.

Article 4 relates to the deferred collection of taxes on residence homestead of elderly or disabled persons and reviews by the Higher Education Coordinating Board of higher education construction projects.

Article 5 relates to exemptions from public disclosure information that identify applicants for chief executive officer, the elimination of certain requirements relating to membership of certain boards.

Under Article 6 certain reporting requirements applicable to institutions of higher education and university systems would expire. The bill would also require the offices of the governor and Legislative Budget Board when reviewing legislative appropriation requests instructions, to look at cost savings and other related efficiencies.

Article 7 repeals certain sections of code. The majority of the sections deals with reports applicable to institutions of higher education or the Higher Education Coordinating Board.

Based on responses from institutions of higher education, there could be some savings associated with the elimination of the various reporting requirements but these savings were not identified as significant.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 323 Teacher Retirement System, 454 Department of Insurance, 701 Central Education Agency, 758 Texas State University System, 769 University of North Texas System Administration, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: JOB, GO, KK, RT