

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 11, 2011

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

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

IN RE: SB1799 by West (Relating to the student loan program administered by the Texas Higher Education Coordinating Board; authorizing the issuance of bonds.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill adds Section 50b-7, Article III of the Texas Constitution to a list of sections that provide the Texas Higher Education Coordinating Board authority to issue general obligation bonds to finance educational loans. The bill also amends Section 52.82 of the Education Code to match language in Section 50b-7, Article III of the Constitution which authorizes an aggregate principal amount of bonds to be issued. Section 52.82 is also amended to allow for an increase in the maximum amount of bonds issued per fiscal year from \$125 million to \$350 million. It is anticipated that the general obligation bonds issued under the debt authorized by the bill would be self-supporting, with the debt service being paid by sources other than General Revenue. Therefore this debt authority would not be included in the constitutional debt limit.

The bill states that this Act will take effect on the date on which the constitutional amendment is approved by the voters.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 352 Bond Review Board, 781 Higher Education Coordinating Board

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