

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 22, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB25** by Branch (relating to success-based funding for certain public institutions of higher education.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill amends the Government Code relating to student success-based funding recommendations for general academic institutions, other than a public state college. Current law requires the director of the Legislative Budget Board (LBB), under the direction of the board, to prepare the general appropriations bill provided for introduction at each regular legislative session.

Under provisions of the bill, the introduced general appropriations bill must base at least 25 percent of the total amount of general revenue appropriations of base funds for undergraduate education at general academic teaching institutions on student success measures. For the introduced general appropriations bill prepared for fiscal years 2016-17, at least 15 percent of the appropriations must be based on student success measures; each introduced bill thereafter must be based on at least 25 percent.

In addition, the bill requires the director of the LBB to consider the Higher Education Coordinating Board (THECB) recommendations regarding student success funding. The bill removes the requirement that THECB must include not more than 10 percent of the total amount of general revenue appropriations of base funds for undergraduate education recommended by THECB to be based on student success measures.

If the proposal regarding student success measures were implemented by the legislature in the general appropriations act, the distribution of formula funding among general academic institutions could be impacted.

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, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 719 Texas State Technical College System

Administration, 720 The University of Texas System Administration, 758
Texas State University System, 769 University of North Texas System
Administration, 783 University of Houston System Administration

LBB Staff: UP, KK, SK, EH, GO