

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**March 18, 2013**

**TO:** Honorable Kel Seliger, Chair, Senate Committee On Higher Education

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB680** by West (Relating to a pilot program to improve student loan default rates and financial aid literacy among postsecondary students.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

Under provisions of the bill, the Higher Education Coordinating Board (board) is required to establish and administer a pilot program at selected postsecondary educational institutions to improve student loan default rates and financial aid literacy among postsecondary students. The board would select at least one institution from several categories of postsecondary educational institutions to participate in the program. In selecting institutions, the board shall give priority to those that have a student loan default rate of more than 20 percent or a negative trend in the institution's three-year student loan default rate. The board shall adopt rules for the administration of the pilot program and may contract with one or more entities to administer the pilot program. Not later than January 1 of each year, beginning in 2016, the board shall submit a report to the Governor, the Lieutenant Governor, and the speaker of the House of Representatives regarding the outcomes of the pilot program, as reflected in the federal student loan default rates reported for the participating institutions. The board would implement provisions of the bill within existing 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, 783 University of Houston System Administration

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