

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 28, 2015

TO: Honorable John Zerwas, Chair, House Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2755 by Turner, Sylvester (Relating to the higher education fund, the management of investments of the permanent university fund, and the allocation and distribution of certain constitutional revenues to the University of Houston.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Education Code relating to the Higher Education Fund, the management of investments of the Permanent University Fund, and the allocation and distribution of certain constitutional revenues to the University of Houston. The bill would prohibit future appropriations from the Higher Education Fund to the University of Houston beginning in fiscal year 2016 and would reallocate any Higher Education Fund appropriations for the University of Houston to other eligible institutions. The bill would increase the board of directors for the University of Texas Investment Management Company to include two members appointed by the president of the University of Houston.

The bill would take effect September 1, 2016, but only if the constitutional amendment proposed by the 84th Legislature, Regular Session, 2015, entitling the University of Houston to participate in the income and other benefits of the Permanent University Fund, takes effect.

It is assumed there would be no net change in General Revenue for the Higher Education Fund under the provisions of the bill, but there would be a redistribution of Higher Education Fund appropriations to the remaining eligible institutions in an amount equal to the reduction in Higher Education Fund appropriations to the University of Houston.

Based on information provided by The University of Texas System, Texas A&M University System, and the University of Houston System, implementing the provisions of the bill could be accomplished utilizing 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, 783 University of
Houston System Administration

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