

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 24, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2848 by Crowover (Relating to the amount and allocation of the annual constitutional appropriation to certain agencies and institutions of higher education.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2848, As Introduced: a negative impact of (\$262,500,000) through the biennium ending August 31, 2017, assuming the funding contingency is met; if it is not met, the bill would have no fiscal impact.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$131,250,000)
2017	(\$131,250,000)
2018	(\$131,250,000)
2019	(\$131,250,000)
2020	(\$131,250,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2016	(\$131,250,000)
2017	(\$131,250,000)
2018	(\$131,250,000)
2019	(\$131,250,000)
2020	(\$131,250,000)

Fiscal Analysis

The bill would reallocate Higher Education Fund appropriations between eligible recipient institutions and increase the annual constitutional appropriation for the Higher Education Fund from \$262,500,000 each fiscal year to \$393,750,000 in each fiscal year beginning in fiscal year 2016.

The bill would make the increase in the annual Higher Education Fund appropriation contingent on the Eighty-fourth Legislature, Regular Session, 2015, increasing the annual Higher Education Fund appropriation in the General Appropriations Act to \$393,750,000 in each fiscal year of the 2016-17 biennium. If the Eighty-fourth Legislature, Regular Session, 2015, does not increase the annual Higher Education Fund appropriation in the General Appropriations Act, the bill would reallocate the Higher Education Fund appropriations between eligible recipient institutions and would maintain the annual constitutional appropriation for the Higher Education Fund at \$262,500,000 in General Revenue each fiscal year.

Methodology

The current annual appropriation level for the Higher Education Fund is \$262,500,000. The bill would increase the annual allocation to \$393,750,000 beginning in fiscal year 2016, which would result in an annual cost of \$131,250,000 in General Revenue. This analysis assumes the Eighty-fourth Legislature, Regular Session, 2015, would increase the appropriations for the Higher Education Fund to \$393,750,000 each fiscal year of the 2016-17 biennium in the General Appropriations Act.

If the Eighty-fourth Legislature, Regular Session, 2015, does not increase the appropriations for the Higher Education Fund for the 2016-17 biennium, the bill would have no fiscal impact.

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

LBB Staff: UP, EMu, DEH, ED