

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 2, 2019**

**TO:** Honorable Brandon Creighton, Chair, Senate Committee on Higher Education

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE:** **SB1504** by Zaffirini (Relating to the allocation of funds remaining in the B-On-Time student loan account following the abolition of that account.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1504, As Introduced: an impact of \$0 through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2020	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from Texas B-on-Time Student Loan Acct 5103</b>
2020	\$0
2021	\$0
2022	(\$134,527,000)
2023	\$0
2024	\$0

**Fiscal Analysis**

The bill would amend various Education Code provisions relating to the uses of the B-On-Time student loan account. Under provisions of the bill, the B-On-Time student loan account would be abolished on September 1, 2021 and balances remaining in the account would be used for a

performance-based methodology that allocates funding among eligible institutions based on a three-year average of the number of bachelor's degrees conferred on at-risk students.

### **Methodology**

Based on information provided by the Comptroller of Public Accounts, the fiscal year 2020 ending balance for the B-On Time Student Loan Account is projected to be \$134.5 million. For purposes of this fiscal note, it assumed that the balances in the B-On-Time account would be allocated to institutions on September 1, 2021 (fiscal year 2022).

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 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:** WP, JGAn, DEH, GO