

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 16, 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 abolition of the B-On-time student loan account and the allocation of funds remaining in that account.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1504, Committee Report 1st House, Substituted: 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:

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

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Texas B-on-Time Student Loan Acct 5103
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 based on the average number of bachelor's degrees awarded by each institution to at-risk students in the three most recent academic years for which the information is available.

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: 769 University of North Texas System Administration, 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, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: WP, JGAn, DEH, GO