

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 7, 2009

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Higher Education

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB1760 by Watson (Relating to the Prepaid Tuition Unit Undergraduate Education Program, Higher Education Savings Plans, the Texas Save & Match Program and the treatment of a beneficiary's assets under the plans in determining eligibility for student financial assistance and other programs.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend statute and extend the save and match program to the higher education savings plans offered under Subchapter H of Chapter 54 of the Education Code. The bill would allow savings plan contributions on behalf of beneficiaries to be used under the save and match program. It would also require the Texas Prepaid Higher Education Tuition Board to develop a formula to match purchases based upon a beneficiaries' annual household income. The bill would limit who would be eligible to participate in the new program. The Board would be allowed to establish pilot projects under the program in an effort to increase participation in the plan.

According to the Comptroller's office, the bill would have no fiscal impact provided that external funding was procured to provide payment for tuition units awarded under the provisions of the bill, so that there would be no negative impact on the actuarial soundness of the Texas Tomorrow Fund II Prepaid Tuition Unit Undergraduate Education Program Fund, also known as the Texas Tuition Promise Fund.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KK, JM