

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 15, 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 administration of the Texas Save and Match Program to assist qualifying beneficiaries under the state's prepaid tuition plans and college savings plans and to the treatment of a beneficiary's assets under prepaid tuition plans and college savings plans in determining eligibility for student financial assistance and other assistance programs.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Education, Health and Safety, and Human Resources Codes, relating to student financial assistance and other programs, and 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. The Comptroller's office indicates that 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. The Comptroller's office also indicated that there would be no significant administrative costs to the agency.

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