

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 3, 2003

TO: Honorable Geanie Morrison, Chair, House Committee on Higher Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB255 by Hochberg (Relating to exempting peace officers enrolled in law enforcement programs from tuition charged by a public institution of higher education.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB255, As Introduced: a negative impact of (\$764,909) through the biennium ending August 31, 2005.

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
2004	(\$374,317)
2005	(\$390,592)
2006	(\$406,867)
2007	(\$406,867)
2008	(\$406,867)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>EST OTH EDUC & GEN INCO</i> 770
2004	(\$374,317)	(\$374,317)
2005	(\$390,592)	(\$390,592)
2006	(\$406,867)	(\$406,867)
2007	(\$406,867)	(\$406,867)
2008	(\$406,867)	(\$406,867)

Fiscal Analysis

The bill would exempt peace officers enrolled in a degree or certificate program in law enforcement from paying tuition and fees for courses required for the degree or certificate program.

The bill would take effect with the fall 2003 semester or fiscal year 2004.

Methodology

This analysis uses data from a September 2001 report from the Texas Commission on Law Enforcement Officer Standards and Education (TCLEOSE). This report references a 1999 survey conducted by TCLEOSE which indicated that there are 65,203 peace officer licensees in Texas, of which 16.8 percent have at least a bachelor's degree. This analysis assumes that the remaining 54,249

peace officers would be eligible to receive an exemption from tuition and fees. Of the law enforcement agencies that responded to the TCLEOSE survey, ten percent require their peace officers to have college credit. Therefore it is assumed that ten percent of the 54,249 peace officers, or 5,425, would enroll in a college course.

The Higher Education Coordinating Board estimates that 75 percent of the individuals would attend community college and 25 percent would attend a public university. Since the peace officers are employed full-time it is assumed that they would enroll in only six semester credit hours per year. According to the Coordinating Board, the average cost per contact hour at a community college is \$34.20. The statutory tuition rate (Education Code, Sec. 54.0512) per semester credit hour at a public university is \$46 for FY 2004, \$48 for FY 2005, and \$50 for FY 2006 through FY 2008.

The tuition and fee exemptions would result in a reduction of statutory tuition revenue for universities of \$374,317 beginning in fiscal year 2004, increasing to \$406,867 in fiscal year 2008. An equivalent amount of general revenue funds would be needed to reimburse universities for the loss of tuition revenue.

Universities would also realize a reduction in non-appropriated tuition and fee revenue, such as designated tuition. However, these amounts would not impact state appropriations.

The Coordinating Board has indicated that administrative costs to determine eligibility for this program would be negligible; however, the passage of this and other legislation could warrant additional costs to the Coordinating Board.

Local Government Impact

General Revenue would not be used to offset the loss of tuition and fee revenue at community colleges, resulting in a revenue reduction of \$834,891 annually due to the exemptions.

Source Agencies: 407 Commission On Law Enforcement Officer Standards And Education, 781 Higher Education Coordinating Board

LBB Staff: JK, CT, PF, MG