

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

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**May 22, 2003**

**TO:** Honorable Tom Craddick, Speaker of the House, House of Representatives

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB261** by Hupp (Relating to the eligibility of armed forces personnel and their family members to pay tuition and fees at the rate provided to Texas residents.), **As Passed 2nd House**

<b>No significant fiscal implication to the State is anticipated.</b>
-----------------------------------------------------------------------

The bill would allow members of the U.S. armed forces or their child or spouse who is statutorily entitled to pay resident tuition to continue paying resident tuition in any subsequent term or semester while the person is continuously enrolled in the same degree or certificate program. A student would not be required to be enrolled in a summer term to remain continuously enrolled in a degree or certificate program.

The bill would allow a child of a member of the Armed Forces of the United States to establish residency in Texas independent of the parent for purposes of paying resident tuition. Current statute provides that the parent and child must establish residency together.

Based on the most recent information available from the Higher Education Coordinating Board, the estimated costs of enacting these provisions would be \$197,687 in fiscal year (FY) 2004 and \$259,362 in FY 2005, up to \$446,652 by FY 2008. This cost to General Revenue would be to offset expected losses in statutory tuition revenue.

The institutions most likely to be affected by this legislation are Tarleton State University, The University of Texas at San Antonio, and Central Texas College.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated. There would be a loss of tuition revenue at community colleges; however, the amount would not be significant based on participation rates assumed by the Coordinating Board. General Revenue would not be used to offset the loss of revenue at community colleges.

**Source Agencies:** 781 Higher Education Coordinating Board

**LBB Staff:** JK, CT, SD, WK, PF, MG