

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 23, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB531 by Giddings (Relating to tuition rebate incentives for persons who complete certain degree and certificate programs without excessive credit hours.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB531, As Introduced: a negative impact of (\$377,580) 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	(\$186,000)
2005	(\$191,580)
2006	(\$197,327)
2007	(\$203,427)
2008	(\$209,345)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1
2004	(\$186,000)
2005	(\$191,580)
2006	(\$197,327)
2007	(\$203,427)
2008	(\$209,345)

Fiscal Analysis

The bill would extend the state's current tuition rebate program to award up to a \$500 tuition rebate to students enrolled in a public community college, technical institute, or lower-division general academic teaching institution who complete a degree or certificate program that requires at least 60 semester credit hours with no more than three hours in excess of the minimum required for the degree or certificate. Four year general academic teaching institutions that award associate degrees or certificates would not qualify to award tuition rebates under this bill.

The bill would provide for reimbursements to the public general academic institutions and public technical institutes through increases in general revenue funds appropriated to the institutions. Reimbursements to community colleges would be made from appropriations managed by the Higher Education Coordinating Board.

Methodology

In fiscal year 2002, approximately 40,000 associate degrees and certificates were awarded by Texas public community colleges, public technical colleges, and the three lower-division institutions in the Texas State University System. Of this amount, 16,000 certificates required fewer than 60 hours for completion and would not be eligible for the tuition rebate. The remaining 25,000 associate degrees awarded were all for programs which required at least 60 hours.

The Higher Education Coordinating Board estimates that two percent of the technical associate degree students and one percent of the academic degree students would meet requirements for the tuition rebate, for a total of 372 eligible students in fiscal year 2004. The Coordinating Board estimates that this number would increase by three percent each year. Each student would qualify for a \$500 tuition rebate, for a total cost of \$186,000 in fiscal year 2004, \$191,580 in fiscal year 2005, and \$209,345 by fiscal year 2008.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

This fiscal note assumes the legislature would reimburse local community colleges for the tuition rebates that they grant under this legislation.

Source Agencies: 781 Higher Education Coordinating Board

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