

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 28, 2005

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

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

IN RE: HB20 by Brown, Fred (Relating to a pilot program to provide for reduced undergraduate tuition during a summer term or session at Texas A&M University.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB20, As Introduced: a negative impact of (\$12,478,101) through the biennium ending August 31, 2007.

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
2006	(\$6,114,413)
2007	(\$6,363,688)
2008	\$0
2009	\$0
2010	\$0

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
2006	(\$6,114,413)	(\$6,114,413)
2007	(\$6,363,688)	(\$6,363,688)
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0

Fiscal Analysis

If passed, the bill would reduce tuition rates for summer terms at Texas A&M Univeristy for fiscal years 2006 and 2007.

Methodology

Based on analysis by the Texas Higher Education Coordinating Board, it is estimated that 13,641 full-time students would be eligible for reduced tuition. The Higher Education Coordinating Board estimates a total of 111,171 hours would be generated in summer 2006 and 115,703 hours would be generated in summer 2007. The reimbursement rate for the state would be \$55 per hour. The tuition reimbursement cost for 2006 would be \$6,114,413; the cost for 2007 would be \$6,363,688.

Based on the following language, “This section applies only if the legislature specifically appropriates money to cover the tuition revenue lost,” it is assumed that an equivalent amount of general revenue funds would be needed to reimburse the university for the loss of both appropriated and designated tuition revenue.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 781 Higher Education Coordinating Board

LBB Staff: JOB, CT, RT, SSh