

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION
Revision 1

April 13, 2005

TO: Honorable Frank Corte, Jr., Chair, House Committee on Defense Affairs & State-Federal Relations

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

IN RE: HB1010 by Corte (Relating to the eligibility of children of certain military personnel to receive Texas B-On-time loans.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1010, As Introduced: a negative impact of (\$145,395) 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	(\$53,850)
2007	(\$91,545)
2008	(\$117,213)
2009	(\$139,579)
2010	(\$152,700)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1
2006	(\$53,850)
2007	(\$91,545)
2008	(\$117,213)
2009	(\$139,579)
2010	(\$152,700)

Fiscal Analysis

The bill would extend eligibility of the B-On-Time program to children of certain military personnel. The children would be required to meet certain graduation requirements along with the other requirements of the B-On-Time program.

Methodology

The Higher Education Coordinating Board (HECB), based on information provided by the Department of Defense Education Activity Agency, estimates there are 3,000 students graduating from Department of Defense (DoD) schools worldwide. One-half of one percent of Texas high school

graduates will use the B-On-Time program. HECB estimates that 15 DoD graduating students will be eligible for B-On-Time loans in the first year.

The retention rates for the Texas Grant would be used to determine the number of eligible students each year. Those rates are 100 percent for freshmen, 70 percent for sophomores, 65 percent for juniors, 89 percent for seniors, and 68 percent for fifth year seniors. HECB assumes that 15 new students will be added to the program each year. The loan amount is estimated to be \$3,590 each year.

Based on these assumptions, the costs will be \$53,850 in fiscal year 2006, \$93,340 in fiscal year 2007, \$117,213 for fiscal year 2008, \$139,579 for fiscal year 2009, and \$152,700 for fiscal year 2010.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: JOB, KJG, RT, GO