

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: HB1172 by Brown, Fred (Relating to the tuition charged to resident undergraduate students of institutions of higher education for excess credit hours and to related formula funding.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would reduce the undergraduate funding cap and allow universities to charge non-resident tuition to students who exceed the funding cap. The current funding cap is 45 semester credit hours (SCH) above the degree requirement. The bill would reduce the funding cap to 15 percent of the minimum number of SCH required to complete the degree program. The bill would only apply to those students who initially enroll as an undergraduate student in the Fall 2006. Cost avoidance to the state depends on discipline and level of the hours taught and is more tentative as the time period before realization increases. However, cost avoidance could be estimated by multiplying 85 percent of the semester credit hours taken over a 130-hour degree plan with the 2004 average undergraduate General Revenue appropriation. The state could avoid spending approximately \$25 million annually in General Revenue Funds after fiscal year 2011.

It is assumed that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 720 The University of Texas System Administration, 758 Board of Regents, Texas State University System Central Office, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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