

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 16, 2005

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

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

IN RE: SB151 by Zaffirini (Relating to students enrolled in junior college courses for which students may receive both high school and higher education academic credit.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB151, As Engrossed: a negative impact of (\$7,328,990) through the biennium ending August 31, 2007.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$3,664,495)
2007	(\$3,664,495)
2008	(\$3,664,495)
2009	(\$3,664,765)
2010	(\$3,664,765)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Probable Revenue Gain/(Loss) from STATE TEXTBOOK FUND 3
2006	(\$3,315,020)	(\$349,475)
2007	(\$3,315,020)	(\$349,475)
2008	(\$3,315,020)	(\$349,475)
2009	(\$3,315,020)	(\$349,745)
2010	(\$3,315,020)	(\$349,745)

Fiscal Analysis

The bill would create a pilot program of dual credit in which up to five public junior colleges would waive tuition and fees for educationally disadvantaged high school students. It would also entitle the student to free textbooks for the dual credit courses. The bill would make implementation conditional upon sufficient general revenue appropriations in an amount corresponding with the waived tuition and fees.

It is possible that the tuition and fee costs noted in this fiscal note may be financed in future years by the potential savings resulting from reductions in the number of courses taken by undergraduate students.

The bill takes effect immediately, but generally applies to the 2005-06 school year.

Methodology

There are two sources of cost to the state: tuition and fee exemptions and textbook costs. However, it should be noted that the bill would make implementation of its provisions contingent upon the legislature providing a "corresponding increase in the general revenue funds appropriated to public junior colleges" to reflect the cost of the tuition and fee exemptions. To estimate such costs, the following assumptions were used:

- 1) Costs assume one community college course's tuition and fees is \$332.
- 2) This bill would limit the program to a representative sample of five of Texas' 50 community college districts (or one-tenth of all districts). It is assumed only 10 percent of the 39,940 high school students who participated in dual-credit programs in 2003 would be able to participate in this program (about 3,994 students).
- 3) Costs assume students would take one class in Spring and Fall semesters, and about half the students would take a class in the Summer semester for an estimated cost of \$3,315,020 per year

Textbook Costs: The Texas Education Agency assumes textbooks could be used twice. Assuming a cost of \$70 per textbook, the estimated cost is \$349,475 per year.

Local Government Impact

To the extent that school districts have furnished textbooks, there may be some cost savings to districts with eligible students participating in the pilot program.

Source Agencies: 701 Central Education Agency, 781 Higher Education Coordinating Board

LBB Staff: JOB, CT, RT, GO, JAW