

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 18, 2005

**TO:** Honorable Florence Shapiro, Chair, Senate Committee on Education

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

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

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB151, As Introduced: a negative impact of (\$5,600,000) 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	(\$2,800,000)
2007	(\$2,800,000)
2008	(\$2,800,000)
2009	(\$2,800,000)
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>STATE TEXTBOOK FUND</i> 3
2006	(\$2,800,000)
2007	(\$2,800,000)
2008	(\$2,800,000)
2009	(\$2,800,000)
2010	\$0

Fiscal Analysis

The bill would create a pilot program of dual credit in which the institution of higher education waives tuition and fees for high school juniors or seniors enrolled at relatively lower property wealth school districts. It entitles the student to free textbooks for the dual credit courses. The bill would require the Commissioner of Higher Education to conduct an ongoing evaluation of the effectiveness of the program in encouraging students to graduate from the higher education institution in a more timely manner.

The bill authorizes the State Board of Education (SBOE) to set aside funds for purchase of college-level textbooks for students in the pilot program. The bill also authorizes the school district attended by program participants to provide a free textbook. It requires the SBOE to adopt rules for the new section. These provisions expires August 15, 2009.

Methodology

The bill would have a fiscal impact to the institution of higher education due to the waiver of tuition and fees. Based on estimates provided by the institutions of higher education, the loss of tuition and fees would not be significant.

The bill would have a fiscal impact to the State Textbook Fund. In 2004, there were 80,337 courses completed for dual credit. It is assumed that to satisfy the requirements of the bill, college-level text would have to be purchased every other year for each completion, resulting in approximately 40,000 books would being purchased each year. At an approximate cost of \$70, the cost would be \$2.8 million in each fiscal year until the provision expires. It is possible that some students will prefer to purchase books and retain them for future reference, which would also reduce costs to the state.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 701 Central Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Board of Regents, Texas State University System Central Office, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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