

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 28, 2005

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: SB1227 by Shapiro (Relating to public and private postsecondary educational institutions, including enrollment in those educational institutions, payment of the costs of attending those educational institutions, and financial aid and other measures to assist student to pay those costs.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1227, Conference Committee Report: a negative impact of (\$6,239,050) 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	(\$3,057,206)
2007	(\$3,181,844)
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>EST OTH EDUC & GEN INCO</i> 770
2006	(\$3,057,206)	(\$3,057,206)
2007	(\$3,181,844)	(\$3,181,844)
2008		
2009		
2010		

Fiscal Analysis

The bill amends various section of the Education Code relating to financial aid. The bill renames the TEXAS Grant II program, as the Texas Educational Opportunity Grant program. The bill also changes eligibility requirements for Tuition Equalization Grants. The bill would require the Higher Education Coordinating Board to develop a comprehensive financial aid training program. The Higher Education Coordinating Board could implement provisions of the bill within existing resources.

The bill, as amended, reduces tuition rates for summer terms at Texas A&M Univeristy for fiscal

years 2006 and 2007 by 25 percent.

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 \$27.50 per hour. The tuition reimbursement cost for 2006 would be \$3,057,206; the cost for 2007 would be \$3,181,833.

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: 601 Department of Transportation, 781 Higher Education Coordinating Board, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 783 University of Houston System Administration

LBB Staff: JOB, CT, RT, GO