

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 15, 2005**

**TO:** Honorable Royce West, Chair, Senate Committee on S/C on Higher Education

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

**IN RE: SB1671** by Hinojosa (Relating to higher education tuition exemptions for members of certain groups that are underrepresented among the faculty or administration of public junior colleges.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1671, As Introduced: an impact of \$0 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	\$0
2007	\$0
2008	(\$341,906)
2009	(\$341,906)
2010	(\$422,548)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1
2006	\$0
2007	\$0
2008	(\$341,906)
2009	(\$341,906)
2010	(\$422,548)

**Fiscal Analysis**

The bill would require the governing board of an institution of higher education to exempt from the payment of tuition a resident graduate student who is employed during the academic year by a public junior college as a faculty or administrator, is from a group that is underrepresented among the faculty or administration of the public junior college, and graduated from a high school that was low-performing or had 50% of the students were from educationally disadvantaged families.

**Methodology**

For purposes of this fiscal note, "underrepresented group" is made up of ethnic minority graduate students. In 2004, 1,662 resident graduate students were teaching at community colleges. The Higher Education Coordinating Board (THECB) estimates the total number of resident graduate students who are members of an underrepresented group to be 540. It is assumed that 40% of the underrepresented

faculty would be eligible for the exemption for a total of 216. There will be a 2% net increase in the number of students entering the program each year beginning in fiscal year 2008. THECB estimates the number of students enrolled through the program will increase from 216 in fiscal year 2006 to 229 in fiscal year 2010. THECB used the resident statutory tuition and fees for the fall 2002-03 academic year, or \$792 per semester.

Based on these assumptions, the costs to the state are estimated to be zero in fiscal year 2006, and fiscal year 2007, because General Revenue formula funding has a two-year lag. Estimates for lost statutory tuition are \$341,906 for fiscal year 2008, \$341,906 for fiscal year 2009, and \$356,400 for fiscal year 2010. An additional General Revenue appropriation for formula funding is estimated at \$66,148 for fiscal year 2010, for a total cost to the state of \$422,548 for fiscal year 2010.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 758 Board of Regents, Texas State University System Central Office, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board

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