

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 27, 2007

TO: Honorable Judith Zaffirini, Chair, Senate Committee on S/C on Higher Education

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

IN RE: HB125 by Delisi (Relating to tuition and fee exemptions for the children of certain military personnel.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill modifies the eligibility requirements for tuition and fee exemptions for children of certain military personnel.

The Higher Education Coordinating Board has estimated there are 17,564 veterans who receive Veterans Administration disability compensation at the 100% rate and are rated as totally and permanently disabled in Texas. There is no information on the number of these veterans who were residents of Texas at the time of entry. Assuming that 50% of those veterans (8,782) meet the criteria of being a Texas veteran for the purpose of Hazlewood exemption, and that 20% of those eligible will have at least one child who attends college, the estimated number of students affected is 1,756.

Since students have to exhaust their federal education benefits before using this exemption, the agency assumes approximately 15% of the 1,756, or 263, are potential children of totally and permanently disabled veterans that will use the exemptions beginning in fiscal year 2008.

Based on the number of students (8,894) utilizing the exemption in fiscal year 2005 the exemption would cost a total of \$14,383,953 or \$1,617 per student. Annual cost for 263 at \$1,617 per student exemption is therefore estimated at \$425,271.

It is assumed this cost will be absorbed by institutions of higher education, since the bill does not require the state to reimburse institutions.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board

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