

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 13, 2007**

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

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

**IN RE: HB1378** by Smith, Todd (Relating to the creation and administration of the public school mathematics and science teachers undergraduate education scholarship program.), **As Introduced**

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| <b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for HB1378, As Introduced: a negative impact of (\$805,089) through the biennium ending August 31, 2009. |
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**General Revenue-Related Funds, Five-Year Impact:**

| <b>Fiscal Year</b> | <b>Probable Net Positive/(Negative)<br/>Impact to General Revenue Related<br/>Funds</b> |
|--------------------|---|
| 2008               | (\$320,606)   |
| 2009               | (\$484,483)   |
| 2010               | (\$737,558)   |
| 2011               | (\$1,014,825)   |
| 2012               | (\$1,108,581)   |

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

| <b>Fiscal Year</b> | <b>Probable Savings/(Cost) from<br/>GENERAL REVENUE FUND<br/>1</b> |
|--------------------|--|
| 2008               | (\$320,606)  |
| 2009               | (\$484,483)  |
| 2010               | (\$737,558)  |
| 2011               | (\$1,014,825)  |
| 2012               | (\$1,108,581)  |

| <b>Fiscal Year</b> | <b>Change in Number of State<br/>Employees from FY 2007</b> |
|--------------------|---|
| 2008               | 1.0   |
| 2009               | 1.0   |
| 2010               | 1.0   |
| 2011               | 1.0   |
| 2012               | 2.0   |

**Fiscal Analysis**

The bill would create a public school mathematics and science teachers undergraduate education scholarship program. Under provisions of the bill, the Higher Education Coordinating Board would establish and administer a program to award scholarships to undergraduate students who are enrolled

in educator preparation programs at public or private institutions of higher education in this state and who agree to teach mathematics or science courses in public schools in this state for a specified period after graduation. The amount of a scholarship under this subchapter for a semester or other academic term is equal to the amount of tuition that the public or private institution of higher education in which the scholarship recipient is enrolled charges the recipient for that semester or other term. The scholarships are considered loans until the person satisfies the requirements of the program.

### **Methodology**

According to the State Board of Educator Certification, 2,025 math and science teachers received certification to teach in fiscal year 2005. The estimated number of recipients is based on a 2% increase (41) in the number of students planning to become math & science teachers in fiscal year 2008. The Higher Education Coordinating Board estimates that of the 41 new students, 90% (37 students) will attend public 4-year institutions, while 4 students will attend independent institutions.

The Higher Education Coordinating Board estimates the costs to provide forgiveness loans to 41 potential future teachers for the fiscal year 2008 is \$209,561 based on tuition and fees and the public and independent institutions. For fiscal year 2009 the total number of students increases to 82, including renewal students, for a cost of \$440,078. The students eligible for the program would increase in the remaining years to 164 in fiscal year 2012 at a cost of \$1,018,836.

The Higher Education Coordinating Board indicates they will need to hire one additional FTE in fiscal year 2008, a Loan Representative III, at cost of \$42,705 per year for salary and benefits and an Account Representative III (to service loans in repayment and to carry out loan forgiveness tasks), at an additional cost of \$45,340 in fiscal year 2012. The agency also indicated it would have a make technology changes to implement the program at a cost of \$66,640, in fiscal year 2008.

The Higher Education Coordinating Board also estimates that each year an estimated cost of \$1700 would be incurred for printing approximately 5,000 brochures for distribution to institutions of higher education, high school counselors, and other points of contact to publicize the program.

The total estimated costs for loan program is \$320,606 for fiscal year 2008, \$484,483 for fiscal year 2009, \$737,558 for fiscal year 2010, \$1,014,825 for fiscal year 2011 and \$1,108,581 for fiscal year 2012.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 781 Higher Education Coordinating Board

**LBB Staff:** JOB, MN, RT, GO