

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 9, 2007

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

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

IN RE: HB3321 by Truitt (Relating to requiring a health benefit plan for enrollment at a public institution of higher education.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require students to be enrolled in a health benefit plan and to submit proof of health insurance to the institution before the students can enroll in the institution. Under provisions of the bill, the institution may provide a health benefit plan to the student and impose a charge for providing that plan. The student may elect to be sponsored by the university or by a third party insurer. Upon a written request from the student, the institution must provide an estimate of the cost of the health benefit as a part of the educational cost and may cover all or part of the costs as part of the financial aid provided. The institution may provisionally enroll a student who is not covered under a health benefit plan for one semester to allow the student sufficient time to obtain coverage. The bill authorizes the coordinating board to establish rules including the minimum coverage standards. The changes apply beginning with the 2008 fall semester.

Several institutions have raised concerns that students would decide not to enroll in the institution in lieu of getting health coverage. The Texas State University System estimates that of the approximately 70,000 students, 20% to 30% are not insured. If 20% are uninsured, they estimate 14,000 students will have to purchase health insurance coverage, at approximately \$125 per month for premiums. The amount for 9 months would be \$1,125 per student. The Texas State System estimates the total cost to students would be \$15.7 million. The University of Texas System also indicates that several of their component universities (the University of Texas at Brownsville, University of Texas at El Paso and University of Texas-Pan American) have estimated tuition (designated and statutory tuition) and fee losses totaling \$15 million to \$17 million per year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

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