

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 5, 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: SB89 by Van de Putte (Relating to the residency requirements for tuition and fee exemptions for certain military personnel and their dependents.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would modify the residency requirements for tuition and fee exemptions for certain military personnel and their dependents. The Higher Education Coordinating Board estimates that in fiscal year 2006, 8,810 veterans and children of veterans used the Hazlewood exemption. The tuition and fees they were exempted from paying totaled \$16.9 million. The Texas Veterans Commission estimates 1.7 million veterans live in Texas, but has no data about the share of them who are originally from Texas. The Higher Education Coordinating Board assumptions are that: the number of people qualifying to participate in the program because of the change in eligibility requirements will increase by 1% per year through fiscal year 2012. Their enrollment pattern among types of institutions will remain the same as in fiscal year 2006.

Using fiscal year 2006 data as a starting point, the Coordinating Board calculated the number of additional students that would enroll using the exemption if enrollments increased by 1 percent per year. Using the average award amounts of \$1,913 for fiscal year 2006, the Coordinating Board estimated the institutions will experience additional losses of tuition and fees through the exemption at \$168,528 in fiscal year 2008, \$338,742 in fiscal year 2009, \$510,658 in fiscal year 2010, \$684,293 in fiscal year 2011, and \$859,664 in fiscal year 2012. It is assumed the cost will be absorbed by the institutions of higher education since the bill does not require the State to reimburse the institutions.

Local Government Impact

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

Source Agencies: 781 Higher Education Coordinating Board

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