

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 13, 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: SB1242 by Averitt (Relating to tuition exemptions granted by public institutions of higher education to students who have served in certain school district tutoring programs.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill creates tuition exemptions granted by public institutions of higher education to students who have served in certain school district tutoring programs. The bill permits a school district to establish a program whereby students in ninth grade or higher, upon completing a training program, may tutor other district students. Student tutors receive an exemption for three semester credit hours (SCH) of tuition at an institution of higher education for each semester they serve as a tutor for at least 3 hours per week. The maximum exemption is 24 semester credit hours.

The University of Texas System indicates the combined impact to statutory and designated tuition at the University of Texas academic institutions for the fiscal year 2009 is \$3.6 million growing to \$15.6 million by fiscal year 2012. They indicate the majority of this loss is projected at the University of Texas at Austin which estimated up to one-half of its entering freshman class would be eligible for the exemption with total exemption hours per student increasing to 15 beginning in fiscal year 2010 as the program becomes better known. The Texas A&M System also indicated that they would have tuition losses of \$3.4 million in fiscal year 2009 and growing to \$4.4 million by 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 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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