

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 23, 2009**

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Finance

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

**IN RE: HB518** by Kolkhorst (Relating to programs to provide student loan repayment assistance for certain correctional officers and for certain speech-language pathologists and audiologists.),  
**As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB518, As Engrossed: a negative impact of (\$1,260,668) through the biennium ending August 31, 2011.

**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> |
|--------------------|---|
| 2010               | (\$391,551)   |
| 2011               | (\$869,117)   |
| 2012               | (\$920,957)   |
| 2013               | (\$1,145,117)   |
| 2014               | (\$1,496,597)   |

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

| <b>Fiscal Year</b> | <b>Probable (Cost) from<br/>General Revenue Fund<br/>1</b> |
|--------------------|--|
| 2010               | (\$391,551)  |
| 2011               | (\$869,117)  |
| 2012               | (\$920,957)  |
| 2013               | (\$1,145,117)  |
| 2014               | (\$1,496,597)  |

| <b>Fiscal Year</b> | <b>Change in Number of State<br/>Employees from FY 2009</b> |
|--------------------|---|
| 2010               | 1.0   |
| 2011               | 1.0   |
| 2012               | 1.0   |
| 2013               | 1.0   |
| 2014               | 1.0   |

**Fiscal Analysis**

The bill would create programs to provide student loan repayment assistance for certain correctional officers and for certain speech-language pathologists and audiologist.

The bill would create a pilot program, administered by the Higher Education Coordinating Board, to provide student loan repayment assistance to certain correctional officers who graduate from Sam Houston State University if certain eligibility requirements are met, including a two year service requirement. Under provisions of the bill, the loan repayment may not exceed the cost of attendance for officers to enroll in 30 semester credit hours of junior or senior-level coursework at the university. The loans would be paid from a trust fund , which is outside the treasury but is held in trust by the comptroller. Gifts and grants as well state appropriations may be used to fund the program.

The bill would create a student loan repayment assistance program for speech-language pathologists or audiologists employed by a public school. The program would be administered by the Higher Education Coordinating Board. Under provisions of the bill, to be eligible for repayment assistance, the speech-language pathologist or audiologist would be required to: (1) apply to the Higher Education Coordinating Board; and (2) have been employed at full time capacity for at least one year by a public school; or (3) have been employed as a full-time faculty member of a communicative disorders program at an institution of higher education or private or independent institution of higher education for at least one year. The Board may also provide repayment assistance on a pro rata basis to speech-language pathologists or audiologists who are employed part-time by a public school or institution of higher education or private or independent institution of higher education.

The total amount of repayment assistance grants received by a speech-language pathologist or an audiologist under this chapter may not exceed, 1) for an eligible recipient who holds a master's degree but not a doctoral degree, a total of \$30,000 over five years; or 2) for an eligible recipient who holds a doctoral degree, \$45,000 over five years. The Board may provide repayment assistance for any student loan received by a speech-language pathologist or audiologist except for those loans that are in default. Funding for the repayments will come from money that is appropriated to the Board each biennium. The Board may also accept funds through gifts, grants, and donations to use for the student loan repayment assistance grants

## **Methodology**

For purposes of this fiscal note it is assumed that general revenue would be used to support both programs.

### **Pilot Loan Repayment Program for Correctional Officers**

Sam Houston State University reported 409 graduates in Bachelor of Arts in Criminal Justice & Safety for fiscal year 2008. For purposes of this fiscal note it is assumed that 5% of these graduates will meet the eligibility requirements of the program, or approximately 20 graduates per year. The Higher Education Coordinating Board indicates that the cost of tuition and fees at \$5,904 per year resulting in scholarship awards of approximately \$118,000 per year. Since the officers would be required to fulfill a two-year service requirement beginning in fiscal year 2010, the scholarships (totaling \$236,000) will not be disbursed until fiscal year 2011.

### **Loan Repayment Program for Speech Language Pathologists and Audiologists**

For purposes of this fiscal note it is assumed that 45 speech-language pathologists and audiologists and two faculty members employed in a communicative disorder program at institutions of higher education including private and independent institutions will receive loan repayment assistance in fiscal year 2010. It is also assumed that the annual loan repayment is \$5,000 for speech-language pathologists per year (the bill allows for a total of \$30,000 over five years) and \$9,000 per year for faculty of communicative disorders programs (the bill allows for a total of \$45,000 over five years) resulting in a total cost of \$288,000 in fiscal year 2010. The number of pathologists and audiologist and faculty members receiving loan repayment assistance would increase by the same amount (45 and 2) in the subsequent years increasing to a total of 225 in fiscal year 2014.

### **Administrative Costs**

The Higher Education Coordinating Board has indicated they would need to hire one additional FTE to administer both programs. The total costs for salaries and benefits for the FTE is \$68,131 in fiscal

year 2010 and \$56,957 for subsequent years. There would also be \$17,710 in technology costs for developing new loan repayment programs.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 781 Higher Education Coordinating Board, 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, 783 University of Houston System Administration

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