

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 13, 2009

**TO:** Honorable Frank Corte Jr., Chair, House Committee on Defense & Veterans' Affairs

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

**IN RE: HB1502** by Veasey (Relating to tuition exemptions at public institutions of higher education for dependents of certain military personnel deployed in combat zones.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

Under provisions of the bill, an institution of higher education shall exempt from the payment of tuition a dependent child, including a stepchild, of a member of the Armed Forces of the United States for a semester or other academic term during which the member of the armed forces is deployed to combat or a combat support posting in a foreign country.

In fiscal year 2007, the Texas Veterans Commission estimates that 1.7 million veterans are currently living in Texas, but has no data on the number that are active and currently deployed to combat. Based on information from the U. S. Department of Defense, the total number of U.S. troops in Iraq and Afghanistan is estimated at 146,000 and 38,000, respectively, for a total of 184,000. Statistics from the U.S. Census Bureau show that the population of Texas represents 8 percent of the entire population of the U.S. The Higher Education Coordinating Board multiplied the total number of active U.S. troops (146,000), by this same percentage, to arrive at an estimate of 14,720 Texas troops who are deployed to combat or in combat support positions in a foreign country. They then assumed that 75 percent of Texas troops have children, of which 15 percent are college-age, for an estimate of 1,656. Of those children, they assumed that 5 percent, or 83, would meet the requirements and enroll in an institution of higher education in the fall 2009 semester. They further assumed that the number of children qualifying to participate will increase by 1 percent per year through fiscal year 2014. It is assumed that the students enrollment pattern among types of institutions and average award amount will remain the same as in fiscal year 2007.

The average tuition (excluding fees) amounts for resident, under-graduates in fiscal year 2008 were \$4,160 at universities, \$4,142 at health related institutions, \$1,210 at community colleges, \$2,500 at state colleges, and \$2,530 at technical institutions. Assuming that approximately 50% of the students would attend universities and 46% would attend community colleges with the remaining students attending health related institutions and technical colleges (based on participation rates in the Hazlewood exemption program), the institutions will experience additional losses of tuition revenue estimated at \$344,448 in fiscal year 2010. The revenue losses would increase slightly in subsequent years as the number of students using the exemption increase.

#### 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, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board

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