

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 5, 2009

TO: Honorable Dan Branch, Chair, House Committee on Higher Education

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

IN RE: HB2140 by McClendon (relating to tuition and fee exemptions at public institutions of higher education for certain veterans of the Texas State Guard.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill amends Section 54.203 (a) of the the Education Code to specify that institutions of higher education exempt from tuition and fees certain veterans of the Texas State Guard. The bill applies beginning with tuition and fees charged for the 2009 fall semester. The Texas State Guard is one of three branches of the Texas Military Forces; the other two branches are the Texas Army National Guard and the Texas Air National Guard. Texas State Guard statistics show that the estimated number of currently active Texas State Guard men and women is 1500. The Texas State Guard also estimate that 7,000 Texas State Guard members have been honorably discharged and served at least a portion of their service since 1971. The Higher Education Coordinating Board multiplied 7,000 by 50 percent to arrive at an estimate of 3,500 Texas State Guard men and women who would have met program requirements for the Hazlewood exemption. Of those, they assumed that 6 percent, or 210 members, would enroll in fiscal year 2010, increasing by 3 percent in the subsequent years.

The average award amounts for fiscal year 2007 Hazlewood participants were \$3,208 at universities, \$4,697 at health related institutions, \$964 at community colleges, \$858 at state colleges, and \$1,334 at technical institutions. Applying the applicable percentage of total fiscal year 2007 Hazlewood exemptions for each type of institution (general academic institutions, health-related institutions, community colleges, state colleges and technical colleges) to the estimated numbers of additional students, the Higher Education Coordinating Board estimated the amount of tuition and fee revenue that institutions would forego in fiscal year 2010 was \$452,490 with small increases in the subsequent years. The revenue losses are not considered significant.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board, 758 Texas State University System, 769 University of North Texas System Administration, 783 University of Houston System Administration

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