

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 20, 2009

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

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

IN RE: HB2937 by Driver (Relating to higher education student loan repayment assistance for peace officers.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2937, As Introduced: a negative impact of (\$7,560,000) through the biennium ending August 31, 2011.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|--|
| 2010 | (\$2,520,000) |
| 2011 | (\$5,040,000) |
| 2012 | (\$7,560,000) |
| 2013 | (\$10,080,000) |
| 2014 | (\$12,600,000) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable (Cost) from General Revenue Fund 1 |
|-------------|---|
| 2010 | (\$2,520,000) |
| 2011 | (\$5,040,000) |
| 2012 | (\$7,560,000) |
| 2013 | (\$10,080,000) |
| 2014 | (\$12,600,000) |

Fiscal Analysis

Under provisions of the bill, the Higher Education Coordinating Board would create a peace officer loan repayment assistance program. A person that qualifies for the program could receive loan repayment assistance for up to five years. The total amount of the loan could not exceed \$20,000.

Methodology

For purposes of this fiscal note it is assumed 630 peace officers would receive loan repayment awards of \$4,000 per year beginning in fiscal year 2010. An additional 630 peace officers would be added to the program each year in the subsequent years. Based on these assumptions by fiscal year 2014, 3,150 peace officers would be receiving awards. Costs associated with implementing the program would be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: JOB, GO, KK, RT