

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

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

**April 8, 2009**

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

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

**IN RE: HB3795** by Morrison (Relating to the public awareness campaign promoting higher education.), **As Introduced**

<b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for HB3795, As Introduced: a negative impact of (\$204,440,821) through the biennium ending August 31, 2011.
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**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	(\$102,231,332)
2011	(\$102,209,489)
2012	(\$102,209,489)
2013	(\$102,209,489)
2014	(\$102,209,489)

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

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>
2010	(\$102,231,332)
2011	(\$102,209,489)
2012	(\$102,209,489)
2013	(\$102,209,489)
2014	(\$102,209,489)

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

**Fiscal Analysis**

Under provisions of the bill, the Higher Education Coordinating Board (HECB) in conjunction with the Texas Education Agency (TEA) would establish a statewide public awareness campaign targeting students in the 7th through 12th grade levels. The Higher Education Coordinating Board would coordinate the campaign efforts with TEA, State P-16 Council, and other appropriate entities and hold

meetings for targeted students and their parents at institutions of higher education to discuss the importance of higher education and how to prepare and pay for it. Support mechanisms for the parents of targeted students to aid them in their understanding of the financial aid, college readiness, and admissions processes would also be developed.

The bill also requires the HECB and TEA to create a new financial aid program (above and beyond what is currently available) that would assist students who meet the recommended high school program and the advanced high school program. HECB staff would oversee the program.

## **Methodology**

The costs associated with the bill will be split out between the new financial aid program and the public awareness campaign.

### **Financial Aid Program**

For costs associated with the financial aid program, the Higher Education Coordinating Board has estimated that 102,334 students would qualify per year taking into consideration the current percentage of students graduating with the recommended high school program or the advanced high school program (77.9%, or 187,770 students) combined with the state college-going rate (54.5%). Assuming that the students would receive an award of \$1,000, the total cost would be \$102 million per year. Technology costs to administer the new financial aid program are estimated at \$12,864 in fiscal year 2010 and \$2,000 per year thereafter.

### **Public Awareness Campaign**

The Higher Education Coordinating Board has indicated that conducting one meeting at an institution would cost approximately \$32,000 based on staff time, travel expenses, printed materials, marketing via tv, radio and newspapers, and other expenses. For purposes of this fiscal note, it is assumed that five meetings will take place per year.

The Higher Education Coordinating Board has indicated they will need to hire 1 additional FTE, a program tech VI, at a cost of \$58,468 in fiscal year 2010 and \$47,489 in fiscal year 2011 and subsequent years for salaries and benefits.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 701 Central Education Agency, 781 Higher Education Coordinating Board

**LBB Staff:** JOB, KK, RT, GO