

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 13, 2009

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

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

IN RE: HB3968 by Kleinschmidt (Relating to reduced tuition rates at public institutions of higher education for certain children of state employees.), **As Introduced**

No significant fiscal implication to the State is anticipated.

Under provisions of the bill, certain children of state employees could receive reduced tuition rates at public institutions of higher education.

Based on information provided by the Higher Education Coordinating Board, there were 408,485 persons reported as state employees in the first and second quarters of 2008. In the second and third quarters there were 422,197. They averaged these numbers to estimate the number of on-going employees who have worked at least 6 months- 415,341. They also assumed 90% of them were employed full-time, 45% had college-age children, and that those with college-age children would, on average, have 1.5 college-age children. The state's college-going rate is 53.40%, and they assumed that this equaled the share of the employees' children who would attend college. They estimated 85% would attend college in Texas and 90% of the persons attending college in Texas would attend public institutions. When all of these percentages are multiplied, 103,075 students would enroll and qualify for tuition discounts.

The Higher Education Coordinating Board assumed each school would, on average, provide a 10% discount and that the 103,075 students would enroll in various types of public institutions of higher education in proportion to the current enrollment which is approximately 45% in universities and approximately 52% in community colleges with the remaining students enrolled in technical colleges and health related institutions. To determine the cost to the institutions they multiplied the number of students per sector times the percent of a full-time load normally taken times the applicable tuition at each type of institution, times 10%. Based on these calculations, the amount of tuition that would be reduced at the institutions would be approximately \$9.5 million per year.

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, 781 Higher Education Coordinating Board

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