

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 30, 2009

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

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

IN RE: HB4556 by Naishtat (relating to measures to promote the pursuit of higher education by AmeriCorps participants.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4556, Committee Report 1st House, Substituted: a negative impact of (\$4,216,807) 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	(\$2,114,203)
2011	(\$2,102,604)
2012	(\$2,102,604)
2013	(\$2,102,604)
2014	(\$2,102,604)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2010	(\$2,114,203)
2011	(\$2,102,604)
2012	(\$2,102,604)
2013	(\$2,102,604)
2014	(\$2,102,604)

Fiscal Year	Change in Number of State Employees from FY 2009
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 may develop and administer a program of financial assistance, or other measures the Board considers appropriate, to provide incentives for AmeriCorps participants to pursue postsecondary education at institutions of higher education. The program may include scholarships, grants that match any money received from a Segal

AmeriCorps Education Award, or other incentives such as reimbursement to institutions that waive application fees or other costs for applicants or students who are current or former AmeriCorps participants.

Methodology

While the bill is permissive and would allow the Higher Education Coordinating Board to implement the financial assistance program, for the purpose of this fiscal note our analysis assumes the HECB will implement the program and these potential costs are reflected in the above table.

The Higher Education Coordinating Board has indicated that they would need to hire one FTE, a program director, to manage the financial assistance program, develop the incentive program, develop measures to promote higher education participation, work with institutions to promote awards, monitor funds, and determine if AmeriCorp members should receive academic credit for service. The cost associated with the salary and benefits for program director will be \$89,203 in fiscal year 2010 and \$77,604 in fiscal year 2011 and subsequent years.

The Higher Education Coordinating Board has estimated the costs associated with the financial assistance awards at \$2,025,000 annually based on 300 students receiving grants of \$6,750 per student. These amounts are based on 300 reduced half time AmeriCorps members being paid \$10 per hour and serving 675 hours at 15 institutions of higher education.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: JOB, KK, RT, GO