

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 17, 2009

**TO:** Honorable Judith Zaffirini, Chair, Senate Committee on Higher Education

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

**IN RE: SB200** by Shapleigh (Relating to providing resident tuition at public institutions of higher education for certain military veterans and their dependents.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill relates to providing resident tuition at public institutions of higher education for certain military veterans and their dependents. In fiscal year 2007, the Texas Veterans Commission (TVC) estimates that 1.7 million veterans are currently living in Texas, but has no data about the share of them who are originally from Texas. The Veterans' Administration estimates 33,260 of these veterans are using federal education benefits. The Higher Education Coordinating Board estimated that 10 percent (of the 1.7 million), or 170,000 have lived in Texas less than one year and are considered "non-residents". Out of this 170,000, the Higher Education Coordinating Board estimates that: 2% (3,400) will enroll because of the new waiver; 1,530 spouses and 1,275 children of veterans will enroll for a total of 6,205 additional students in 2010. They further assume that the number of people qualifying to participate in the program (veterans, their spouses and children) will increase by one percent per year through fiscal year 2014. Their enrollment pattern among types of institutions and average award amount will remain the same as in fiscal year 2007.

The Higher Education Coordinating Board first calculated the award amounts and average value of all military waivers received in fiscal year 2007 to determine the percentage of participants using these waivers per type of institution. Applying these same percentages to the fiscal year 2010 estimated number of students, they calculated the number of additional students that would enroll using the waiver if enrollments increased by one percent per year. They estimated the number of students using the waiver in fiscal year 2010 would begin at 6,205 increasing by one percent thereafter and reaching 3,457 in fiscal year 2014.

The average award amounts for fiscal year 2007 tuition and fee waivers for military in Texas were \$4,978 at universities, \$7,036 at health-related institutions, \$1,203 at community colleges, and \$1,725 at technical colleges. Applying the applicable percentage of total fiscal year 2007 waivers for each type of institution to the estimated numbers of additional students, the estimated amount of tuition and fee revenue that the institutions would forego is \$13,467,334 in fiscal year 2010 and \$13,602,007 in Fiscal year 2011. Additional losses are estimated at \$13,738,027 in fiscal year 2012, \$13,875,408 in fiscal year 2013, and \$14,014,162 in fiscal year 2014.

It is assumed the cost will be absorbed by the institutions of higher education since the bill does not require the State to reimburse the institutions.

#### Local Government Impact

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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