

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

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

**April 15, 2009**

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

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

**IN RE: SB816** by Patrick, Dan (relating to the Texas Teach Corps Loan Repayment Assistance Program for undergraduate students who agree to teach in school districts in this state that have shortages of teachers in mathematics or science.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB816, Committee Report 1st House, Substituted: a negative impact of (\$85,841) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	(\$17,710)
2011	(\$68,131)
2012	(\$56,957)
2013	(\$5,056,957)
2014	(\$10,056,957)

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

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from GENERAL REVENUE FUND 1</b>
2010	(\$17,710)
2011	(\$68,131)
2012	(\$56,957)
2013	(\$5,056,957)
2014	(\$10,056,957)

<b>Fiscal Year</b>	<b>Change in Number of State Employees from FY 2009</b>
2010	0.0
2011	1.0
2012	1.0
2013	1.0
2014	1.0

**Fiscal Analysis**

The bill would create the Texas Teach Corps Student Loan Repayment Assistance Program, administered by the Higher Education Coordinating Board, for eligible students who agree to teach in public schools that have teacher shortages in math and science. Under provisions of the bill, not more than 4,000 eligible persons may be awarded loan repayment assistance in any one year, but beginning in the 2012-13 academic year, not more than 1,000 eligible persons may receive loans. The number of eligible persons would increase by a 1,000 each academic year.

Subject to the availability of funds, the amount of an assistance payment provided under the bill in any year could not exceed \$5,000. Except as provided for the bill, for the first school year of employment and each following consecutive school year of employment, not to exceed four years, the Higher Education Coordinating Board may provide assistance for the repayment of a portion of an eligible person's eligible loans.

The bill would create the mathematics and science teacher investment fund. The fund is a dedicated account in the general revenue fund and consists of appropriations of money to the fund by the legislature; gifts, grants, and other donations received for the fund; and interest and other earnings from the investment of the fund. The fund could only be used to provide repayment assistance for the repayment of eligible loans as specified in the bill.

Under provisions of the bill, the Higher Education Coordinating Board would begin providing loan repayment assistance for eligible persons teaching in the 2012-13 school year.

### **Methodology**

For purposes of this fiscal note, the Higher Education Coordinating Board assumed that they will begin receiving applications from eligible juniors beginning in fiscal year 2011 and that these juniors will continue to meet all requirements through graduation in fiscal year 2012 and the service period ending in fiscal year 2013. It is also assumed the amount of loans would be \$5,000 and the number of loans awarded would be 1,000 in fiscal year 2013, and 2,000 in fiscal year 2014. These amounts could be less depending on the tuition and fees covered by the loans and how many students take advantage of the program.

The remaining costs include an account representative that would be hired at a total salary and benefit costs of \$68,131 in fiscal year 2011 and \$56,957 in fiscal year 2012 and subsequent years and one time technology costs for custom programming to add a new loan type with unique characteristic to the Higher Education Coordinating Board's student loan software system (in fiscal year 2010 only).

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 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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