

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 21, 2009

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

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

IN RE: SB1269 by Shapleigh (Relating to setting aside for TEXAS grant funding tuition paid by students at campuses maintained by public institutions of higher education outside the United States.), **As Introduced**

No significant fiscal implication to the State is anticipated.

Under provisions of the bill, the governing board of an institution of higher education that maintains a campus outside of the United States will set aside five percent of the amount of tuition charged to students enrolled at the campus to support the TEXAS grant program. The amount of the set aside is in addition to an amount that may be required by law to be set aside to provide funding for financial aid. The bill applies beginning with tuition charged for the 2009-2010 academic year.

Based on information provided by Texas Tech System, there was a total of 114 students enrolled at their campuses, in Seville, Spain and Quendlinburg, Germany in the 2008-09 academic year. These students would contribute approximately \$8,926 per year to the TEXAS grant program based on the amount of semester credit hours they were taking (1723) and the amount of statutory (\$50 per SCH) and designated tuition (\$53.6 per SCH) they were paying. This amount was multiplied by 5% to calculate the set aside. These amounts are not considered significant

For Texas A&M's campus in Qatar, Texas A&M University does not set the tuition rates, bill students, or collect the tuition. The Qatar Foundation takes care of these tasks. Essentially, Texas A&M can be viewed as a contractor that is paid to administer the campus in Qatar and to provide programs, courses, and services. Therefore it is assumed that Texas A&M University does not "maintain" a campus outside the United States and would not fall under the provisions of the bill.

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, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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