

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**April 9, 2009**

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

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

**IN RE: SB1342** by Hinojosa (Relating to authorization for an exemption from tuition and fees charged by a junior college district for employees of the district and for state reimbursement of the district's revenue loss from the exemption.), **As Introduced**

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

This bill would give community college districts the option to provide free or discounted tuition and fees for district employees. Since community college tuition is not appropriated by the state, the cost of any tuition exemption or reduction would be borne by the local community college district.

The bill also requires the Texas Higher Education Coordinating Board to include in its recommended formula funding to the Legislature the free or discounted tuition and fee revenue resulting from passage of this bill.

To the degree the Legislature opts to allocate its formula contributions using the recommendations of the THECB, and to the degree this free or discounted tuition affects the THECB's formula recommendations, there would be a slight allocation shift of the state's formula contributions to the 50 districts.

**Local Government Impact**

The cost to districts will vary based on the degree individual community college districts opt to provide free or discounted tuition to district employees.

**Source Agencies:** 781 Higher Education Coordinating Board

**LBB Staff:** JOB, JAW, KK, RT