

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**April 5, 2009**

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

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

**IN RE: SB1765** by Watson (Relating to financial assistance funded from the amounts of certain fees charged to students enrolled at public institutions of higher education.), **As Introduced**

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

The bill would clarify what constitutes a student fee and would require institutions of higher education to set aside a portion of the student fee for student assistance. The bill amends Sections 56.011, 56.012, and 56.013 of the Education Code to modify the set asides for financial assistance to be a percentage of the total amount of: 1) any amount of tuition charged in excess of \$46 per semester credit hour, 2) any student fee first imposed in the 2009 fall semester or subsequent semesters, and 3) any student fee increase that takes effect in the 2009 fall semester or subsequent semesters. The bill also modifies the application of financial assistance to include grants, scholarships, or work-study programs, and, exclude student loans or student loan repayment assistance. Several institutions have raised concerns that the proposed legislation would have a negative financial impact on the schools access to revenue sources available for operational needs.

**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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