

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 2, 2011

TO: Honorable Leticia Van de Putte, Chair, Senate Committee on Veteran Affairs & Military Installations

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

IN RE: SB1723 by Zaffirini (Relating to tuition and fee exemptions for certain military personnel and their spouses and dependent children for under-enrolled undergraduate classes at public institutions of higher education.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would allow certain Texas residents who are members or veterans of the Texas Military Forces or a spouse or dependent of such a person to attend classes for free if the classes are not full and the student meets the admission requirements of the institution beginning with the 2011 fall semester.

Based on information provided by the Higher Education Coordinating Board, the total number of Texas National Guard, Texas Air National Guard, and Texas State Guard service members in Texas is approximately 31,626. Based on the program requirements, the Higher Education Coordinating Board estimated that only twelve percent, or 3,795, of the service members are eligible for the exemption. Of those, they assumed that 10 percent, or 380, members would enroll in fiscal year 2012. They further assumed that seventy-five percent (2,846) of service members are married, but only 2%, or 57, of these spouses are eligible and would enroll. They estimated that twenty percent, or 759, of these members have college-age children, and that 10%, or 76, of these children would enroll. They estimated a total of 512 service members, spouses and children would enroll in college and that fifteen percent, or 77, would be unable to enroll in basic courses because they were full – resulting in 435 students who would be eligible for the exemption. They further assumed that fifty percent, or 218, of these students would enroll utilizing the exemption in fiscal year 2012. The total number of participants will increase by twenty-five percent in fiscal year 2013; increase to full participation (435) in fiscal year 2014; and increase another 10% per year in fiscal year 2015 and fiscal year 2016.

The enrollment pattern among types of institutions and average award amount will remain the same as in fiscal year 2010. The average yearly undergraduate tuition charges for fiscal year 2009 were \$4,704 at universities, \$4,754 at health-related institutions, \$1,292 at community colleges, \$2,600 at state colleges, and \$2,976 at technical institutions. Applying the applicable amount for each type of institution to the estimated numbers of additional students, the Higher Education Coordinating Board estimated the amount of tuition revenue that institutions would forego as a result of the additional students. The institutions will experience additional losses of tuition revenue through the exemption estimated at \$703,728 in fiscal year 2012 and \$879,661 in fiscal year 2013. Additional losses are estimated at \$1,407,457 in fiscal year 2014 and \$1,548,203 in fiscal year 2015. These tuition losses are not considered significant.

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, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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