

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 5, 2011

TO: Honorable Dan Branch, Chair, House Committee on Higher Education

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

IN RE: SB1734 by Van de Putte (Relating to tuition and fee exemptions at public institutions of higher education for certain Texas military veterans.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill amends Section 54.203 of the Education Code, by extending tuition and fee exemptions to members of the Texas National Guard and Texas Air National Guard who served on active duty in a theater of combat operations along with the United States armed forces without regard to the length of time served in that theater.

Using information from the Texas National Guard (TNG) and Texas Air National Guard (TANG), the total number of service members is 22,619. For fiscal year 2009, the number of TNG/TANG men and women who served active duty was estimated by the Higher Education Coordinating Board at 4,500. They estimate that fifty percent, or 2,250, of these service members have met program requirements for the Hazlewood exemption. Of those, they assumed that 15 percent, or 338 members, would enroll in fiscal year 2012. Also, they assumed that twenty percent, or 450 of these Guard members have college-age children; twenty percent, or 90 of them would receive unused hours through Legacy and would enroll. A total of 428 Guard members and children would enroll utilizing the exemption in fiscal year 2012. They further assumed that the number of members and children qualifying to participate will increase by 5 percent in fiscal year 2013 and fiscal year 2014; increasing to 6% in fiscal year 2015, and fiscal year 2016. Based on these assumptions the number would increase from 428 in fiscal year 2012 to 530 by fiscal year 2016.

The average award amounts for fiscal year 2010 Hazlewood participants were \$3,758 at universities, \$5,525 at HRIs, \$932 at community colleges, \$1,627 at state colleges, and \$1,608 at technical institutions. Applying the applicable percentage of total fiscal year 2010 Hazlewood exemptions for each type of institution to the estimated numbers of additional students, they estimated the amount of tuition and fee revenue that institutions would forego as a result of the additional students. The institutions will experience additional losses of tuition and fee revenue through the exemption estimated at \$1,090,466 in fiscal year 2012 and \$1,144,990 in fiscal year 2013, continuing to slightly increase from, fiscal year 2014 on. 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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