

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 16, 2013

TO: Honorable José Menéndez, Chair, House Committee on Defense & Veterans' Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1159** by Van de Putte (Relating to higher education for certain military personnel and their dependents.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill amends the Education Code relating to higher education for certain military personnel and their dependents. Under provisions of the bill, if a person was previously offered admission or was enrolled in a graduate or professional program at a general academic institution or medical and dental unit and was unable to attend due to deployment as a member of the armed services, the institution/unit must readmit the person, accept previously submitted standardized test score, and apply credit for prior course work under the program. Based on analysis of information provided by the Higher Education Coordinating Board (THECB) and institutions of higher education, it is assumed that the provisions of the bill can be absorbed within existing resources.

In regards to the exemption under Section 54.341 of the Education Code relating to military personnel, the bill clarifies certain eligibility requirements and removes the age requirement of children to be 25 years of age or younger on the first day of the semester or academic term to receive an exemption of tuition and fees for dependents of certain deceased, disabled, or missing in action veterans. The exemption applies to statutory tuition, designated tuition, and certain fees at public higher education institutions, including general academic institutions, health related institutions, public community/junior colleges, and other two year institutions. Based on information provided by THECB and institutions of higher education, it is assumed that removing the age requirement will allow more dependents to meet the eligibility requirements and receive the tuition and fee exemption under this section of the Education Code. Based on an analysis of information provided by THECB, it is estimated that the change in eligibility requirements could result in a loss of tuition and fee revenue across all public institutions of higher education of approximately \$1.0 million to \$1.3 million per fiscal year. The increase in students could also result in an additional cost to general revenue due to increased formula costs beginning in fiscal year 2016. However, it is assumed that these amounts would not be significant across all public institutions of higher education and could be absorbed within existing resources.

The bill would require the Legislative Budget Board, in consultation with the Texas Higher Education Coordinating Board and Texas Veterans Commission, to study, review, and make recommendations concerning tuition and fee exemptions provided under Section 54.341 of the Education Code. Institutions of higher education are required to cooperate in both providing and ensuring validity of data relating to the tuition and fee exemptions. The report is due December 1, 2014. This estimate assumes the Legislative Budget Board would utilize existing resources and

complete the analysis in-house. It is assumed that any provisions of the bill associated with the Higher Education Coordinating Board and the Texas Veterans Commission can be absorbed within existing resources at the agencies.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 403 Veterans Commission, 710 Texas A&M University System Administrative and General Offices, 768 Texas Tech University System Administration, 783 University of Houston System Administration, 720 The University of Texas System Administration, 758 Texas State University System, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board

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