

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 5, 2015

TO: Honorable John Zerwas, Chair, House Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3273 by Rodriguez, Eddie (Relating to the exemption of tuition and fees at public institutions of higher education for certain certified or licensed paramedics.), **As Introduced**

The fiscal implications of the bill cannot be estimated at this time, but will result in probable General Revenue costs associated with the bill due to increased formula funding from 2018-2020 and a probable decrease in tuition and fee revenue each fiscal year from 2016-2020 for institutions of higher education. Included below is information regarding the estimated fiscal implication.

The bill would amend the Education Code to provide an exemption from tuition and laboratory fees to certain qualifying students enrolled in one or more courses offered as part of a medical curriculum. A qualifying student is either employed by a political subdivision of this state as a certified emergency medical technician or has been an active member of a municipal emergency medical services provider for a year and holds an associate's degree as a licensed paramedic. A qualifying student must meet satisfactory academic progress toward a degree or certificate as determined by the institution for purposes of financial aid to continue to receive the exemption.

It is assumed the exemption applies to statutory and designated tuition at public higher education institutions, including general academic institutions, health related institutions, public community/junior colleges, and other two year institutions. Provisions of the bill would not apply the exemption to certain tuition charged for repeated or excessive hours or property deposits.

Provisions of the bill would require the Higher Education Coordinating Board (HECB) to adopt rules governing the exemption, the determination of a student's eligibility for the exemption, and a uniform listing of degree programs covered by the exemption. The exemptions take effect in the Fall 2015 semester.

According to the Department of State Health Services (DSHS), the number of emergency medical technicians (EMTs) certified by DSHS includes approximately 32,300 EMTs, 3,600 EMT-Intermediates, 17,600 EMT-Paramedics, and 6,700 Licensed Paramedics. According to DSHS, the number of EMTs employed by a political subdivision in this state is approximately 17,000. The number of EMTs that are currently enrolled in higher education is not collected and it is unknown how many EMTs in this population would choose to attend higher education due to the receipt of this exemption.

In addition, the bill does not specify what courses would be considered to be part of a medical curriculum and does not provide a maximum number of hours to receive the exemption. For the

purpose of this fiscal note, it is assumed that medical curriculum would be broadly defined and students would be able to receive the exemption up to the number of semester credit hours needed to receive a degree under a medically related curriculum.

Based on analysis of information provided by the HECB, DSHS, The University of Texas System, Texas A&M University System, Texas State University System, University of North Texas System, University of Houston System, and Texas Tech University System, it is estimated that the provisions of the bill would result in a decrease of tuition and fee revenue at institutions of higher education from the exemption during fiscal years 2016-2020.

It is assumed that provisions of the bill could result in additional costs in General Revenue from increased formula funding for institutions of higher education due to additional students choosing to attend institutions of higher education because of the receipt of the exemption. This cost would not be seen until fiscal year 2018, as formula funding is provided to institutions based on student data prior to the biennium that will be funded. As such, formula funding in fiscal years 2016 and 2017 will be based on students that are enrolled during fiscal year 2015.

However, the number of EMTs that would choose to attend higher education in Texas and the definition and application of the exemption for courses in a medical curriculum are unknown. Consequently, the fiscal impact to the state in increased formula costs and to institutions of higher education in waived tuition and fee revenue cannot be estimated.

Local Government Impact

No significant 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

LBB Staff: UP, EMu, DEH, EH, ED