

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 4, 2015

TO: Honorable Donna Campbell, Chair, Senate Committee on Veteran Affairs & Military Installations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1819 by Campbell (Relating to the determination of resident status of students by public institutions of higher education.), **As Introduced**

The total fiscal impact to the state from the provisions of this bill is indeterminate due to the case-by case nature of the impact on institutions of higher education. The extent of savings from General Revenue formula funding would depend on each affected student's decision to pay the increased tuition costs, the demand for higher education from other students not currently enrolled, and the level of state support for formula funding.

The bill would amend Section 54.052 of the Education Code by eliminating the ability of a student to qualify for in-state tuition at a public university by maintaining continuous residency for three years before earning a high school diploma and the year preceding the academic term in which the student is enrolled in a public university. The bill also prohibits persons not lawfully authorized to be present in the United States from establishing residency for purposes of in-state tuition and a person not authorized under federal statute to be present in the United States may not be considered a resident.

Based on information provided by the Higher Education Coordinating Board, 20,049 students in fiscal year 2012 and 24,770 in fiscal year 2013 qualified under this provision. The Higher Education Coordinating Board estimates that the General Revenue formula funding based on the average funding per semester credit hour for these students across the various of sectors of higher education, public universities, public community, technical and state colleges and public health related institutions was \$17.9 million and \$21.1 million respectively.

The Higher Education Coordinating Board has indicated that the 30-hour nonresident tuition and fee rate at public general academic teaching institutions averages \$19,070 in fiscal year 2015 and the resident rate averages \$7,973. At public community colleges the average nonresident rate for 30 hours is \$5,416 compared to \$2,449 for residents. It is assumed that institutions of higher education may see some tuition losses from students who do not continue their education due to these increased tuition costs. The extent of savings from General Revenue formula funding would depend on each affected student's decision to pay these increased tuition costs, the demand for higher education from other students not currently enrolled, and the level of state support for formula funding.

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

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