

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 19, 2019

TO: Honorable Chris Turner, Chair, House Committee on Higher Education

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB730 by Hernandez (Relating to exempting certain homeless individuals from the payment of tuition and fees at public institutions of higher education.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would allow certain homeless individuals to qualify for tuition and fee exemptions from public institutions of higher education. Under provisions of the bill, a homeless individual is exempt from the payment of tuition and fees, including tuition and fees charged by an institution for dual credit course or other course for which a high school student may earn joint high school and college credit if the individual satisfies certain requirements included in the bill. These requirements include 1) submitting to an institution a notarized affidavit confirming the individual's status as a homeless, 2) enrolling in an institution as an undergraduate student or a dual credit course no later than the individual's 25th birthday and 3) demonstrating financial need as determined by the Higher Education Coordinating Board. The bill includes limitations on receiving the tuition exemptions. The tuition and fee exemption of the bill would be effective beginning with the 2020 spring semester.

Based on information provided by the Higher Education Coordinating Board, a total of 3,535 individuals that completed the Free Application for Federal Student Aid (FAFSA) for the 2016-17 academic year indicated that they were homeless and unaccompanied. The Texas Homeless Education Office has estimated that the number of homeless individuals completing the FAFSA, who have homeless parents/families (not unaccompanied), is three to four times that estimate. As a result, the Higher Education Coordinating Board estimates that 10,605 homeless individuals would be eligible for the tuition and fee exemptions.

The Higher Education Coordinating Board estimates 20 percent of these individuals, or 2,121, would enroll in college. The Higher Education Coordinating Board estimates 48 percent of these individuals would enroll at a public community college and 44 percent would enroll at a public university. The average tuition and fees for fiscal year 2017-18 at public community colleges is \$1,366 and for public universities is \$4,390 per semester. Based on these assumptions, the Higher Education Coordinating Board estimates that the foregone tuition and fee revenue is \$5.5 million in fiscal year 2020 due to the exemption being effective in spring 2020. The estimated foregone tuition for fiscal year 2021 and beyond is \$11.0 million.

The bill would primarily impact designated tuition and fees, which are classified as institutional funds, and therefore would not impact the state. The bill would also impact laboratory fees, student teaching fees, and special course fees, that are accounted as educational and general

income, or statutory tuition in the General Appropriations Act. It is assumed that the provisions of the bill would not have a significant effect on this income.

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, 980 Southwest Texas Junior College, 985 Tyler Junior College, 996 Lone Star College System

LBB Staff: WP, JGAn, DEH, GO