

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 4, 2021

TO: Honorable Jim Murphy, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1408 by Schaefer (Relating to temporary limitations on the amount of tuition and fees charged by public institutions of higher education.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill relates to a temporary limitation on designated tuition, which would limit the amount of designated tuition that a university could charge. The bill would also impose a temporary limit on fee increases charged by a university. The limits would take effect in Fall 2021 of fiscal year 2021-22 and could not be more than the designated tuition and fees charged in Summer or Fall of 2020, as applicable. The bill sets the expiration date for the temporary limitations on December 31, 2023.

Designated tuition and fees within Subchapter E of the Texas Education Code, Chapter 54, except for laboratory fees, student teaching fees, and special course fees, are classified as institutional funds; therefore, there would be no impact to the State. Laboratory fees, student teaching fees, and special course fees under Subchapter E of the Texas Education Code, Chapter 54, are accounted for 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. Based on information provided by institutions of higher education, the bill would result in a loss in tuition revenue, which could reach a significant amount.

Administrative duties associated with the bill would be implemented within current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M Univ System Admin, 720 UT Sys Admin, 758 Texas State University System, 781 Higher Education Coordinating Board, 783 Univ of Houston Sys Admin

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