

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**March 30, 2021**

**TO:** Honorable Brandon Creighton, Chair, Senate Committee on Higher Education

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB1531** by West (Relating to formula funding for excess undergraduate credit hours at public institutions of higher education and to the tuition rate that may be charged for those credit hours.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Education Code to exclude excess semester credit hours earned towards an associate's degree from state formula funding calculations beginning in the fall of 2023. Additionally, the bill would allow institutions to charge higher tuition rates for excess semester credit hours earned toward an associate's degree. Implementation of the bill's provisions may result in savings to the state beginning in the 2024-25 biennium as fewer semester credit hours would be counted towards formula funding; however, savings cannot be determined with certainty as student behavior may be impacted by higher tuition rates for excess semester credit hours.

**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, 768 Texas Tech Univ Sys Admin, 781 Higher Education Coordinating Board, 783 Univ of Houston Sys Admin

**LBB Staff:** JMc, LBO, JSM, LLO