

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 20, 2009**

**TO:** Honorable Jim McReynolds, Chair, House Committee on Corrections

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB518** by Kolkhorst (Relating to a pilot program to provide student loan repayment assistance to certain correctional officers who graduate from Sam Houston State University or certain other institutions of higher education. ), **Committee Report 1st House, Substituted**

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

The bill would create a pilot program, administered by the Higher Education Coordinating Board, to provide student loan repayment assistance to certain correctional officers who graduate from Sam Houston State University if certain eligibility requirements are met, including a two year service requirement. Under provisions of the bill, the loan repayment may not exceed the cost of attendance for officers to enroll in 30 semester credit hours of junior or senior-level coursework at the university. The loans would be paid from a trust fund , which is outside the treasury but is held in trust by the comptroller. Gifts and grants as well state appropriations may be used to fund the program. Under provisions of the bill, the Coordinating Board may use 2.5 percent of the total amount in the funds to cover the costs of administering the program.

Sam Houston State University reported 409 graduates in Bachelor of Arts in Criminal Justice & Safety for fiscal year 2008. For purposes of this fiscal note it is assumed that 5% of these graduates will meet the eligibility requirements of the program, or appoximately 20 graduates per year. The Higher Education Coordinating Board indicates that the cost of tuition and fees at \$5,904 per year resulting in scholarship awards of approximately \$118,000 per year. Since the officers would be required to fulfill a two-year service requirement beginning in fiscal year 2010, the scholarships (totaling \$236,000) will not be disbursed until fiscal year 2011. It is also assumed for purposes of this fiscal note that the Higher Education Coordinating Board will find the resources to support the loan program as the bill does not expressly require the State to support the trust fund.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 696 Department of Criminal Justice, 758 Texas State University System, 781 Higher Education Coordinating Board

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