

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 16, 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.), **As Introduced**

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. Under provisions of the bill, the loan repayment may not exceed the cost of tuition and fees required 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 as 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 approximately 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. 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

LBB Staff: JOB, ESi, RT, GO