

FISCAL NOTE

SB 2577 – HB 2898

February 17, 2008

SUMMARY OF BILL: Authorizes a child under 24 years old, whose parent is a full-time employee of a human resource agency, to receive a 25 percent discount on tuition in any state institution of higher education.

ESTIMATED FISCAL IMPACT:

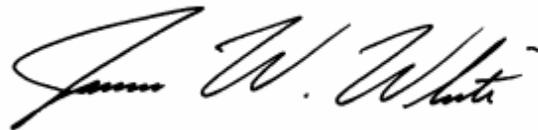
**Increase State Expenditures - \$ 98,500 FY08-09
\$105,400 FY09-10**

Assumptions:

- Lost revenues to higher education institutions would be replaced with state funds rather than higher tuition and fees.
- There are approximately 1,800 full-time employees of the Human Resource Agencies (HRA).
- There were 52,046 state employees as of July 1, 2007. The participation rate will be the same as in the general state employee population.
- The cost of adding the new population will be the ratio of full-time employees in the HRAs to the number of full-time general state government employees. The ratio of HRA employees to state employees is 3.46% (1,800/52,046).
- The cost of the Fee Discount for State Employee Dependent Program in FY06-07 was \$2,487,621.
- First year cost (FY08-09) is estimated to be \$98,542 ($\$2,487,621 \times 3.46\% \times 7\%$ tuition increase FY07-08 x 7% projected tuition increase FY08-09).
- Second year cost (FY09-10) is estimated to be \$105,440 ($\$98,542 \times 7\%$ projected tuition increase).
- Tuition is estimated to increase at an average rate of 7% per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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