

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**May 1, 2009**

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Finance

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

**IN RE: SB2084** by Ogden (Relating to eligibility for a TEXAS grant and to administration of the TEXAS grant program.), **Committee Report 1st House, Substituted**

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

The bill changes the eligibility requirements for the TEXAS grant program and the administration of the program. Under provisions of the bill, the initial eligibility requirements of a person graduating from high school on or after May 1, 2010 include; 1) be a resident, 2) meet various academic requirements, 3) meet financial need requirements, 4) be enrolled in an undergraduate degree program at an eligible institution, 5) carry three-fourths of a full load as an undergraduate not later than 16 months after high school graduation, or an entering undergraduate student who entered military service not later than 12 months after graduating from high school and who enrolled at an eligible institution not later than 12 months after being honorably discharged from military service; or, not later than 12 months after receiving an associates degree, 6) have applied for financial aid, and 7) meet any other requirement imposed by the Texas Higher Education Coordinating Board.

Grant recipients must meet the academic requirements in increasing percentages beginning with 25 percent for fiscal year 2011 (students graduating on or after May, 2010 would be entering college in fall of 2010), until all grant recipients meet the academic requirements after May 1, 2013. The coordinating board may not allow a person to receive a Texas Grant while enrolled in fewer than six semester credit hours or the equivalent. Grants expire after five or six years, depending upon the length of study for a degree program.

The University of Texas at Brownsville, University of Texas at El Paso and the University of Pan American have indicated that a large number of their students would not meet the revised eligibility requirements and therefore reduce the amount of TEXAS grants received by those institutions. This would represent a significant negative fiscal impact on the three schools.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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