

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 7, 2011

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Higher Education

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

IN RE: SB28 by Zaffirini (Relating to eligibility for a TEXAS grant and to administration of the TEXAS grant program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill amends the Education Code concerning the award of TEXAS Grants. TEXAS Grants are financial aid awards made to higher education students who meet certain academic requirements as specified under the Education Code and who are selected for the award by the institution of higher education that they attend.

The bill would make four major changes to this statute. First, beginning with students graduating from high school after May 1, 2013, the bill would eliminate eligibility for TEXAS Grant awards at community and technical colleges. The current distribution of funds between these institutions and General Academic Institutions is controlled by Higher Education Coordinating Board (HECB) rule and as a result this change would have no fiscal impact (although it would reduce the total eligible student population). Second, the bill establishes a new set of academic standards for the "priority" award of these grants. Institutions would be required to award TEXAS Grants first to those students who met these new standards; institutions with funds remaining after these "priority" awards would be permitted to give TEXAS Grants to the broader, statutorily eligible population. Third, the bill prevents HECB from changing the proportion of funds allocated to institutions due to different levels of "priority" students; however, HECB retains rule-making authority to change allocation percentages for other reasons. Finally, it would enable eligible students entering military service to retain TEXAS Grant eligibility for the year following their honorable discharge from military service.

The statutory changes implemented as a result of the bill will not affect the number of students served at each institution and as a result no significant fiscal impact to the state is anticipated; however, the specific students selected for awards at some institutions may change.

Local Government Impact

No significant 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, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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