

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 14, 2013

TO: Honorable Kel Seliger, Chair, Senate Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1668 by Zaffirini (relating to the institutions of higher education eligible to participate in the Texas Science, Technology, Engineering, and Mathematics (T-STEM) Challenge Scholarship Program.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1668, Committee Report 1st House, Substituted: a negative impact of (\$2,362,500) through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$1,181,250)
2015	(\$1,181,250)
2016	(\$1,181,250)
2017	(\$1,181,250)
2018	(\$1,181,250)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2014	(\$1,181,250)
2015	(\$1,181,250)
2016	(\$1,181,250)
2017	(\$1,181,250)
2018	(\$1,181,250)

Fiscal Analysis

The bill amends the Education Code as it relates to the Texas Science, Technology, Engineering, and Mathematics (T-STEM) Challenge Scholarship Program. Under provisions of the bill, a

general academic teaching institution would be eligible to participate in the program if the institution admits into a STEM program each academic year eligible students who previously participated in a T- STEM Challenge Scholarship program at a public junior college or public technical institute and completed at least 45 semester credit hours at the college or institute before enrolling in the general academic teaching institution. The general academic teaching institution would also be required to develop partnerships with business and industry. An eligible student who enrolls in a STEM program at a general academic teaching institution could receive a scholarship for up to four academic years. The bill also clarifies that the grants under the program are to the eligible institutions for the purpose of providing scholarships.

Methodology

Based on information provided by the Higher Education Coordinating Board the maximum award under the program is \$2,500 per year. In addition there is a 5% administrative allowance for the institution which would result in a award amount of \$2,625 per year. For purposes of this fiscal note it is assumed that this amount would be maintained for both community college students and the university transfer students that would be newly eligible. It is further assumed that of the 1,600 transfer students in fiscal year 2012 in the fields eligible for T-STEM, 450 would be T-STEM Scholarship recipients eligible to continue to receive the scholarships at a general academic teaching institution. Based on these assumptions, the general revenue cost associated with allowing eligible general academic institutions to participate in the program is approximately \$1.2 million per year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 783 University of Houston System Administration, 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, 781 Higher Education Coordinating Board

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