

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 17, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB686 by Seliger (Relating to the mathematics and science teacher investment fund for the Math and Science Scholars Loan Repayment Program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB686, As Introduced: a negative impact of (\$5,103,770) through the biennium ending August 31, 2017.

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
2016	(\$54,385)
2017	(\$5,049,385)
2018	(\$10,049,385)
2019	(\$15,049,385)
2020	(\$20,049,385)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2016	(\$54,385)
2017	(\$5,049,385)
2018	(\$10,049,385)
2019	(\$15,049,385)
2020	(\$20,049,385)

Fiscal Year	Change in Number of State Employees from FY 2013
2016	1.0
2017	1.0
2018	1.0
2019	1.0
2020	1.0

Fiscal Analysis

The bill would repeal the prohibition on the Legislature appropriating General Revenue to the Mathematics and Science Teacher Investment Fund for the Math and Science Scholars Loan Repayment Program (Program). Under current law, amounts appropriated by the Legislature cannot be used to support the fund. The Higher Education Coordinating Board (Board) has administrative authority for the Program and under statute, not more than 1,000 eligible persons may be provided loan repayment assistance in the 2016-17 academic year. The maximum number of eligible persons for the 2017-18 academic year and the 2018-19 academic year are 2,000 and 3,000 respectively. The maximum number of eligible persons that can be provided loan repayment assistance in any school year is 4,000. This section of the bill would expire January 1, 2020.

Methodology

For purposes of this fiscal note it is assumed that loan repayments would begin in fiscal year 2017 based on provisions of the bill indicating the Board would provide loan repayment assistance beginning in the 2016-2017 school year. It is also assumed the amount of the award would be \$5,000. Based on the number of maximum awards for the 2016-17 academic year, the General Revenue cost for the loan repayments in fiscal year 2017 is estimated to be \$5,000,000. The cost would increase in 2017 through 2020, as the maximum number of participants increases each year. These amounts could be less depending on how many students take advantage of the program.

The remaining costs associated with the bill are tied to administrative costs for the program. The Board has indicated they would need 1 FTE to administer the program. Salaries and benefits for this 1 FTE is estimated to be \$49,385 beginning in fiscal year 2016. In 2016 there would be one time computer and equipment costs totaling \$5,000.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 781 Higher Education Coordinating Board

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