

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 15, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB653 by Clardy (Relating to the Texas Educational Opportunity Grant program.), As Engrossed

No significant fiscal implication to the State is anticipated.

The bill would amend sections of the Education Code as it relates to financial aid awards under the Texas Educational Opportunity Grant (TEOG) program. Currently a TEOG award amount is capped at the average statewide tuition and fees for students attending public two year institutions. Under provisions of the bill, any Pell Grant aid the student has received is taken into consideration. If the amount of the Pell Grant the student receives exceeds the student's tuition and fees and books, the student is ineligible to receive a TEOG award. Under provisions of the bill, students enrolled in baccalaureate degree programs would be eligible to participate in the program. The bill would impact awards beginning with the 2018-19 academic year. The bill would take effect January 1, 2018.

Based on estimates provided by the Texas Higher Education Coordinating Board (THECB), the bill would result in the average award amount decreasing from approximately \$1,900 to \$800. Beginning in fiscal year 2019, this would result in the projected students that attend public two year institutions that would receive an award increasing from approximately 17,600 students to 51,300 students. Thus any savings resulting from lower award amounts would be offset by an increase in the number of students receiving awards. As the overall funding for the program is not impacted by these proposed changes, no significant fiscal impact to the state is anticipated. Any costs associated with implementing provisions of this bill would be absorbed within current resources.

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

LBB Staff: UP, THo, DEH, GO, ESC