

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 2, 2017

TO: Honorable J. M. Lozano, Chair, House Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2290 by Lozano (Relating to the establishment of the Texas Returning Adult Student Grant Program for certain students enrolled in baccalaureate degree programs at certain postsecondary educational institutions.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2290, As Introduced: a negative impact of (\$8,306,535) through the biennium ending August 31, 2019.

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
2018	\$0
2019	(\$8,306,535)
2020	(\$16,613,070)
2021	(\$24,919,605)
2022	(\$33,226,140)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
2018	\$0
2021	(\$8,306,535)
2020	(\$16,613,070)
2021	(\$24,919,605)
2022	(\$33,226,140)

Fiscal Analysis

The bill would establish the Texas Returning Adult Student Grant Program for certain students enrolled in baccalaureate degree programs at certain postsecondary educational institutions. The program would be administered by the Texas Higher Education Coordinating Board (THECB).

Under provisions of the bill, general academic teaching institutions and certain nonprofit, tax-exempt, regionally accredited colleges or universities could participate in the program. The bill includes details regarding the administration of the program, initial eligibility for the grant, continuing eligibility and academic performance, grant use, and grant amount. Under provisions of the bill, THECB could start allocating grants under the new program beginning with the 2018-19 academic year (fiscal year 2019).

Methodology

Based on information provided by the THECB, 17,404 students enrolled in general academic teaching institutions would have met the eligibility requirements under the bill in fiscal year 2015. The THECB calculated the average award for these students by subtracting the amount of tuition, fees, and books from the average Pell amount, and estimated an award amount of \$4,571. Based on information the THECB obtained from Western Governor's University (WGU), currently the only non-profit, tax-exempt, regionally accredited university that would qualify under the bill, in fiscal year 2015, 1,726 students would have been eligible for the program. The estimated award amount for these students would have been \$1,993.

For purposes of this fiscal note is assumed that 10 percent of eligible students at general academic teaching institutions and WGU would receive awards of \$4,571 and \$1,993 respectively beginning in fiscal year 2019 at a total General Revenue cost of \$8.2 million. It is also assumed that participation in the program would grow to 20 percent in fiscal year 2020, and 30 percent and 40 percent in fiscal years 2021 and 2022, respectively. Costs associated with the program could vary based on the award amount.

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

LBB Staff: UP, THo, DEH, GO