

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 18, 2017**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB4106** by Morrison, Geanie W. (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 would amend various sections of the Education Code as it relates to the TEXAS Grant Program. Under provisions of the bill, a person could not receive a TEXAS Grant for more than the lesser of: (1) 135 semester credit hours (SCH) or the equivalent; or (2) 15 SCHs or the equivalent in excess of the degree requirements. The bill would increase the SCHs that need to be completed by an undergraduate student from 24 to 30 hours. Under provisions of the bill, a person awarded a TEXAS grant during or after the 2017 fall semester makes satisfactory academic progress only if in the first academic year, the person meets the requirements of the higher education institution at which the person is enrolled; and in the subsequent academic year, the person completed at least 30 SCHs, and has earned an overall grade point average of at least 2.5. Under provisions of the bill, the amount of a TEXAS Grant may not be reduced by any gift aid for which a person receiving the grant is eligible, other than a federal Pell Grant, unless the total amount of a person's grant plus any gift aid received exceeds the student's financial need.

Based on information provided by the Higher Education Coordinating Board, reducing the number of SCHs that a student may receive a TEXAS Grant award from 150 SCHs to 135 SCHs, would result in approximately \$9.1 million in funding shifting from recipients who would no longer qualify to new recipients.

Based on information provided by several institutions of higher education, the bill could result in a loss in tuition revenue, which could reach a significant amount, as a result of the change in eligibility requirements.

## **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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