

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 7, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB886 by Seliger (Relating to the Texas Educational Opportunity Grant program.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend sections of the Education Code as it relates to financial aid awards under the Texas Educational Opportunity Grant (TEOG) program to students attending public two year institutions. Currently a TEOG award amount is capped at the average statewide tuition and fees. Under provisions of the bill, any Pell Grant aid the student has received would be taken into consideration. If the amount of the Pell Grant the student receives exceeds the student's tuition and fees and books, the student would be ineligible to receive a TEOG award. The bill would impact initial or subsequent grants awarded for the 2018 fall semester (FY 2019). The bill would take effect January 1, 2018.

Based on estimates provided by the 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 an increase in the number of projected students attending public two year institutions receiving an award 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 would not be 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: 719 Texas State Technical College System Administration, 758 Texas State University System, 781 Higher Education Coordinating Board

LBB Staff: UP, THo, DEH, GO