

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 24, 2019

TO: Honorable Brandon Creighton, Chair, Senate Committee on Higher Education

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: SB34 by Zaffirini (relating to the maximum number of semester credit hours allowed for and funding sources used to supplement a TEXAS grant.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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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 greater of: (1) 135 semester credit hours (SCH) or the equivalent; or (2) 15 SCHs or the equivalent in excess of the degree requirements. Under provisions of the bill, public institutions could not use work study to cover any difference in the amount of a TEXAS grant awarded to the student and the actual amount of tuition and required fees under certain situations as defined in the bill. The changes in law made by the bill would be effective beginning with initial or subsequent TEXAS grants awarded for the 2021 fall semester.

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 \$11.0 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 and could impact students completing their degree.

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: WP, JGAn, DEH, GO