

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 29, 2021

TO: Honorable Jim Murphy, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4387 by González, Mary (relating to the establishment of the Texas Transfer Grant Pilot Program.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined at this time due to the unavailability of data related to the number of students that would participate in the program and the grant amount that would be awarded through the program.

The Higher Education Coordinating Board is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the Higher Education Coordinating Board may, but is not required to, implement this Act using other appropriations available for that purpose.

The bill would amend the Education Code relating to the establishment of the Texas Transfer Grant Pilot Program. The bill would require the Higher Education Coordinating Board to administer a pilot grant program for purposes of awarding grants to enable eligible transfer students, as defined by the bill, to attend institutions of higher education. The total amount of grants awarded under the program could not exceed the amount available for the program from appropriations, gifts, grants, or other funds. The bill establishes eligibility criteria for the grant, which includes not being a recipient of a TEXAS Grant.

Under provisions of the bill, not later than December 1 of each even-numbered year, the Higher Education Coordinating Board shall submit to the legislature a report on the effectiveness of the pilot program. The Coordinating Board shall include in the report a recommendation regarding whether the pilot program should be continued, expanded, or terminated.

The Higher Education Coordinating Board is unable to estimate the number of students that would participate in the program. The agency indicates that it is unknown how many students would receive a TEXAS Grant and therefore be ineligible under the pilot program. The agency reports that the bill limits spending to the amount available from appropriations, gifts, grants, and other funds, which is currently unknown, and it is unclear how priority should be assigned in situations when an institution does not receive an allocation large enough to fund all eligible students. The agency reports that as a pilot program, it is unclear what proportion of the eligible population is intended to be supported through this program. Based on these factors, the Higher Education Coordinating Board indicates that the fiscal implication of this bill cannot be determined.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 710 Texas A&M Univ System Admin, 720 UT Sys Admin, 758 Texas State University System, 768 Texas Tech Univ Sys Admin, 781 Higher Education Coordinating Board, 783 Univ of Houston Sys Admin

LBB Staff: JMc, LBO, JSM, GO