

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 31, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB902 by West (relating to the establishment of the Texas Leadership Scholars Program.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for SB902, Committee Report 1st House, Substituted : a negative impact of (\$20,000,000) through the biennium ending August 31, 2025.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$10,000,000)
2025	(\$10,000,000)
2026	(\$10,000,000)
2027	(\$10,000,000)
2028	(\$10,000,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>
2024	(\$10,000,000)
2025	(\$10,000,000)
2026	(\$10,000,000)
2027	(\$10,000,000)
2028	(\$10,000,000)

Fiscal Analysis

The bill would require the Higher Education Coordinating Board to establish and administer the Texas Leadership Scholars Program from funds appropriated or otherwise available for scholarships and provide academic support and leadership development to eligible students. The bill would establish certain eligibility requirements for the program.

Methodology

In the 2022-23 academic year the Higher Education Coordinating Board received Governor's Emergency Education Relief (GEER) funds to support this program. This funding was allocated to participating institutions of higher education to provide tuition and fee assistance; a housing and living stipend; and academic, professional and experiential supports for participating students. Funding was provided up front: for each entering cohort, the institution received funding to pay for the subsequent four years of the students' participation in the program. A cohort of 250 students initially enrolled in the program and the Higher Education Coordinating Board provided institutions \$10 million (\$2.5 million per year over four years, or \$40,000 per student for four years). Based on information provided by the Higher Education Coordinating Board, enrolling similar size cohorts in 2023-24 and 2024-25 would cost \$10 million per year in General Revenue. This fiscal note analysis assumes similar costs in fiscal year 2026 and beyond.

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, 978 San Jacinto College

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