

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 27, 2025

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education K-16

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB895 by Hughes (Relating to a student's eligibility to participate in the Financial Aid for Swift Transfer (FAST) program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB895, As Introduced: a negative impact of (\$38,753,738) through the biennium ending August 31, 2027.

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>
2026	(\$18,469,941)
2027	(\$20,283,797)
2028	(\$22,285,735)
2029	(\$24,480,296)
2030	(\$26,894,313)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$18,469,941)	4.0
2027	(\$20,283,797)	4.0
2028	(\$22,285,735)	4.0
2029	(\$24,480,296)	4.0
2030	(\$26,894,313)	4.0

Fiscal Analysis

The bill would expand student eligibility for the Financial Aid for Swift Transfer (FAST) program from students enrolled in a public school to those enrolled in a private school, including a home school. The bill would limit the basis for the current entitlement to an allotment from the Foundation School Program for the FAST program to school district or open-enrollment charter school enrollment and would establish the process of distributing funds appropriated for purposes of paying costs for eligible students enrolled in a private school as a part of the program.

Methodology

Based on data indicating that an estimated 15 percent of students are enrolled in a private high school or home school and assuming private and home schooled students will be educationally disadvantaged at the same rate as students attending public schools and that they will enroll in dual credit at the same rate as public school students, Texas Higher Education Coordinating Board (THECB) estimates the FAST program to grow by 15 percent. The result of such growth on the current program, assuming maintaining the projected 10 percent annual growth of the current program, would result in a cost of \$18,136,666 in fiscal year 2026 and \$19,950,552 in fiscal year 2027 followed by a continued projected 10 percent annual growth rate.

THECB indicates a need of four additional full-time equivalent positions to support the necessary data collection and verification of eligibility for private and home school students at a cost of \$686,550 in the 2026-27 biennium and \$333,275 in each subsequent fiscal year.

Technology

THECB indicates that costs related to additional technology needs for the collection and validation of private and home school students cannot be determined at this time.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 701 Texas Education Agency, 710 Texas A&M University System Administrative and General Offices, 717 Texas Southern University, 719 Texas State Technical College System Administration, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 966 Howard College, 978 San Jacinto College

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