



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 229** HLS 26RS 451
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 10, 2026	11:31 AM	Author: WYBLE
Dept./Agy.: Higher Education		
Subject: Public funds		Analyst: Tanesha Morgan

CURRICULA/COLLEGE DEGREE OR DECREASE GF EX See Note Page 1 of 1
 Prohibits the use of public funds for certain postsecondary degree programs

Proposed law prohibits public postsecondary education management boards from allocating state funds to low-earning outcome programs, as determined by the federal government. Proposed law requires the Board of Regents to do the following: (1) Promulgate rules in accordance with present law (Administrative Procedure Act) as necessary for the implementation of proposed law. (2) Annually review federal determinations of what constitutes a low-earning outcome program and update rules accordingly. (3) Submit an annual report to the legislature with updates relative to proposed law. Proposed law does not prohibit the allocation of funds for the purpose of implementing general studies programs if the student pursues a concentration in a program of study that is not a low earning outcome program of study. Proposed law prohibits any political subdivision of the state from allocating or expending local public funds on low-earning outcome programs. Proposed law requires initial implementation prior to the summer semester of the 2027-2028 school year.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	DECREASE	DECREASE	DECREASE	DECREASE	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	DECREASE	DECREASE	DECREASE	DECREASE	\$0
Annual Total	\$0					\$0
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

The proposed legislation may result in a decrease in SGF and local expenditures beginning in FY 28 and future fiscal years. Proposed law prohibits public postsecondary education management boards from allocating state funds to low-earning outcome programs of study as designated in federal law. Proposed law requires the Board of Regents to promulgate rules to implement the prohibition, annually review federal determinations of what constitutes a low-earning outcome program, and submit an annual report to the legislature. To the extent programs are designated as low-earning, institutions could lose not only scholarship eligibility for enrolled students but also the underlying state funding that supports program operations, including base operational or instructional funding, capital or facilities funding, and separately or specially appropriated aid or grants.

Proposed law also prohibits any political subdivision from allocating or expending local public funds on low-earning outcome programs. To the extent local entities currently fund any such programs, there could be a corresponding decrease in local fund expenditures; however, the amount is indeterminable.


The exact fiscal impact is indeterminable at this time because the U.S. Department of Education has not yet released the first earnings potential calculations identifying which programs qualify as low-earning. The first determinations are expected in July 2027. Academic programs determined to be low-earning would become ineligible for state scholarship and grant programs, including TOPS, GO Grants, and the M.J. Foster Promise Program. To the extent a significant number of programs are identified as low-earning, there could be a corresponding decrease in SGF expenditures for these programs, unless affected students redirect to qualifying programs.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. To the extent that the removal of certain degree programs from state funding eligibility results in students altering their enrollment choices, postsecondary institutions could realize a decrease in self-generated revenues. However, any such impact is speculative.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Patrice Thomas
Deputy Fiscal Officer