

Department of Planning and Budget 2001 Fiscal Impact Statement

1. **Bill Number** HB2343

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. **Patron** Harris

3. **Committee** Education

4. **Title** Higher education affordability; New Century Scholars Program.

5. **Summary/Purpose:** This bill establishes the Commonwealth's financial aid policy as being to meet at least 100 percent of the true financial need of domiciled Virginia residents attending Virginia's public colleges and universities as undergraduate students. This bill also establishes the New Century Scholars Program; a scholarship for students who are domiciled Virginians attending Virginia post-secondary or higher education institutions that have met one of two sets of criteria. The criteria are that (i) the student has a grade point average ranking him within the top 20 students in his high school graduating class at a high school in Virginia; has not been suspended or expelled from any public or private school; and has enrolled as a full-time student in an accredited, degree-granting public or private institution of higher education in Virginia or a career school, physically located in Virginia and accredited by an agency recognized by the United States Secretary of Education that is determined to be eligible to participate in the program by the Attorney General; or (ii) the student has scored at the advanced level on end-of-course Standards of Learning tests; has maintained at least a B average, i.e., 3.0 on a 4.0 scale, or its equivalent in high school; has not been suspended or expelled from any public or private school; and has enrolled as a full-time student in an accredited, degree-granting public or private institution of higher education in Virginia or a career school, physically located in Virginia and accredited by an agency recognized by the United States Secretary of Education that is determined to be eligible to participate in the program by the Attorney General.

6. **Fiscal Impact:** See #8.

7. **Budget amendment necessary:** No.

8. **Fiscal implications:** This bill establishes a new student financial aid policy. The "True Need" funding model would provide \$17.3 million over the next three years, \$5.8 million of which is recommended in the Governor's Introduced Budget for fiscal year 2002.

This bill establishes the New Century Scholars program with *such funds as may be appropriated*. Therefore, unless funds are provided through the budget process, the bill will not have a fiscal impact. It should be noted that the program would provide scholarships starting with the graduating class of 2004. The state would be liable for making payments to higher education institutions on behalf of eligible students in fiscal year 2004 or fiscal year 2005 (depending upon the timing of the distribution of scholarship awards) assuming that the state appropriates funds between now and then.

9. Specific agency or political subdivisions affected: higher education institutions, Department of Education, school divisions, students.
10. Technical amendment necessary: No.
11. Other comments: SB1234 is the companion bill.

Date: 01/22/01 / acd

Document: H:\bos\k12 legislation\2001 session\2001 FIS\hb2343.doc.

cc: Secretary of Education

Secretary of Finance

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