

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number HB1393

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 Cosgrove

3. Committee Education

4. Title Creates the Virginia Mathematics, Science, and Technology Education Grant Program and Fund

5. Summary/Purpose: The proposed legislation creates the Virginia Mathematics, Science, and Technology Education Grant Program and Fund for the purpose of providing higher education grants to residents of Virginia who are enrolled in an undergraduate or graduate program preparing students for careers in professions in the areas of mathematics, science, engineering, and technology.

The State Council of Higher Education for Virginia is designated as the administering agency for the program and is authorized to promulgate necessary and appropriate regulations for the disbursement of grants and the administration of the program, including the identification of undergraduate and graduate programs and careers in the areas of mathematics, science, engineering, and technology.

To receive a grant under this program, a person must (i) be a Virginia domicile; (ii) be enrolled in an undergraduate or graduate program in the area of mathematics, science, engineering, or technology; (iii) maintain a cumulative grade point average of at least 2.0; and (iv) sign a promissory note agreeing to begin employment in the Commonwealth in the area of mathematics, science, engineering, or technology within six months of receiving an undergraduate or graduate degree and to continue such employment in the Commonwealth for at least four years.

Qualifying students are eligible to receive a grant for five consecutive academic years but maintain at least a 2.0 grade point average on a scale of 4.0 or its equivalent and maintain enrollment in a qualified degree program. The student may receive up to \$15,000 per academic year, or the total tuition for the academic year, whichever is lower. Individuals who have failed to meet the federal requirement to register for the Selective Service shall not be eligible to receive grants under this program.

- 6. Fiscal Impact Estimates are:** Preliminary. See Line 8.
- 7. Budget amendment necessary:** Yes. Item 145, State Council of Higher Education for positions to administer the program and award the grants.
- 8. Fiscal implications:** At Virginia public and private institutions, there are currently in excess of 62,000 students who are currently enrolled in degree programs that could be affected by this legislation - Computer Science, Engineering, Biological Sciences, Mathematics, Physical Science, Science Technology, and some areas of Agricultural technology.

A breakdown of the above students indicates that approximately 60 percent are undergraduate students in four-year public institutions, 23 percent in public two-year institutions, 11.6 percent as graduate students in public institutions, 5.4 percent as undergraduate students in private institutions, and less than one percent in graduate programs at private institutions.

The State Council of Higher Education estimates that it will take two new staff persons at \$159,000 per year to administer the new program: The costs of the program are dependent on the number of grants provided. As an example, for every 100 new awards per year, and assuming the program will continue to fund students up to the six year limit (initial award plus five years renewable) as they advance from associate to baccalaureate to graduate degree, the estimated cost is \$746,730 in fiscal year 2007 rising to \$2,868,218 by 2012. The annual awards would be approximately in proportion to the current distribution of enrolled students.

Tuition and fees at private institutions are generally above \$15,000; therefore, the maximum \$15,000 annual award authorized by this legislation will be made to all private institution students at both the undergraduate and graduate levels. The average tuition and fees for both undergraduate and graduate programs at public institutions are assumed to increase by 8 percent annually. Currently, the average tuition and fee charge for resident undergraduate students among the public institutions is \$6,078 for the four-year schools. The estimated tuition for public institution is increased by eight percent annually.

Most students receiving an initial award while enrolled in public two-year institutions will likely continue their studies at a public four-year institution (based on current enrollment distributions). Conservative assumptions have been made about attrition and the rate that students will advance in levels of degree and institutional sectors.

9. Specific agency or political subdivisions affected:

Four-year public and private nonprofit institutions of higher education
Virginia students enrolled in an undergraduate or graduate program preparing students for careers in professions in the areas of mathematics, science, engineering, and technology
Center for Innovative Technology

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 2/7/06/aps

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c: Secretary of Education