

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number SB539

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

2. Patron Stosch

3. Committee House Appropriations

4. Title Creates the Private College Enrollment Grant Program

5. Summary/Purpose: The proposed legislation creates the Private College Enrollment Grant Program for the purpose of providing higher education grants on a per capita basis to private nonprofit institutions of higher education that agree, in the interest of providing access to higher education for Virginia's growing student population, to enroll Virginia domiciles.

The bill also establishes a special nonreverting fund on the books of the State Comptroller. Any funds appropriated by the General Assembly or gifts, grants, or donations received from public or private sources will be credited to the Fund. Interest earned on the moneys shall be credited to the Fund. Moneys remaining in the Fund, including interest, at the end of each fiscal year shall not revert to the general fund.

The State Council of Higher Education for Virginia is designated as the administering agency of the program and is authorized to solicit or receive unsolicited grant proposals and enter into contracts with private accredited nonprofit institutions of higher education having their main campus in Virginia to provide grants on a per capita basis to such institutions on behalf of enrolled Virginia domiciles. The Council is also authorized to promulgate necessary and appropriate regulations to administer the program, including measures to ensure the reduction of out-of-pocket tuition costs to Virginia's student population.

The substitute bill adds a second enactment clause that states that the bill shall not become effective unless an appropriation of general funds is made in the 2006 Session of the General Assembly.

6. Fiscal Impact Estimates are: Preliminary. See Line 8.

7. Budget amendment necessary: Yes. Item 145.

8. Fiscal implications: As written, the bill creates a second student financial aid program for students attending private colleges and universities. Currently, the Commonwealth provides just over \$45.0 million under the Tuition Assistance Grant program (TAG) which provides grants to Virginia students attending private institutions of higher education in Virginia.

According to the State Council of Higher Education, if the program follows the administrative model of the Tuition Assistance Grant program, then the staffing issues can be

kept to a minimum. The State Council estimates it will require additional staff support, from a half-time to a full position, to administer the program. If reviewing applications is included as part of the program, the State Council estimates two additional staff positions will be required. The resources needed to support the program range from \$35,000 to \$150,000, depending on the program requirements to administer the new program.

Beyond staffing needs, the bill does not provide specific goals to which an expected expenditure could be estimated, so the cost of the program is equivalent to the amount that the General Assembly appropriates to increase participation of private institutions in reaching state goals for education.

9. Specific agency or political subdivisions affected:

Private nonprofit institutions of higher education
State Council of Higher Education
State Treasury
Department of Accounts

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 2/13/06/aps

Document: g:\aps\legislation\2006\SB539S2.doc

cc: Secretary of Education