

## Department of Planning and Budget

### 2007 Fiscal Impact Statement

**1. Bill Number** SB 749

**House of Origin** ☐ Introduced ☐ Substitute ☐ Engrossed

**Second House** ☐ In Committee ☐ Substitute ☒ Enrolled

**2. Patron** Stosch

**3. Committee** Passed both Houses

**4. Title** Community College Transfer Grant Program

**5. Summary/Purpose:** Establishes the Two-Year College Transfer Grant Program for the purpose of providing higher education grants of up to \$2,000 per year to domiciles of Virginia who have successfully completed an acceptable associate degree program at a public two-year institution of higher education. The State Council of Higher Education (SCHEV) must promulgate necessary and appropriate regulations for its administration.

To be eligible to receive a grant, a student must (i) have received an associate degree at a Virginia two-year public institution of higher education, (ii) have enrolled in a Virginia four-year public or private institution of higher education by the fall following the award of the associate degree, (iii) have applied for financial aid, and (iv) have financial need. Eligibility is limited to three academic years or 70 credit hours.

**6. Fiscal Impact Estimates are:** Final.

	<i>Dollars</i>	<i>Maximum number of students served</i>	<i>Fund</i>
2007-08	0	0	
2008-09	0	0	
2009-10	\$2,233,600	1,117	General Fund
2010-11	\$4,534,208	2,267	General Fund
2011-12	\$4,670,234	2,335	General Fund
2012-13	\$4,810,341	2,405	General Fund

**7. Budget amendment necessary:** No, the program will not go into effect until fiscal year 2009-2010.

**8. Fiscal implications:** The substitute version of this bill changes several aspects of the original bill. They are:

- a) The financial aid calculation is based on the Expected Family Contribution (EFC) of no more than 8,000 versus 150 percent of the medium income.
- b) The limit of the grant is \$1,000 per year, with additional \$1,000 provided to students majoring in science, education, engineering or mathematics.
- c) The student must maintain a 3.0 or better in the four year institution.

- d) The program does not take effect until the fall of 2007, for students graduating in the spring of 2009. The fiscal impact would be effective in fiscal year 2010.
- e) The number of students at VCCS with EFC scores less than 8,000 is currently not available. According to VCCS, students do not typically complete the Free Application for Federal Student Aid form (FAFSA), thus, exact numbers cannot be determined. For this analysis, the number of financially eligible students is equal to those numbers meeting the 150 percent of the medium income, and
- f) The calculations for the fiscal impact statement were based on the previously estimated eligible students, with an estimated 60 percent students electing to major in the above listed majors. (Note: VCCS cannot determine the actual number of students electing this major. This is strictly an estimate, eliminating business and liberal arts majors.)

**9. Specific agency or political subdivisions affected:** All.

**10. Technical amendment necessary:** No.

**11. Other comments:** This bill is identical to HB 1681.

March 20, 2007/RSA

C: Secretary of Education