

## Department of Planning and Budget 2012 Fiscal Impact Statement

**1. Bill Number:** SB85S1

**House of Origin**    ☐ Introduced        ☐ Substitute        ☒ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute        ☐ Enrolled

**2. Patron:** Favola

**3. Committee:** Education and Health

**4. Title:** Expansion of the Two-Year College Transfer Grant Program

**5. Summary:** Broadens eligibility for the Two-Year College Transfer Grant Program by including students whose Expected Family Contribution (EFC), as calculated by the federal government using the family's financial information reported on the Free Application for Federal Student Aid (FAFSA), is no more than \$12,000. Currently, the program is available only to students with an EFC of no more than \$8,000.

**6. Budget Amendment Necessary:** Yes, Item 144 for the student financial assistance portion and Item 146 for the administrative portion.

**7. a. Fiscal Impact Estimates** (*Cost of Student Financial Aid Only*): Preliminary.

<i><b>Fiscal Year</b></i>	<i><b>Amount</b></i>	<i><b>Fund</b></i>
<b>2013</b>	\$ 1,300,000	General Fund
<b>2014</b>	\$ 1,600,000	General Fund
<b>2015</b>	\$ 1,600,000	General Fund
<b>2016</b>	\$ 1,600,000	General Fund
<b>2017</b>	\$ 1,600,000	General Fund
<b>2018</b>	\$ 1,600,000	General Fund

**8. Fiscal Implications:** In addition to the additional funding required for student financial assistance noted above, the State Council of Higher Education for Virginia (SCHEV) indicates a position could be required to support the additional administrative and fiscal responsibilities associated with growing state student financial aid programs. Two alternatives were proposed by SCHEV: 1) provide funding for annual administrative costs at \$100,000 and one position, or, 2) provide funding for an electronic solution and have one-time costs estimated at \$100,000, with subsequent annual costs at an estimated \$15,000 to support the maintenance contract for this software. Either scenario would be required to support SCHEV's ability to administer the Two Year College Transfer Grant program, Virginia Military Spouse and Dependent Education Program, and other student financial assistance programs listed in Item 144. These programs have placed a significant amount of additional administrative and fiscal demands on SCHEV's ability to meet the requirements of these programs in an efficient and effective manner.

**9. Specific Agency or Political Subdivisions Affected:** All state supported colleges and universities, all not for profit colleges and universities, and the State Council of Higher Education for Virginia (as the fiscal and administrative officer for this program.)

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** The companion bill is HB437 (Tata) was billed passed by indefinitely.

January 30, 2012

C: Secretary of Education

File:G\FIS\2012\sb85ES1