

## Department of Planning and Budget

### 2014 Fiscal Impact Statement

**1. Bill Number:** HB573

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

**2. Patron:** Cox

**3. Committee:** Education

**4. Title:** Virginia Guaranteed Assistance Program grants

**5. Summary:** The proposed legislation makes several changes to the Virginia Guaranteed Assistance Program (Program), including adding requirements that (i) each student eligible for the Program receive an award from the institution's appropriations for undergraduate student financial assistance before all other grants are awarded to students with equivalent remaining need, (ii) each eligible student receive an award in an amount greater than other grants awarded to students with equivalent remaining need, (iii) each eligible student receive a Program award in an amount greater than the award of each eligible student with equivalent remaining need in the next-lowest class level, and (iv) each Program award be determined by a proportionate award schedule adopted by each institution and vary according to each student's remaining need and the total of tuition, fees, and other necessary charges, including books.

**6. Budget Amendment Necessary:** Yes, financial aid programs of each of the public institutions of higher education require additional funding if this legislation is adopted.

**7. Fiscal Impact Estimates:** Indeterminate. See Line 8.

**8. Fiscal Implications:** The proposed legislation, as introduced does not require additional funding. Instead, it directs how available funding for financial aid is to be distributed by the institutions of higher education. The bill rewards students, by increasing the amount of the grant amount, if they progress to the next level (i.e. freshmen to sophomore, sophomore to junior and junior to senior).

In all likelihood, to implement the requirements of providing additional funding to students that do progress toward graduation, additional funding will be required; otherwise, fewer students will receive awards or the amount of aid for some lower division students could be reduced.

**9. Specific Agency or Political Subdivisions Affected:**

Public institutions of higher education  
State Council of Higher Education

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

**11. Other Comments:** None.

**Date:** 1/21/2014