

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: HB573

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: Cox

3. Committee: Education and Health

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, if the policy is to maintain the same level of financial assistance to the same population of students that receive financial aid today, additional financial aid funding for all public institutions of higher education would be required.

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

8. Fiscal Implications: The substitute bill 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). The provisions of the substitute bill state that each recipient may receive a maximum of one year of support per class level for a maximum total of four years of support at a four-year institution and two years of support at a two-year institution. Recipients cannot receive more than a combined total of four years of support from the program.

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: 2/14/2014