

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: SB838-S2

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

2. Patron: Stanley

3. Committee: Rehabilitation and Social Services

4. Title: Temporary Assistance for Needy Families Scholarship Pilot Program; DSS to establish and administer.

5. Summary: Directs the Virginia Community College System to establish and administer a three-year Temporary Assistance for Needy Families (TANF) Scholarship Pilot Program (the Program) for the purpose of providing access to postsecondary educational opportunities to students living in poverty. The Program would provide scholarships to select community colleges in the amount of \$4,000 per year, to be applied toward the costs of tuition and books, to a maximum of 200 selected students who meet TANF eligibility requirements. The Program would be funded by federal TANF block grant funds. The bill directs the Virginia Community College System to report to the Governor and the General Assembly no later than December 1 of each year regarding the effectiveness of and other information about the Program.

An enactment clause prevents provisions of this bill from becoming effective unless appropriation for the purposes of this bill is included in the 2017 Appropriation Act, as passed by the General Assembly, and becomes law.

6. Budget Amendment Necessary: Yes.

7. Fiscal Impact Estimates: See Item 8.

7a. Expenditure Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2017 | - | - | - |
| 2018 | \$800,000 | 0 | nongeneral |
| 2019 | \$800,000 | 0 | nongeneral |
| 2020 | \$800,000 | 0 | nongeneral |
| 2021 | - | - | - |
| 2022 | - | - | - |
| 2023 | - | - | - |

- 8. Fiscal Implications:** This legislation directs the Virginia Community College System (VCCS) to establish a three year TANF scholarship pilot program to be paid using federal TANF block grant funds. The Virginia Community College System and the Virginia Department of Social Services will enter into a memorandum of understanding (MOU) to establish program parameters and a method for selecting eligible students to participate in the pilot program. The bill limits the scholarships to \$4,000 per student per year for 200 students. From July 2016 to September 2016, there was a monthly average of 21,528 TANF recipients aged 18 and over who could possibly qualify for the program based on age. The 200 scholarships to be awarded represent a small fraction of the possible number of recipients; therefore, it is expected that the full allowable number of 200 students will participate in the program. The total cost of this legislation is \$800,000 (\$4,000 x 200 students).

This bill also requires the Virginia Community College System to monitor, record, and analyze the outcomes for student participants in the pilot program and report to the Governor and General Assembly by December 1 of each year of the program. Any administrative costs resulting from this legislation can be absorbed within the current appropriation. If the pilot program evolves into a recurring program, VCCS may require additional resources, including position(s), for ongoing program administration.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Community College System, Department of Social Services

- 10. Technical Amendment Necessary:** No

- 11. Other Comments:**