

Department of Planning and Budget

2019 Fiscal Impact Statement

1. Bill Number: HB2246

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

2. Patron: Davis

3. Committee: Appropriations

4. Title: Higher Education Advisory Committee; higher education funding.

5. Summary: Requires the Higher Education Advisory Committee (Advisory Committee) to (i) develop a methodology by which to rate the performance of each public institution of higher education and (ii) review and make recommendations for changes to existing funding methodology and targeted financial incentives. The bill requires the Advisory Committee to consult with national and state policy experts and institutional innovators in other states and consider trends in the implementation of various performance-based funding models, accounting for institutional differences. The Advisory Committee's recommendations shall be designed to achieve increased degree and credential attainment within high-demand fields, reduction of average time-to-degree, improved affordability for Virginia students and families, reduction of debt of former students and graduates, and improved graduate employment outcomes. The bill requires that such recommendations be designed to result in a funding methodology and targeted financial incentives that allocate at least 80 percent of state appropriations for public higher education according to a set of certain performance metrics. Such recommendations are required to be submitted to the General Assembly and the Governor no later than the first day of the regular session of the General Assembly in 2020.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item 8.

8. Fiscal Implications: Any expenses associates with meetings and work conducted by members of the Advisory Committee would need to be covered by members' respective agencies. Such costs are indeterminate, but it is expected they could be absorbed with existing resources.

9. Specific Agency or Political Subdivisions Affected: Higher Education Advisory Committee.

10. Technical Amendment Necessary: No.

11. Other Comments: While this legislation does not carry a quantifiable fiscal impact, any implementation of the recommendations developed could significantly alter the process by which funding is allocated to public institutions of higher education.