

Department of Planning and Budget 2007 Fiscal Impact Statement

1. **Bill Number** HB 2168

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Cline

3. **Committee** Education

4. **Title** Community College Transfer Grant Program

5. **Summary/Purpose:** This program establishes the Community College Transfer Grant Program for the purpose of providing higher education grants to domiciles of Virginia who have successfully completed an associate degree program at a Virginia community college and have been admitted to an accredited nonprofit public or private institution of higher education in the Commonwealth and have met the financial aid requirements. The State Council of Higher Education for Virginia (SCHEV) would be responsible for promulgating the necessary and appropriate regulations for its administration.

6. **Fiscal Impact Estimates are:** Preliminary.

	<i>Dollars</i>	<i>Students Served</i>	<i>Fund</i>
2007-08	\$3,800,000	1754	General Fund
2008-09	\$8,400,000	3562	General Fund
2009-10	\$9,600,000	3668	General Fund
2010-11	\$10,800,000	3779	General Fund
2011-12	\$12,300,000	3892	General Fund
2012-13	\$13,900,000	4009	General Fund

7. **Budget amendment necessary:** Yes, Item 143.

8. **Fiscal implications:** The programmatic requirement for students are: (i) have received an associate degree at a Virginia community college, (ii) have enrolled in a Virginia four-year public or private not for profit institution of higher education by the fall following the award of the associate degree, (iii) on the basis of financial need. Eligible students must have maintained a cumulative grade point average of at least 3.0 on a scale of 4.0 or its equivalent while enrolled in an associate degree program. The grant is limited to 70 credit hours.

Three other bills have been introduced with similar language, HB1872, HB 1681, and SB 749. However, this bill does not specify the medium income requirements, and only states

“on the basis of financial need.” The numbers shown in this fiscal impact statement assume that “financial need” is defined as 150 percent of Virginia median income or less. Should the median income be lower than the 150 percent, the fiscal impact would increase.

9. Specific agency or political subdivisions affected: All higher education institutions, State Council of Higher Education for Virginia

10. Technical amendment necessary: No

11. Other comments: The fiscal impact is based on information provided by the Virginia Community College System and makes the following assumptions:

- The analysis includes actual student enrollment from 2003-2004 academic year to 2005-2006.
- Projections of eligible students include a three percent growth rate annually.
- Projections consider that 85 percent of students having a family income equal to or less than 150% of Virginia median income enrolled in the transfer degree program, and have a 3.0 grade point average or better will matriculate at four year institutions.
- The analysis assumes the average award would be \$4,685, based on tuition costs for FY 2006-2007 with incremental tuition increases of five percent annually.

C: Secretary of Education