

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: SB1363

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Stosch

3. Committee: Education and Health

4. Title: Two-Year College Transfer Grant Program.

5. Summary: This legislation provides for an increase of \$500 for two-year transfer grant recipients, making the base award \$1,500 and an additional \$1,000 for science, technology, education, math, and nursing (STEM) students. Additionally, the legislation includes increasing the federal Expected Family Contribution threshold from \$8,000 to \$12,000. This legislation changes the requirements that the students who receive the grant to maintain the continued enrollment requirements at the institution to which they have transferred, rather than meeting a specific grade point average (GPA) requirement.

6. Budget Amendment Necessary: Yes, Item 137.H.1

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	0	
2012	\$975,000	GENERAL FUND
2013	\$1,023,750	GENERAL FUND
2014	\$1,074,938	GENERAL FUND
2015	\$1,128,684	GENERAL FUND
2016	\$1,185,119	GENERAL FUND

8. Fiscal Implications: Currently, \$750,000 is appropriated each year in the present budget for the Two-Year College Transfer Grant Program. The State Council of Higher Education for Virginia (SCHEV) estimates up to 600 students could receive grant awards in FY 2011. The legislation is requesting an increase in funding for students from \$1,000 to \$1,500 for liberal arts and business majors, and from \$2,000 to \$2,500 for science, technology, education, math, and nursing (STEM) majors. Assuming some growth in the program, if 500 non-STEM students and 250 STEM students receive additional funding, the total increase in funding required from this portion of the legislation could be

\$625,000 in FY 2012. The estimated costs in the out-years assume an anticipated increase of five percent each year through FY 2016.

The legislation also proposes expanding income eligibility by increasing the federal Expected Family Contribution threshold from \$8,000 to \$12,000. This anticipated cost, based on information from the Virginia Community College System, is \$350,000 in FY 2012. The projected cost in the out years assumes a five percent increase per year.

The change in legislation related to the grade point average requirement for maintaining the scholarship could alter the fiscal requirements, as more students may be eligible for the award. This impact, though, is indeterminate.

- 9. Specific Agency or Political Subdivisions Affected:** State Council of Higher Education for Virginia, to verify eligibility and transfer funding, and all public and private, nonprofit colleges and universities.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: January 21, 2011