

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: SB440

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: Saslaw

3. Committee: Education and Health

4. Title: Virginia Guaranteed Assistance Program; eligibility; use of funds.

5. Summary: Makes several changes to the student eligibility criteria for Virginia Guaranteed Assistance Program grants, including (i) removing the requirement that the recipient be a dependent, (ii) requiring the recipient to be enrolled full time, (iii) removing the restriction on the number of years for which the grant may be renewed annually, and (iv) permitting renewal of the grant only if the recipient successfully completes a minimum of 30 credit hours in the immediate preceding award year, unless granted an exception for cause pursuant to State Council of Higher Education for Virginia regulations. The bill permits public institutions of higher education to use Guaranteed Assistance Program funds to provide enhanced awards to students who are enrolled in at least 15 credit hours per term. The provisions of the bill become effective beginning with the first-time entering freshman class of the fall 2017 academic year.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary, see item 8.

8. Fiscal Implications: Funding for student financial assistance is currently provided to each public college and university based on the partnership model supported by the State Council of Higher Education for Virginia. An additional \$24 million annually was included in the Governor's introduced budget for this purpose. Awards to students are based on financial need and academic progress. This legislation could encourage students to complete their degree in the customary four-year timeframe and thus, potentially, reduce student debt.

This legislation allows each public college or university to provide enhancement grants, based on available funding.

9. Specific Agency or Political Subdivisions Affected: State Council of Higher Education for Virginia, all public colleges and universities.

10. Technical Amendment Necessary: No.

11. Other Comments: HB1022 is the companion bill.