

Department of Planning and Budget

2023 Fiscal Impact Statement

1. Bill Number: HB1439

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Anderson

3. Committee: Education

4. Title: Comprehensive community colleges; conditionally forgivable loans for tuition and other fees.

5. Summary: Requires each comprehensive community college to establish a process whereby admitted students may apply for a conditionally forgivable loan in an amount sufficient to cover the full cost of tuition, mandatory fees, and required textbooks or other course materials to earn a certain degree or credential at such college. The bill provides that the student is eligible for such loan if the student (i) demonstrates that the student is a single parent of a dependent child or dependent children and has a total household income that is not more than 250 percent of the current annual federal poverty guidelines; (ii) signs an agreement to (a) pursue a field of study that leads to a high-demand occupation identified by the Virginia Office of Education Economics on its high-demand occupations list, (b) earn within 30 months of initial enrollment at the comprehensive community college a degree or credential that leads to such a high-demand occupation, and (c) maintain employment in the Commonwealth in such a high-demand occupation for at least five years during the seven-year period that begins on the date on which the student earns such a degree or credential; and (iii) signs a promissory note to repay the full amount of the loan in a lump sum, without interest, 84 months from the date on which the student fails to meet any condition of the agreement signed pursuant to clause (ii). The bill requires each comprehensive community college to forgive the full amount of any such loan on the date on which the recipient demonstrates full satisfaction of the conditions of the signed agreement, as determined by the Office of the Attorney General. The bill permits any comprehensive community college that forgives such a loan to request reimbursement for the forgiven amount from the General Assembly and requires the General Assembly to establish a process and procedure for receiving and acting upon such reimbursement requests.

6. Budget Amendment Necessary: No

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

8. Fiscal Implications: The fiscal impact depends on the number of qualifying students and the amount appropriated by the General Assembly for loan forgiveness. The Virginia

Community College System would have to absorb the cost of any loans that are forgiven but not reimbursed. The actual fiscal impact is indeterminate at this time.

9. Specific Agency or Political Subdivisions Affected: Virginia Community College System

10. Technical Amendment Necessary: No

11. Other Comments: None