

S.38 – Fiscal Note *Draft subject to change*
Based on the bill as introduced

Specifications:

Eligible Institutions – Vermont State Colleges (CU, NVU, VTC, CCV)

Eligible Students – Vermont residents enrolled full time taking 12 credits per semester and working toward undergraduate associates, bachelor’s degree or professional certificate.

Eligible Costs – First dollar award or ‘Promise’ scholarship equal to tuition for student with a GPA of 2.5 or higher and a \$200 per student per year book stipend. Failure to complete the degree would result in the award being converted to a loan.

- *As drafted the scholarship “shall cover the cost of tuition” for this analysis JFO considered this a first dollar in proposal. The full scholarship amount is provided regardless of other federal aid provided*
- *JFO recognizes loan conversion will have a positive fiscal impact (net administrative costs) to the program in the future but is not factored into this initial analysis.*

Cost Estimate – Year 1

	Eligible Full Time	Cost (\$M)
All Degree Seeking Undergrad Students	3,705	\$42.2M (98% tuition, 2% stipend)

- JFO assumed that offering a grant to only full time students will cause part time students to consider and adjust to full time status. Estimated impact to CCV full time enrollment is based on early NY state experience with the Excelsior Grant which was limited to full time students – full time enrollment increased by 5.2%. For CU, NVU and VTC which have a different student body - full time enrollment was assumed to increase by 10% for undergraduate degrees and by 15% for specific degrees such as nursing, dental hygiene and technical professions. It is assumed that currently unenrolled students are absorbed by this full time uptick as well.
- It was assumed that the additional support provided will increase year over year retention by 5%
- Awaiting detailed GPA information – current impact of GPA limit is based on broad national data on GPA limits
- Costs for three alternatives to the baseline proposal are analyzed below. The baseline proposal remains constant with the one variable changed as indicated:

Alternative 1 –No GPA Limitation	4,315 FT students	\$48.2M
Alternative 2 – Full and Part time eligible	6,157 FTE students ~9,100 head count	\$63.2M
Alternative 3 –Limit to Freshman and Sophomore	2,205 FT students	\$24.3M

Alternative – Last Dollar – all other provisions the same
 Very preliminary estimate indicates a cost at \$20m below the first dollar in approach of \$42.2m

Year 2 Estimate TBD