

# OFFICE OF FISCAL ANALYSIS

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sSB-307

AN ACT CONCERNING THE DEPARTMENT OF ECONOMIC AND  
COMMUNITY DEVELOPMENT'S RECOMMENDATIONS FOR  
REVISIONS TO THE COMMERCE STATUTES.

## AMENDMENT

LCO No.: 6249

File Copy No.: 561

Senate Calendar No.: 327

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### ***OFA Fiscal Note***

#### ***State Impact:***

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Constituent Units of Higher Education	GF - Cost	Potential Minimal	Potential Minimal

Note: GF=General Fund

***Municipal Impact:*** None

#### ***Explanation***

The amendment results in a potential, minimal cost annually beginning in FY 27 to the constituent units of higher education by prohibiting scholarship displacement for students who receive Pell Grants or Willis Scholarships.<sup>1</sup> This potential cost would only be incurred if the constituent units choose to increase the total amount of financial aid they offer as a result of the amendment.

The constituent units budget how much tuition revenue will be set aside for financial aid each year. By prohibiting scholarship displacement for certain students, the amendment precludes savings that the units otherwise realize when they reduce financial aid packages.

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<sup>1</sup> Scholarship displacement refers to the practice of reducing a student's financial aid package by an amount equal to any scholarships received by the student.

The units may use that savings to: (1) reallocate financial aid to other students; or (2) reduce the total amount of financial aid they provide. This means that, as a result of the amendment, the units will either: (1) have less aid to reallocate; or (2) increase the total amount of financial aid they offer.

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*