

## Department of Planning and Budget 2002 Fiscal Impact Statement

1. **Bill Number** HB218

**House of Origin**     Introduced     Substitute     Engrossed  
**Second House**     In Committee     Substitute     Enrolled

2. **Patron** O'Bannon

3. **Committee** Passed Both Houses

4. **Title** Senior Citizens Higher Education Act.

5. **Summary/Purpose:**

This bill is also referred to as the Senior Citizens Higher Education Act. The bill increases the income eligibility threshold from \$10,000 to \$15,000, and prohibits the charging of any fee for the request for the benefits of the Senior Citizens Higher Education Act.

6. **Fiscal Impact Estimates are: Final**

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02			
2002-03	\$1.5 million		GF
2003-04	\$1.5 million		GF

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02			
2002-03	(\$1.5 million)		NGF
2003-04	(\$1.5 million)		NGF

7. **Budget amendment necessary** : Yes. However, the General Assembly did not choose to replace the foregone non-general fund revenue with general fund dollars; thus, with passage of this bill, the higher education institutions would have to absorb the costs of these potential students.

8. **Fiscal implications:** Currently the institutions must cover the costs, from existing appropriations, for any senior citizen who participates in the program. Attached is a table that shows the fall 1998 headcount number of individuals over the age of 60 attending the state supported institutions and an estimate of the costs the institutions would have to cover if all of those individuals received benefits under the program. This data does not distinguish amongst the taxable income level of these individuals over age 60. So it is likely that many of the persons over 60 and having an income not exceeding \$15,000 are already a part of these numbers.

Also, it is assumed that not all of the individuals over the age of 60 are actually participating in the program and not paying tuition. Therefore, the actual amount of current loss to the institutions could be less than the amount stated on the table (\$1.5 million). However, this

could be offset by how many more eligible senior citizens would enroll if given a higher taxable income cap, which could result in additional lost revenue to the higher education institutions. Thus, this analysis assumes roughly a \$1.5 million impact annually.

**9. Specific agency or political subdivisions affected:** State-supported institutions of higher education

**10. Technical amendment necessary:** None

**11. Other comments:** None

**Date:** 03/14/02/sle

**Document:** g:\sle\02FIS\HB218ER.doc

cc:Secretary of Education

Institutions	Resident Full - Time Students Age 60 and Over (1)	Est. Revenue From Full -Time Students	Resident Part - Time Students Age 60 and Over (1)	Estimated Revenue From Part-Time Students	Total Resident Students Age 60 and Over (1)	Total Estimated Revenue from Resident Students
GMU	7	\$28,932	91	\$192,018	98	\$220,950
ODU	7	\$28,912	45	\$117,936	52	\$146,848
UVA	4	\$18,878	44	\$139,348	48	\$158,226
VCU	5	\$19,460	53	\$136,206	58	\$155,666
VPI	4	\$19,800	16	\$48,400	20	\$68,200
W&M	1	\$5,282	7	\$11,280	8	\$16,562
CNU	2	\$6,096	10	\$15,517	12	\$21,613
CVC	0	\$0	7	\$8,407	7	\$8,407
JMU	2	\$7,852	17	\$20,292	19	\$28,144
LC	1	\$3,924	0	\$0	1	\$3,924
MWC	0	\$0	10	\$12,120	10	\$12,120
NSU	5	\$15,115	14	\$22,392	19	\$37,507
RU	6	\$17,322	19	\$32,398	25	\$49,720
VMI	0	\$0	0	\$0	0	\$0
VSU	6	\$18,516	22	\$32,976	28	\$51,492
RBC	0	\$0	4	\$3,120	4	\$3,120
VCCS	39	\$45,201	1,067	\$494,490	1,106	\$539,691
<b>TOTAL</b>	<b>89</b>	<b>\$235,290</b>	<b>1,426</b>	<b>\$1,286,901</b>	<b>1,515</b>	<b>\$1,522,191</b>

(1) Based on fall 1998 headcount enrollment.

(2) Estimate is based on part-time student taking two, three hour courses per semester (fall and spring).