

Department of Planning and Budget 2005 Fiscal Impact Statement

1. Bill Number HB1598

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 Callahan

3. Committee Education

4. Title In-state tuition for legal aliens

5. Summary/Purpose: The proposed legislation grants in-state tuition to a student holding a valid student or other temporary visa if the student's parent is a legal alien holding a valid permanent or temporary visa who has, for at least one year immediately prior to the date of alleged entitlement for in-state tuition charges, resided in Virginia, been employed full time and paid individual income taxes to Virginia. Such student shall be eligible for in-state tuition charges only if the alien parent claims him as a dependent for income tax purposes, as evidenced by claiming him as a dependent on an individual or joint return. In addition, the legislation prohibits any person holding a student or other temporary visa from remaining in Virginia indefinitely.

6. Fiscal Impact: Preliminary. See Line 8.

7. Budget amendment necessary: Yes, it is assumed that additional general fund appropriations would be required at each public institution of higher education to offset the difference between in-state and out-of-state tuition charges.

8. Fiscal implications: As of FY 2003, Virginia's public institutions report 8,797 foreign students listed as out-of-state. This bill impacts a subgroup of this number but it is not possible to determine how many of these students meet each of the bill's criteria. The percentage could be less than the total of current foreign students but there is no way to determine an accurate number.

Assuming 10 percent of currently enrolled foreign students, the State Council of Higher Education estimates up to \$9.1 million in potential lost revenue at the institutions of higher education (See Table titled *Summary of Projected Loss of Revenue*). The institutions most affected are George Mason University, Old Dominion University, the University of Virginia, Virginia Commonwealth University, Virginia Tech, and Northern Virginia Community College.

Summary of Projected Loss of Revenue

Institution	FY03 Foreign Out-Of-State	FY05 In/Out State Tuition Diff.	Estimated 10% Affected	Potential Lost Revenue
Christopher Newport University	8	\$7,362	1	\$7,362
College of William & Mary	339	\$14,806	34	\$503,404
George Mason University	1,182	\$10,368	118	\$1,223,424
James Madison University	157	\$8,944	16	\$143,104
Longwood University	22	\$6,510	2	\$13,020
Norfolk State University	49	\$9,960	5	\$49,800
Old Dominion University	962	\$9,420	96	\$904,320
Radford University	86	\$6,998	9	\$62,982
University of Mary Washington	10	\$8,406	1	\$8,406
University of Virginia	1,426	\$16,100	143	\$2,302,300
University of Virginia's College at Wise	15	\$9,420	2	\$18,840
Virginia Commonwealth University	711	\$12,164	71	\$863,644
Virginia Military Institute	35	\$13,462	4	\$53,848
Virginia Tech	2,067	\$10,743	207	\$2,223,801
Virginia State University	0	\$6,918	0	\$0
Richard Bland College	3	\$6,788	0	\$0
VCCS	1,725	\$4,424	173	\$765,352
	8,797		882	\$9,143,607

Source: State Council of Higher Education for Virginia

With this new and unique benefit, Virginia institutions will likely also realize an increase in foreign students applying for admission, both those who currently live in Virginia and those who see the added benefit of residing and working in Virginia.

The future fiscal impact will depend upon each institution's ability to annually manage the number of in-state and out-of-state students. If the institution is able to control its percentage of in-state v. out-of-state students, then the resulting impact is minimal or non-existent with the real impact resulting in a larger pool of in-state applicants competing for limited spaces at each institution of higher education. Institutions less able to replace the lost tuition revenue from their pool of students may be more impacted depending upon the number of eligible students applying for admission.

9. Specific agency or political subdivisions affected: Virginia public institutions of higher education

10. Technical amendment necessary: Yes.

Page 4, line 220, after "student" insert "does"

11. Other comments: None.

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cc: Secretary of Education