

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** SB486ER

**House of Origin**    ☐ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☒ Enrolled

**2. Patron**        Norment

**3. Committee**    Passed Both Houses

**4. Title**            Admission of state cadets at the Virginia Military Institute.

**5. Summary/Purpose:** Reduces the minimum number of state cadets admitted annually to Virginia Military Institute (VMI) free of charge for board and tuition from 50 to a number deemed sufficient and gives authority to the Board of Visitors to select, from the Commonwealth at large, state cadets. Currently, 40 state cadets are selected, one from each of the senatorial districts, and 10 are chosen from the Commonwealth at large. The board shall provide financial assistance for tuition and fees and room and board equal to the demonstrated need, up to the Institute's prevailing charges. Under present law, and continued under this bill, state cadets can satisfy their obligation to the Commonwealth for free board and tuition by teaching at a Virginia school for two years, by serving an enlistment in the Virginia National Guard, by serving as an engineer for the Commonwealth Transportation Board or the Department of Health for two years, by serving on active duty as a member of the United States armed services for two years, by entering medical school and practicing medicine in a rural community in Virginia for two years, or, with approval of the Board of Visitors, by serving as an employee of the Commonwealth for two years.

This bill also includes a new provision that allows the board to admit, as military scholarship cadets, up to 40 young men and women. The board shall provide financial assistance for tuition, fees, and room and board subject to federal funds, state appropriations and private gifts available for this program. Each military scholarship cadet shall agree to serve in the Virginia National Guard for a term in accordance with Guard policy and regulation.

Any provisions of this bill creating a fiscal impact are contingent upon availability and appropriation of state and federal funds.

**6. Fiscal Impact Estimates are:** Final. See Item 8.

**7. Budget amendment necessary:** No. Appropriations can be handled administratively as funds become available.

**8. Fiscal implications:** There is no additional fiscal impact from the admission of state cadets. State cadetships are currently funded from an existing appropriation to Virginia Military Institute's Higher Education, Student Financial Assistance program. There would be a cost to VMI if it provides funding for the proposed new military scholarship cadet program

authorized in this legislation. The final cost to the state, though, will be dependent on how much in federal funds, private gifts and state appropriations are made available for this program. There is no requirement that state funds be provided for this program.

According to the Virginia Military Institute, the current cost for tuition, fees, and room and board for in state cadets is \$14,332 per year. If all forty military scholarships are awarded for the full cost of attendance, this legislation will have a fiscal impact of approximately \$573,280 per class. The cost will be compounded as new classes enter and after four years the annual fiscal impact could be as much as \$2,293,120. However, this impact could be offset by any federal funds, private funds or tuition assistance funding through the National Guard that are made available for this program.

Any amount of funding made available that is less than the full cost would have to be prorated among the forty cadets.

**9. Specific agency or political subdivisions affected:** Virginia Military Institute.

**10. Technical amendment necessary:** No

**11. Other comments:** None.

**Date:** 03/27/06 / tmb

cc. Secretary of Education