

## Department of Planning and Budget 2013 Fiscal Impact Statement

**1. Bill Number** SB1290S1

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

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

**2. Patron:** Edwards

**3. Committee:** Education and Health

**4. Title:** Partial or Full Tuition Waiver for Dependents of University and College Faculty

**5. Summary/Purpose:** Provides that any state institution of higher education may provide full or partial tuition waivers for dependent children of faculty employed by the institution, to be used for undergraduate education at the institution. The institution may establish general eligibility criteria for participation in the program, including the length of time that a faculty member must be employed by the institution to be eligible for the program the maximum age of eligible dependents, and the maximum amount of credit hours for which a tuition waiver shall be authorized. The cost of such waivers shall be paid out of the institution's nongeneral funds. Additionally, two or more state institutions of higher education may enter into a reciprocal agreement whereby the dependents of the faculty at any institution that is party to the agreement may use the waivers for undergraduate education at any other institution that is party to the agreement.

**6. Budget amendment necessary:** No.

**7. Fiscal Impact Estimates are:** Indeterminate, see item 8.

**8. Fiscal implications:** There are currently approximately 6,500 faculty members at Virginia's 15 four year public colleges and institutions, 23 community colleges and one junior college. The average cost of mandatory tuition and fees at four year institutions is approximately \$9,915. The average cost at the Virginia Community College System (VCCS) and Richard Bland College is \$4,030. In addition, it is unknown how many schools might provide this benefit. Based on the criteria listed above, for every 10 students at each four year school, up to \$99,150 in either tuition waivers or nongeneral funds would be required. For students of faculty members attending VCCS or Richard Bland College \$40,300 in either tuition waivers or nongeneral funds would be required. The number of faculty who would qualify for this is unknown.

**9. Specific agency or political subdivisions affected:** All state colleges and universities.

**10. Technical amendment necessary:** No.

**11. Other comments:** The language in this legislation indicates the waivers shall be paid out of the institutions nongeneral funds. It is not defined which nongeneral fund category funds would be derived. Tuition waivers usually indicate that tuition for students is waived, and that the lost revenues are counted by the university in the forgone tuition revenue in the school's six year plan.

Date: 1/31/13

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