

## **Department of Planning and Budget**

### **2014 Fiscal Impact Statement**

**1. Bill Number:** HB 238

<b>House of Origin</b>	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
<b>Second House</b>	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

**2. Patron:** Delegate Ramadan

**3. Committee:** Education

**4. Title:** Establishes proportion of revenues designated for undergraduate instruction.

**5. Summary:** Requires that all funds received from in-state undergraduate tuition are designated for undergraduate education, that 65 percent of such funds are dedicated to undergraduate instructional expense. Also directs that 65 percent of all funds received from the Commonwealth for the education and general programs of instruction, academic support, student services, institutional support, and operation and plant maintenance, are dedicated to undergraduate instructional expenses.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Indeterminate. See item 8.

**8. Fiscal Implications:** The Commonwealth's accounting system does not track spending at the student level, as would be necessary to understand the proportion of funds expended on undergraduate expenses. In order to uphold the requirements of the legislation, Virginia's colleges and universities would have to convert to an accounting system that would allow tracking expenditures by student. The cost of such conversion is unknown at this time.

**9. Specific Agency or Political Subdivisions Affected:** Virginia's institutions of higher education.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** Although not a direct comparison, according to the State Council of Higher Education, Virginia's system of higher education dedicated 65 percent of its total expenses (including out of state and graduate tuition) to instructional programs (Instruction and Academic Support) in fiscal year 2013.

Date: 01/22/14 cmk  
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C: Secretary of Education