

## Department of Planning and Budget 2017 Fiscal Impact Statement

**1. Bill Number:** HB 1724

<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 Anderson

**3. Committee:** Education

**4. Title:** Extend in-state tuition eligibility to members of the Virginia National Guard who reside in the Commonwealth.

**5. Summary:** This bill declares any member of the Virginia National Guard who resides in the Commonwealth to be eligible for in-state tuition charges, regardless of the individual's domicile. The bill removes the current requirement that guard members be mobilized or on temporary active orders for 180 days or more in order to be receive that eligibility status.

**6. Budget Amendment Necessary:** Yes. Item 219.

**7. Fiscal Impact Estimates:** Preliminary (see Section 8)

**8. Fiscal Implications:** This proposed legislation addresses those out-of-state students who attend Virginia's public institutions of higher education and are members of the Virginia National Guard. The data necessary to calculate the total fiscal impact of this legislation is currently not available.

In FY 2017, there are 15 Virginia guardsmen who have out-of-state addresses attending Virginia Military Institute (VMI). Prior year data indicates that approximately 21 Virginia guardsmen with out-of-state addresses attended six other Virginia public institutions of higher education (Christopher Newport University, George Mason University, James Madison University, Norfolk State University, Old Dominion University, and Virginia Commonwealth University). These guardsmen pay at the out-of-state undergraduate rate. However, this cost may be offset by forms of financial assistance such as federal tuition assistance, the Virginia National Guard State Tuition Assistance Program, the GI Bill, and various other scholarships.

A significant difference exists between the in-state and out-of-state tuition rates at the Commonwealth's public institutions of higher education. For example, at VMI, current out-of-state tuition is \$32,770 while in-state tuition is \$8,461. This results in a tuition differential of \$24,309. VMI provides \$100,000 in tuition waivers annually for certain out-of-state cadets in the Virginia National Guard. Therefore, the immediate fiscal impact resulting from this legislation would be \$264,635 (\$364,635 less the \$100,000 in tuition waivers).

Last year, 43 Virginia guardsmen at VMI would have qualified for this program. Using last year's tuition differential of \$23,014, the impact to the Institute would have been \$889,602 (\$989,602 less the \$100,000 in tuition waivers). In both scenarios, the estimated impact is more than VMI could absorb without impacting its operations; thereby requiring offsetting general fund support. In order to address the potential shortfall to VMI's budget resulting from out-of-state Virginia guardsmen being permitted in-state tuition from this legislative proposal, the Governor included \$900,000 (GF) for FY 2018 among his proposed amendments to the 2016-2018 biennial budget.

No additional general fund support was provided to the other public universities by the Governor. It remains to be determined as to the number of guardsmen who would qualify for the in-state tuition proposed by this bill and the tuition differential at the individual institutions whether the lost revenue could be absorbed or require state support.

**9. Specific Agency or Political Subdivisions Affected:** Virginia's public institutions of higher education and the Department of Military Affairs

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

**11. Other Comments:** None.

**Date:** 01/23/17

c: Secretary of Education  
Secretary of Public Safety