

## Department of Planning and Budget 2017 Fiscal Impact Statement

**1. Bill Number:** SB1087

<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:** Sturtevant

**3. Committee:** Finance

**4. Title:** Limits in-state tuition increases to the Average Consumer Price Index

**5. Summary:** The proposed legislation prohibits increases for in-state tuition or instructional fees for undergraduate students at Virginia's public institutions of higher education that exceeds the annual percentage increase, as determined by the State Council of Higher Education for Virginia, in the Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics of the U.S. Department of Labor, from January 1 through December 31 of the year immediately preceding the affected year.

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

**7. Fiscal Impact Estimates:** Indeterminate. (See Line 8)

**8. Fiscal Implications:** Over the past decade, the annual percent change of the Consumer Price Index (CPI All-Urban) published by the Bureau of Labor Statistics of the U.S. Department of Labor varied from -0.5 percent to 3.7 percent. Tuition and mandatory E&G fee charges ranged from 4.5 percent to 13.1 percent over the same timeframe. If the requirements of this legislation had been in place over the last decade, higher education institutions would have had less tuition and fee revenue to address enrollment growth, general fund budget reductions, and increasing operating and maintenance expenses, such as rising utilities, salary and benefit costs.

Historically, higher tuition increases can be linked, in large part, to years in which the general fund support for higher education was being reduced. Institutions increased tuition at greater rates to help offset the state budget cuts in order to maintain an acceptable level of services and quality of education. This bill caps tuition increases while remaining silent on the Commonwealth's funding responsibility.

**9. Specific Agency or Political Subdivisions Affected:**

Public institutions of higher education

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

**11. Other Comments:** Senate Bill 985 is identical to Senate Bill 1087.