

## Department of Planning and Budget 2017 Fiscal Impact Statement

**1. Bill Number:** SB1565

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

**2. Patron:** Wagner

**3. Committee:** Education and Health

**4. Title:** Limits in-state tuition increases equal to state-mandated salary increases for state employees

**5. Summary:** The proposed legislation limits any percentage increase in in-state tuition or instructional fees for undergraduate students at Virginia's public institutions of higher education to the mandated salary percentage increase for state employees, as determined by the appropriation act of the calendar year immediately preceding the affected year. The State Council for Higher Education for Virginia shall determine and report the annual percentage increase for the preceding year to the governing board of each of the public institutions of higher education in the Commonwealth and the State Board by September 1 of each year.

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

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

**8. Fiscal Implications:** Over the past decade, state employees received salary increases and/or bonuses ranging from 2.0 percent to 5.0 percent. However, the five percent increase authorized in 2011 was provided to offset the five percent requirement for state employees to contribute to the Virginia Retirement System. In some years during that timeframe, state employees did not receive a salary increase. Tuition and mandatory Educational and General fees charged 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 and benefit costs.

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

Public institutions of higher education  
State Council of Higher Education for Virginia

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

**11. Other Comments:** None.