

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: SB330

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Lewis

3. Committee: Finance

4. Title: In-state tuition; members of the Virginia National Guard

5. Summary: This bill provides that any member of the Virginia National Guard residing in Virginia shall be eligible for in-state tuition at a public institution of higher education. The number of eligible cadets at the Virginia Military Institute (VMI) who are members of the Virginia National Guard shall be limited to 20 per academic year. The 20 shall be chosen from an Order of Merit list, rank ordered and established by VMI, based on criteria provided by the Virginia National Guard.

6. Budget Amendment Necessary: Yes, Item 219.

7. Fiscal Impact Estimates: Preliminary. See Item #8.

8. Fiscal Implications: This legislation pertains to those out-of-state students who attend Virginia public colleges and universities who are members of the Virginia National Guard.

The data necessary to definitively calculate the total fiscal impact of this legislation is not currently available.

It is known that there are currently 43 Virginia guardsmen who have out-of-state addresses attending Virginia Military Institute (VMI). Information from 2015 suggested that there are at least an additional 21 Virginia guardsmen with out-of-state addresses distributed among six other Virginia public universities (Christopher Newport, George Mason, James Madison, Norfolk State, Old Dominion, and Virginia Commonwealth University).

These guardsmen pay at the undergraduate out-of-state rate. This cost may be offset by forms of financial aid such as federal tuition assistance, the Virginia National Guard State Tuition Assistance Program, the GI bill, and various scholarships. There is a significant difference between in-state and out-of-state tuition, particularly for VMI students.

VMI Tuition Rates	
In-State Student Tuition	\$8,136
Out-of-State Student Tuition	\$31,150

The difference between in-state and out-of-state at VMI is \$23,014 per year. Thus, the immediate fiscal impact of this legislation for VMI from 20 cadets eligible for in-state tuition would be a reduction in annual tuition revenue of \$460,280 beginning in FY 2017. This amount of funding is more than VMI can absorb without impacting the institution's operations, requiring offsetting general fund support.

The estimated fiscal impact spread among the other six universities for the remaining 21 known guardsmen would be \$332,243 beginning in FY 2017. It is assumed this potential loss in funding could be absorbed by these institutions.

At VMI, there are currently 656 out-of-state students, including the 43 guardsmen. For FY 2017, 680 are projected. There is no way to determine how many additional out-of-state cadets may join the Guard as a result of this legislation.

9. Specific Agency or Political Subdivisions Affected: Virginia public colleges and universities, Department of Military Affairs.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is a companion to HB 1176.

Date: 2/10/16

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c: Secretary of Education
Secretary of Public Safety