

## Department of Planning and Budget

### 2018 Fiscal Impact Statement

**1. Bill Number:** HB476

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:** Reid

**3. Committee:** Education

**4. Title:** Community service careers; tuition and fee waivers at public institutions of higher education.

**5. Summary:** Requires the State Council of Higher Education for Virginia (the Council) to establish and administer a community service career incentive program (the program). A student who is enrolled at a public institution of higher education and who intends to pursue a community service career in an area of the Commonwealth in which there is a high need for professionals in such community service career, and meets certain other eligibility criteria established by the Council, may apply to the Council for a renewable waiver of tuition and mandatory fees, including room and board. The bill requires each student who is granted a waiver by the Council pursuant to the program to enter into an agreement with the Council to serve in a community service career in an area of the Commonwealth in which there is a high need for professionals in such community service career for a period that is at least equal to the duration of the waiver and, in the event that he does not complete such service, to repay to the Council an amount equal to the full value of the waiver on the terms and in the manner that the Council prescribes. The bill requires each public institution of higher education to include in its catalog or equivalent publication a statement describing the waivers available pursuant to the program.

**6. Budget Amendment Necessary:** No

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

**8. Fiscal Implications:** It is unknown at this time what additional eligibility criteria would be developed, which careers would be eligible in which areas of the Commonwealth, and how many students would take advantage of the waiver program. Institutions of higher education would lose tuition and fee revenue from each student who participates in the waiver program and fulfills the community service requirement after graduation. Average in-state tuition for public four-year institutions in 2017-2018 was \$12,702. If general fund appropriation is not provided to replace lost revenue, the institutions will bear the entire burden of lost revenue, and may raise tuition and fee rates on other students to cover operating costs. Because the bill includes emergency medical technicians and firefighters, the Virginia Community College System could be especially affected.

Additionally, as the agency charged with administration of the waiver program, the State Council of Higher Education for Virginia (SCHEV) would incur costs related to collecting waiver repayments from students who do not fulfill the community service requirement. Such costs could include creation of amortization tables, monitoring and receipt of monthly payments and contracts with collection agencies. Finally, SCHEV would bear responsibility for and any associated costs with transferring waiver repayment amounts to the institution at which the waiver applied.

**9. Specific Agency or Political Subdivisions Affected:** Institutions of higher education, State Council of Higher Education for Virginia.

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

**11. Other Comments:** None.