

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: SB1429

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Suetterlein

3. Committee: Education and Health

4. Title: Virginia College Savings Plan; hybrid schools; classification.

5. Summary: Provides that the Virginia College Savings Plan shall consider any hybrid public-private elementary or secondary school to be a public elementary or secondary school or a private elementary or secondary school such that a beneficiary's account under a qualified tuition program established and maintained by the Plan may be used to cover up to \$10,000 in expenses in any taxable year for tuition in connection with the beneficiary's enrollment or attendance at such a hybrid school as permitted pursuant to the relevant provision of § 529 of the federal Internal Revenue Code.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Indeterminate – see item 8

8. Fiscal Implications:

The Virginia College Savings Plan (Virginia529) indicates that this legislation would have a minimal fiscal impact on its programs. Increased use of 529 accounts for K-12 hybrid expenses could cause an increase in state income tax deductions for contributions to Virginia529 accounts. Virginia529 would continue to leverage its education savings platforms and customer service, to accommodate the customer activity resulting from the provisions in SB1429. The infrastructure is already in place to implement the provisions of this bill within Virginia529's education savings program due to changes made pursuant to the federal H.R. 1 in 2017.

9. Specific Agency or Political Subdivisions Affected: Virginia College Savings Plan

10. Technical Amendment Necessary: No

11. Other Comments: None