

## Department of Planning and Budget 2007 Fiscal Impact Statement

**1. Bill Number** HB 2114

<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** Carrico

**3. Committee** Pending

**4. Title** Tuition, in-state; granting thereof if living out of state within 30 miles of college.

**5. Summary/Purpose:** Requires the governing board of the Virginia Community College System to grant in-state tuition to any person enrolled in one of the System's institutions who lives out of state, but within a 30-mile radius of a Virginia community college, provided his state of residence has a reciprocal arrangement for Virginia residents.

**6. Fiscal Impact Estimates are:** Preliminary. See Item 8.

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** In 1995, Virginia enacted legislation authorizing community colleges to charge a reduced tuition rate to any out-of-state student enrolled in a Virginia Community College who lives within a 30 mile radius of the community college campus, provided the student is entitled to in-state tuition in a state contiguous to Virginia that has similar provisions for Virginians (Section 23-7.4:2E). In Southwest Virginia, Virginia and Tennessee students benefit from this reciprocity agreement. Nearly 50 Virginia students were enrolled in Tennessee's Northeast State Technical Community College this past academic year, at no cost to Virginia. In turn, about 160 FTE students from nearby Tennessee enrolled in Virginia Highlands Community College and Mountain Empire Community College during the same period.

The Tennessee students are not recognized nor reimbursed as in-state students under the state funding formula. The colleges in which the students are enrolled must absorb the difference between the in-state tuition paid by the students and the actual cost of providing an education to the students. The Virginia Community College System (VCCS) indicates that the policy of charging in-state tuition to out-of-state students domiciled in states with reciprocity agreements has a net revenue loss of approximately \$614,000 annually, affecting predominately the two colleges noted above.

The passage of this legislation would allow the inclusion of the Tennessee out-of-state students in the calculation of state support to the VCCS under the base adequacy formula. The potential

increase in support funding for the VCCS required under the base adequacy formula cannot be calculated at this time.

**9. Specific agency or political subdivisions affected:** Virginia Community College System, specifically Mountain Empire and Virginia Highlands Community College.

**10. Technical amendment necessary:** No

**11. Other comments:**

Companion bill is SB 755.

**Date:** 1/19/07/RSA

C: Secretary of Education