

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB1011

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Hugo

3. Committee: Education

4. Title: Admission of in-state students at public institutions of higher education

5. Summary: The proposed legislation requires that the board of visitors or other governing body of each public institution of higher education, except for the Virginia Military Institute, Norfolk State University, and Virginia State University, to establish rules and regulations requiring that at least 75% of students admitted and enrolled at the institution be Virginia domiciles.

6. Fiscal Impact Estimates: Preliminary. See Line 8.

7. Budget Amendment Necessary: Yes. If this policy is adopted, the five affected institutions would require additional general fund support.

8. Fiscal implications: Currently, five institutions of higher education fall below 75 percent of in-state student enrollment. See table below:

**In-State Student Enrollment
Institutions Below 75 Percent**

Institution	In-state	Out-of-state	% In-state
University of Mary Washington (UMW)	2,986	1,046	74.1
Virginia Tech (VPI)	16,949	5,959	74.0
James Madison University (JMU)	11,610	4,902	70.3
University of Virginia (UVA)	9,758	5,312	64.8
William and Mary (CWM)	2,910	1,941	60.0

Per § 4-2.01 b.3.b) of Chapter 847, the 2007 Appropriation Act, the state share of educational costs for in-state students should cover 67 percent from the general fund and 33 percent from tuition and fees, while out-of-state students are supported with 100 percent from nongeneral funds.

If these five institutions were required to maintain an in-state ratio of 75 percent, it would cost the Commonwealth approximately \$37.8 million in general fund support to offset the nongeneral funds raised from out-of-state tuition and fee charges. (See table)

Summary of Additional Costs to the Commonwealth

Institution	Total Enrollment	Out of state students @ 25%	Out-of-state students	Difference from actual Out-of-state Enrollment	State Share of E&G Costs *	General Fund Offset
UVA	15,070	3,768	5,312	1,545	\$13,662	\$21,108,537
CWM	4,851	1,213	1,941	728	\$11,291	\$8,219,796
JMU	16,512	4,128	4,902	774	\$6,850	\$5,302,109
VPI	22,908	5,727	5,959	232	\$12,338	\$2,862,532
UMW	4,032	1,008	1,046	38	\$9,074	\$344,797
TOTAL	63,373	15,843	19,160	3,317		\$37,837,770

* Based on current state share of E&G costs, or 67%.

Given that the general fund offset covers only a portion of the lost revenue under this proposal, it is likely that the schools listed in the above table would need to raise their tuition and fees to cover the difference.

9. Specific agency or political subdivisions affected:

University of Virginia
College of William and Mary
University of Mary Washington

Virginia Tech
James Madison University

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/22/08/aps

Document: g:\legislation\2008 sess\HB1011.doc

cc: Secretary of Education