

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB1696

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

2. Patron: Albo

3. Committee: Education

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

5. Summary: Provides that the board of visitors or other governing body of each public institution of higher education must establish rules and regulations increasing the number of admitted Virginia domiciles 1.3 percent annually until the number of admitted Virginia domiciles reaches 80 percent of all admitted students.

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

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

8. Fiscal implications: Currently, seven institutions of higher education fall below 80 percent of in-state student enrollment. See table below:

Institutions with In-State Student Enrollment Below 80 Percent

2007-08 FTE Enrollment				
	In-State	Out-of-State	Total	% of In-State
College of William and Mary (CWM)	4,999	2,778	7,777	64.3%
James Madison University (JMU)	12,353	5,295	17,648	70.0%
University of Mary Washington (UMW)	3,539	978	4,517	78.3%
University of Virginia (UVA)	13,968	10,096	24,064	58.0%
Virginia Military Institute (VMI)	922	637	1,559	59.1%
Virginia State University (VSU)	3,039	1,320	4,359	69.7%
Virginia Tech (VT)	20,604	9,274	29,878	69.0%

Per § 4-2.01 b.3.b) of Chapter 879, the 2008 Appropriation Act, the state share of educational costs for in-state students should seek to fund 67 percent from the general fund and 33 percent from tuition and fees, while out-of-state students are supported 100 percent from nongeneral funds.

If these seven institutions were required to increase in-state enrollment by 1.3 percent annually in order to reach an in-state ratio of 80 percent, it would cost the Commonwealth an additional \$7.5 million in general fund appropriations to support the increased in-state student enrollment each year. (See table)

Estimated Annual Additional Costs to the Commonwealth

Inst.	Total Students	In-State Students	% of In-State Students	In-State Students @ 80% Provision	Current In-State Differ from 80% Provision	1.3% Annual Increase to # of In-State Students	General Fund Support per In-State Student*	Required Annual General Fund Support	Required Total Additional General Fund Support	Years to Reach 80% Provision (with .3% increase annually)	In-State/ Out-of-State Tuition Difference	Annual Tuition Loss
CWM	5,806	3,942	67.9%	4,645	703	75	\$9,163	\$691,605	\$6,439,756	9.3	\$19,080	\$1,440,120
JMU	16,433	11,470	69.8%	13,146	1,676	214	\$5,841	\$1,247,807	\$9,791,852	7.8	\$11,494	\$2,455,452
UMW	4,051	3,088	76.2%	3,241	153	53	\$6,363	\$335,095	\$972,266	2.9	\$11,168	\$588,140
UVA	15,643	9,938	63.5%	12,514	2,576	203	\$9,792	\$1,991,291	\$25,228,109	12.7	\$20,300	\$4,128,188
VMI	1,559	922	59.1%	1,247	325	20	\$10,998	\$222,896	\$3,576,550	16.0	\$16,898	\$342,472
VSU	4,133	2,804	67.8%	3,306	502	54	\$9,374	\$503,656	\$4,709,498	9.4	\$8,115	\$436,011
VT	23,677	17,504	73.9%	18,942	1,438	308	\$8,227	\$2,532,279	\$11,827,135	4.7	\$12,627	\$3,886,603
Total	71,302	49,668			7,374	927		\$7,524,629	\$62,545,166			\$13,276,986

*Based on FY2009 general fund appropriations in the Governor's introduced 2008-2010 budget amendments and projected FY09 enrollment.

The table also shows that institutions will lose tuition revenue by changing the mix of enrollment from out-of-state to in-state students. Given that the additional general fund can cover only a portion of the lost revenue under this proposal, it is likely that these institutions would increase 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 State University

Virginia Tech
James Madison University
Virginia Military Institute

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/23/09/aps

Document: g:/aps/legislation/2009sess/HB1696.doc

cc: Secretary of Finance
Secretary of Education