

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: HB847

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Hugo

3. Committee: Appropriations

4. Title: Public institutions of higher education; tuition assistance for non-Virginia students; proceeds

5. Summary: Prohibits each public institution of higher education from using any proceeds from state debt or revenues generated from state taxes and fees that are appropriated to such institution to offer any form of tuition assistance to any non-Virginia student and requires each public institution of higher education to separately account for such proceeds and revenues and provide a report of expenditures from such account to the House Committee on Appropriations and the Senate Committee on Finance upon the request of such committees.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary, see item 8.

8. Fiscal Implications: Currently, §4-5.0.1.b1. of the appropriation act excludes non-Virginia students from receiving state-supported undergraduate student financial assistance. The act does, however, permit awards to out-of-state graduate students, by not more than 50 percent of the total graduate student financial assistance provided. The language in the appropriation act would supersede the provisions of this legislation. If the language in the appropriation act is modified consist with this legislation, it could greatly affect Virginia's research colleges and universities by inhibiting their ability to attract the best students into their graduate programs.

It is not clear if paragraph B of this bill is specifically related to student financial assistance or to the accounting of all general fund and higher education operating expenditures. If it refers to the accounting of general fund and higher education operating expenditures, significant administrative costs could be associated with this bill, as all institutions of higher education would need to reprogram their internal budgeting and accounting systems to show both general and nongeneral fund expenditures. Such costs are not presently available.

9. Specific Agency or Political Subdivisions Affected: All state colleges and universities, referring to their general accounting systems, and specifically colleges and universities with graduate student financial aid.

10. Technical Amendment Necessary: Yes, recommend clarification of paragraph B, whether it applies to all higher education expenditures or just those related to financial aid.

11. Other Comments: None.