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SENATE BILL NO. 1379

Offered January 11, 2017

Prefiled January 11, 2017

A *BILL to amend and reenact § 23.1-307 of the Code of Virginia, relating to public institutions of higher education; budget surplus; tuition.*

Patron—Petersen

Referred to Committee on Education and Health

Be it enacted by the General Assembly of Virginia:**1. That § 23.1-307 of the Code of Virginia is amended and reenacted as follows:****§ 23.1-307. Public institutions of higher education; tuition and fees.**

A. *The Subject to the provisions of subsection D, the governing board of each public institution of higher education shall continue to fix, revise, charge, and collect tuition, fees, rates, rentals, and other charges for the services, goods, or facilities furnished by or on behalf of such institution and may adopt policies regarding any such service rendered or the use, occupancy, or operation of any such facility.*

B. Except to the extent included in the institution's six-year plan as provided in subsection C, if the total of an institution's tuition and educational and general fees for any fiscal year for Virginia students exceeds the difference for such fiscal year between (i) the institution's cost of education for all students, as calculated pursuant to clause (i) of subsection B of § 23.1-303 and (ii) the sum of the tuition and educational and general fees for non-Virginia students, the state general funds appropriated for its basic operations and instruction pursuant to subsection A of § 23.1-303, and its per student funding provided pursuant to § 23.1-304, the institution shall forgo new state funding at a level above the general funds received by the institution during the 2011-2012 fiscal year, at the discretion of the General Assembly, and shall be obligated to provide increased financial aid to maintain affordability for students from low-income and middle-income families. This limitation shall not apply to any portion of tuition and educational and general fees for Virginia students allocated to student financial aid, an institution's share of state-mandated salary or fringe benefit increases, increases in funds other than state general funds for the improvement of faculty salary competitiveness above the level included in the calculation in clause (i) of subsection B of § 23.1-303, the institution's progress towards achieving any financial incentive pursuant to § 23.1-305, unavoidable cost increases such as operation and maintenance for new facilities and utility rate increases, or other items directly attributable to an institution's unique mission and contributions.

C. Nothing in subsection B shall prohibit an institution from including in its six-year plan required by § 23.1-306 (i) new programs or initiatives including quality improvements or (ii) institution-specific funding based on particular state policies or institution-specific programs, or both, that will cause the total of the institution's tuition and educational and general fees for any fiscal year for Virginia students to exceed the difference for such fiscal year between (a) the institution's cost of education for all students, as calculated pursuant to clause (i) of subsection B of § 23.1-303, and (b) the sum of the tuition and educational and general fees for the institution's non-Virginia students, the state general funds appropriated for its basic operations and instruction pursuant to subsection A of § 23.1-303, and its per student funding provided pursuant to § 23.1-304.

D. *If a public institution of higher education is holding budget surpluses or cash reserves, which in total are greater than 150 percent of such institution's cost of education for the total enrollment in actual attendance for such fiscal year, as calculated pursuant to clause (i) of subsection B of § 23.1-303, then the governing board of such institution shall implement a plan to reduce in-state tuition over the next five years until such surpluses or reserves have been utilized to lower tuition.*

INTRODUCED

SB1379