

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: SB 259

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

2. Patron: Senator Stuart

3. Committee: Education and Health

4. Title: Extend eligibility for the Virginia Military Survivors and Dependents Education Program

5. Summary: This bill extends the benefits of the Virginia Military Survivors and Dependents Education Program to the spouse or child of a veteran with at least a 90 percent permanent, service-related disability. Under current law, the spouse or child would be eligible for benefits only if the veteran's disability was incurred during military operations against terrorism, on a peacekeeping mission, due to a terrorist act, or in any armed conflict.

6. Budget Amendment Necessary: Yes. Item 141.

7. Fiscal Impact Estimates: Preliminary (see Section 8)

8. Fiscal Implications: The Department of Veterans Services (DVS) estimates that recently at least 502 applications for this program failed to qualify, due to at least a portion of the 90 percent disability being attributable to a non-combat injury. The spouse and dependent children of a military member or veteran can receive up to four years of tuition and waivers and a stipend at Virginia's public institutions of higher education. Currently, the maximum annual stipend is \$1,800. However, the introduced budget proposes to increase the annual stipend amount to \$2,200.

The State Council of Higher Education for Virginia (SCHEV), using the average award level from FY 2017 (\$1,442), determines that if program participation increases by approximately 500 students, the cost would be \$721,000 (GF) annually. However, using the current maximum award amount of \$1,800, 500 additional students would cost \$900,000 (GF). In turn, applying the proposed \$2,200 stipend amount for the 2018-2020 biennium, the additional 500 students would result in a \$1.1 million (GF) increase annually.

Another impact of this proposed legislation would be the additional tuition revenue lost by the public institutions of higher education who have students who participate in the program. George Mason University (GMU), Old Dominion University (ODU), Virginia Commonwealth University (VCU), Northern Virginia Community College (NVCC), and Tidewater Community College (TCC) collectively represent over half of the eligible students under the current program (1,118 total participants in FY 2017). According to SCHEV, under current DVS participation estimates, this bill would increase student eligibility by

roughly 50 percent resulting in potential annual tuition/fee revenue losses of: GMU \$490,000; ODU \$916,000; VCU \$817,000, NVCC \$169,000, and TCC \$282,000 (using 2017-18 in-state tuition and fee charges).

9. Specific Agency or Political Subdivisions Affected: State Council of Higher Education for Virginia, Virginia's public institutions of higher education, and the Department of Veterans Services

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is similar to HB 748 and HB 1332.

Date: 01/22/18

c: Secretary of Education