

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: SB570

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

2. Patron: DeSteph

3. Committee: Finance

4. Title: Eligibility for in-state tuition charges; members of the Virginia National Guard.

5. Summary: This bill declares eligible for in-state tuition charges any member of the Virginia National Guard, regardless of the active status or domicile of such individual. The bill also contains technical amendments.

6. Budget Amendment Necessary: Yes, Item 216.

7. Fiscal Impact Estimates: Preliminary. See Item #8.

8. Fiscal Implications: This bill pertains to those out-of-state students who attend Virginia's public institutions of higher education and are members of the Virginia National Guard. The data necessary to definitively calculate the total fiscal impact of this legislation is not currently available.

However, it is known that currently there are 12 out-of-state Virginia guardsman attending Virginia Military Institute (VMI). Prior year data indicates that approximately 21 Virginia guardsmen with out-of-state addresses attended six other Virginia public institutions (Christopher Newport, George Mason, James Madison, Norfolk State, Old Dominion, and Virginia Commonwealth). These guardsmen pay at the out-of-state undergraduate tuition rate. This cost may already be offset by forms of financial aid such as federal tuition assistance, the Virginia National Guard State Tuition Assistance Program, the GI Bill, and various scholarships. There is a significant difference between in-state and out-of-state tuition for VMI:

FY 2018 Out-of-State Tuition	\$34,572
FY 2018 In-State Tuition	<u>\$ 8,884</u>
Difference	\$25,688

VMI currently provides up to \$100,000 in tuition waivers to certain out-of-state cadets who are members of the Virginia National Guard. Thus, the immediate (FY 2019) fiscal impact of this legislation for VMI could be a reduction in annual tuition revenue of \$208,256 (12 cadets x \$25,688 - \$100,000).

The potential cost savings to out-of-state cadets created by this bill could encourage more out-of-state cadets to join the Virginia National Guard. A 2016 position paper drafted by the Virginia National Guard estimated an upper limit of VMI cadets that would be recruited into the Guard at 80. Using the current tuition differential, this could result in a tuition revenue reduction to VMI of \$1,955,040 (80 cadets x \$25,688 - \$100,000) or 4.8 percent of VMI's total Education and General budget. Under this scenario, this amount of revenue loss is more than VMI could absorb without negatively impacting the institution's operations.

9. Specific Agency or Political Subdivisions Affected: Virginia's public institutions of higher education, Department of Military Affairs.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/18/2018

Document: Janet Vogelgesang G:\18-20\FIS 2018\SB570.docx

c: Secretary of Education