

Department of Planning and Budget

2023 Fiscal Impact Statement

1. Bill Number: HB2076

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Murphy

3. Committee: Education

4. Title: Virginia Military Survivors and Dependents Education Program; eligibility.

5. Summary: Makes several changes to the eligibility criteria for the Virginia Military Survivors and Dependents Education Program, including (i) shortening from five years to one year all of the relevant mandatory physical presence or domicile requirements, (ii) changing the requirement for veterans to be at least 90 percent permanently disabled to qualify for program benefits to a requirement for such veterans to have a static rating of at least 90 percent disabled, and (iii) declaring eligible for program benefits the stepchildren of eligible living veteran military service members.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Indeterminate, see Item 8.

8. Fiscal Implications: Institutions of higher education are required to waive tuition and fees for individuals who qualify for this program. These waivers result in a loss of revenue for the institution. This legislation would cause higher education institutions to lose additional revenue due to issuance of more tuition waivers related to two changes to eligibility: 1) inclusion of stepchildren of living veterans, and 2) reduction of domiciliary requirements to one year.

For the first, the revenue impact cannot be estimated, since the Department of Veterans Services (DVS) has no way to estimate how many stepchildren would take advantage of the waiver. Regarding the domiciliary change, the revenue loss is estimated to be - at minimum - approximately \$2.5 million per fiscal year. This is based on DVS records of applicants in fiscal year 2021, the latest data year available, and the State Council of Higher Education for Virginia's (SCHEV) reported average tuition and mandatory fees for academic year 2022-2023. DVS identifies 174 applicants in fiscal year 2021 who were not eligible because they did not meet the five-year requirement, but who would be eligible if the requirement were reduced to one year. The average four-year institution tuition and fees cost in academic year 2022-2023 is \$14,504 as reported by SCHEV. The actual revenue impact related to the domiciliary change would likely exceed \$2.5 million, because this is representative only of

those who applied, and not those who did not apply because they knew they were not eligible. The total revenue loss to higher education institutions each year from these two changes is indeterminate but likely more than \$2.5 million per year.

- 9. Specific Agency or Political Subdivisions Affected:** Public institutions of higher education, Department of Veterans Services.

- 10. Technical Amendment Necessary:** No

- 11. Other Comments:** While this proposal would make more students eligible for Virginia Military Survivors and Dependents Education Program (VMSDEP) tuition waivers, it does not address the VMSDEP stipend, which is administered by SCHEV and includes eligibility requirements in a different Code section (§ 23.1-608.1). Additionally, general fund support for these stipends is appropriated under SCHEV in Item 142. Therefore, students made eligible for tuition and fee waivers by this proposal may remain ineligible for stipends from that fund, and additional state general fund appropriation may be needed to support additional stipends.