

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: SB71E

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

2. Patron: Ruff

3. Committee: Finance and Appropriations

4. Title: Virginia National Guard; institutions of higher education, tuition grants.

5. Summary: The proposed legislation adds parameters around grants distributed by the Department of Military Affairs (the Department) to members of the Virginia National Guard that are enrolled in any course or program at any public institution of higher education or accredited nonprofit private institution of higher education. The bill provides that an application for a grant shall be made to the Department no later than 30 days prior to the beginning of an academic semester. The bill provides that the Department shall determine whether an applicant is eligible for the grant and communicate acceptance and any additional requirements determined by the Department in writing no later than 30 days after receipt of an application. The bill requires individuals that are eligible for such grants to satisfy all financial obligations with the institution and provide written proof of acceptable academic performance and good standing for the current term no later than 30 days following the end of a term or semester. The bill provides that individuals receiving grants pursuant to the bill shall incur a single two-year service obligation to the Virginia National Guard and that this two-year obligation commences on the last day of the last term or semester for which tuition assistance was awarded. The bill also establishes that grants provided under the section shall be subject to limitation based on the amount of funds appropriated for such purpose to DMA, and if applications for grants exceed the amount of funding appropriated, DMA shall issue grants to eligible recipients based on the order in which applications were received. Lastly, the bill establishes that Federal active duty mobilizations occurring while still a member of the Virginia National Guard and state active duty for the Commonwealth shall count toward the two-year service obligation.

6. Budget Amendment Necessary: No. The introduced budget (HB30/SB30) provides an additional \$1 million in general fund support in each fiscal year to support this program.

7. Fiscal Impact Estimates: Preliminary (see Item 8 below).

8. Fiscal Implications: DMA does not anticipate a fiscal impact as a result of the proposed legislation. Currently, \$3,048,382 in each fiscal year is appropriated to support the Tuition Assistance Program. The introduced budget (HB30/SB30) provides an additional \$1 million for fiscal year 2023 and 2024.

Currently, according to § 23.1-610 (A) any individual who (i) is a member of the Virginia National Guard and has a minimum remaining obligation of two years, (ii) has satisfactorily completed required initial active duty service, (iii) is satisfactorily performing duty in accordance with regulations of the National Guard, and (iv) is enrolled in any course or program at any public institution of higher education or accredited nonprofit private institution of higher education whose primary purpose is to provide collegiate or graduate education and not to provide religious training or theological education is eligible for a grant in the amount of the difference between the full cost of tuition and any other educational benefits for which he is eligible as a member of the National Guard. Application for a grant is required to be made to the Department of Military Affairs (DMA) and grants are to be awarded from funds made available for the purpose by DMA.

Additionally, § 23.1-610 (B) establishes that, notwithstanding the requirement in subsection A of § 23.1-610 that a member of the Virginia National Guard have a minimum of two years remaining on his service obligation, if a member is activated or deployed for federal military service, an additional day shall be added to the member's eligibility for the grant for each day of active federal service, up to 365 days. Additional credit or credit for state duty may be given at the discretion of the Adjutant General.

The proposed legislation amends § 23.1-610 (A) by striking “Application for a grant shall be made to the Department of Military Affairs. Grants shall be awarded from funds made available for the purpose by the Department of Military Affairs.”

Additionally, the bill amends § 23.1-610 (B) to establish that application for a grant shall be made to the DMA no later than 30 days prior to the beginning of an academic semester, and that DMA shall determine whether an applicant is eligible for the grant as described in subsection A of § 23.1-610 and communicate acceptance and any additional requirements determined by the DMA in writing no later than 30 days after receipt of an application.

Furthermore, the bill establishes that applicants eligible for a grant pursuant to the section are required to: (1) satisfy all financial obligations with the institution for higher education at the beginning of each semester; and (2) provide written proof of acceptable academic performance and good standing with the institution of higher education for the current term to DMA no later than 30 days following the end of a term or semester. Upon the receipt of proof of academic performance and continued good standing DMA is required to issue all grants in a manner and amount that is consistent with regulations promulgated by the Adjutant General. The proposed legislation also establishes that "academic performance" means (i) achieving a passing grade in each course during the semester and (ii) maintaining a cumulative grade point average of at least 2.0 on a scale of 4.0 or its equivalent, and "good standing" means that the individual has fulfilled all obligations to the institution of higher education.

Lastly, the proposed legislation establishes that any member of the Virginia National Guard receiving grants under this section is required to incur a single two-year service obligation to the Virginia National Guard. The two-year obligation is to commence on the last day of the last term or semester for which tuition assistance was awarded, and service in the inactive

National Guard, the active duty or reserve forces of the United States, or the National Guard of any other state shall not count as applicable service toward fulfilling this incurred service obligation.

9. Specific Agency or Political Subdivisions Affected: The Department of Military Affairs.

10. Technical Amendment Necessary: None.

11. Other Comments: None.