



Economic Impact Analysis Virginia Department of Planning and Budget

8 VAC 40-20 – Regulations for the Senior Citizen Higher Education Program State Council of Higher Education for Virginia February 18, 2005

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The State Council of Higher Education for Virginia (SCHEV) proposes to amend these regulations to match language in the Code of Virginia (§ 23-38.54 to § 23-38.60). Specifically, the new regulations: 1) increase the maximum income that a senior citizen may have in order to qualify for free tuition, from federal taxable income of not more than \$10,000 to Virginia taxable individual income not exceeding \$15,000, 2) make clear that the free tuition does not include fees established for the purpose of paying for course materials, such as laboratory fees, and 3) provide state institutions of higher learning the option of whether to allow program participants who have completed 75% of degree requirements to enroll in courses at the same time as tuition-paying students. .

Estimated Economic Impact

The Senior Citizen Higher Education Program allows senior citizens to take college courses without paying tuition or required fees, except for course materials, under certain

conditions. Under the current regulations, a senior citizen may take a course for academic credit for free if in the preceding year she had a federal taxable income of not more than \$10,000. This was consistent with the Code of Virginia (Code) prior to the enactment of Chapter 521 of the 2002 Acts of the General Assembly. Since 2002, the Code has permitted a senior citizen to take a course for academic credit for free if she had a taxable individual income not exceeding \$15,000 for Virginia income tax purposes in the year preceding year. SCHEV informed the Commonwealth's public colleges and universities about the 2002 Code change during that year, and made clear that the \$15,000 for Virginia income tax purposes figure applied rather than the federal taxable income of not more than \$10,000 figure that remained in the regulations.¹ In order to be consistent with the current Code, SCHEV proposes to amend these regulations to state that a senior citizen may take a course for academic credit for free if she had a taxable individual income not exceeding \$15,000 for Virginia income tax purposes in the year preceding year.

SCHEV has only recently asked public colleges and universities to report their number of Senior Citizen Higher Education Program participants. The schools reported that there were 1,007 participants in Fiscal Year 2004. SCHEV has no data for prior years. Thus we do not have an indication of to what degree the increase in the maximum taxable income had on program participation. In any case, the proposed change in the regulatory language will have no impact since the figure in the Code overrode the figure in the regulations, and the 2002 Code change was made known that year.

Unlike the Code, the current regulations do not specify that the free tuition under the Senior Citizen Higher Education Program does not include fees established for the purpose of paying for course materials, such as laboratory fees. SCHEV proposes to add this language to match the Code for clarification. This may prevent some initial confusion, but will not affect fee charges.

The current regulations state that the program participant has the right to enroll in courses at the same time as tuition-paying students if she has completed 75% of degree requirements. This language does not leave it to the institution's discretion. The Code leaves it to the institution to decide whether a program participant who has completed 75% of degree

¹ Source: SCHEV

requirements can enroll in courses at the same time as other tuition-paying students. SCHEV proposes to amend the regulations to match the Code so that institutions have the choice as to whether a program participant who has completed 75% of degree requirements can enroll in courses at the same time as tuition-paying students. As far as SCHEV knows, the Commonwealth's colleges and universities have been aware that they have had this discretion as indicated in the Code, but not in the current regulations.² As long as no institution mistakenly thought it had to allow program participants who have completed 75% of degree requirements to enroll at the same time as tuition-paying students and would not have had done so if it knew that doing so was optional, this proposed amendment to the regulations will have no effect.

Businesses and Entities Affected

The proposed amendments affect the 15 public four-year colleges and universities in the Commonwealth, as well as their staff and students.

Localities Particularly Affected

The proposed amendments particularly affect the localities that possess the 15 public four-year colleges and universities in the Commonwealth

Projected Impact on Employment

The proposed amendments will not affect employment.

Effects on the Use and Value of Private Property

The proposed amendments will not affect the use and value of private property.

² Ibid