

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB1312

Patron: Singh

Bill Title: Public institutions of higher education; undergraduate Virginia student tuition and mandatory fees; two-year freeze.

Bill Summary: Requires the tuition and mandatory fees charged to undergraduate Virginia students at each public institution of higher education to be capped at the rate charged to such students for the first academic term of the 2025-2026 academic year. The provisions of the bill expire on July 1, 2028.

Budget Amendment Necessary: No

Items Impacted: None

Explanation: This bill will result in an indeterminate amount of foregone revenue for public institutions of higher education. This fiscal impact statement assumes institutions would be required to absorb this impact.

Fiscal Summary: This bill freezes tuition and mandatory fees for in-state undergraduate students in the 2026-2027 academic year (FY 2027) and the 2027-2028 academic year (FY 2028) at the rate charged to such students for the first academic term of the 2025-2026 academic year (FY 2026). Responding public institutions of higher education anticipate a significant fiscal impact from foregone revenue compared to the institutions' projected revenues for FY 2027 and FY 2028. The overall impact to public institutions of higher education is indeterminate at this time given that student population, planned tuition rates, and institutional support differ at each institution. Further, institutions that elected to freeze tuition or implemented lower year-over-year increases in recent fiscal years may experience more significant impacts from this mandatory two-year freeze.

Public institutions of higher education receive general fund support for a portion of educational and general (E&G) programming and must generate nongeneral fund revenue to support the balance of E&G programming and most non-E&G programming. Therefore, without a corresponding increase in state support, institutions anticipate an inability to support state-mandated increases (salaries, fringe benefits, health/other insurance premiums), general inflationary pressures, contractual escalations, and other increasing operational costs. Institutions indicate they may need to reallocate resources away from academic programming, staffing, student support, and other mission-critical initiatives to maintain operational continuity.

Other: None