

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: SB1677

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: Wagner

3. Committee: Education and Health

4. Title: Grants for earning workforce training credentials; New Economy Industry Credential Assistance Training Grants

5. Summary: Establishes a grant program that would pay grants to certain individuals successfully completing a noncredit workforce training program and earning the related credential in a high-demand field. The grant, up to a total of \$1,000, would be limited to payment of tuition charged for the training program, the cost of any required textbooks, and the cost of any examination required earning the credential. Individuals (i) enrolled in a public or private high school and participating in a dual enrollment program or (ii) not enrolled in a public or private middle or high school would be eligible for the grant. The noncredit workforce training program must be provided or sponsored by (i) a Virginia community college, (ii) a private institution certified to operate in Virginia by the State Council of Higher Education for Virginia (SCHEV) that has elected to participate in the grant program, or (iii) the Institute for Advanced Learning and Research, New College Institute, Roanoke Higher Education Center, Southern Virginia Higher Education Center, Southwest Virginia Higher Education Center, or Eastern Virginia Medical School. Individuals would apply for grants directly to the school that provided or sponsored the workforce training program. The Virginia Board of Workforce Development would maintain a list of high-demand fields and the related credentials on its website. The amount of grants available each year for the program would be determined by the Appropriation Act. The bill has a delayed effective date of January 1, 2016

6. Budget Amendment Necessary: Yes, most likely in agency 162, under a new Item.

7. Fiscal Impact Estimates: Preliminary, see item 8.

8. Fiscal Implications: This legislation would provide up to \$1,000 per student to students on a reimbursement basis for workforce training credentials through the New Economy Industry Credential Assistance Training Grants program. The fiscal impact will be dependent on what funding is provided by the General Assembly. For each 100 students receiving financial assistance through this program, the cost would be \$100,000 plus any administrative overhead. The Department of Accounts, SCHEV and the impacted institutions will have administrative costs related to this program.

9. Specific Agency or Political Subdivisions Affected: The Virginia Community College System, State Council of Higher Education for Virginia, the Institute for Advanced Learning and Research, New College Institute, Roanoke Higher Education Center, Southern Virginia Higher Education Center, Southwest Virginia Higher Education Center, or Eastern Virginia Medical School and any proprietary school electing to participate in the program. Additionally, the Department of Accounts is included for the setting up and preparation of the reimbursement program.

10. Technical Amendment Necessary: No.

11. Other Comments: It should be noted that the Institute for Advanced Learning and Research, New College Institute, Roanoke Higher Education Center, Southern Virginia Higher Education Center, and Southwest Virginia Higher Education Center are not degree/certificate granting institutions. Programs offered at these centers are through a third party provider, including the community colleges. SB971 and HB1677 are similar in nature to this bill.