

*Commission on Local Government*

**Estimate of Local Fiscal Impact**  
2012 General Assembly Session

**Bill:** HB 1061 (as introduced)    **Patron:** Byron    **Date:** February 1, 2012

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

**I. Bill Summary**

HB 1061 Directs the Board of Education to modify the credits necessary for a student to earn a standard or an advanced studies diploma. The advanced studies diploma shall be the recommended diploma. The standard diploma shall include a concentration in career and technical education and a requirement to earn a career and technical education credential. Standard or advanced studies diploma will require the successful completion of one virtual course. The modified standard diploma is eliminated, but the Board shall make provisions in regulation for students with disabilities to earn a standard diploma. The Board shall promulgate regulations to implement the provisions of this act to be effective within 280 days of its enactment.

**II. Fiscal Impact Analysis**

With the assistance of the Virginia Association of School Superintendents (VASS), the Commission on Local Government obtained information from five (5) local school divisions - the Counties of Henrico, Orange, and Roanoke and the Cities of Chesapeake and Hampton.

Orange County Public Schools submitted a cost estimate of a minimum of \$641,000 as a result of the provisions of the bill. They also estimate \$552,000 in annual recurring costs and another \$80,000 every five years to replace computers in their labs. Their estimate includes the cost for additional computer labs, additional technology, online courses, and personnel. They also expressed concern that students that are not independent learners could struggle with an online course.

Chesapeake Public Schools indicated that compliance with the virtual learning credit would require training and equipment expenses. They believe that training would cost about \$150,000 and that they might need to spend \$900,000 on additional teachers. They could probably handle the career and technical concentration requirement with current staff, but it would be more realistic for them to hire ten (10) more teachers for an additional \$600,000.

Roanoke County Schools responded that the requirement that each student earning a standard diploma shall earn a career and technical education (CTE) credential

will cost them \$10,000. They estimate between \$50,000 and \$100,000 to prepare its current staff to comply with the virtual course requirement, but add that it could be more if they were to contract with a vendor.

Hampton City Schools indicated that a majority of their students earn a standard diploma. They would experience an increase in lab and equipment costs in order for all of them to meet the CTE requirement.

Henrico County Schools responded that CTE classrooms can cost up to \$75,000 to set up. The CTE concentration will require more classrooms and larger class sizes. They would also need to hire more staff to comply with this mandate. They express concern over the ability of all school districts in Virginia to deliver virtual courses. They are also concerned that the bill will decrease enrollment in arts classes.

### **III. Conclusion**

While the fiscal impact of HB 1061 will differ among local public school divisions – depending on such variables as the size of the school population, the technological capacity of the division and the number of students who will be subject to the career and technical education (CTE) requirement – all school divisions in the Commonwealth are likely to incur significant expenditures in order to implement the provisions of this legislation. In addition, the requirement to earn a CTE credential – such as an industry certification, passage of a state licensure examination, or a successful national occupational competency assessment or Virginia workplace readiness skills assessment – will result in additional expenditures by local school divisions, which will be increased if re-testing is required for students who fail the test or assessment.

Finally, school divisions that are not presently equipped to offer virtual courses will incur additional costs associated with developing and maintaining such a program or contracting with another entity to have such courses provided to their students.