

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB804

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| 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: Askew

3. Committee: Education

4. Title: Virginia Diverse Educator Scholarship Fund and Program established.

5. Summary: Establishes the Virginia Diverse Educator Scholarship Fund and Program, to be administered by the State Council of Higher Education for Virginia, for the purpose of annually providing to each Historically Black College or University in the Commonwealth such sums as are necessary for each such institution to annually provide scholarships on a competitive basis to no more than two students who (i) qualify as “diverse students”; (ii) are accepted to or enrolled in such institution’s education preparation program; and (iii) are eligible for a federal Pell Grant to attend such institution. The bill provides that each such scholarship would consist of the following sums: (a) the cost of tuition, mandatory fees, room and board, and textbooks at such institution; (b) the recipient’s teacher licensure fees; (c) \$5,000 toward teacher professional development activities for the recipient, including coursework, seminars, and conferences; and (d) \$10,000 toward mentorship of the recipient by an experienced teacher who is deemed by the relevant school board to be highly effective and able to provide high quality mentorship. The bill requires each student who is awarded a scholarship pursuant to the Program to agree in writing to (1) teach in a public elementary or secondary school in the Commonwealth in which at least half of the enrolled students qualify for free or reduced price lunch or are members of families whose income is below the federal poverty guidelines and (2) be mentored by an experienced teacher, as described in clause (d), during such period of employment.

6. Budget Amendment Necessary: Yes. Item 150.

7. Fiscal Impact Estimates: Preliminary. See Item 8.

8. Fiscal Implications:

The bill provides for scholarships for no more than two students annually at each of the following institutions: Hampton University, Virginia Union University, Virginia State University, and Norfolk State University. For the 2019-2020 academic year, using an estimate of \$1,500 for books at each institution in addition to the institution-specific charges for tuition, fees, room and board, the total annual cost of attendance to be provided per student is as follows:

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| Hampton University | \$41,890 |
| Virginia Union University | \$25,320 |
| Norfolk State University | \$21,966 |
| Virginia State University | \$22,198 |

In addition to the cost of attendance as described above, the bill carries a further cost of \$15,100 per graduate, due to each receiving \$100 in licensure fees, \$5,000 in professional development support, and \$10,000 for mentor compensation.

The bill is unclear as to the maximum number of scholarships to be funded in each year, and the fiscal impact is likewise unclear. The legislation states that the program will provide funding annually to institutions to provide scholarships "...to no more than two diverse students at each such institution." This could mean that each institution can award either (a) a scholarship to two new students each year, that would continue each year the student remains at the institution, or (b) scholarships to a maximum of two students at the institution each year.

If the intent is for there to be a maximum of two students at each institution receiving scholarships each year, the annual total for the cost of attendance is \$222,748, again assuming no increase over the 2019-2020 charges. In this version, institutions would face the decision of whether to continue the scholarship in future years for the student who initially receives it or to consider the scholarship a one-time award.

If the intent is for scholarships to be renewable, and for a student to only count as one of the two in their first year of being awarded the scholarship, there could be as many as ten students at each institution receiving scholarships each year, assuming a five year time to graduation. Assuming the 2019-2020 cost of attendance as shown in the table above, the total annual funding needed for the cost of attendance portion of the program could be as high as \$1.11 million in five years (assuming ten students at each institution).

- 9. Specific Agency or Political Subdivisions Affected:** Norfolk State University, Virginia State University, State Council of Higher Education for Virginia.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** As drafted, this legislation does not address the grant an instate student would receive from the Tuition Assistance Grant (TAG) program. Virginia residents awarded scholarships from the Virginia Diverse Educator Scholarship Fund at Virginia Union and Hampton Universities also will be eligible for grants from Virginia's Tuition Assistance Grant program.

Identical to HB 419.