

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB860

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: Reid

3. Committee: Education

4. Title: Teacher Training Corps; report.

5. Summary: Establishes the Teacher Training Corps for the purpose of attracting and retaining public elementary and secondary school teachers in school divisions in the Commonwealth by awarding scholarships to students who obtain teaching degrees and certifications at participating institutions and requiring such students to fill teacher positions for specified periods of time at high-needs schools, as defined in the bill, and meet other requirements. The bill also establishes the Teacher Training Corps Scholarship Fund and Program for the purpose of funding such scholarships at the participating institutions of Longwood University, Norfolk State University, Radford University, and Virginia Commonwealth University. Finally, the bill establishes the 12-member Teacher Training Corps Commission to administer the Teacher Training Corps Scholarship Program and directs the Commission to begin meeting on or after September 1, 2022, establish the parameters for the Program, and award the first scholarships pursuant to the Program prior to the beginning of the 2023-2024 academic year.

6. Budget Amendment Necessary: Yes, Items 142, 144, 171, 175, 183, and 206 of HB/SB 30.

7. Fiscal Impact Estimates: Indeterminate, see Item 8.

8. Fiscal Implications: The state fiscal impact of this bill is indeterminate at this time, as a number of factors will contribute to the cost of the Teacher Training Corps Scholarship Program. Additional information is provided below.

A. Teacher Training Corps Scholarship Program (the Program) and Teacher Training Corps Scholarship Fund (the Fund) costs

Scholarships: The bill is unclear on the maximum number of scholarships to be awarded each year, and the fiscal impact likewise is unclear. Section 23.1-645 paragraph C. of the bill authorizes full funding for “25 Teacher Training Corps scholarships each year per participating institution”. This could mean that each institution can award (a) scholarships to a maximum of 25 students at the institution each year across all grades, and those scholarships would continue each year that the student remains at the institution, or (b) scholarships to 25 new students each year,

and those scholarships would continue each year that the student remains at the institution.

If the intent is to award scholarships to a maximum of 25 students at the institution each year across all grades, based on four participating institutions, the maximum total number of scholarships permitted each year is 100 across all four institutions. Based on bill language, these scholarships would automatically renew each academic year, as long as the student meets certain criteria. In this instance, the same 25 students would be the only scholarship recipients at an institution until they complete the Program, and new scholarships would be awarded only when an existing scholarship recipient graduates or departs from the Program.

If the intent is for scholarships to be awarded to a new cohort of 25 students each year, there could eventually be as many as 100 students at each institution receiving scholarships each year, or 400 students across all four participating institutions, assuming graduation in four years.

Assuming a new cohort of 25 students in the Program each year at each of the four named participating institutions, 100 total scholarships would be awarded in FY 2023, 200 total scholarships would be awarded in FY 2024, 300 total scholarships would be awarded in FY 2025, and 400 total scholarships would be awarded in FY 2026. Assuming that the initial cohort of 100 students graduate after four years, in outgoing years the total number of scholarships awarded each year is 400 across the four named institutions. Per the State Council of Higher Education for Virginia's 2021-2022 Tuition and Fees Report, the average cost for tuition, mandatory fees, and room and board for the four named institutions in 2021-2022 is \$23,730. Estimating a state general fund cost for scholarships using an average cost per student of \$23,730 per year, \$2,372,950 in FY 2023 and \$4,745,900 in FY 2024 would be required for Program scholarships. Extending this assumption, the estimated state general fund cost for scholarships is \$7,118,850 in FY 2025 and \$9,491,800 in FY 2026 and outgoing years. These estimates do not account for future increases in tuition, fees, and room and board.

However, if participation in the Program is limited to 25 scholarships each year per institution, assuming only four participating institutions (100 maximum), the estimated state general fund cost at \$23,730 per year per student is \$2,372,950 in FY 2023 and \$2,372,950 in FY 2024 and outgoing years. Again, these estimates do not account for increases in future tuition, fees, and room and board.

Further, the above estimates do not take into account any other forms of student aid, because the bill does not delineate the Program as "last dollar" funding, which would mean eligible students only receive funds from the Program as needed once all other forms of grant aid (i.e., Pell Grant, state need-based financial aid, institutional aid, and Tuition Assistance Grant) have been received. If the Program is adjusted to mark these funds as last dollar funding, the costs of the Program would decrease, but the

exact amount is indeterminate, as each eligible student would receive different amounts of grant aid from other sources.

The actual state cost to support Program scholarships depends on the actual cost of tuition, fees, and room and board per student at each participating institution, the total number of scholarship awards each year, and the amount of funding appropriated by the General Assembly for such purpose.

Stipends: The bill authorizes the scholarship awards to include stipends but does not authorize specific amounts for such stipends. Based on bill language, the Teacher Training Corp Commission, the State Council of Higher Education for Virginia, and the institutions are responsible for establishing guidelines for stipend payments.

The actual state cost to support these stipends depends on the actual stipend amounts, the actual number of students receiving Program scholarships, and the amount of funding appropriated by the General Assembly for such purpose.

B. Teacher Training Corps Scholarship Program (the Program) participating institutions administration costs

Each of the four participating institutions named in the bill identifies a need for additional staff to administer the Program. Assuming an annual salary of \$60,000, the estimated total cost for salary and benefits is \$97,416 per employee each year. This translates to an estimated annual general fund cost of \$389,664 beginning in FY 2023 for four full-time-equivalent (FTE) employees across the participating institutions. This estimate does not reflect additional support costs, such as technology and office expenses.

The actual state cost to support staff at each institution to administer the Program depends on actual salary, benefits, and support costs.

C. Teacher Training Corps Commission (the Commission) administration costs

The bill requires the State Council of Higher Education for Virginia (SCHEV) to provide staff support to the Teacher Training Corps Commission. SCHEV identifies an additional state general fund cost of \$175,000 in FY 2023 and \$175,000 in FY 2024 and outgoing years to provide the required support to the Commission. This estimate includes one FTE to staff the Commission and to support Program administration, as well as the meeting and per diem costs of the Commission, which would meet four times per year.

D. Department of Education support

The Department of Education anticipates that it can provide the support required by this bill with existing resources.

9. Specific Agency or Political Subdivisions Affected: State Council of Higher Education for Virginia, Department of Education, Longwood University, Norfolk State University, Radford University, Virginia Commonwealth University

10. Technical Amendment Necessary: No

11. Other Comments: This bill is similar to SB454S1.