

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** SB627

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. **Patron:** Lucas

3. **Committee:** Passed both houses

4. **Title:** College and Career Ready Virginia Program and Fund; established, report.

5. **Summary:** Establishes the College and Career Ready Virginia Fund and requires the Department of Education and the Virginia Community College System to establish the College and Career Ready Virginia Program to offer consistent, structured opportunities for all qualified high school students in the Commonwealth to enroll in postsecondary coursework offered by a comprehensive community college, and whereby each school board is required to offer each qualified high school student in the local school division access at the high school to the dual enrollment courses that are sufficient to complete the Passport Program and the Uniform Certificate of General Studies Program at a public institution of higher education at no cost to such students, beginning with course registrations for the fall term of the 2025 academic year. The bill establishes several enumerated duties for the Department and the System in the administration of the College and Career Ready Virginia Program, including the establishment of a work group to make recommendations no later than November 1, 2024, on the incorporation of a career and technical education program of coursework into the College and Career Ready Virginia Program.

6. **Budget Amendment Necessary:** Yes, Item 117 and Item 200.

7. **Fiscal Impact Estimates:** Final, see item 8.

8. **Fiscal Implications:** The bill stipulates that access to courses offered pursuant to the College and Career Ready Virginia Program shall be at no cost to students and at no cost to local school boards. If the Virginia Community College System (VCCS) cannot charge tuition for courses offered pursuant to this Program, VCCS will experience a loss of revenue each year; however, any state support appropriated to the Fund established by this bill may offset these revenue losses.

The VCCS anticipates that the Fund established by this bill will provide financial support to comprehensive community colleges and local school divisions covering appropriate direct and indirect costs associated with delivery of the Program to students enrolled in approved community college dual enrollment and concurrent enrollment programs, whether instruction is delivered on the community college campus by college faculty, or at local high schools

taught either by high school faculty or community college faculty. The VCCS relies on both state general fund and nongeneral fund tuition to cover the cost of education for in-state students. The general fund allocation supporting instruction to in-state students is not provided to the VCCS based on student enrollment. The VCCS acknowledges that existing general fund appropriation provides partial support for dual enrollment students regardless of location of course delivery. The VCCS anticipates that the Fund established by this bill would support pro-rated nongeneral fund tuition costs associated with delivery of the Program.

In FY 2023, the tuition value associated with delivery of dual enrollment programs per agreements between the VCCS community colleges and the local high schools totaled \$57.2 million. Of that amount, VCCS community colleges reimbursed \$48.6 million in tuition revenue back to local high schools and retained \$8.6 million in dual enrollment related tuition revenue (about 15%). This number reflects the minimum fiscal risk to community colleges for high school based dual enrollment instruction. This number does not reflect the value of concurrent enrollment taught at the community college, as those program costs currently require payment of full tuition. Therefore, the fiscal risk to VCCS increases if program offerings are expanded beyond current offerings and community colleges are not allowed to charge pro-rated tuition to cover expanded costs. The risk also increases if career and technical education programs are increased as enumerated in the bill, and community colleges are not allowed to charge tuition to cover costs. In summary, the fiscal impact to the VCCS cannot be specifically quantified at this time.

The Online Virginia Network Authority (OVNA) is required to support the Program established by this bill. HB/SB 30, 2024 General Assembly Session, eliminates the OVNA general fund appropriation of \$4.0 million each year, which will require the partner institutions to support existing online programming with institutional funds. VCCS notes that it received allocations from OVNA of \$650,000 in each FY 2023 and FY 2024 to support its online programming and would require additional appropriation in this amount to continue to support existing online programming at current or expanded levels.

The Department of Education does not currently have the staff available to support the additional work required by this bill and would require one additional position at an estimated cost of \$146,362 general fund per year beginning in FY25, including salary, benefits and technology.

The fiscal impact to the Auditor of Public Accounts is indeterminate at this time.

It is anticipated that work required of the advisory committee and the work group can be supported with existing resources.

Any fiscal impact to local school divisions is indeterminate at this time.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Community College System, Online Virginia Network Authority, Department of Education, Secretary of Education,

baccalaureate public institutions of higher education, Richard Bland College, State Council of Higher Education for Virginia, Virginia Office of Education Economics, Auditor of Public Accounts, local school divisions

10. Technical Amendment Necessary: No

11. Other Comments: This bill is identical to HB1087.