

Department of Planning and Budget

2022 Fiscal Impact Statement

1. **Bill Number:** HB1064

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

2. **Patron:** Brewer

3. **Committee:** Education and Health

4. **Title:** Public School Trades Incentive Fund and Program; established.

5. **Summary:** Establishes the Public School Trades Incentive Fund (the Fund) and the Public School Trades Incentive Program (the Program) for the purpose of providing grants on a competitive basis from the Fund to any school board that seeks to (i) establish, expand, or restore high school programs that teach students skilled trades that lead to earning industry-recognized certifications or credentials or (ii) establish, expand, or restore middle school programs that encourage and recruit students to participate in high school programs that teach students skilled trades that lead to earning industry-recognized certifications or credentials. The bill requires the Department of Education to administer the Program and to establish such rules and procedures relating to applications and awards as it deems appropriate, provided that the Department considers and gives appropriate weight to certain criteria for grantees. The bill permits any grantee to use Program funds for equipment, curriculum development, or instructors. The bill requires each grantee to longitudinally track students who complete any program for which the school board received funds in order to determine the effectiveness of the (a) new or restored middle school programs in recruiting students to participate in restored high school programs and (b) restored high school programs in matching students with high-paying jobs in the fields in which they are certified or credentialed.

6. **Budget Amendment Necessary:** Yes, Item 129 of HB/SB 30.

7. **Fiscal Impact Estimates:** Preliminary, see Item 8.

Expenditure Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2023 | \$40,000 | 0 | General |
| 2024 | \$40,000 | 0 | General |
| 2025 | \$40,000 | 0 | General |
| 2026 | \$40,000 | 0 | General |
| 2027 | \$40,000 | 0 | General |
| 2028 | \$40,000 | 0 | General |
| 2029 | \$40,000 | 0 | General |

- 8. Fiscal Implications:** If the Public School Trades Incentive Program is funded by the General Assembly, the Department of Education anticipates the need for additional staff support to administer the Program and to establish the rules and procedures for applications. DOE estimates an annual state general fund cost of \$40,000 for wage support based on a wage of \$35 per hour, approximately 1,000 hours per year, and a FICA rate of 7.65%.

The bill requires each grantee to longitudinally track students who complete any program for which the school board received funds in order to determine the effectiveness of the Public School Trades Incentive Program. The grantees under this Program are the local school boards. Any fiscal impact to the local school divisions to track these students is indeterminate at this time. Local school divisions may be able to use data collected by the State Council of Higher Education for Virginia (SCHEV) to assist with the tracking requirements of this bill; however, such data does not provide all of the required information.

SCHEV is able to track the employment outcomes of individuals working in jobs covered by state unemployment insurance. This excludes individuals working for the federal government, those working as independent contractors, and those who are self-employed. However, SCHEV cannot track into individual occupations or fields of employment. SCHEV indicates that in order to track into individual occupations or fields of employment, the state would need to create a new data collection that mirrors the federal National Directory of New Hires and requires employers to submit a quarterly record of new hires. Further, SCHEV cannot match employment data with K-12 student data because K-12 student data excludes social security numbers, as required by § 22.1-287.03, Code of Virginia. SCHEV notes that the agency continues to work to improve matching with K-12 student data based on names and other demographic data.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Education, State Council of Higher Education for Virginia, local school divisions

10. Technical Amendment Necessary: No

11. Other Comments: None