

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

PUBLISHED: 1/28/2026 9:48 AM

ORIGINAL

Bill Number: SB147

Patron: Pekarsky

Bill Title: Board of Education; development, approval, and implementation of alternative graduation pathways to earn a Standard Diploma; report.

Bill Summary: Directs the Board of Education to develop, approve, and implement alternative graduation pathways to earn a Standard Diploma that are designed to expand opportunities for students to complete the verified credit requirements for the Standard Diploma that do not require achieving a passing score on applicable Standards of Learning assessments. In developing, approving, and implementing such alternative graduation pathways, the bill directs the Board to (i) consult with and integrate the perspectives of a broad range of relevant stakeholders; (ii) consider alignment with the competencies articulated in the Profile of the Virginia Graduation; (iii) consider certain elements for incorporation into such alternative pathways, including nonassessment demonstrations of competence, alternative assessments that could be used in lieu of or alongside Standards of Learning assessments, and pathway structures or elements designed to encourage hands-on learning and civic engagement; (iv) ensure that any such alternative graduation pathways do not impact or replace the current requirements for earning a Standard Diploma or an Advanced Studies Diploma; (v) ensure at least one alternative pathway is approved that includes a nonassessment demonstration of competence; and (vi) consider potential timelines for implementation of such alternative graduation pathways. Finally, the bill directs the Board to submit to the Governor and Chairs of the House Committee on Education and the Senate Committee on Education and Health by January 1, 2027, a report detailing the Board's progress in developing, approving, and implementing alternative graduation pathways to earn a Standard Diploma, in accordance with the provisions of the bill.

Budget Amendment Necessary: Yes

Items Impacted: 119,123

Explanation: The Department of Education anticipates the need for additional one-time support to develop alternative graduation pathways and ongoing support for implementation. Any impact to local school divisions is indeterminate.

Fiscal Summary: The Department of Education estimates one-time costs of \$38,269 general fund in FY27 to support initial development and the need for 2 positions at a cost of \$316,503 general fund beginning in FY27 to support ongoing implementation.

General Fund Expenditure Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
201 (DOE)	\$0	\$354,772	\$316,503	\$316,503	\$316,503	\$316,503
TOTAL	\$0	\$354,772	\$316,503	\$316,503	\$316,503	\$316,503

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Position Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
201 (DOE)	0	2	2	2	2	2
TOTAL	0	2	2	2	2	2

Fiscal Analysis: This bill requires the Department of Education (DOE) to support the Board of Education in developing new alternative graduation pathways that include nonassessment demonstration of competence as a means to earn verified credit, in lieu of receiving a passing score on the applicable Standards of Learning Assessment. According to DOE, additional support will be required both one-time and ongoing in order to develop and implement these provisions. DOE anticipates costs to support a work group or committee to develop recommendations, consult with a large range of stakeholders, and to work with a consultant to address the variability of different pathways and content areas. DOE estimates a one-time cost of \$38,269 general fund in FY27 to develop and approve new alternative pathways.

DOE also anticipates the need for additional positions to support alternative assessments in all content areas. Currently DOE has 0.5 FTEs dedicated to support alternative assessments. Based on the scope of the bill, DOE estimates the need for 2 additional FTEs at a total estimated cost of \$316,503 general fund per year beginning in FY27 including salary, benefits, and technology cost.

Other: This bill is identical to HB1171 as introduced.