

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

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ORIGINAL

Bill Number: HB1085

Patron: Webert

Bill Title: New Economy Workforce Credential Grant Program; eligible institutions.

Bill Summary: Includes private technical schools offering industry-recognized noncredit workforce credentials in high-demand fields in conjunction with comprehensive community colleges as institutions that are eligible to participate in and receive reimbursement for student program completion and credential attainment pursuant to the New Economy Workforce Credential Grant Program.

Budget Amendment Necessary: No

Items Impacted: N/A

Explanation: A budget amendment is not required because disbursements under this program are subject to appropriation and made to eligible institutions on a first-come, first-served basis.

Fiscal Summary: This bill directly impacts institutions that are currently eligible to participate in and receive reimbursement under the New Economy Workforce Credential Grant Program (WCG). The bill expands the list of eligible institutions to include private technical schools offering industry-recognized noncredit workforce credentials in high-demand fields in conjunction with comprehensive community colleges. Based on feedback from the Virginia Community College System (VCCS), community colleges do not have existing arrangements with private technical schools as defined in the bill. Any future arrangements meeting this definition cannot be determined at this time. Further, there is currently no way to estimate the amount of additional students who may participate in the program with the proposed expansion.

Under WCG, participating eligible institutions offer enrollees a grant for two-thirds of program tuition, contingent on program completion. The State Council of Higher Education for Virginia (SCHEV) then reimburses participating institutions from the WCG Fund for up to two-thirds of the total cost of program tuition (capped at \$4,000) after enrolled students meet certain benchmarks, subject to available appropriation. Section 23.1-627.3, Code of Virginia, requires WCG disbursements to be made to eligible institutions on a first-come, first-served basis. If program demand exceeds available appropriation in any fiscal year, then 1) institutions may not enroll additional students in WCG-eligible programs, 2) institutions cannot offer additional grants to students, and students would pay the full cost of program completion and credential attainment, or 3) institutions would have to support additional grants to students from agency funds and would not be reimbursed from the WCG Fund.

In SCHEV's Fiscal Year (FY) 2024 WCG Annual Report, dated March 2025, SCHEV noted that beginning in FY 2022, annual performance payments began to exceed annual appropriations, necessitating reliance on the accumulated balances leftover from previous years. Since FY 2024, the Commonwealth has provided annual appropriation increases to the WCG program based on projected enrollment and reimbursement expenses. In FY 2024, enrollments were at a 17% increase from FY 2023, and in FY 2025 enrollments increased by 19% from

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FY 2024. HB/SB 30 proposes additional funding of \$13.6 million in each FY 2027 and FY 2028 to support the WCG program independent from the expansion proposed in this bill.

SCHEV administers the WCG program and does not anticipate any fiscal impact to the agency from the provisions of this bill.

Other: Article VIII, Section 10, Constitution of Virginia, prohibits appropriation of public funds to any school or institution of learning not owned or exclusively controlled by the state or some political subdivision thereof.

Article VIII, Section 11, Constitution of Virginia, authorizes the General Assembly to provide for the Commonwealth or any political subdivision thereof to contract with nonpublic higher education institutions for the provision of educational or other related services.