

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

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**SUBSTITUTE**

**Bill Number:** HB1041H1

**Patron:** Carr

**Bill Title:** Department of Corrections; functional literacy program for inmates; data sharing and tracking; salary schedules for teachers; Virginia Prison Education Task Force established; report.

**Bill Summary:** The substitute bill requires the Superintendent employed by the Department of Corrections (the Department) to oversee the operation of all educational and vocational programs in all institutions and community-based programs for adults operated by the Department to implement a consistent education program across all state correctional facilities that shall include a (i) functional literacy program for inmates testing below a selected grade level, which shall be at least at the eighth grade level and include evidence-based literacy instruction; (ii) secondary and adult education program for inmates testing between an eighth and twelfth grade level that includes a program to prepare for the high school equivalency examination established by the Board of Education; and (iii) postsecondary education program that provides access to coursework sufficient to earn a Uniform Certificate of General Studies; an associate degree; and postsecondary credentials, certifications, and licenses. The bill also requires the Director of the Department to enter into interagency agreements with the Chief Information Officer of the Virginia Information Technologies Agency, Superintendent of Public Instruction, and Chancellor of the Virginia Community College System to support the development, implementation, and administration of the education programs. The bill requires the Department of Corrections to (a) eliminate the waitlists for the education programs within five years of the programs' implementation; (b) implement the postsecondary education program in every state correctional facility by July 1, 2029; (c) implement the functional literacy program by January 1, 2027; and (d) enter into the interagency agreements required by the bill by January 1, 2027. Additionally, the bill requires the Department of Human Resource Management to, by November 1, 2026, (1) review and update the salary schedules for teachers licensed by the Board of Education and employed by the Department of Corrections to provide instruction in the schools of the correctional centers to be competitive with those in effect for the school division in which the correctional facility is located and (2) make recommendations for the inclusion of such teacher salary increases in the appropriation act. The bill also establishes the Virginia Prison Education Task Force for the purpose of implementing a consistent education program across all state correctional facilities. The bill requires the Task Force to complete its work by July 1, 2029.

**Budget Amendment Necessary:** Yes

**Items Impacted:** Potentially Item 383 (DOC) and Item 206 (VCCS)

**Explanation:** Costs could be substantial for the Department of Corrections (DOC) to implement the provisions of this legislation. Those costs, though, are indeterminate as are the cost estimates for the Virginia Community College System (VCCS). See below.

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**Fiscal Summary:**

The Department of Corrections (DOC) and Virginia Community College System (VCCS) report that this substitute bill will have a fiscal impact on agency operations. The impacts to Department of Education (DOE) and Department of Human Resource Management (DHRM) are not known at this time.

**Fiscal Analysis:**

The substitute version of HB1041 requires the Virginia Community College System (VCCS) to form interagency agreements aimed at expanding access to coursework offered by comprehensive community colleges. Per VCCS, this coursework could lead to certificates, degrees, credentials, or licenses that either improve workforce skills or support transfer to a public four-year institution. According to VCCS, full implementation of the substitute bill may necessitate hiring a dedicated full-time staff member at the System Office who would work specifically on expanding education and training options for incarcerated individuals. VCCS also states there may be a need for each college to have an assigned staff member to coordinate correctional education programs. Additionally, interagency agreements must address how DOC will pay tuition to the community college delivering instruction and general support for incarcerated students—especially if state and federal financial aid (such as Second Chance PELL) does not fully cover their costs. Cost of attendance would need to cover textbooks and any other instructional materials required for their courses. The financial impact to VCCS is indeterminate at this time.

DOC reports the substitute bill would have a substantial fiscal impact on the Department due to the post-secondary education requirements for all correctional facilities, which will result in the expansion of correctional education programming. Many of DOC's facilities lack the physical space to accommodate the expanded programming required by the bill. Several facilities were constructed prior to the adoption of correctional education as a rehabilitative tool and were not designed for large scale educational programming. Without renovation or new construction, the DOC states the Department cannot guarantee access to programming for all inmates or materially reduce waitlists. According to DOC, after required investments in physical infrastructure are completed, the Department will incur increased operational costs. Per DOC, additional instructional staff, support staff and security coverage would be required to provide post-secondary educational programming for all correctional facilities. The total financial impact to DOC, though, is indeterminate at this time.

Virginia Information Technology Agency (VITA) does not expect a fiscal impact as a result of this substitute bill.

The impacts of this bill on the Department of Education (DOE) and Department of Human Resource Management (DHRM) are not known at this time. This fiscal impact statement may be updated if additional information is provided by DOE and DHRM.

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**Other:** None