



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 20-350 – Regulations Governing the Operation of Proprietary Schools and Issuing of Agent Permits

Department of Education

November 29, 2006

Summary of the Proposed Amendments to Regulation

The Board of Education (board) proposes to repeal these regulations.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

These regulations governed proprietary career schools and private day schools for students with disabilities. The regulatory authority over proprietary career schools was transferred to the State Council of Higher Education for Virginia (SCHEV) by the 2004 General Assembly via House Bill 637. SCHEV promulgated regulations to govern proprietary career schools that became effective on July 26, 2006. As of that date the portion of these regulations that specify governance of proprietary career schools became nullified. Repealing those regulatory sections will be beneficial in that the repeal will eliminate the potential for the public to be misled into thinking that these specific rules still apply.

The board promulgated new regulations governing private day schools for students with disabilities, 18 VAC 20-670 – Regulations Governing the Operation of Private Day Schools for Students with Disabilities, which became effective September 10, 2004.¹ In practice the board and the Department of Education have applied the rules specified in 18 VAC 20-670, and not the rules specified within 18 VAC 20-350. Thus, repealing 18 VAC 20-350 will be beneficial in that

¹ A Department of Planning and Budget Economic Impact Analysis report dated January 13, 2003 addresses the effects of the proposed changes in regulation of private day schools for students with disabilities due to the differences in language in 18 VAC 20-670 versus 18 VAC 20-350.

the repeal will eliminate the potential for the public to be misled into thinking that the regulations in 18 VAC 20-350 still apply.

Businesses and Entities Affected

The proposed repeal of these regulations is unlikely to significantly affect businesses or other entities.

Localities Particularly Affected

These regulations do not disproportionately affect specific Virginia localities.

Projected Impact on Employment

The proposed repeal of these regulations is unlikely to affect employment.

Effects on the Use and Value of Private Property

The proposed repeal of these regulations is unlikely to significantly affect the use and value of private property.

Small Businesses: Costs and Other Effects

The proposed repeal of these regulations is unlikely to significantly affect small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed repeal of these regulations is unlikely to significantly affect small businesses.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such

economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.