



Economic Impact Analysis Virginia Department of Planning and Budget

8 VAC 20-131 – Regulations Establishing Standards for Accrediting Public Schools in Virginia

Department of Education

July 28, 2013

Summary of the Proposed Amendments to Regulation

Chapter 183 of the 2012 Acts of Assembly amends Virginia Code § 22.1-253.13:3 by requiring the Board of Education (Board) to promulgate regulations establishing standards for the accreditation of public virtual schools that enroll full time students. Consequently, the Board proposes to promulgate these regulations, “Regulations Establishing Standards for Accrediting Public Schools in Virginia,” to satisfy the statutory requirement.

Result of Analysis

The benefits likely exceed the costs for some changes. For other amendments, whether the benefits exceed the costs depend on the policy views of the observer.

Estimated Economic Impact

There is currently one public virtual school in Virginia, in Carroll County. The school is accredited, having been granted waivers by the Board from certain provisions in these regulations that were not applicable to virtual schools. The requirements for virtual schools under the proposed regulations are consistent with the status quo with one exception. The local school board would be required to develop a policy that students who are unable to afford the necessary technology, including the hardware, software, and the broadband connection to the Internet, shall be provided with these items.

This would increase costs for establishing and maintaining a virtual school. Currently local school divisions are not specifically required to provide hardware, software, and broadband connections to the Internet for students from low-income families. The additional cost for local

divisions if they choose to have a virtual school would likely be in the hundreds of dollars per low income student who qualified for the virtual school. The total cost would depend on the cost of the specific software needed for the particular virtual instruction program, the hardware attributes needed to handle the software, and the number of low income students who qualify.

Specifying the requirements for virtual schools in regulations is advantageous for local school boards in that it reduces uncertainty. Requiring that the local school board develop a policy that students who are unable to afford the necessary technology, including the hardware, software, and the broadband connection to the Internet, be provided with these items is beneficial in that enables lower socioeconomic students to have the same opportunity to attend a virtual school as middle and upper socioeconomic students. On the other hand, it significantly increases costs for local divisions which may result in cuts to other areas of educational spending or make it too expensive to have an otherwise planned virtual school. Whether the benefit of increased potential opportunity for some low income students exceeds the potential cost of cuts to other areas depends on the policy views of the observer.

Businesses and Entities Affected

The proposed amendments potentially affect the 132 public school divisions in the Commonwealth, their staff, and their students, as well providers of software, hardware, and Internet service.

Localities Particularly Affected

The proposed regulations potentially affect all localities.

Projected Impact on Employment

The proposal amendments are unlikely to significantly affect employment.

Effects on the Use and Value of Private Property

The proposed regulations are unlikely to have a large impact on the use and value of private property.

Small Businesses: Costs and Other Effects

The proposed regulations are unlikely to have a large impact on small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed regulations are unlikely to have a large impact on small businesses.

Real Estate Development Costs

The proposed amendments will not affect real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 14 (10). Section 2.2-4007.04 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 2.2-4007.04 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.