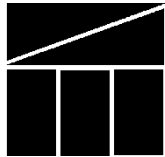


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes<sup>1</sup>  Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



## Virginia Department of Planning and Budget Economic Impact Analysis

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

**Department of Education**

**Town Hall Action/Stage: 5014 / 8644**

September 17, 2019

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### **Summary of the Proposed Amendments to Regulation**

The Board of Education (Board) proposes to allow students who entered the ninth grade prior to the 2018-19 school year to be awarded locally-awarded verified credits in English and mathematics when certain Board-established criteria are met.

### **Background**

Locally-awarded verified credits provide students the opportunity to receive verified credits required for graduation in a course that they have passed, but failed the related end-of-course Standards of Learning test. To receive a locally-awarded verified credit, a student must fail the end-of-course test twice, scoring between 375 and 399 on one of the attempts, and demonstrate achievement and mastery in the academic content area through an appeal that is reviewed by a local school division-established committee.

An earlier regulatory action, which became effective on January 11, 2018,<sup>2</sup> enabled students who entered ninth grade at the *beginning* of the 2018-2019 school year or *later* to be awarded locally-awarded verified credits in English and mathematics when certain Board-

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<sup>1</sup> Adverse impact is indicated if there is any increase in net cost or reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined.

<sup>2</sup> See <http://townhall.virginia.gov/L/ViewAction.cfm?actionid=4019>

established criteria are met. Students could already receive locally-awarded verified credits in science and history/social science.

Subsequently, DOE promulgated an emergency regulation to enable students who entered the ninth grade *prior* to the 2018-19 school year to also be able to earn locally-awarded verified credits in English and mathematics (in addition to science and history/social science) when the same Board-established criteria are met. The emergency regulation became effective on May 9, 2018 and expires on November 8, 2019. The Board now proposes to make the emergency regulation permanent.

### **Estimated Benefits and Costs**

The proposed amendment does not appear to introduce any costs, and confers benefits on an additional group of students. The earlier regulatory action already allowed students who entered ninth grade at the beginning of the 2018-2019 school year or later to earn locally-awarded verified credits; the current regulation expands this benefit to students who entered the ninth grade *prior* to the 2018-19 school year. This expansion is equitable, and benefits the additional group of students by reducing a barrier to graduation.

### **Businesses and Other Entities Affected**

The proposed amendment affects the 132 local school divisions. No school division is disproportionately affected. The proposed amendment does not appear to impose costs.

### **Localities<sup>3</sup> Affected<sup>4</sup>**

The proposed amendment affects all Virginia localities. No locality is particularly affected. The proposed amendment does not appear to introduce costs for local governments. Accordingly, no additional funds would be required.

### **Projected Impact on Employment**

The proposed amendment does not affect total employment.

### **Effects on the Use and Value of Private Property**

The proposed amendment does not affect the use and value of private property. The proposed amendment does not affect real estate development costs.

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<sup>3</sup> “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

<sup>4</sup> § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

**Adverse Effect on Small Businesses<sup>5</sup>:**

The proposed amendment does not adversely affect small businesses.

**Legal Mandates**

**General:** The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 14 (as amended, July 16, 2018). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

**Adverse impacts:** Pursuant to Code § 2.2-4007.04(D): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

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<sup>5</sup> Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”