



Economic Impact Analysis Virginia Department of Planning and Budget

8 VAC 20-720 – Regulations Governing Local School Boards and School Divisions
Department of Education
June 15, 2013

Summary of the Proposed Amendments to Regulation

On September 22, 2011, the Virginia Board of Education (Board) adopted Guidelines for Local Textbook Approval (Guidelines) to assist local school divisions as they review and approve textbooks at the local level. The Guidelines encourage local school boards that opt to use a textbook that has not been approved by the Board to conduct a local textbook review that includes components similar to the state level review. The Board proposes to add provisions of the Guidelines to these regulations, thus changing those provisions from optional guidelines to required regulations.

Result of Analysis

The proposed amendments are beneficial for some entities and moderately costly for others.

Estimated Economic Impact

The new proposed language includes the following concerning local school board selection of textbooks other than those approved by the Board:

3. The publisher of such textbooks shall:
 - a. provide to the local school board a certification that the content of the textbook is accurate; and
 - b. sign an agreement with the local school board to correct all factual and editing errors found in a textbook, at its own expense.

Presumably a publisher seeking to sell textbooks to a local school board that had not been approved by the state Board would be willing to state in writing that the product they are selling

is accurate. A written agreement that the publisher would at its own expense correct all factual and editing errors found in a textbook would be to the advantage of the local school board. A small school division would not normally have much negotiating leverage with a publisher. The backing of state law that the publisher must agree to correct errors would likely add negotiating leverage. Thus the proposal to add the new language to these regulations would be beneficial to local school divisions in that respect. The placing of the requirement in state law would commensurately reduce negotiating leverage for the publishers and would be commensurately disadvantageous.

If a local school board wished to use a textbook that has not been approved by the Board and the publisher refused to state in writing that it would at its own expense correct all factual and editing errors, then the local school division would not be able to use that textbook. So in this respect, the proposal to add the new language to these regulations could reduce choice for local school divisions.

Businesses and Entities Affected

The proposed amendments potentially affect the 132 public school divisions in the Commonwealth and textbook publishers. Approximately 20 publishing companies are listed as having one or more books on the list of textbooks approved by the Board of Education. There are numerous other publishing houses that may market their materials directly to local school divisions.

Localities Particularly Affected

The proposed regulations will affect all localities that opt to adopt textbooks that are not on the list of textbooks approved by the Board of Education.

Projected Impact on Employment

The proposal amendments are unlikely to significantly affect employment.

Effects on the Use and Value of Private Property

Some publishers may lose some leverage in contracts with local school divisions. This may have a very small impact on their value.

Small Businesses: Costs and Other Effects

Some small textbook publishers may lose some negotiating leverage in contracts with local school divisions.

Small Businesses: Alternative Method that Minimizes Adverse Impact

There is no apparent alternative method that would reduce the potential small negative impact of reduced negotiating leverage for some small publishers, while still accomplishing the intended policy goal.

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.