

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 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

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

Department of Education

Town Hall Action/Stage: 4407/7284

July 30, 2015

Summary of the Proposed Amendments to Regulation

The Board of Education (Board) proposes numerous amendments to reflect 1999, 2012, 2013, 2014, and 2015 state legislation. The proposed amendments essentially repeat Code of Virginia language from the legislation in the regulation. In three instances the statutes instruct the Board to set criteria, and the Board's proposed regulatory language state that criteria will be set by the Board, but do not propose specific criteria in the regulation.¹

Result of Analysis

The benefits likely exceed the costs.

Estimated Economic Impact

Essentially none of the proposed amendments add detail to requirements and rules beyond that which is explicitly stated in statute. Adding this language to the regulation is potentially beneficial in that it may be easier for the public to find, but it has no other impact.

The legislative mandate² that beginning with first-time ninth-grade students in the 2016-2017 school year that in order to be awarded a Standard or Advanced Studies Diploma students shall be trained in emergency first aid, cardiopulmonary resuscitation, and the use of automated

¹ Chapters 144 and 148, 150 and 324, and 564 and 565 of the 2015 Virginia Acts of Assembly

² Chapters 498 and 530 of the 2013 Virginia Acts of Assembly

external defibrillators, including hands-on practice of the skills necessary to perform cardiopulmonary resuscitation, introduces significant benefits and costs. Having all (or nearly all) people publically educated in the Commonwealth trained in emergency first aid, cardiopulmonary resuscitation, and the use of automated external defibrillators will increase the likelihood that someone with potentially lifesaving skills will be on hand in times of emergency. To the extent that the high school students absorb and retain the knowledge they gain in this training, the long-run benefits may be quite large.

For onsite training in emergency first aid, cardiopulmonary resuscitation, and the use of automated external defibrillators, the American Red Cross charges \$250 plus \$72 per student if there at least 20 students.³ So for a high school with 100 freshmen, the annual cost in fees would be \$7,450.⁴ For a high school with 50 freshmen the fees would total \$3,850.⁵ The 2014/2015 statewide public school enrollment of ninth-grade students was 105,324.⁶ There are 312 public high schools.⁷ Thus, not counting the value of time, the annual statewide cost for this requirement is approximately \$7.7 million.⁸

If done all in person, the Red Cross training would take 5.5 hours. Alternatively, the students could do 2 hours of online training ahead of time. In that case the in-person training would last 1.5 hours.⁹ The fees would be the same in either case, but the amount of instructional time that potentially could have been used for other subjects differs.

Businesses and Entities Affected

The proposed amendments affect the 132 local school divisions in the Commonwealth.

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposed amendments will not affect employment.

³ These figures are based on an Internet search and phone conversation with the American Red Cross.

⁴ $\$250 + (100 \times \$72) = \$7,450$

⁵ $\$250 + (50 \times \$72) = \$3,850$

⁶ Data Source: Virginia Department of Education website:
http://www.doe.virginia.gov/statistics_reports/enrollment/fall_membership/index.shtml

⁷ Ibid

⁸ $(312 \times \$250) + (105,324 \times \$72) = \$7,661,328$

⁹ Source: American Red Cross

Effects on the Use and Value of Private Property

The proposed amendments will not affect the use and value of private property.

Real Estate Development Costs

The proposed amendments will not affect real estate development costs.

Small Businesses:

Definition

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.”

Costs and Other Effects

The proposed amendments will not affect small businesses.

Alternative Method that Minimizes Adverse Impact

The proposed amendments will not adversely affect small businesses.

Adverse Impacts:

Businesses:

The proposed amendments will not adversely affect businesses.

Localities:

The proposed amendments will not adversely affect localities.

Other Entities:

The proposed amendments will not adversely affect other entities.

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 Number 17 (2014). 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(C): 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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