



Virginia Department of Planning and Budget **Economic Impact Analysis**

8 VAC 20-23 Licensure Regulations for School Personnel
Department of Education
Town Hall Action/Stage: 5233 / 8987
November 2, 2020

Summary of the Proposed Amendments to Regulation

The Board of Education (Board) proposes to establish in the *Licensure Regulations for School Personnel* an add-on endorsement to teach economics and personal finance.¹

Background

In order to earn a Standard or Advanced Studies Diploma, public high school students must pass a course on economics and personal finance. Currently, there is no specific endorsement in the *Licensure Regulations for School Personnel* and the *Regulations Governing the Review and Approval of Education Programs in Virginia* to teach courses in economics and personal finance. According to the Department of Education (DOE), teachers holding valid Virginia licenses with endorsements in specific areas of agricultural education, business and information technology, family and consumer sciences, history and social science, marketing, and mathematics may teach the courses.²

The proposed Economics and Personal Finance (Add-On Endorsement) is as follows:

Endorsement requirement. The candidates shall have:

1. Earned a baccalaureate degree from a regionally accredited college or university and hold a license (Collegiate Professional License, Postgraduate Professional License, or a Provisional License leading to a Collegiate Professional or Postgraduate Professional License) issued by the Virginia Board of Education with a teaching endorsement; and

¹ In a concurrent action, the Board is proposing to add the Economics and Personal Finance (Add-on Endorsement) to the *Regulations Governing the Review and Approval of Education Programs in Virginia*. See <https://townhall.virginia.gov/L/ViewAction.cfm?actionid=5420>

² See https://www.doe.virginia.gov/instruction/economics_personal_finance/resources/faq.shtml

2. Completed an approved teacher preparation program in economics and personal finance (add-on endorsement); or completed the following requirements:
 - a. Six semester hours of economics or a non-college credit institute in economics. The non-college credit institute in economics must be a minimum of 45 clock hours and offered by a Virginia school division or a regionally accredited college or university. The institute must include the economics content set forth in the Virginia Standards of Learning for economics and personal finance and be approved by the Department of Education; and
 - b. Three semester hours of personal finance or a non-college credit institute in finance. The non-college credit institution in finance must be a minimum of 45 clock hours and offered by a Virginia school division or a regionally accredited college or university. The institute must include the personal finance content set forth in the Standards of Learning for economics and personal finance and be approved by the Department of Education.

The proposed text does not specify whether or not the Economics and Personal Finance (Add-On Endorsement) would be required for teaching courses in economics and personal finance. According to DOE, two years after the effective date of this regulatory action, the endorsement would be required to teach the courses.³ Also according to DOE, there would be grandfathering such that upon the effective date of the establishment of the Economics and Personal Finance (Add-on Endorsement), individuals who hold a teaching license (Collegiate Professional, Postgraduate Professional License, or a Provisional License leading to a Collegiate Professional or Postgraduate Professional License) may be eligible for the economics and personal finance add-on endorsement if the individual:

- completed one year of successful teaching experience [satisfactory performance rating on summative evaluation] in Virginia as the teacher of record in economics and personal finance prior to the effective date of this endorsement; and
- receives the recommendation from the Virginia school division superintendent where the individual is employed at the time of the request.

Estimated Benefits and Costs

Though the proposed establishment of the Economics and Personal Finance (Add-On Endorsement) does not directly affect who may teach economics and personal finance courses, as stated above DOE has indicated that the endorsement would effectively be required to teach such courses two years after the effective date of this regulatory action. Other than for the teachers

³ DOE stated that this would be through a Superintendent's Memo and possibly further regulatory action.

who are grandfathered in to receive the endorsement, earning the endorsement would require six semester hours of economics or 45 clock hours from a non-college credit institute in economics, and three semester hours of personal finance or of 45 clock hours from a non-college credit institute in finance.⁴ This would provide much greater assurance that future teachers of economics and personal finance courses would be knowledgeable in the subject matter that they are teaching. This in turn would likely have a positive impact on students obtaining and retaining economics and personal finance knowledge and skills, perhaps positively affecting their productivity, job prospects, and personal finances.

The Virginia Council on Economic Education (VCEE)⁵ is a nonprofit organization that through its VCEE institutes and workshops provides professional development opportunities for teachers to assist them in teaching economics and personal finance at no cost to the teachers or school divisions. VCEE supports a statewide network of Centers for Economic Education located at the following universities: Christopher Newport University, George Mason University, James Madison University, Old Dominion University, University of Lynchburg, University of Mary Washington, University of Virginia's College at Wise, Virginia Commonwealth University, and Virginia Tech.⁶ Institutes held at these Centers provide training and resources, and staff help facilitate efforts with local school divisions. The free training available through these institutes would likely meet at least a significant portion of the requirements for the endorsement and would likely greatly reduce the cost of obtaining the endorsement. It may thus be possible to earn the endorsement without paying for course fees, but candidates would still incur the cost of their time (90 clock hours if obtaining through the institutes). Additionally, according to DOE, there would be a \$50 fee to add the endorsement.⁷

Businesses and Other Entities Affected

The proposed amendments affect the 132 local school divisions in the Commonwealth, the high schools within those school divisions, the 1,220 teachers of economics and personal

⁴ Another proposed option to earn the endorsement is "Completed an approved teacher preparation program in economics and personal finance (add-on endorsement)." No such programs currently exist. A concurrent action would enable the existence of such programs. See <https://townhall.virginia.gov/L/ViewAction.cfm?actionid=5420>

⁵ See <https://vcee.org/about-vcee/>

⁶ See <https://vcee.org/about-vcee/centers/>

⁷ Those who receive the endorsement through grandfathering would be exempt from the fee, according to DOE.

finance courses,⁸ and future teachers of teachers of economics and personal finance courses. No school divisions or high schools appear to be disproportionately affected.

Small Businesses⁹ Affected:

The proposal does not appear to substantively directly affect small businesses.

Localities¹⁰ Affected¹¹

The proposal affects all Virginia localities in that all localities have students and staff associated with public high schools. No localities appear to be disproportionately affected. The proposal would not likely substantively increase costs for local governments.

Projected Impact on Employment

The proposal does not appear to substantively affect total employment.

Effects on the Use and Value of Private Property

The proposal does not appear to substantively affect the use and value of private property nor real estate development costs.

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

⁸ DOE indicated that in the 2019-2020 school year there were 1,220 teachers of economics and personal finance courses.

⁹ 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.”

¹⁰ “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.

¹¹ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

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.