

Office of Regulatory Management
Economic Review Form

Agency name	State Board of Education
Virginia Administrative Code (VAC) Chapter citation(s)	8 VAC 20-100
VAC Chapter title(s)	Regulations Governing Literary Loan Applications in Virginia
Action title	Periodic Review
Date this document prepared	August 30, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Periodic Review

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Describe the direct costs of this proposed change here. Indirect Costs: Describe the indirect costs of the proposed change. Direct Benefits: Describe the direct benefits of this proposed change here. Indirect Benefits: Describe the indirect benefits of the proposed change.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Describe the direct costs of this proposed change here. Indirect Costs: Describe the indirect costs of the proposed change. Direct Benefits: Describe the direct benefits of this proposed change here. Indirect Benefits: Describe the indirect benefits of the proposed change.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Describe the direct costs of this proposed change here. Indirect Costs: Describe the indirect costs of the proposed change.	
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Benefits (Monetized)	Direct Benefits: Describe the direct benefits of this proposed change here. Indirect Benefits: Describe the indirect benefits of the proposed change.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: No direct costs on local partners were identified.</p> <p>Indirect Costs: No indirect costs on local partners were identified.</p> <p>Direct Benefits: By accessing the Literary Fund, localities can benefit from potentially lower interest rates compared to market rates, reducing the overall cost of borrowing for school construction projects. The regulations allow for substantial loan amounts (up to \$5 million), enabling localities to undertake large-scale projects that they might not be able to fund otherwise. Improved school facilities can lead to increased property values in the surrounding area, which can indirectly increase local government revenue through higher property taxes.</p> <p>Indirect Benefits: Better school facilities can make the locality more attractive to families and businesses, potentially leading to long-term economic growth and higher tax revenues.</p>
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	By investing in quality infrastructure, localities may save on future repair and maintenance costs that would be higher if facilities are allowed to deteriorate.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)	<p>Improved school facilities can provide better learning environments, which can lead to improved educational outcomes for students. This benefit, while significant, is difficult to quantify monetarily.</p> <p>High-quality educational facilities can strengthen the community by fostering a sense of pride and investment in local schools.</p> <p>Investing in school infrastructure can lead to greater community involvement and civic pride, as residents see their tax dollars being used for visible, impactful projects.</p> <p>Over time, better school facilities can contribute to higher educational attainment, leading to a more educated workforce and potentially lower crime rates, both of which benefit the broader society.</p>	
(4) Assistance		
(5) Information Sources		

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: No direct costs on families were identified.</p> <p>Indirect Costs: No direct costs on families were identified.</p> <p>Direct Benefits: Enhanced school facilities often lead to increased property values in surrounding areas. For families who own homes, this can translate into increased equity in their property, representing a direct financial benefit.</p> <p>As schools improve, the area may become more desirable, potentially increasing the resale value of homes, which is a direct financial benefit for homeowners.</p>
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	<p>Improved public school infrastructure could reduce the need for families to consider private schooling options, leading to savings on tuition costs.</p> <p>Indirect Benefits:</p> <p>Over time, children who attend better-equipped schools might achieve higher academic success, leading to better job prospects and higher lifetime earnings. This benefit, while indirect, has a significant long-term economic impact on families.</p> <p>With improved schools, the area might attract more residents, leading to greater local economic activity. Families could indirectly benefit from better local services, amenities, and potentially lower costs due to increased competition.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)	<p>Better school facilities contribute to a higher quality of life for families, as children have access to safer, more modern learning environments, which can positively impact their overall development and happiness. Investments in local schools often lead to increased community involvement and pride. Families may benefit from stronger social networks and a greater sense of belonging within the community.</p> <p>Improved school infrastructure can enhance educational opportunities, contributing to greater social mobility for children from disadvantaged backgrounds. This non-monetized benefit has a profound impact on reducing poverty and promoting equity in the long term.</p>	
(4) Information Sources		

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs:</p> <p>No direct costs on small businesses were identified.</p> <p>Indirect Costs:</p> <p>No indirect costs on small businesses were identified.</p> <p>Direct Benefits:</p> <p>Securing contracts for school construction or renovation projects funded by Literary Fund loans can provide a significant revenue stream for small businesses in construction, architecture, engineering, and related industries. These projects could be substantial, offering consistent work over extended periods.</p>
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	<p>Successfully completing a project could position a small business as a preferred vendor for future public contracts, leading to ongoing revenue opportunities.</p> <p>Indirect Benefits:</p> <p>Improved school infrastructure can stimulate the local economy, potentially leading to increased demand for other local services and goods provided by small businesses. This can result in indirect monetized benefits as local businesses experience increased sales and growth opportunities.</p> <p>Businesses involved in real estate, property management, or construction-related services may benefit indirectly from increased property values and development opportunities in areas where school infrastructure has been improved.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)	<p>Successfully completing government-funded projects can enhance a small business’s reputation and credibility, which can be leveraged to secure future contracts, both in the public and private sectors. This increased credibility, while not directly monetized, can lead to long-term business growth.</p> <p>Small businesses that participate in these projects can take pride in contributing to the local community’s educational infrastructure. This can enhance the business’s image and foster goodwill in the community, potentially leading to increased local support and customer loyalty.</p> <p>Employees of small businesses may feel a sense of pride and job satisfaction from working on projects that have a tangible impact on the local community. This can lead to higher employee morale and retention, which are important non-monetized benefits that contribute to the overall stability and success of the business.</p>	
(4) Alternatives		
(5) Information Sources		

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
	(M/A):				
	(D/A):				
	(M/R):				
	(D/R):				
				Grand Total of Changes in Requirements:	(M/A):
					(D/A):
					(M/R):
					(D/R):

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).