



Economic Impact Analysis Virginia Department of Planning and Budget

8 VAC 20-710 – Regulations Governing Reduction of State Aid When Length of School Term Below 180 Teaching Days or 990 Teaching Hours

Department of Education

November 18, 2005

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.H 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. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

Pursuant to Chapter 917 of the 2004 Virginia Acts of the Assembly, the Board of Education (board) proposes to establish the process by which school divisions may apply to consolidate.

Estimated Economic Impact

Article VIII, Section 5 of the Constitution of Virginia states that "Subject to such criteria and conditions as the General Assembly may prescribe, the Board shall divide the Commonwealth into school divisions of such geographical area and school-age population as will promote the realization of the prescribed standards of quality, and shall periodically review the adequacy of existing school divisions for this purpose." Chapter 917 of the 2004 Virginia Acts of the Assembly directs the board to promulgate regulations "that provide for a process

whereby school divisions may submit proposals for the consolidation of school divisions.” The board proposes these regulations to satisfy this directive.

The proposed regulations repeat all the administrative and criteria language that exist in Section § 22-1-25 of the Code of Virginia. Additionally the board proposes to require that school divisions submitting proposals also include a plan for maintaining and/or combining schools, a plan to continue meeting the standards of accreditation, and documentation that both local governing bodies and both local school boards consent to the proposed consolidation. Requiring a plan for maintaining and/or combining schools is sensible since it relevant to judging the likely success of consolidation, as is a plan to continue meeting the standards of accreditation. Section § 22-1-25 of the Code of Virginia requires that no school division be consolidated without the consent of the affected school boards and local governing bodies. Thus, requiring documentation that both local governing bodies and both local school boards consent to the proposed consolidation is vital to avoid wasted administrative effort.

The board also proposes to require that local school divisions requesting to be consolidated submit their proposal to the board by September 1 of the year prior to the year they wish to consolidate. This is necessary so that there is time for the board to consider approval, and if approval is given, time to implement the consolidation before the next school year.

Finally the board proposes to require that prior to the adoption of any plan to consolidate school divisions, each school division involved in the consolidation shall post such plan on the division’s Internet website if practicable, make a hard copy of the plan available for public inspection and copying, and conduct at least one public hearing to solicit public comment on the consolidation plan. School division consolidation will have a tremendous impact on local residents. The board’s proposed requirements for public notification are eminently reasonable and are beneficial in that they help allow affected members of the public to participate in the decision making process that will affect them. Section § 22-1-25 of the Code and the proposed regulations both specify that each proposal for consolidation include evidence of local support.

Overall, the proposed regulations will provide net benefit for the public.

Businesses and Entities Affected

The proposed regulations affect the 132 school divisions in the Commonwealth.

Localities Particularly Affected

The proposed regulations potentially affect all Virginia localities.

Projected Impact on Employment

The proposed regulations do not significantly affect employment.

Effects on the Use and Value of Private Property

The proposed regulations do not significantly affect the use and value of private property.

Small Businesses: Costs and Other Effects

The proposed regulations do not significantly affect small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed regulations do not significantly affect small businesses.