



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

8 VAC 20-23 Licensure Regulations for School Personnel
8 VAC 20-543 Regulations Governing the Review and Approval of Education Programs in Virginia
Department of Education
Town Hall Action/Stage: 5972 / 9654
April 30, 2024

The Department of Planning and Budget (DPB) 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 19. The analysis presented below represents DPB's best estimate of the potential economic impacts as of the date of this analysis.¹

Summary of the Proposed Amendments to Regulation

The State Board of Education (Board) proposes to amend 8 VAC 20-23 *Licensure Regulations for School Personnel* and 8 VAC 20-543 *Regulations Governing the Review and Approval of Education Programs in Virginia* to align with federal regulation (34 CFR 600)² concerning post-secondary institution accreditation.

Background

The *Licensure Regulations for School Personnel* set standards for the licensure of teachers, principals, superintendents, and other professional personnel in Virginia. The *Regulations Governing the Review and Approval of Education Programs in Virginia* set the requirements for institutions of higher education to offer state-approved teacher preparation programs that lead to licensure.

¹ Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis 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.

² See <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-600>

Both regulations currently require accreditation for institutions of higher education by a **regional**³ accrediting agency and include the following definition: “‘Accredited institution’ means an institution of higher education accredited by a **regional**⁴ accrediting agency recognized by the United States Department of Education [USED].” The *Regulations Governing the Review and Approval of Education Programs in Virginia* also includes the following definition:

‘Regional accrediting agency’ means one of the six accrediting associations recognized by the United States Department of Education as follows: New England Association of Schools and Colleges, Middle States Association of Colleges and Schools, North Central Association of Colleges and Schools, Northwest Commission on Colleges and Universities, Southern Association of Colleges and Schools, and Western Association of Schools and Colleges.

The United States Department of Education amended 34 CFR 600 to no longer categorizes accrediting agencies as "regional" or "national," but instead includes them under a combined umbrella identified as "institutional" or "nationally recognized." Consequently, the Board proposes to remove “regional” from both regulations in numerous references. Instead, it would be accredited by an accrediting agency recognized by the USED.

Estimated Benefits and Costs

All 36 education programs in the Commonwealth⁵ are accredited by regional accreditation agencies. Thus, the proposed amendments would not directly affect these institutions. Nevertheless, the proposed amendments may result in an increase in the number of individuals either initially or eventually eligible for a teaching license, and therefore available for hire by local school boards.

Currently, individuals must have a degree from a regionally accredited institution in order to qualify for Virginia teacher licensure. There are education programs in other states that have

³ Bolded for emphasis

⁴ Ibid

⁵ The 36 institutions are: Averett University, Bluefield University, Bridgewater College, Christopher Newport University, Eastern Mennonite University, Emory & Henry College, Ferrum College, George Mason University, Hampton University, Hollins University, James Madison University, Liberty University, Longwood University, University of Lynchburg, Mary Baldwin University, University of Mary Washington, Marymount University, Norfolk State University, Old Dominion University, Radford University, Randolph College, Randolph-Macon College, Regent University, University of Richmond, Roanoke College, Shenandoah University, Sweet Briar College, University of Virginia, University of Virginia's College at Wise, Virginia Commonwealth University, Virginia Polytechnic Institute & State University, Virginia State University, Virginia Union University, Virginia Wesleyan University, Washington and Lee University, and College of William and Mary.

national, but not regional accreditation as defined in the current *Regulations Governing the Review and Approval of Education Programs in Virginia*. Thus, some individuals who received their training in other states would newly become eligible for licensure in the Commonwealth.

Also, some institutions with branches in Virginia may choose to newly offer teacher preparation at those branches. According to the Virginia Department of Education, there are seven universities based outside of the Commonwealth⁶ that have education programs that are nationally approved, but do not offer those programs at their Virginia branch campuses. The proposed amendments may encourage some of these institutions to newly offer teacher training at their Virginia branches. This may also increase the supply of licensed teachers in the Commonwealth.

As demonstrated by a September 2023 Joint Legislative Audit and Review Commission study (JLARC study),⁷ there are shortages of fully qualified teachers for many local school divisions in the Commonwealth, with some being particularly severe. An increase in the supply of fully qualified licensed teachers could thus be substantially beneficial.

Businesses and Other Entities Affected

The proposed amendments may affect all 131 local school divisions in Virginia by potentially increasing the supply of fully qualified licensed teachers. If this proposed change leads to an increase in the supply of licensed teachers in the Commonwealth, then those local school divisions with the highest teacher vacancy rates would likely be particularly affected in a positive direction. According to the JLARC study, the following school divisions had vacancy rates above ten percent for the 2023-2024 school year: Caroline County, Charles City County, Cumberland County, Essex County, Hampton City, Lancaster County, Lunenburg County, Norfolk City, Northampton County, Nottoway County, Poquoson City, Suffolk City, and Surry County.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.⁸ An adverse impact is indicated if there is any increase in net cost or

⁶ Those seven universities are: American University, Catholic University of America, Central Michigan University, George Washington University, University of Oklahoma, Trine University, and Webster University.

⁷ See <https://jlarc.virginia.gov/pdfs/reports/Rpt576-3.pdf>

⁸ 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

reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.⁹ The proposed amendments do not appear to directly increase costs or reduce benefits. Thus, no adverse impact is indicated.

Small Businesses¹⁰ Affected:¹¹

The proposed amendments do not adversely affect small businesses.

Localities¹² Affected¹³

The proposed amendments may particularly affect those localities with the highest vacancy rates for teachers. Those localities are listed above in the Businesses and Other Entities Affected section. The proposal does not appear to increase costs for local governments.

Projected Impact on Employment

The proposed amendments may increase employment in that a higher percentage of teacher positions may be filled.

Effects on the Use and Value of Private Property

The proposed amendments do not appear to directly affect the use and value of private property nor real estate development costs.

Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance.

⁹ Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

¹⁰ 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.”

¹¹ 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.

¹² “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.

¹³ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.