

Office of Regulatory Management
Economic Review Form

Agency name	State Board of Education
Virginia Administrative Code (VAC) Chapter citation(s)	8 VAC 20-210
VAC Chapter title(s)	Classifications of Expenditures
Action title	Periodic Review
Date this document prepared	May 8, 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)	n/a	
(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)	n/a	
(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)	n/a	
(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>The regulation specified in Chapter 210, which deals with the classification of expenditures for local school boards, has several implications for local partners, primarily affecting the budgeting and financial reporting processes of school divisions.</p> <p>This regulation directly impacted how local school boards budget and report their expenditures. Costs may include increased staffing, upgraded facilities, enhanced services, and greater financial management requirements. Benefits include improved educational outcomes, better school operations, enhanced student welfare, and financial stability.</p> <p>This regulation is designed to standardize financial reporting and ensure transparency and accountability in the use of funds within school systems, aligning expenditures with strategic educational objectives. Each classification directly influences both the operational functionality of schools and their capacity to provide high-quality education.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(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>The regulation specified in Chapter 210, establishes a prescribed classification of expenditures for use by local school boards in Virginia when preparing budget estimates needed for public schools. This regulation includes classifications such as instruction, administration, pupil transportation, operation and maintenance, school food services, facilities, debt and fund transfers, and contingency reserves.</p> <p>Families are interested in costs related to education. The regulation ensures that changes in expenditure classifications can be tracked.</p> <p>Chapter 210 details the essential aspects to which a school board must carefully balance the budgetary needs with the potential economic impact on all families, particularly those most vulnerable. Effective and empathetic implementation can provide significant benefits across educational environments without placing undue stress on the families it aims to serve.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)

(3) Other Costs & Benefits (Non-Monetized)	
(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>Chapter 210 provides a framework for how local school boards are to classify expenditures when preparing their financial estimates for public schools. These regulations impact information available to small businesses, especially those operating in sectors related to education or providing the following services to schools:</p> <p>Companies specializing in educational materials, technology for classrooms, or professional development for teachers could see opportunities as school budgets allocate funds for instructional purposes. Small businesses that offer tutoring services, educational apps, or learning management systems might benefit from partnerships with local schools.</p> <p>Providers of administrative software, health-related services for schools, or attendance tracking technology could find a market in this category. Small businesses focusing on health services, like school nursing, mental health support, or wellness programs, might also find procurement opportunities.</p> <p>Small businesses involved in transportation services, such as bus companies or those offering vehicle maintenance, could benefit from school board expenditures in this area. There's also potential for technology providers offering route optimization software or safety equipment.</p> <p>This category includes businesses that provide facility maintenance, janitorial services, or HVAC and electrical maintenance. Small construction firms or contractors specializing in school facilities could also see increased demand.</p> <p>Small businesses in the food service industry, particularly those that cater to health-conscious or specific dietary needs, could benefit. Companies</p>
--	---

	<p>providing cafeteria equipment or managing vending services might also find opportunities.</p> <p>The expenditure classification of facilities opens opportunities for small construction firms, architects, and suppliers of building materials focused on the educational sector. Businesses that specialize in green buildings or energy-efficient designs could align their offerings with schools looking to expand or renovate facilities.</p> <p>Expenditures classification may not directly impact many small businesses, however those specializing in financial advisory services or debt management might engage with school boards to optimize their financial strategies.</p> <p>Businesses offering risk management services or emergency planning could be relevant to the contingency reserve classification. Schools may look to such firms to prepare for unexpected situations, ensuring that contingency funds are used effectively.</p> <p>Chapter 210 indirectly creates opportunities for small businesses by tracking school funds, which could guide small businesses in tailoring their services and products to meet the specific needs of school boards within these expenditure categories.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(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
8VAC20-210-10	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	9	0	0	0
Grand Total of Changes in Requirements:					(M/A): 0 (D/A): 0 (M/R): 0 (D/R): 0

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).