



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

8 VAC 20-543 Regulations Governing the Review and Approval of Education Programs in Virginia

Department of Education

Town Hall Action/Stage: 6965 / 11109 Fast-Track

July 20, 2026

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 17 (2026). 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

Pursuant to legislation and the recommendations of a work group of literacy experts (work group),² the Board of Education (Board) proposes amendments to the requirements for reading specialist programs.

Background

The *Regulations Governing the Review and Approval of Education Programs in Virginia* (8 VAC 20-543) sets forth the requirements for the accreditation and approval of programs preparing teachers, administrators, and other instructional personnel requiring licensure. This regulation establishes policies and standards for the preparation of instructional personnel, which ensure educational quality for Virginia public school students. Colleges and universities that offer programs for the preparation of professional school personnel must obtain education program (endorsement) approval from the Board.

Chapters 549 and 550 (identical and known as the Virginia Literacy Act (VLA)) and Chapter 757, all from the 2022 *Acts of Assembly*, each include requirements that affect reading

¹ See Code § 2.2-4007.04 (A).

² According to the Department of Education (DOE), the literacy experts are from DOE and educator preparation programs.

specialist endorsement programs. The three chapters each state “That the provisions of this act shall become effective beginning with the 2024-2025 school year.” All of the proposed amendments are to section 600 “Reading specialist” of the *Regulations Governing the Review and Approval of Education Programs in Virginia*. The following describe proposed changes to the regulation.

- Both the VLA and Chapter 757 require alignment with both evidence-based literacy instruction and science-based reading research and there are several proposed requirements that specify this text.
- Pursuant to the VLA the Board proposes to add that the candidate (for the reading specialist endorsement) “Be proficient in explicit phonemic awareness instruction, with an emphasis on phonemic blending and segmentation to support decoding and encoding.”
- The Board proposes to add that the candidate “Demonstrate the ability to support students' language development and how students' oral language contributes to literacy development.” According to the Department of Education (DOE), this text was added because experts in the work group felt that the requirement was necessary to implement the VLA definitions of “evidence-based literacy instruction” and “science-based reading research” (e.g., objective observational or experimental procedures to obtain valid knowledge relevant to reading development).
- The Board also proposes to add that the candidate “Demonstrate the ability to scaffold and support all students reading and comprehending complex, grade-level texts using Virginia's Approach to Text Complexity rubrics found in the appendix of the English Standards of Learning.” According to DOE, this text was added because experts in the work group felt that the requirement was necessary to implement the definitions of “evidence-based literacy instruction” (e.g., building mastery of the foundational reading skills of phonological and phonemic awareness, alphabetic principle, phonics, spelling, and text reading fluency) and “science-based reading research.”
- Additionally, the Board proposes to add that the candidate “Understand how a student's spelling can give insight about student's phonological, orthographical, and morphological knowledge of how words work.” According to DOE, this text was

added because experts in the work group felt that the requirement was necessary to implement the definitions of “evidence-based literacy instruction” (e.g., building mastery of the foundational reading skills of phonological and phonemic awareness, alphabetic principle, phonics, spelling, and text reading fluency) and “science-based reading research (e.g., applies rigorous, systematic, and objective observational or experimental procedures to obtain valid knowledge relevant to reading development, reading instruction, and reading and writing difficulties; and explains how proficient reading and writing develop, why some children have difficulties developing key literacy skills, and how schools can best assess and instruct early literacy, including the use of evidence-based literacy instruction practices to promote reading and writing achievement).

Estimated Benefits and Costs

DOE does not believe that any of the proposed amendments would affect costs for education programs in the Commonwealth and their students. The proposed changes do not appear to require additional courses or additional staff. Some college and university instructors may need to spend some additional time revising their course plans, but this would be due to the legislation rather than the regulation. To the extent that the proposed amendments help improve the effectiveness of reading specialists who complete approved reading specialist programs in Virginia, the proposed amendments would be beneficial.

Businesses and Other Entities Affected

The proposed amendments affect the 36 approved education programs in the Commonwealth and students who participate in their reading specialist programs.

The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.³ An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.⁴ It does not appear that the proposed amendments would reduce net benefits. Additional costs are due to the legislation. Thus, no adverse impact is indicated.

³ See Code § 2.2-4007.04 (D).

⁴ 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.

Small Businesses⁵ Affected:⁶

The proposed amendments do not appear to adversely affect small businesses.

Localities⁷ Affected⁸

The proposed amendments do not appear to disproportionately affect particular localities or affect costs for local governments.

Projected Impact on Employment

The proposed amendments do not appear to affect total employment.

Effects on the Use and Value of Private Property

The proposed amendments do not substantively affect use and value of private property.
The proposed amendments do not affect real estate development costs.

⁵ 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.”

⁶ See Code § 2.2-4007.04 (A.2). and Code § 2.2-4007.1 (C).

⁷ “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.

⁸ Code § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.