



Economic Impact Analysis Virginia Department of Planning and Budget

8 VAC 20-720 – Regulations Governing Local School Boards and School Divisions
Department of Education
November 12, 2009

Summary of the Proposed Amendments to Regulation

The *Rules Governing Fees and Charges, 8 VAC 20-370-10*, were adopted on or before September 1, 1980 and have not been amended since that time. The Board of education (Board) proposes to repeal these current regulations governing fees charged by local school divisions and create new provisions that would be added as a section to the proposed *Regulations Governing Local School Boards and School Divisions, 8 VAC 20-720-10 et seq.*

In addition to a different location within the Virginia Administrative Code, the proposed regulations governing fees charged by local school divisions would have the following changes.

- 1) Local school boards that charge fees would be required to have a policy and a fee schedule that would be provided to parents annually and posted on the school division's Web site.
- 2) The policy would include a provision to waive or reduce fees for economically disadvantaged students and students whose families are undergoing economic hardships.
- 3) The policy and fee schedule would be required to be consistent across the school division.
- 4) No fees could be charged that had not been approved by the local school division.
- 5) Fees may not be charged as a condition of school enrollment unless the student is not of school age or does not live within the jurisdiction (§§ 22.1-1, 22.1-3, and 22.1-5, *Code of Virginia*).
- 6) Fees may not be charged for textbooks or textbook deposits; however, § 22.1-243, *Code of Virginia*, permits local school divisions to assess a reasonable fee for lost or damaged textbooks.
- 7) Fees may not be charged for pupil transportation to and from school (Attorney General's Opinion dated August 29, 2007), but may be charged for the student's pro rata cost of providing for voluntary extracurricular activities (§ 22.1-176, *Code of Virginia*).
- 8) Fees may be charged for summer school unless the summer school program is a remediation program required by the Standards of Quality (§ 22.1-

253.13:1, *Code of Virginia*). 9) Fees may be charged for class dues; however, class dues shall not be mandatory, and the school board must specify the kinds of programs and activities covered by class dues. 10) Fees may not be charged for non-mandatory services such as parking fees and locker fees (Attorney General's Opinions dated November 8, 1991 and 1964-65 Att'y Gen. Ann. Rep. 294). 11) Fees may be charged for consumable materials, such as workbooks, but the local school board must have a policy to ensure that these are furnished at a reduced price or free of charge to students who are unable to afford them (§ 22.1-243, *Code of Virginia*). 12) Fees may be charged for the behind the wheel portion of the driver's education program (§ 22.1-205, *Code of Virginia*). 13) Fees may be charged for the preparation and distribution of official paper copies of the student's transcript, provided that the school board first provides a reasonable number of copies for free. Official electronic copies of transcripts shall be provided at no cost. 14) A student may not be suspended or expelled for nonpayment of fees and charges.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Much of the proposed amended language is beneficial in that helps provide clarity for the public. The clarifying language does not increase costs.

The Virginia Department of Education (Department) is not aware of how many school divisions currently post fee schedules on their websites. This is very useful information for parents and guardians. Since all divisions already have websites, the cost of posting this information is relatively small. Thus this proposal to require posting will create a net benefit for the Commonwealth.

The proposal to require that each school division provide for the reduction or waiver of fees for economically disadvantaged students and students whose families are undergoing economic hardships would reduce costs for some households. In 2008 the Department surveyed school divisions about fee policies. Of the 83 school divisions that responded to the survey in 2008, 64 school divisions answered that they assessed fees. Of these 64 divisions, 38 divisions answered that they had a schedule of fees and 20 responded that they had a financial hardship policy concerning fees. Thus it is likely that the proposed requirement to provide for the reduction or waiver of fees for economically disadvantaged students and students whose families

are undergoing economic hardships will have a significant positive impact for some less well-to-do Virginia families.

Neither the Code of Virginia nor current regulations reference charges for the preparation and distribution of official paper copies of student transcripts. The Board proposes to specify that local school boards may charge fees for “the preparation and distribution of official paper copies of student transcripts; however, each school board shall provide a reasonable number of copies for free before a charge is levied for additional official copies. Official electronic copies of student transcripts shall be provided for free.” The Department did not ask about transcript fees in their 2008 survey and are not currently aware of the distribution of fee policies for transcripts among local school divisions.

Businesses and Entities Affected

The proposed amendments affect the 132 school divisions in the Commonwealth as well as the over one million students in Virginia’s public schools and their parents or guardians.

Localities Particularly Affected

The proposed amendments affect all localities and are not specifically known to disproportionately affect particular localities.

Projected Impact on Employment

The proposed amendments are unlikely to significantly affect employment.

Effects on the Use and Value of Private Property

The proposal to require that each school division provide for the reduction or waiver of fees for economically disadvantaged students and students whose families are undergoing economic hardships would reduce costs for some households.

Small Businesses: Costs and Other Effects

The proposed amendments are unlikely to significantly affect small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed amendments are unlikely to significantly affect small businesses.

Real Estate Development Costs

The proposed amendments are unlikely to significantly affect real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.04 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. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.