



Economic Impact Analysis Virginia Department of Planning and Budget

8 VAC 20-120 – Vocational Education Regulations
Department of Education
June 21, 2010

Summary of the Proposed Amendments to Regulation

The Board of Education (Board) proposes several updates for these regulations that include additional and amended definitions and clarifications of current policy. The clarifications of current policy include but are not limited to: 1) specifying that federal Perkins Act requirements that no less than 60 percent of federal funds may be expended on “required expenditures” and up to 40 percent could be spent on “permissive uses,” 2) clarifying that local school divisions can ask for approval on items not listed on the recommended equipment lists maintained by the Department of Education, 3) modify language to allow the possibility for a change in the frequency of plan submission 4) add language referring to the 2006 Perkins grant and 2009 Standards of Accreditation career plans, 5) amend the section concerning maximum class size for greater clarity, 6) clarifying that categorical funding is available to students who take industry credentials approved by the Board, 7) specifying reporting requirements, and 8) adding a reference to alignment with Standards of Accreditation requirements. Further the Board proposes to allow localities to fund equipment on a “maintenance of effort” basis as opposed to the current requirement of a local match equal to the amount of state funding for career and technical education equipment.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Under the current regulations, localities are required to provide a full equal match of funds for career and technical education equipment when receiving state dollars to pay for the

equipment. The Board proposes to require a “maintenance of effort” instead of a full dollar for dollar match of local funds for equipment. Maintenance of effort is defined as “the assurance that localities continue to provide funding for CTE programs at least at the level of support of the previous year.” This proposed change will provide greater flexibility for local school divisions and may in some cases allow for the purchase of equipment for career and technical education classes when otherwise it would not be affordable. For example, when state dollars are available to pay for all or most of the cost of a piece of equipment, but the locality has less than half the funds needed to pay for the equipment, the school division could potentially purchase the equipment under the proposed language, but could not under the current language. All other proposed changes are consistent with current policy and will have no impact beyond helping inform affected entities and other members of the public.

Businesses and Entities Affected

The regulations affect the 131 public school divisions in the Commonwealth, the 11 jointly operated vocational technical centers, the Virginia Community College System (23 institutions), and the Department of Correctional Education.

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposal amendments are unlikely to significantly affect employment.

Effects on the Use and Value of Private Property

The proposed amendments are unlikely to significantly affect the use and value of private property.

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 107 (09). 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.