



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

8 VAC 20-23 Licensure Regulations for School Personnel
Department of Education
Town Hall Action/Stage: 6779 / 10802
September 12, 2025

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 allow undergraduate level courses to meet the current graduate level course requirement in one of the pathways to obtain the early childhood special education (ECSPED) endorsement for teachers.

Background

Currently, one of the pathways to obtain the ECSPED endorsement is via earning a baccalaureate degree from an accredited institution and completing a major in ECSPED. The regulation also allows substitution of the required major with 27 semester “graduate” hours in ECSPED. The proposal would strike the word “graduate,” effectively allowing applicants with 27 hours of undergraduate credit in ECSPED in lieu of a major which would expand the pool of applicants beyond those who have the required graduate level credits.

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.

The proposed change resulted from the Advisory Board on Teacher Education and Licensure (ABTEL), which recommended additional teachers with the ECSPED endorsement.² The Department of Education (DOE) reports that the ECSPED endorsement is a combination of the two top critical shortage teaching endorsement areas for 2025-2026: Special Education PreK-12 and Elementary Education PreK-6.³ Also, DOE states that the secondary driver for this change is to align the requirements with all other special education endorsements where graduate level credits are not stipulated.

Moreover, DOE reports that over the past two years, Virginia has seen a 24% increase in the number of children identified with a disability for ages two to five who attend preschool. DOE notes the need for additional teachers with the ECSPED endorsement has been longstanding, with the percentage of vacancies or individuals teaching out of their endorsed area ranging from 7% to 9% over the past 6 years.

Estimated Benefits and Costs

The main economic impact of the proposal is to address the shortage of teachers with the ECSPED endorsement as a result of rising vacancies and the increase in the number of children identified with a disability for ages two to five attending preschool. DOE estimates that this change combined with another ABTEL recommendation, which is not part of this action, could fill at least 70 hard-to-fill positions in the future. Thus, we can infer that the proposal would help fill a portion of the present vacancies.

It is also likely that less onerous credit hours may lead to some applicants being able to already meet the proposed requirement while also making it easier for those interested in earning this endorsement in the future. Those who may already have the 27 hours of undergraduate credits would have their job prospects improved and would be able to obtain this endorsement sooner and possibly start earning higher wages.

Those who may not have the 27 hours of undergraduate credit at present would also be incentivized to consider obtaining the endorsement as it would be easier to obtain and at a lower cost. The ABTEL recommendation notes that the current path requires a large time commitment

² <https://www.doe.virginia.gov/home/showpublisheddocument/61199/638802359734430000>

³ <https://www.doe.virginia.gov/teaching-learning-assessment/teaching-in-virginia/education-workforce-data-reports>

and significant financial resources.⁴ Data from DOE shows that there are ten colleges/universities that offer the ECSPED endorsement. The cost difference of a credit hour between graduate and undergraduate level in-state students among the ten colleges varies from \$38/credit to \$463/credit at the individual level, the average being \$164/credit (\$600 vs. \$436) representing a 27% reduction. Thus, on average, the 27 undergraduate credit hours would lower the tuition costs by \$4,428 (27 hours x \$164/credit) per student. For 70 vacancies, the statewide cost savings in tuition costs would be \$309,960 (70 x \$4,428). However, only a portion of this amount would be the result of the proposal in this action as the 70-position estimate includes another proposal that is not part of this action.

The likely savings in tuition for students may not necessarily result in a revenue reduction for universities/colleges offering graduate classes toward the ECSPED endorsement. It is because the proposal would also incentivize more individuals obtaining the endorsement through the undergraduate credit route which would add to the school revenues that may more than offset the loss of revenue from graduate credit hours. Relatedly, DOE does not believe that there would be a reduction in demand for graduate degrees in this field. DOE believes that there are many more important factors that affect one's decision to obtain a graduate degree such as planning a career in academia, one's ambition to obtain a graduate degree for various reasons including better job prospects and a genuine interest in a higher level of diploma.

Moreover, the school divisions may also see some financial savings as DOE reports that salary scale would be lower for those that earned the endorsement without a graduate degree.

Finally, the proposal is not expected to decrease the quality of instruction for children aged two to five. DOE states that the current graduate level credit requirement is arbitrary and there is no meaningful distinction between the quality of instruction based on one's graduate or undergraduate credit hours. This stems from the fact that instruction of children in the relevant age brackets is seen as basic and thus undergraduate level classes are sufficient.

Businesses and Other Entities Affected

Based on ABTEL's analysis and DOE, in the 2021-2022 school year there were 832 ECSPED positions with 70 vacancies, ten colleges/universities that offered both graduate and

⁴ Ibid, (page 7).

undergraduate credit hours, and 13,379 children identified with a disability aged from two to five and in preschool. The proposed change does not appear to have a disproportional impact.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.⁵ 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.⁶ As noted above, the expected revenue reduction for colleges/universities may be more than offset and no quality impact on teacher instruction is expected. Thus, no adverse impact is indicated.

Small Businesses⁷ Affected:⁸

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

Localities⁹ Affected¹⁰

The proposal does not introduce costs for localities. To the extent the proposal provides savings for school divisions and provides relief from reduced demand on local funds, it would be beneficial for school divisions throughout the Commonwealth.

⁵ 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 Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance.

⁶ 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.

⁷ 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.”

⁸ 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.

⁹ “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.

¹⁰ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

Projected Impact on Employment

The proposed amendment is expected to help fill a portion of 70 vacancies identified. However, some or all applicants may have other jobs. Thus, the impact on total employment is not known.

Effects on the Use and Value of Private Property

No significant effect on the use and value of private property nor on real estate development costs is expected.