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# Final Regulation Agency Background Document

Agency name	State Board of Social Services
Virginia Administrative Code (VAC) citation	22 VAC 40-221
Regulation title	Additional Daily Supervision Rate Structure
Action title	Establish rate structuring for a component of foster care maintenance payments
Date this document prepared	October 19, 2011

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 14 (2010) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual.* 

## Brief summary

Please provide a brief summary (no more than 2 short paragraphs) of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation. Also, please include a brief description of changes to the regulation from publication of the proposed regulation to the final regulation.

This regulatory action establishes a structure for an enhanced maintenance payment for children who require increased supervision or support (additional daily supervision) because of identified needs, as required by the federal Administration for Children and Families (ACF) to draw down Title IV-E funds to reimburse Virginia for these payments.

The regulation requires the use of an assessment instrument developed by the Department of Social Services (DSS), establishes how and when the instrument will be used, and sets forth the responsibilities of local departments of social services (LDSS) making the payments and parents receiving payments. The regulation also establishes an enhanced maintenance payment process for emergency placements and rules for reviewing the results of the assessment process.

This regulatory action addresses only maintenance payments for the additional daily supervision needs of the child. It does not address the provision of services funded through the Comprehensive Services Act.

Changes to this regulation since the proposed stage include: expanding the time frame to conduct an assessment after an initial emergency placement; use of the assessment process for post-finalized adoptions; consideration of certain services in reducing the amount of the enhanced maintenance payment for foster parents; limiting when the assessment must be used in initial adoption assistance

negotiations; changing the date on which a new enhanced maintenance rate goes into effect; requiring the LDSS to give a copy of the assessment tool to the foster or adoptive parent, and; eliminating the requirement to conduct a new assessment when the child moves from one home to another in a different child placing agency.

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## Statement of final agency action

Please provide a statement of the final action taken by the agency including (1) the date the action was taken, (2) the name of the agency or board taking the action, and (3) the title of the regulation.

The State Board of Social Services took final action 22VAC40-221, Additional Daily Supervision Rate Structure, on October 19, 2011.

## Legal basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant law and/or regulation, including Code of Virginia citation and General Assembly chapter number(s), if applicable, and (2) promulgating entity, i.e., agency, board, or person. Describe the legal authority and the extent to which the authority is mandatory or discretionary.

Section 63.2-217 of the Code of Virginia (Code) requires the State Board of Social Services (Board) to adopt regulations necessary or desirable to operate assistance programs in Virginia.

According to ACF, 42 U.S.C. 673 and policy announcement ACYF-CB-PA-01-01, a statewide rate system is required in order for a state to draw down Title IV-E funds for foster care maintenance and adoption assistance. Failure to have a statewide rate system may result in the denial of federal funds.

#### Purpose

Please explain the need for the new or amended regulation. Describe the rationale or justification of the proposed regulatory action. Detail the specific reasons it is essential to protect the health, safety or welfare of citizens. Discuss the goals of the proposal and the problems the proposal is intended to solve.

This regulatory action will require use of an approved DSS process to assess a child to determine the additional daily supervision (ADS) component of the foster care maintenance payment and the maintenance component of the adoption assistance payment. It will also establish comprehensive standards for LDSS to use when providing an enhanced maintenance payment based on the child's need for additional daily supervision.

This regulation is necessary to ensure that Virginia meets federal requirements for seeking federal reimbursement by implementing a statewide rate structure for LDSS to use to determine the additional daily supervision component of the foster care maintenance payment. It addresses the welfare of the Commonwealth's citizens who are part of the child welfare system by ensuring that LDSS are consistent in determining the payment for additional daily supervision based on the assessed needs of the child.

#### Substance

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Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. A more detailed discussion is required under the "All changes made in this regulatory action" section.

Section 10 provides definitions used in this regulation. Changes since the proposed stage add "adoptive parents" to the definitions of those individuals who may receive enhanced maintenance payments for additional daily supervision and support of a child in foster care or who has been adopted.

Section 20 mandates that an assessment instrument developed by DSS be used to determine the need for additional daily supervision and the appropriate enhanced maintenance payment amount for any child placed in public or private treatment foster homes (TFC). Local departments shall use the assessment instrument for a child in a non-TFC agency approved provider home when an enhanced maintenance payment for additional daily supervision is provided.

The regulation requires the assessment instrument be used for children in an adoptive placement when there is evidence the child needs ADS. The rate derived from the completed assessment instrument provides information concerning what the child would have received in foster care and is used in negotiating the adoption assistance agreement.

Changes since the proposed stage in this section eliminate the requirement to conduct an assessment when a child moves to another home in another agency and increases the time period for which a foster or adoptive parent must demonstrate a change on the child's behavior when requesting a reassessment. The language now sets a time period in which increases or decreases in ADS enhanced maintenance payments will take effect and also requires the rater to share a copy of the complete assessment with the foster or adoptive parent.

Section 25 requires the child-specific team assessing the child's need for additional daily supervision to reduce the ADS enhanced maintenance payment by the cost of other services provided to the child that eliminate the foster parents need to provide direct additional supervision or support.

Section 30 establishes requirements for child placing agencies that provide an enhanced maintenance payment to a foster or an adoptive parent. These requirements include (1) providing child specific training if needed, (2) monthly visits with the foster parents, and (3) 24-hour on-call support.

Section 40 defines the requirements for foster parents and adoptive parents prior to a finalized adoption receiving an enhanced maintenance payment, including (1) participating in determining training needs, (2) participating in the development of the child's service plan, and (3) maintaining documentation of the child's progress.

Section 50 provides for a pro-rated enhanced maintenance payment based on a \$1600 rate (1) when a child is placed on an emergency basis in a TFC placement, or (2) in a non-TFC placement where the LDSS intends to make an enhanced maintenance payment and there has not been enough time to administer the assessment instrument. Provides for changes to be made to the emergency payment rate upon approval of the state board of social services. Requires that the rate assessment tool be administered within 60 days of the placement.

Section 60 addresses the review of the results of the rate assessment tool. The regulation allows a representative of the child five days to request a review. The LDSS director has 15 days to conduct an administrative review of the request and may concur with the original assessment or request a new administration of the tool.

Section 70 requires enhanced maintenance payments be made available to adoptive parents after the adoption is finalized pursuant to DSS guidance.

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#### **Issues**

Please identify the issues associated with the proposed regulatory action, including:

- 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions;
- 2) the primary advantages and disadvantages to the agency or the Commonwealth; and
- 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, please indicate.

Historically, there has been no correlation between payments made to foster or adoptive parents for additional daily supervision beyond the basic maintenance payment amount and the actual needs of a child. This regulation benefits both children in foster care, children who have been adopted and the Commonwealth by ensuring that children's needs are consistently assessed, foster and adoptive parents are appropriately reimbursed, and the state is eligible to draw down federal Title IV-E funds for foster care and adoption assistance maintenance payments.

This regulatory action may result in a reduction in the rate paid to some foster care parents and an increase for others, as the payment for additional daily supervision will be tied to the assessed needs of the child.

### Changes made since the proposed stage

Please describe all changes made to the text of the proposed regulation since the publication of the proposed stage. For the Registrar's office, please put an asterisk next to any substantive changes.

Section number	Requirement at proposed stage	What has changed	Rationale for change
22VAC40- 221-10. Definitions	All definitions applied only to foster parents	Reference to the "adoptive parent" is added to the definitions of "Additional Daily Supervision (ADS)," and "Enhanced maintenance payment".  Definition of "child-placing agency" updated.	Based on public comment. Change clarifies what is expected of adoptive parents who receive enhanced maintenance.  Updated to conform to Code of Virginia.

22VAC40-	Required the rate	Eliminates re-administration of	Changes based on
221-20. Administration of the uniform rate assessment tool.	assessment tool to be re- administered if a child moved from one Treatment Foster Care (TFC) home to another in a different TFC agency.	the tool if a child moves to a TFC home in a different TFC agency.	public comment. Conducting a new assessment due to placement change is not consistent with enhanced maintenance payments reflecting a change in the child's behavior.
	Proposed regulations required that increases to the ADS payment be retroactive to the date of the foster parents request	New rates to take effect the first day of the subsequent month following a reassessment. Includes decreased payments in this requirement.	Less of an administrative burden on LDSS, leading to greater accuracy in payments. Change suggested by Rate Structure Workgroup.
	Required a reassessment of the child's need for ADS when the foster or adoptive parent demonstrated evidence of significant behavioral, emotional, or medical changes and two or more weeks of additional support are necessary to maintain the child in the home.	Requires a reassessment of the child's need for ADS when the foster or adoptive parent demonstrates evidence of significant behavioral, emotional, or medical changes and four or more weeks of additional support are necessary to maintain the child in the home.	At least four weeks is necessary to assess changes in a child's behaviors.
	The individual administering the tool is required to share a copy of the completed tool if requested.	Requires the individual to share a complete copy of the assessment tool with the foster/adoptive parent.	Ensures all foster and adoptive parents have documentation of the assessment tool.
*22VAC40- 221-25. Determining the enhanced maintenance rate.	Proposed regulations did not address this subject.	Requires the team to consider the cost of other services provided to the child that eliminate any direct additional supervision or support provided to the child by the foster or adoptive parent and reduce the enhanced maintenance payment amount based on these costs.	Based on public comment. Eliminates duplicate payments when services for the child reduce or eliminate the need for the foster parent to provide ADS.
22VAC40- 221-30. Child placing agency requirements.	Only addressed service plan requirements for foster parents receiving ADS.	Adds adoptive parents prior to the adoption finalization to service plan requirement section.	Based on public comment. Clarifies how ADS is to be applied to adoptive placements.
22VAC40- 221- 40.	Title of section	Adds adoptive parents (pre-	Based on public

Foster and adoptive home requirements.	references foster parents only.	finalized adoptions) into the requirements of what is expected due to receiving an ADS payment.	comment. Clarifies how ADS is to be applied to adoptive placements.
*22VAC40- 221-50. ADS emergency placement	Required the assessment tool to be administered within 30 calendar days of the initial emergency placement of a child.	Changes the requirement for the initial assessment to 60 days.	Sixty days is consistent with the time the Code of Virginia allows for the initial assessment of the child's needs for service planning purposes.
22VAC40- 221-60 Reviews.	Describes the process for requesting a review of an ADS assessment	Changes the date that a rate change takes place from the date of the foster parent's request to the first day of the next month.	Suggestion from Rate Structure work group to lessen administration burden. Consistent with recommendation make all payment changes effective the first of the month.
*22VAC40- 221-70. Post- finalized adoptions.	Proposed regulations did not address this subject.	Adds requirement that enhanced maintenance payments be available to adoptive parents post-finalized adoptions and pursuant to Departmental guidance.	Based on public comment. Makes individuals who have adopted eligible to return for consideration of enhanced maintenance payments.
		Requires the adoptive parent to submit an application for renegotiation of their adoption assistance agreement. The documented needs of the child shall be the basis for a decision to provide an enhanced maintenance payment or a services payment.	Integrates enhanced maintenance rates in the over-all process used for adoptive parents to renegotiate their adoption assistance payments.
		Enhanced maintenance payments shall be documented in an adoption assistance agreement addendum.	Integrates enhanced maintenance into the current process of determining if an adoptive child's needs are best met through a maintenance payment or additional services.
			Substantiates in a signed agreement the amount and rationale for providing an enhanced maintenance payment.

## Public comment

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Please summarize all comments received during the public comment period following the publication of the proposed stage, and provide the agency response. If no comment was received, please so indicate.

Commenter	Comment	Agency response
Martha Pullen,	This is a possible unfunded	The LDSS has the decision as to whether they
Director Amelia	mandate because it requires on-call	want to provide additional daily supervision. If
DSS	24-hour supervisors.	they choose to do so, then the 24-hour
		supervision is required.
Brad Bryant, People Places	1. There is a potential problem in limiting the enhanced payment to caregivers for children placed on an emergency basis to 30 days. Very little may be known about these children. We would suggest a longer assessment period.	The DSS agrees with this suggestion and is making a change to this requirement.
	2. The regulation allows both public and private child-placing agencies to use the VEMAT to determine accurate levels of enhanced maintenance to caregivers for children whose needs are exceptional. It would be wise in any revision of the regulation to continue this parity but to emphasize that the child's legal guardian be the entity in charge of administering the VEMAT, even if the child is referred to another child-placing agency.	2. This regulation does not address licensed child placing agencies. The comment expressed here would impact licensed child placing agency regulations which are addressed by the DSS Division of Licensing Programs.
	3. There should be relative regulatory parity between foster care and adoption as far as is practical. The VEMAT should also be used in helping to determine maintenance levels paid through adoption subsidy for adoption cases that already have been finalized. This adjustment would create more level ground between these two segments of the child welfare system.	3. The DSS agrees with this comment and is making changes to the regulation to address post-finalized adoption cases.
Rebecca Ricardo, Coordinators2	<ol> <li>This regulation is not clear enough about applying the process to adoptive families.</li> <li>I would propose that the regulation be clear that if the VEMAT tool is to be used for any</li> </ol>	<ol> <li>The DSS agrees with this comment and will add language that addresses using the rate structure process for adoptive families.</li> <li>This regulation does not address licensed child placing agencies. The comment expressed here would impact licensed child placing agency regulations which are</li> </ol>

	adoptive family that it be used for all DSS and LCPAs in their payments to families on behalf of children. Everyone should be using the same tool and should be mandated to do so.	addressed by the Division of Licensing Programs.	
	3. I was please to see that the "team" of people making the decision for the child is a "shall include" and not a may.	3. The DSS appreciates this comment.	
Susan Clark for the VLSSE	1. The VLSSE supports maintaining the current policy of only mandating the process for Treatment (a.k.a., Therapeutic) Foster Care placements, while continuing to give the locality the option for its use in	The DSS appreciates this comment.	
	other foster care placements.  2. Tying the amount of payment to the youth's emotional, behavioral, and physical function has the unintended consequence of creating a systematic financial disincentive for children to improve and, conversely, punishes foster parents when they do good work and the child's functioning does improve. This is even more pronounced when the rate fluctuates (up or down) based on VEMAT reassessments. While a great majority of foster parents are caring for our youth for the right reasons, this is not a strengths based approach to serving our foster care youth. It has been shown that specialized foster care payments, independent of the VEMAT, provide the ability to assist our youth without the financial disincentives and payment fluctuation inherent in this rate	The DSS appreciates this comment. The workgroup that developed these regulations acknowledged this concern during the development process.	
	structure process. 3. The rate structure process needs to undergo a review of the amount of the actual rates that are tied to the assessment. That could be benchmarked by a review of similar systems in other states. Many of our rates are significantly high, and will have long-term impacts on adoption subsidy and CSA costs that IV-E reimbursement may not offset.	The DSS agrees with this comment but setting actual rates is an administrative function under the purview of the Department.	

- 4. It is also important to continue to pursue support of increased basic maintenance rates for all of our foster parents. These maintenance rates should be continuously monitored to assure that they are in line with other states in our region. 5. Localities also have concerns about the specificity of the new oncall requirement. Currently local agencies do provide on-call support for foster care, most often through the staff who is working CPS oncall. Additional state administrative funds should be provided to local agencies for this on call activity if it is required in regulations, just as private agencies are reimbursed for this service in our TFC payments. 6. The department should consider and support other changes to the
- a. The required time frame to conduct the initial VEMAT should be 60 days instead of 30 day to mirror our foster care service planning process.

proposed regulations.

- b. When a child moves from one home to another in the same private agency or with a different private agency the assessment should not have to be redone based on a change in agency.
- c. The personal/physical domain on the current rating should be changed to allow for increased levels of assessed need for children who require major care due to physical disabilities but do not have behavioral or emotional needs.
- d. The notification requirements noted in the current Guidance Manual of Feb. 2011 are onerous and should be reconsidered due to the clear burden this places on already taxed foster care staff.
- e. The period of time that a youth's behavior needs to have escalated before a VEMAT reassessment is required should be changed from two weeks to four weeks. This will allow more sufficient time to assess whether the youth's behavioral/emotional/physical needs are a temporary reaction to a

4. This regulation does not address basic maintenance rates.

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 Local departments have the decision as to whether they want to provide additional daily supervision. If they choose to do so, then the 24-hour supervision is required.

- 6. See individual responses to suggestions below:
  - a. The DSS agrees with this comment and will make a change to this requirement.
  - The DSS agrees with this comment and will make a change to this requirement.
  - c. This comment addresses a change in the tool and not a requirement of this regulation.
  - d. This comment addresses guidance and not a change in these regulations.
  - e. The DSS agrees with this comment and will make a change to this requirement.

	specific event in their life or a	
	pattern that will need to be more	
	specifically address.	
Norman and	The constituents appear to be	The DSS agrees with this and other comments
Geneva Wilson,	commenting on both the tool	regarding post-finalized adoptions and will
Therapeutic	currently being used and the	incorporate language to address these cases.
Foster/Adoptive	guidance related to the process.	
Parents	They express a concern about how	
	the proposal will apply to prior	
	adoptions, including adoptions that	
	were completed and subsidy	
	agreements that were entered into	
	prior to the implementation of	
	the VEMAT.	
Lavinia Hopkins,	The comment appears to be on the	The DSS agrees with this comment and will
CRAFFT	current guidance. However, the	make a change to this requirement.
Coordinator	issue of requiring that the resource	
	parent have the information	
	regarding the frequency with which	
	the LDSS re-administers the	
	assessment tool is valid.	
Bradley and	The regulation should require that	The DSS agrees that these costs should be
Ashley Caspar,	the cost of other services received	considered when determining ADS for foster
adoptive parents	on behalf of the child should be	parents and when negotiating adoption
	considered in determining the	assistance.
	amount of the additional daily	
	supervision payment.	

The DSS Rate Structure Workgroup did not issue formal comments on the proposed regulation. However, changes in current guidance for ADS rate structuring were made based on Workgroup recommendations.

# All changes made in this regulatory action

Please list all changes that are being proposed and the consequences of the proposed changes. Describe new provisions and/or all changes to existing sections.

Current section number	Proposed new section number, if applicable	Current requirement	Proposed change and rationale
N/A	22VAC40- 221-10. Definitions	None	New section 22VAC40-221-10 adds definitions such as additional daily supervision, enhanced maintenance payment, ADS emergency placement and Treatment Foster Care.
N/A	22VAC40- 221-20. Administration	None	New section mandates that an assessment instrument developed by DSS be used to determine the need for additional daily

supervision (ADS) and the appropriate of the uniform enhanced maintenance payment amount for rate any child placed in public or private treatment assessment foster homes (TFC). tool. Requires LDSS to use the assessment instrument for a child in a non-TFC agency approved provider home when the LDSS wants to provide an enhanced maintenance payment for ADS. Requires a child-specific team of individuals be convened to conduct the assessment. Recommends additional individuals to include in the assessment meeting. Specifies who may administer the tool and those individuals who may not administer the tool. Requirement ensures that individuals involved with the child are in attendance to provide input. Requires the assessment instrument be used prior to signing the adoption assistance agreement when the child's needs prior to negotiating and signing the agreement indicate a need for ADS. This requirement ensures consistency with the Social Security Act, Title IV-E, Adoption Assistance by setting a maximum rate for adoption assistance that is equal to or less than what the child would have received in foster care. Requires a reassessment of the child's need for ADS when the foster or adoptive parent demonstrates evidence of significant behavioral, emotional, or medical changes and four or more weeks of additional support are necessary to maintain the child in the home. Gives foster/adoptive parents an avenue to address changes in the child's behavior requiring grater supervision. The assessment rater is required to share a copy of the completed assessment with the foster or adoptive parent. Provides the parents with documentation regarding the enhanced maintenance payment decision. Gives LDSS options for frequency rates for reassessments and includes a mandated

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annual assessment and prohibits

assessments any more frequently than once every three months unless requested by the foster or adoptive parent. Ensures that

			enhanced maintenance payments for ADS are based on the child's needs over time.
			Changes to the rate based on a reassessment take effect on the first day of the subsequent month. This requirement reduces the administrative burden on LDSS by providing time to plan for rate changes.
N/A	22VAC40- 221-25. Determining the enhanced maintenance rate.	None	Requires the child-specific team to consider the cost of services provided to the child that reduce or eliminate any direct additional supervision or support provided to the child by the foster and reduce the enhanced maintenance payment amount based on these costs.  This requirement reduces the likelihood of duplicate payments when services for the
			child eliminate the need for the foster or
NI/A	22)/AC40	None	adoptive parent to provide ADS.
N/A	22VAC40- 221-30. Child placing agency requirements.	None	Requires child placing agencies that provide an enhanced maintenance payment for ADS to a foster or adoptive parent to provide increased support including: providing child specific training if needed; making a minimum of monthly visits with the foster parents; and providing 24-hour on-call support. Requires a supervisor be available to the on-call worker. Ensures that foster/adoptive parents have access to help when needed.
			Foster and adoptive parents (prior to the adoption finalization) are required to agree to and participate in specific services as outlined in the service plan. This requirements ensures the foster or adoptive parent understands what is expected of them when receiving enhanced maintenance payments.
N/A	22VAC40- 221- 40. Foster and adoptive home requirements.	None	Requires foster parents and adoptive parents prior to a finalized adoption receiving an enhanced maintenance payment, to participate in determining training needs, participate in the development of the child's service plan, and maintain documentation of the child's progress. This requirements ensure the foster or adoptive parent has the opportunity to be involved in developing expectations placed on them when receiving enhanced maintenance payments.
N/A	22VAC40- 221-50. ADS emergency placement	None	Requires a pro-rated enhanced maintenance payment based on a \$1600 rate when a child is placed on an emergency basis in a treatment foster care (TFC) placement, or in

			a non-TFC placement where the LDSS intends to make an enhanced maintenance payment and there has not been enough time to administer the assessment instrument. This section requires that the rate assessment tool be administered within 60 days of the placement. Allowing sixty days before assessment is consistent with Code of Virginia requirements for assessing the child and family needs and developing the initial service plan.  Requires that a change to the maximum rate for emergency placements is approved by
N/A	22VAC40- 221-60. Reviews.	None	the State Board of Social Services.  Describes a process for foster or adoptive parents to request a review of the assessment tool results by the LDSS Director if they believe the final decision was not indicative of the child's needs. Sets specific time frames in which the reassessment must be completed. Limits the Director to determining if all procedures were followed and when necessary, ordering a new assessment. This requirement establishes a process for foster and adoptive parents to resolve disagreements at the local level.  Establishes the first day of a month subsequent to administering an assessment
N/A	22VAC40- 221-70. Post- finalized adoptions.	None	to begin changes in payments. Avoids an onerous administrative burden for the LDSS.  Requires that enhanced maintenance payment for ADS be available to adoptive parents post-finalized adoption and pursuant to DSS guidance.
			Requires adoptive parents to submit a request for their adoption assistance agreement to be renegotiated. Allows the LDSS to decide if the child's needs will be best met though ADS or the provision of services. Enhanced maintenance payments shall be documented in an adoption assistance agreement addendum. These requirements integrate enhanced maintenance payments in the over-all process used for adoptive parents to renegotiate their adoption assistance payments.

The Rate Structure Workgroup that developed these regulations and subsequent guidance, made two changes to the February 2011 guidance for ADS that have been incorporated into this regulation. Both are in section 20 of this regulation.

1. Retroactive payments when rates increase or decrease are administratively onerous and are not consistent with other proposed foster care and adoption payment practices that take effect in the first day of the subsequent month following a change in rates.

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2. The requirement to administer the assessment tool for all children where an adoption assistance agreement is to be signed was changed to require the tool be administered when there is evidence that a child has or may require ADS. Since many children in foster care being adopted did not have a need for ADS, conducting an assessment on all children is an unnecessary administrative burden and required adoptive parents and other participants in the assessment process to spend time going through an unnecessary assessment process.

## Regulatory flexibility analysis

Please describe the agency's analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) the establishment of less stringent compliance or reporting requirements; 2) the establishment of less stringent schedules or deadlines for compliance or reporting requirements; 3) the consolidation or simplification of compliance or reporting requirements; 4) the establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the proposed regulation.

DSS worked with a committee composed of representatives of impacted entities in the development of this regulation. The committee strived to develop an additional daily supervision rate structure regulation that is not burdensome for LDSS and licensed child-placing agencies, meets federal requirements, protects the safety of children, and provides for input from foster and adoptive parents.

## Family impact

Please assess the impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

This regulatory action supports DSS' and other child serving agencies' goal to provide high-level, consistent care for children in the foster care system. By creating a structured payment system and developing standardized requirements for those providing additional daily supervision for these children, Virginia will be able to ensure greater placement stability for children in foster homes. Placement stability supports children's ability to establish trust with their foster parents and is correlated with decreased time in foster care, and increased sense of self-esteem and self-responsibility. Foster parents will be better trained to maintain the child in their home despite problems the child may exhibit and support children's connection to their biological families and the goal of reunifying children in care with their biological family.