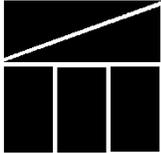


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget Economic Impact Analysis

22 VAC 40-221 Additional Daily Supervision Rate Structure
Department of Social Services
Town Hall Action/Stage: 4887 / 8268
January 31, 2019

Summary of the Proposed Amendments to Regulation

The State Board of Social Services (Board) proposes to 1) require all local departments of social services (LDSS) to offer additional daily supervision (ADS) payments, 2) extend the amount of time that the uniform rate assessment tool is re-administered from three months to six months prior to establishing adoption assistance, 3) add language to incorporate Virginia's kinship guardianship assistance program, and 4) to make numerous other changes to simplify, clarify, and update regulatory language.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Changes in Standards for Additional Daily Supervision Payments

This regulation establishes standards for LDSS to use when determining the amounts of ADS payments for foster and adoptive parents as well as prospective relative custodians who meet the criteria for kinship guardianship assistance. The purpose of the ADS payments is to cover higher than normal supervision and support needs of children who have special needs. Currently, ADS payments are offered in certain localities, but 29 localities do not offer this financial assistance to their non-therapeutic-foster-care families.

The Board proposes to require that ADS payments be offered to all foster parents based on the needs of the child across all localities regardless of the status of being therapeutic or non-therapeutic. The Board estimates that there are approximately 123 additional children who would be eligible for additional daily supervision in the 29 localities that do not offer this payment currently. Based on the average ages of children in the LDSS homes that do not currently provide an ADS payment and the average payments across the state, it is estimated that the localities affected would be responsible for an additional combined \$130,129 a month (\$74,824 from state funds/\$32,532 from federal funds/\$22,773 from local funds). This amount is the total amount that would be distributed among the 29 localities affected depending on the number of children they have in foster care. It is estimated that half of the children in foster care are eligible for federal funding through title IV-E and the other half will be reimbursed with Comprehensive Services Act general funds and local funds.

The main benefits of this change include ensuring that all foster families are treated equally across all localities and are properly supported to maintain the safety and well-being of every child placed in a foster home in Virginia. With this change, ADS payments would be established based on the needs of the child throughout the state. This change should also incentivize families to foster children with special needs across the Commonwealth.

Extension of Time for Administering Uniform Rate Assessment Tool

The Board also proposes to extend the amount of time that the uniform rate assessment tool is re-administered from three months to six months prior to establishing adoption assistance. The uniform assessment tool is used to determine payments that are available for a child that has a clearly-defined need that requires a parent to provide increased support and supervision based on the child's needs. Currently, some of the adoptions may be delayed if the uniform rate assessment has not been re-administered in the last three months.

The main benefits of this change include extending the timeframe that the assessment should be re-administered, which would allow LDSS to use an existing assessment from the last six months and expedite the adoption process as well as establishment of the payments for adoption assistance. As a result, timeliness of adoptions is expected to improve. The Board staff estimates that approximately 12 adoptions have been delayed in the past six months due to needing a new assessment completed under the current rules. Additionally, the use of an existing

assessment does not result in any increase in adoption payments whereas a new assessment may result in higher payments. Under federal rules, an adoption assistance may be increased based on a new assessment, but may not be reduced even if the new assessment indicates a lower amount. Thus, there would also be some fiscal savings from the use of an existing assessment. Those savings would likely be limited to some extent because an adoptive parent may request a new assessment done anytime and would likely do so if he or she thinks it would increase the assistance amount. Finally, this change would reduce the number of times the uniform rate assessment tool needs to be re-administered and provide some staff-time savings to the LDSS.

Additional Changes that Are Not Expected to Have Significant Impacts

The proposed changes also add language to incorporate Virginia's kinship guardianship assistance program. This is a program that facilitates child placements with relatives and ensures permanency for children for whom adoption or being returned home are not appropriate permanency options. The program has been enacted by the 2018 General Assembly and payments have been made under that statutory authority.¹ This regulation will incorporate language to reflect the operations of the program as currently followed in practice.

Since the proposed changes will not affect the current operations of the program, no significant economic effect is expected upon promulgation of the proposed amendments beyond providing the details of the rules and procedures that must be followed by LDSS as they apply to the kinship guardianship assistance program.

The Board also proposes to revise the stated ADS payment amount for emergency placements in the regulation from \$1,600 to \$1,120 monthly as that is the current payment made for emergency placements by LDSS. According to the Board staff, this amount was reduced by the Commissioner in 2012, but the regulatory language has not been updated until now to reflect that change. This change too is not expected to have a significant impact other than improving the accuracy of the language to reflect the correct amount that is paid.

Other non-substantive changes include removing all references to the Child and Family Services Manual to make this chapter consistent with other chapters of regulation and numerous

¹ <http://lis.virginia.gov/cgi-bin/legp604.exe?181+ful+CHAP0769>

changes to simplify, clarify, and update language to ensure the standards provide appropriate direction to the LDSS.

Businesses and Entities Affected

This regulation applies to 120 LDSS, prospective foster parents, prospective adoptive parents, prospective kinship guardianship assistance parents, children that are being adopted, and children who are discharged from foster care to the custody of a relative. The Board staff estimates that ADS payments would be provided to additional 123 children. The Board staff also estimates that the use of existing assessments would expedite approximately 12 adoptions per six-month period.

Localities Particularly Affected

This regulation would particularly affect the following LDSS that do not currently offer ADS to their non-therapeutic foster care homes: Fluvanna, Goochland, Lunenburg, Middlesex, Richmond County, Cumberland, Powhatan, King and Queen, Alleghany, Craig, Halifax, Mecklenburg, Nelson, Pittsylvania, Rockbridge, Shenandoah Valley, Bland, Floyd, Grayson, Giles, Radford, Washington, Gloucester, Clarke, Frederick, Rappahannock, Spotsylvania, Warren, and Winchester.

Projected Impact on Employment

The proposed extension of the time to re-administer the uniform assessment tool would provide some staff-time savings to the LDSS.

Effects on the Use and Value of Private Property

The proposed amendments would not affect the use and value of private property.

Real Estate Development Costs

The proposed amendments would not affect real estate development costs.

Small Businesses:

Definition

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.”

Costs and Other Effects

The proposed amendments would not have costs or other effects on small businesses.

Alternative Method that Minimizes Adverse Impact

The proposed amendments would not have adverse impacts on small businesses.

Adverse Impacts:

Businesses:

The proposed amendments would not have adverse impacts on businesses.

Localities:

The proposed amendments would adversely affect following localities by increasing their share of costs to provide ADS payments to additional 123 cases across the Commonwealth: Fluvanna, Goochland, Lunenburg, Middlesex, Richmond County, Cumberland, Powhatan, King and Queen, Alleghany, Craig, Halifax, Mecklenburg, Nelson, Pittsylvania, Rockbridge, Shenandoah Valley, Bland, Floyd, Grayson, Giles, Radford, Washington, Gloucester, Clarke, Frederick, Rappahannock, Spotsylvania, Warren, and Winchester.

Other Entities:

The proposed amendments would increase the share of state funds to cover ADS payments to additional 123 children.

Legal Mandates

General: The Department of Planning and Budget 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 14 (as amended, July 16, 2018). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report 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.

Adverse impacts: Pursuant to Code § 2.2-4007.04(C): 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 within the 45-day period.

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.