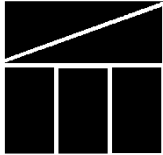


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

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 40-201 – Permanency Services – Prevention, Foster Care, Adoption and Independent Living

Department of Social Services

Town Hall Action/Stage: 4697/7908

July 28, 2017

Summary of the Proposed Amendments to Regulation

The Board of Social Services (Board) proposes to amend the regulation for permanency services to account for changes in state and federal law. Specifically, the Board proposes to add a definition for “sibling” and “prior family” and a requirement that, in most cases, parents of siblings be notified when a child enters foster care; add definitions for “reasonable and prudent parenting standard” and “normalcy” for children in foster care; and establish rules for permanency goals for foster children 16 years old and older. The Board also proposes to specify how individuals older than 14 may be involved in meetings affecting future plans for them and to add rules for adoption and foster care subsidies dispersed for individuals over the age of 18 under Virginia’s “Fostering Futures” program.

Result of Analysis

Benefits likely outweigh costs for these proposed regulatory changes.

Estimated Economic Impact

In 2014, the United States Congress passed the *Preventing Sex Trafficking and Strengthening Families Act*¹ which mandated certain changes to foster care policy for foster care

¹ The text and legislative history of this Act can be found here: <https://www.congress.gov/bill/113th-congress/house-bill/4980>.

placements that are supported by federal dollars. In 2016, the General Assembly passed legislation² 1) adding victims of sex trafficking to the list of individuals defined as an “abused or neglected child”, 2) allowing teens 16 years or older to have additional allowable permanency goals and 3) allowing teens 14 years old or older to choose two members of their case planning team and to be involved in the planning of their placement. In 2017, the Virginia General Assembly passed a budget³ that funded and set rules for Virginia’s “Fostering Futures” program. The “Fostering Futures” program extends foster care payments and in some instances, adoption subsidy payments to adults between the ages of 18 and 21. The Board now proposes to amend this regulation to harmonize it with these legislative changes. All of the substantive changes in this proposed regulation have been law and were implemented on the effective date of their controlling legislation. Interested parties will benefit from this proposed regulatory act as it will remove any confusion that might have been caused by having inconsistencies between this regulation and its controlling legislation.

Businesses and Entities Affected

These changes will affect local Departments of Social Services (LDSS) as well as all children and adolescents in foster care and adults between the ages of 18 and 21 who are now eligible for continued services or subsidies.

Localities Particularly Affected

No localities will be particularly affected by this proposed change.

Projected Impact on Employment

To the extent that implementing Fostering Futures increases cases loads at LDSS, LDSS may increase the number of workers they hire and retain.

Effects on the Use and Value of Private Property

This proposed regulatory change is unlikely to affect the use or value of private property in the Commonwealth.

² <http://leg1.state.va.us/cgi-bin/legp504.exe?161+ful+CHAP0631>

³ <https://budget.lis.virginia.gov/item/2017/1/HB1500/Chapter/1/346/>. To pay for “Fostering Futures”, this budget appropriated \$1,015,451 from the general fund in FY2017 and \$2,925,954 from the general fund in FY2018. Additionally, this budget appropriated \$999,050 from the nongeneral fund in FY2017 and \$2,886,611 from the nongeneral fund in FY2018 to support “Fostering Futures”.

Real Estate Development Costs

These proposed regulatory changes are unlikely to affect real estate development costs in the Commonwealth.

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

Small businesses are unlikely to incur any costs on account of this regulatory action.

Alternative Method that Minimizes Adverse Impact

Small businesses are unlikely to incur any costs on account of this regulatory action.

Adverse Impacts:

Businesses:

Businesses are unlikely to be adversely affected by this regulatory change.

Localities:

No locality is likely to suffer adverse impacts on account of this proposed regulatory change.

Other Entities:

No other entities are likely to suffer adverse impacts on account of this proposed regulatory change.

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 Number 17 (2014). 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.

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