



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

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**6 VAC 35-20 – Regulations Governing the Monitoring, Approval, and Certification of  
Juvenile Justice Programs  
Department (Board) of Juvenile Justice  
June 30, 2011**

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### **Summary of the Proposed Amendments to Regulation**

The Board of Juvenile Justice (the Board) proposes to 1) transfer the certification authority from the Board to the Director of the Department of Juvenile Justice, 2) replace the unannounced monitoring visits with self audits for Court Service Units (CSUs) and facilities, 3) require Virginia Juvenile Community Crime Control Act (VJCCCA) programs and offices on youth to complete self-assessments, 4) reduce the time frame to resolve a certification appeal from 15 days to 10 days, 5) require the notice of the audit findings be sent to additional authorities, 6) remove the list of critical requirements for juvenile residential facilities from the regulations, and 7) clarify and reorganize numerous existing requirements.

### **Result of Analysis**

There is insufficient data to accurately compare the magnitude of the benefits versus the costs. Detailed analysis of the benefits and costs can be found in the next section.

### **Estimated Economic Impact**

These regulations establish the process by which the Department of Juvenile Justice (the Department) and the Board monitor compliance with the regulatory provisions applicable to residential facilities, Court Service Units (CSUs), and nonresidential programs and services in Virginia's juvenile justice system.

One of the proposed changes will move the certification authority from the Board to the Department. According to the Department, in consultation with the Office of the Attorney General and Secretary of Public Safety, a reexamination of the legal authority to approve and certify a facility revealed that the certification authority lies with the Department, with oversight

by the Board when there is finding of noncompliance. Thus, the proposed changes will make the Director or designee responsible for issuing certifications when certification criteria are met. However, when a program or facility is found in noncompliance with applicable regulatory requirements the Board's oversight will be required in the certification process.

This change will transfer some of the authority from the Board to the Director. While there are no significant direct economic effects expected from this particular change, this change is procedurally significant. Also, the Department notes that the Board may not have the subject matter expertise as the Director would have. Moreover, certification decisions may be made faster by the Director than by the Board since the Board meets a few times over a year while the Director or his designee would be available throughout the year. Finally, it could be argued that by approving these proposed changes, the Board reveals its willingness to transfer this authority to the Director.

Another proposed change will reduce the number of required on-site monitoring visits from two (one announced, one unannounced) to one scheduled per year for CSUs and facilities, except in the year subject to certification audit. However, the proposed changes also add that CSUs and facilities perform self audits. Thus, the proposed changes essentially replace the unannounced monitoring visits with the self audits. According to the Department, this change will replace approximately 35-40 unannounced monitoring visits with self audits. However, the Department indicates that many facilities have already been voluntarily conducting self audits. Thus, only a few facilities are expected incur additional compliance costs as a result of this change. Also, the Department believes that cost of unannounced monitoring visits and self audits are comparable for the facilities. However, a reduction in administrative costs of the Department is expected as self audits cost the Department less than the unannounced on-site monitoring visits.

The proposed changes will also require VJCCCA programs and Offices on Youth to complete self-assessments. Currently, there are no required unannounced monitoring visits for these programs, but there are certain reporting requirements in the Virginia Juvenile Community Crime Control Act manual. According to the Department, The intent of the self-audit is to capture the intent of the manual requirements. Thus, the Department does not expect additional compliance costs on these programs and localities in approximately 77 jurisdictions.

Another proposed change will reduce the time frame to resolve a certification appeal from 15 days to 10 days. This change may add to the administrative costs of the Department due to shortened time frame to make appeal decisions, but it is expected to help resolve a deficiency quicker. Under the regulations, facilities do not have to take the corrective action plans while the appeal is under review.

The proposed changes will also require the notice of the audit findings be sent to the program's or facility's supervisory or governing authority, and the Director or designee in addition to the program administrator. While there may be small administrative costs associated with issuing additional notices, the Department expects that the dissemination of notices to additional authorities would help in addressing the deficiencies quicker.

Finally, the proposed changes will remove the list of critical requirements for juvenile residential facilities from the regulations and establish that “the board shall designate which regulatory requirements will be classified as critical regulatory requirements.” According to the Department, the current list is outdated and the Board needs flexibility since changes to this list may occur frequently. Critical requirement designation is significant because 100 percent compliance is required with the critical requirements for certification. With the proposed change, the Board will be able to change what is considered as a critical requirement and possibly change a facility’s certification status without going through the regulatory review process. Ultimate economic effects of this change will depend on what the Board designates as a critical requirement. Since there is no information on what changes the Board may make to the list in the future, this change creates uncertainty for the regulated programs and facilities.

All of the remaining changes are either clarification or reorganization of existing requirements and are not expected to create any significant economic effects other than improving the clarity of the regulations.

## **Businesses and Entities Affected**

There are 24 locally or commission-operated juvenile secure detention centers, two halfway houses, 23 locally-operated group homes, 77 local jurisdictions for programs, six state Juvenile Correctional Centers, 32 state-operated CSUs, and three locally-operated CSUs.

## **Localities Particularly Affected**

The proposed regulations apply throughout the Commonwealth.

## **Projected Impact on Employment**

Replacing the unannounced monitoring visits with self audits for Court Service Units and facilities is expected to reduce the Department's demand for labor.

## **Effects on the Use and Value of Private Property**

No significant impact on the use and value of private property is expected.

## **Small Businesses: Costs and Other Effects**

No direct significant costs and other effects on small businesses are expected.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

No direct adverse impact on small businesses is expected

## **Real Estate Development Costs**

No significant impact on real estate development costs is expected.

## **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.H of the Administrative Process Act and Executive Order Number 107 (09). Section 2.2-4007.H 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.H 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.