



Economic Impact Analysis Virginia Department of Planning and Budget

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

Department of Social Services

January 23, 2015

Summary of the Proposed Amendments to Regulation

The Board of Social Services (Board) proposes to amend its permanency regulation to include a process under which individuals who can claim benefits¹ can appeal a decision by a local Department of Social Services to deny, or not expeditiously act upon, requests for benefits or services.

Result of Analysis

Benefits likely outweigh costs for these proposed changes.

Estimated Economic Impact

Board staff reports that foster care payment decisions are technically appealable right now and that guidance for such appeals has been developed but has not yet been posted to the State Department of Social Services (DSS) website. The Board amended its permanency regulation to include a new section that covers the appeal rights of individuals who can claim benefits in an emergency action that became effective on June 25, 2014. The Board now proposes to make those amendments permanent through this regulatory action. Board staff reports that they have no way of knowing right now how many appeals will be filed each year going forward but they estimate that about 3% of foster care cases would be the subject of some sort of appeal each year. There are currently 7,728 children who receive services in the foster care system. Using that number, DSS's appeals office would likely process approximately 230 appeals per year.

DSS's appeals office will likely incur greater costs for conducting hearings on account of this proposed regulation and the legislation that mandated this appeals process². Two additional staff positions have been added to the appeals office to handle these anticipated cases. Individuals who can claim foster care benefits will likely benefit from this action as it will clarify their rights in the appeals process and make it easier to eventually receive benefits they may be due under the law.

Businesses and Entities Affected

This proposed regulation will affect all individuals who can claim foster care benefits. The number of affected individuals is unknown but would be larger than the number of children who receive foster care services in the Commonwealth (7,728).

Localities Particularly Affected

No localities will likely be disproportionately affected by this proposed regulatory change.

Projected Impact on Employment

This regulatory action will result in two additional staff people being hired by DSS's appeals office.

Effects on the Use and Value of Private Property

This regulatory action will likely have no impact on the use or value of private property.

Small Businesses: Costs and Other Effects

No small businesses are likely to be affected by this proposed regulation.

Small Businesses: Alternative Method that Minimizes Adverse Impact

No small businesses are likely to be affected by this proposed regulation.

Real Estate Development Costs

This regulatory action will likely have no effect on real estate development costs in the Commonwealth.

¹ These individuals may be foster parents, other representatives of foster children such as Guardians Ad Litem, parents of a child in foster care or foster children who are living independently or who qualify to live independently.

² House Bill 2045 passed the General Assembly in 2013.

Legal Mandate

General: 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 and Executive Order Number 17 (2014). Section 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:

- the projected number of businesses or other entities to whom the proposed 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.

Small Businesses: If the proposed regulation will have an adverse effect on small businesses, § 2.2-4007.04 requires that such economic impact analyses include:

- an identification and estimate of the number of small businesses subject to the proposed regulation,
- 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,
- a statement of the probable effect of the proposed regulation on affected small businesses, and
- a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.

Additionally, pursuant to § 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 (JCAR) is notified at the time the proposed regulation is submitted to the *Virginia Register of Regulations* for publication. This analysis shall represent DPB's best estimate for the purposes of public review and comment on the proposed regulation.

AMH

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