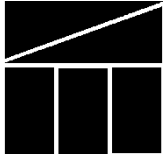


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

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 40-293 Locality Groupings
Department of Social Services
Town Hall Action/Stage: 5051/8278
July 27, 2018

Summary of the Proposed Amendments to Regulation

The State Board of Social Services proposes to amend the definition of locality groupings to reflect a statutory change.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

This regulation contains a definition for locality groupings, which is used in determining the amount of Temporary Assistance for Needy Families (TANF) in different geographic locations. Originally, there were three distinct locality groupings: Group I, Group II, and Group III. Item 342 O, of the 2017 Appropriation Act¹ moved all localities in Group I into Group II, which went into effect on July 1, 2017. The proposed change merely reflects that statutory amendment. Since this regulatory action does not reflect any change in administration of TANF benefits, no economic effect is expected other than eliminating conflicting information between the Code of Virginia and the regulation.

¹ <https://budget.lis.virginia.gov/item/2017/1/HB1500/Chapter/1/342/>

Businesses and Entities Affected

There are approximately 21,000 TANF families of which 72% are in Group II localities and 28% are in Group III localities.

Localities Particularly Affected

The proposed regulation reflects the fact that a recent statutory amendment moved Group I localities (i.e. Counties of Accomack, Alleghany, Amelia, Amherst, Appomattox, Bath, Bedford, Bland, Botetourt, Brunswick, Buchanan, Buckingham, Campbell, Carroll, Charles City, Charlotte, Clarke, Craig, Culpeper, Cumberland, Dickenson, Dinwiddie, Essex, Floyd, Fluvanna, Franklin, Frederick, Giles, Gloucester, Goochland, Grayson, Greene, Greensville, Halifax, Hanover, Henry, Highland, Isle of Wight, King & Queen, King William, Lancaster, Lee, Louisa, Lunenburg, Madison, Matthews, Mecklenburg, Middlesex, Nelson, New Kent, Northampton, Northumberland, Nottoway, Orange, Page, Patrick, Pittsylvania, Powhatan, Prince Edward, Prince George, Pulaski, Rappahannock, Richmond, Rockbridge, Russell, Scott, Shenandoah, Smyth, Southampton, Surry, Tazewell, Washington, Westmoreland, Wise, Wythe, and Cities of Bristol, Buena Vista, Clifton Forge, Danville, Emporia, Franklin, Galax, Norton, Suffolk) into Group II localities (i.e. counties of Albemarle, Chesterfield, Henrico, Loudoun, Roanoke, Rockingham, Warren, and Cities of Chesapeake, Covington, Harrisonburg, Hopewell, Lexington, Lynchburg, Martinsville, Norfolk, Petersburg, Portsmouth, Radford, Richmond, Roanoke, Virginia Beach, Williamsburg, Winchester).

Projected Impact on Employment

No impact on employment is expected.

Effects on the Use and Value of Private Property

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

Real Estate Development Costs

No impact on real estate development costs is expected.

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

No costs or other effects are expected on small businesses.

Alternative Method that Minimizes Adverse Impact

No adverse impact on small businesses is expected.

Adverse Impacts:

Businesses:

No adverse effects are expected on small businesses.

Localities:

The proposed amendments will not adversely affect localities.

Other Entities:

The proposed amendments will not adversely affect other entities.

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 14 (2018), as amended. 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.