

Office of Regulatory Management
Economic Review Form

Agency name	Department (Board) of Juvenile Justice
Virginia Administrative Code (VAC) Chapter citation(s)	6 VAC 35-101
VAC Chapter title(s)	Regulation Governing Juvenile Secure Detention Centers
Action title	Comprehensive review of regulatory provisions governing juvenile secure detention centers that are currently contained in 6VAC35-101
Date this document prepared	03/17/2023 and 03/31/2023

Cost Benefit Analysis

Table 1a must be completed for all actions. Tables 1b and 1c must be completed for actions (or portions thereof) where the agency is exercising discretion, including those where some of the changes are mandated by state or federal law or regulation. Tables 1b and 1c are not needed if **all** changes are mandated, and the agency is not exercising any discretion. In that case, enter a statement to that effect.

- (1) Direct Costs & Benefits: Identify all specific, direct economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (A direct impact is one that affects entities regulated by the agency and which directly results from the regulatory change itself, without any intervening steps or effects. For example, the direct impact of a regulatory fee change is the change in costs for these regulated entities.) When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo. One bullet has been provided, add additional bullets as needed.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
 - (c) Enter the present value of the direct costs based on the worksheet.
 - (d) Enter the present value of the direct benefits based on the worksheet.
- (3) Benefits-Costs Ratio: Calculate d divided by c OR enter it from the worksheet.
- (4) Net Benefit: Calculate d minus c OR enter it from the worksheet.
- (5) Indirect Costs & Benefits: Identify all specific, indirect economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (An indirect impact is one that results from responses to the regulatory change, but which are not directly required by the regulation. Indirect impacts of a regulatory fee change on regulated entities could include a change in the prices they charge, changes in their operating procedures or employment levels, or decisions to enter or exit the regulated profession or market. Indirect impacts also include responses by other entities that have close economic ties to the regulated entities, such as suppliers or partners.) If there are no indirect costs or benefits, include a specific statement to that effect.

- (6) Information Sources: Describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (7) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct Costs & Benefits</p>	<p>Direct Costs: The direct costs are derived from the annual JDC operating expenditures which are reported to DJJ. These expenditures do not include any special programs or earmark funds. Plus, the following regulation updates that equal a \$7m annual increase:</p> <ol style="list-style-type: none"> 1. 6VAC35-101-1070 – assumes an increase with software costs and staff time equal to \$305,280 statewide. \$144k is related to staff cost and \$161k to software needs related to data collection. The benefit will ensure that each JDC is collecting information to determine patterns regarding room restriction and cooling-off periods and the effectiveness of these interventions. 2. 6VAC35-101-1100 - assumes an increase due to additional positions needed to comply with increased checks. Analysis assumes a maximum of four additional positions needed per facility, equal to \$6,377,853 statewide. An average salary plus fringe benefits of \$66k was assumed per position. The benefit will ensure resident safety and enhanced monitoring for room restriction population. 3. 6VAC35-101-1130 – assumes an increase with training and documentation of procedures related to utilizing spit guards equal to \$325,257 statewide. \$261k is related to cost of formal training per employee and \$64k is related to staff time cost to attend training. The benefit will help to reduce the use of mechanical restraints and protective devices, control the duration of such use, and ensure that such devices are used in the safest manner. <p>Direct Benefits: These changes are designed to protect the lives, health, and safety of the residents at Virginia’s JDCs. The benefit is calculated by applying the DOT value of statistical life (\$11.8m) reduced by the EPA mortality risk valuation rate (\$7.4m) for a difference of \$4.4m and multiplied by the statewide Annual Daily Population (ADP) rate of 350 reported for FY 2021.</p>
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(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) \$1,304,567,159	(c) \$1,140,688,736	
Direct Benefits	(b) \$15,400,000,000	(d) \$13,530,607,740	
(3) Benefits-Costs Ratio	11.86	(4) Net Benefit	12,389,919,004
(5) Indirect Costs & Benefits	There are no anticipated indirect costs or benefits as a result of the proposed regulatory changes governing juvenile secure detention centers.		
(6) Information Sources	JDC's total operating expenditures for FY 2021 with 3% increase applied for Year Zero plus anticipated costs for the regulatory changes that will have anticipated economic impact increase. JDC operating costs for positions, market value analysis for training and software costs.		
(7) Optional	The anticipated changes require an additional \$10.2m increase annually. Cost benefit analysis calculations assume an additional two percent COLA increase per year over 10-year timeframe to operating costs.		

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

This table addresses current requirements and the implications of not making any changes. In other words, describe the costs and benefits of maintaining the current regulatory requirements as is.

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> Describe the current requirement associated with the first proposed impactful change described in Table 1a here. <p>Direct Costs: The direct cost are derived from the annual JDC operating expenditures which are reported to DJJ. These expenditures do not include any special programs or earmark funds.</p> <p>Direct Benefits: The benefit is calculated by applying the DOT value of statistical life (\$11.8m) reduced by the EPA mortality risk valuation rate (\$7.4m) for a difference of \$4.4m and multiplied by the statewide Annual Daily Population (ADP) rate of 350 reported for FY 2021.</p>	
(2) Quantitative Factors	Estimated Dollar Amount	Present Value
Direct Costs	(a) \$1,227,827,207	(c) \$1,073,588,780

Direct Benefits	(b) \$15,400,000,000	(d) \$13,530,607,740
(3) Benefits-Costs Ratio	12.60	(4) Net Benefit 12,457,018,959
(5) Indirect Costs & Benefits	There are no known indirect costs or benefits as a result of maintaining the current regulations governing juvenile secure detention centers.	
(6) Information Sources	JDC's total operating expenditures for FY 2021 with 3% increase applied for Year Zero.	
(7) Optional	<p>Cost benefit analysis calculations assume an additional two percent COLA increase per year over 10-year timeframe to operating costs.</p> <p>While there is a possible economic impact increase with the changes to 6VAC35-101-1153 through 6VAC35-101-1156, we are unsure of the value at this time and unable to determine until it is clear which facilities would continue to utilize the mechanical restraint chair and the extent to what additional equipment or staff would be necessary.</p>	

Table 1c: Costs and Benefits under an Alternative Approach

This table addresses an alternative approach to accomplishing the objectives with different requirements. These alternative approaches may include the use of reasonably available alternatives in lieu of regulation, or information disclosure requirements or performance standards instead of regulatory mandates.

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • Describe first alternative proposed impactful change here. <p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <ul style="list-style-type: none"> • Use additional bullets as needed 	
(2) Quantitative Factors	Estimated Dollar Amount	Present Value
Direct Costs	(a) N/A	(c) N/A
Direct Benefits	(b) N/A	(d) N/A

(3) Benefits-Costs Ratio	N/A	(4) Net Benefit	N/A
(5) Indirect Costs & Benefits	N/A		
(6) Information Sources	N/A		
(7) Optional	There are no alternative approach considerations for costs or benefits to the proposed regulatory changes governing juvenile secure detention centers.		

Impact on Local Partners

- (1) Describe the direct costs and benefits (as defined on page 1) for local partners in terms of real monetary costs and FTEs. Local partners include local or tribal governments, school divisions, or other local or regional authorities, boards, or commissions. If local partners are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
- (3) Indirect Costs & Benefits: Describe any indirect benefits and costs (as defined on page 1) for local partners that are associated with all significant changes. If there are no indirect costs or benefits, include a specific statement to that effect.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (5) Assistance: Identify the amount and source of assistance provided for compliance in both funding and training or other technical implementation assistance.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 2: Impact on Local Partners

(1) Direct Costs & Benefits	N/A
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) N/A

Direct Benefits	(b) N/A
(3) Indirect Costs & Benefits	N/A
(4) Information Sources	N/A
(5) Assistance	N/A
(6) Optional	There are no anticipated costs or benefits to local partners as a result of the proposed regulatory changes governing juvenile secure detention centers.

Economic Impacts on Families

- (1) Describe the direct costs and benefits (as defined on page 1) to a typical family of three (average family size in Virginia according to the U. S. Census) arising from any proposed regulatory changes that would affect the costs of food, energy, housing, transportation, healthcare, and education. If families are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe any indirect costs and benefits (as defined on page 1) to a typical family of three that are most likely to result from the proposed changes.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (5) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 3: Impact on Families

(1) Direct Costs & Benefits	N/A
(2) Quantitative Factors	Estimated Dollar Amount

Direct Costs	(a) N/A
Direct Benefits	(b) N/A
(3) Indirect Costs & Benefits	N/A
(4) Information Sources	N/A
(5) Optional	There are no anticipated costs or benefits to families as a result of the proposed regulatory changes governing juvenile secure detention centers.

Impacts on Small Businesses

- (1) Describe the direct costs and benefits (as defined on page 1) for small businesses. For purposes of this analysis, “small business” means the same as that term is defined in § 2.2-4007.1. If small businesses are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe the indirect benefits and costs (as defined on page 1) for small businesses that are most likely to result from the proposed changes.
- (4) Alternatives: Add a qualitative discussion of any equally effective alternatives that would make the regulatory burden on small business more equitable compared to other affected business sectors, and how those alternatives were identified.
- (5) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 4: Impact on Small Businesses

(1) Direct Costs & Benefits	N/A
(2) Quantitative Factors	Estimated Dollar Amount

Direct Costs	(a) N/A
Direct Benefits	(b) N/A
(3) Indirect Costs & Benefits	N/A
(4) Alternatives	N/A
(5) Information Sources	N/A
(6) Optional	There are no anticipated costs or benefits to small businesses as a result of the proposed regulatory changes governing juvenile secure detention centers.

Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed.

Table 5: Total Number of Requirements

Chapter number	Number of Requirements			
	Initial Count	Additions	Subtractions	Net Change
6VAC35-101	783	158	85	73