



Economic Impact Analysis Virginia Department of Planning and Budget

22 VAC 40-151 – Standards for Licensed Children’s Residential Facilities
Department of Social Services
July 29, 2008

Summary of the Proposed Amendments to Regulation

Chapter 873 of the 2008 Acts of the Assembly dissolves the interdepartmental model for regulation of licensure of children’s residential facilities and directs each affected agency to promulgate separate regulations for facilities they license. Pursuant to this legislative action, the Board of Social Services (Board) proposes to promulgate Standards for Licensed Children’s Residential Facilities. These proposed regulations eliminate references to other agencies and to interdepartmental regulations that currently set standards for facilities. Interdepartmental Regulations for Licensed Children’s Residential Facilities will be repealed in a separate, exempt, action.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Currently, children’s residential facilities can be licensed by one of several different agencies, depending on the population that they serve. As a consequence, the agencies involved, the Department of Social Service (DSS), the Department of Juvenile Justice (DJJ) and the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) jointly promulgated and maintained regulations to set standards for licensure of facilities.

Pursuant to legislation passed in the last legislative session, which dissolved the interdepartmental model for regulating licensure of children’s residential facilities, the Board proposes to promulgate replacement regulations. These new regulations do not vary from

current regulations, and practice, in any substantive way. Language that references the soon to be repealed interdepartmental regulations, as well as references to DJJ and DMHMRSAS, have been removed from the regulatory text. Because the Board is not imposing any new obligations on affected facilities, regulated entities will not incur any additional costs on account of this regulatory action. To the extent that promulgating new regulations, and repealing current regulations, eliminates now obsolete regulatory language, regulated entities will benefit from additional regulatory clarity.

Businesses and Entities Affected

DSS reports that it currently licenses 107 children's residential facilities. All of these facilities will be affected by this regulatory action.

Localities Particularly Affected

No locality will be particularly affected by this proposed regulatory action.

Projected Impact on Employment

This regulatory action will likely have no impact on employment in the Commonwealth.

Effects on the Use and Value of Private Property

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

Small Businesses: Costs and Other Effects

DSS reports that all affected entities qualify as small businesses. None of these entities are likely to incur any costs on account of this regulatory action.

Small Businesses: Alternative Method that Minimizes Adverse Impact

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

Real Estate Development Costs

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

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 36 (06). 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.