

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 40-880 Child Support Enforcement Program
Department of Social Services
Town Hall Action/Stage: 4758 / 7831
May 30, 2017

Summary of the Proposed Amendments to Regulation

The State Board of Social Services (Board) proposes to add an exception for release from the Passport Denial Program if a noncustodial parent provides documentation from their employer to verify that their employment requires international travel.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The U.S. Department of Health & Human Services' Passport Denial Program is designed to help states enforce delinquent child support obligations. Under the program, noncustodial parents certified by a state as having arrearages exceeding \$2,500 are submitted by the federal Office of Child Support Enforcement to the Department of State, which denies them U.S. passports upon application or the use of a passport service.¹ The program was first implemented in Virginia in 1997.

Under the current Virginia regulation, noncustodial parents in the Passport Denial Program must pay their child support arrears in full to obtain or renew a passport. The only

¹ Source: U.S. Office of Child Support Enforcement accessed on May 30, 2017:
<https://www.acf.hhs.gov/css/resource/overview-of-the-passport-denial-program>

exception is for cases where a noncustodial parent's immediate family member lives abroad and faces a life-or-death situation. The Board proposes an additional exception for release from the Passport Denial Program if the noncustodial parent provides documentation from their employer to verify that their employment requires international travel.

The proposed amendment would likely be beneficial in that it potentially helps enable noncustodial parents with jobs that may require international travel to satisfy the requirements of their employment, and be able to earn the income needed to pay their child support obligations. Additionally, noncustodial parents may be able to obtain better-paying positions, helping provide income to pay child support obligations, if they are permitted to travel abroad for work.

Businesses and Entities Affected

The proposed amendment would affect noncustodial parents who owe \$2,500 or more in child support arrearages. Indirectly, the amendment would potentially affect firms that may employ these individuals, as well as recipients of their child support payments.

Localities Particularly Affected

The proposed amendment would not disproportionately affect specific localities.

Projected Impact on Employment

The proposed amendment would not significantly affect total employment, but may help a small number of individuals to maintain or obtain employment.

Effects on the Use and Value of Private Property

The proposed amendment would not significantly affect the use and value of private property.

Real Estate Development Costs

The proposed amendment would not affect real estate development costs.

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

The proposed amendment may reduce costs for a few small businesses by permitting employees or firm principals who are noncustodial parents with delinquent child support obligations to travel internationally for business.

Alternative Method that Minimizes Adverse Impact

The proposed amendment would not adversely affect small businesses.

Adverse Impacts:

Businesses:

The proposed amendment would not adversely affect businesses.

Localities:

The proposed amendment would not adversely affect localities.

Other Entities:

The proposed amendment would 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 17 (2014). 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.