

Office of Regulatory Management
Economic Review Form

Agency name	Department (Board) of Juvenile Justice
Virginia Administrative Code (VAC) Chapter citation(s)	6 VAC 35-150
VAC Chapter title(s)	Regulation for Nonresidential Services
Action title	Action to Amend Compliance Manual 6VAC35-150 – Regulation for Nonresidential Services
Date this document prepared	INSERT DATE
Regulatory Stage (including Issuance of Guidance Documents)	Amendment of Guidance Document

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

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

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Direct Costs: The department is proposing to amend the CSU Compliance Manual guidance document, which provides instructions and interpretative guidance for state and locally operated court service units and the department’s certification staff on assessing compliance with the Regulation for Nonresidential Services (6VAC35-150). The department is proposing several changes to reduce the length of and simplify the document, including removing unnecessary goal statements, restructuring definitional information, and eliminating recommendations and best practice information. Additionally, the proposal seeks to ensure all references to incorporated documents are up-to-date and that references to rescinded procedures are removed. Most of the proposed changes are not expected to have a significant impact on court service unit operations or the actual process for conducting compliance assessments. Instead, the changes will assist the department in complying with the Office of Regulatory Management’s directive that agencies strive to reduce their guidance documents by at least 25%. Beyond shortening and simplifying the document, the proposed changes are not expected to impact regulated entities or their compliance assessments, and therefore, will impose no direct costs on the regulated court service units nor the department’s auditors.</p> <p>In conducting its review of the guidance document, the department discovered one regulatory provision (6VAC35-150-120) that was unintentionally omitted from this document when it was originally developed in 2011. Due to this unintentional omission, the department had not been assessing CSUs for compliance with the incident reporting requirements until earlier this year. The proposal adds the omitted incident reporting provision along with the corresponding instructions for assessing compliance. DJJ has verified in its case management system that, while the department had not been assessing this provision for compliance, both the state and locally operated court service units have been reporting incidents consistently over the course of several years. Thus, the department does not believe adding the omitted provision will result in any costs or have any other impact on the regulated community.</p> <p>Indirect Costs: As explained above, most of the changes proposed in this document are intended to simplify and shorten the document and are not substantive. Therefore, there are no indirect costs associated with the proposed changes.</p> <p>Direct Benefits: By removing unnecessary language, instructions, and references within this manual, the proposal is expected to make it easier for regulated court service units to prepare for audits and to understand what information needs to be provided to the department’s compliance</p>
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	<p>staff. By adding the unintentionally omitted 6VAC35-150-120 and the associated information and instructions, the proposal will ensure that court service units are completely and properly documenting required incidents.</p> <p>Indirect Benefits: By simplifying the manual’s language and ensuring that all regulatory requirements are set forth with associated instructions explained, the department hopes the proposal will enhance compliance with the regulatory requirements, which will, in turn, help court service units avoid any sanctions associated with noncompliance, including having juveniles removed from a program or decertifying the program.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) As the proposed changes are intended to simplify and shorten the document, there are no direct or indirect costs associated with the changes.	(b) The proposal is expected to make it easier for regulated court service units to prepare for audits, understand their audit obligations, and avoid any sanctions associated with regulatory noncompliance.
(3) Net Monetized Benefit	None	
(4) Other Costs & Benefits (Non-Monetized)	In addition to removing duplicative language and unnecessary goal statements, the proposal eliminates assessment instructions that do not align with the regulatory language. To the extent staff are complying with the methodology for conducting assessments, these cuts will relieve such staff of the burdens associated with requirements that are not regulatorily mandated. Similarly, DJJ staff responsible for conducting the assessments will no longer need to assess compliance with these types of requirements.	
(5) Information Sources	CSU Compliance Manual; 6VAC35-20-100	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct and Indirect Costs: Leaving the compliance manual as is retains assessment measures that are not supported by the existing regulatory requirements and makes the compliance document unnecessarily lengthy, making staff in regulated court service units devote needless time and resources to these requirements. Because such costs are absorbed with the agency and regulated entity’s current resources, the department believes there are no direct or indirect monetary costs associated with maintaining the status quo.
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	<p>Direct and Indirect Benefits: The department can conceive of no direct or indirect quantifiable benefits to retaining the current version of the compliance manual. The existing manual requires compliance with outdated and rescinded procedures, includes recommendations that are not mandated by regulation, and contains unnecessarily lengthy goal statements and repetitive definitions that court service units must slog through to ensure they are prepared for audits and monitoring visits. These issues may generate confusion and uncertainty among regulated entities.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	<p>(a) As the regulated entity's costs are absorbed with current resources, the department believes there are no quantifiable direct or indirect costs of maintaining the status quo.</p>	<p>(b) Because of the additional, unnecessary information contained in the current compliance manual, the department believes there are no direct or indirect benefits, quantifiable or otherwise, of maintaining the status quo</p>
(3) Net Monetized Benefit	None.	
(4) Other Costs & Benefits (Non-Monetized)	<p>Maintaining the status quo means that the manual will continue to assess compliance with outdated and rescinded procedures, omit regulatory references and associated instructions that should have been included in the manual, and continue to include recommendations and assessment instructions that do not align with the regulatory language. Thus, there appears to be no benefit to retaining the current version of the CSU Compliance Manual.</p>	
(5) Information Sources	CSU Compliance Manual	

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: The department believes the only other viable alternative is to rescind the compliance manual in its entirety. Regardless of the wisdom of eliminating the compliance manual, the department believes there would be no direct costs or savings associated with its removal because CSUs would continue to be subject to the department's audits to assess compliance with the regulatory requirements.</p> <p>Indirect Costs: Similarly, the department believes there would be no indirect costs associated with elimination of the guidance document, since CSUs would remain subject to audits for compliance with the regulatory requirements.</p>
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	<p>Direct Benefits: The only direct benefit the department can foresee with eliminating the CSU Compliance Manual would be that CSU staff and audit staff would no longer need to familiarize themselves with the document and ensure they were complying with its requirements in preparing for an audit, which could potentially save time and resources. Despite this potential benefit, however, the department believes rescinding the manual would be the least effective alternative for resolving the issues with the current document. First, eliminating the manual without replacing it would conflict with 6VAC35-20-35, which currently directs DJJ to prepare guidance documents compiling all regulatory requirements applicable to each type of program or facility subject to the Regulation Governing the Monitoring, Approval, and Certification of Juvenile Justice Programs and Facilities and stating how compliance will be assessed. In addition to this concern, doing away with the manual would remove an important resource that court service units and DJJ audit staff depend upon in preparing for and conducting or undergoing audits. Although audit and CSU staff would be saved the burden of familiarizing themselves with and observing the audit measures in the manual, in the absence of such manual, the department’s Certification Unit would need to establish a process for conducting certification audits and regulated entities may not be privy to whatever audit methodologies the Certification Unit formulates.</p> <p>Indirect Benefits: The department does not believe eliminating the manual entirely would have any indirect benefits. Instead, the absence of such guidance may result in court service units having more areas of noncompliance and ultimately being subject to sanctions.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) The department believes there would be no direct or indirect costs associated with eliminating the entire compliance manual.	(b) The department believes there would be no direct or indirect savings associated with eliminating the entire compliance manual because other measures would need to be put in place to assess compliance with the regulatory requirements.
(3) Net Monetized Benefit	\$0	
(4) Other Costs & Benefits (Non-Monetized)	None	
(5) Information Sources	CSU Compliance Manual; 6VAC35-20-100	

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Direct Costs: In addition to the 30 department-operated CSUs, two locally operated units (Fairfax and Arlington) are subject to the board’s Regulations for Nonresidential Services and the associated CSU Compliance Manual. The proposal is expected to impact these locally operated units in much the same manner as the state-operated units. Most of the proposed changes will have little or no impact because the changes seek to simplify the document</p> <p>Indirect Costs: As with the state-operated CSUs, the changes proposed in this document are intended to simplify and shorten the document and will have no indirect costs.</p> <p>Direct Benefits: By removing unnecessary language, instructions, and references within this manual, the proposal is expected to make it easier for locally operated court service units to prepare for audits and to understand what information needs to be provided to the department’s compliance staff. By adding the unintentionally omitted 6VAC35-150-120 and the associated information and instructions, the proposal will ensure that locally operated court service units are completely and properly documenting required incidents.</p> <p>Indirect Benefits: By simplifying the manual’s language and ensuring all regulatory requirements are set forth with associated instructions explained, the department hopes the proposal will enhance locally operated court service units’ compliance with the regulatory requirements, which will, in turn, help them avoid any sanctions associated with noncompliance.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>(a) As the proposed changes are intended to simplify and shorten the document, there are no direct or indirect costs associated with the changes.</p>	<p>(b) The proposal is expected to make it easier for locally operated CSUs to prepare for audits, understand their audit obligations, and avoid any sanctions associated with regulatory noncompliance.</p>

(3) Other Costs & Benefits (Non-Monetized)	In addition to removing duplicative language and unnecessary goal statements, the proposal eliminates assessment instructions that do not align with the regulatory language. To the extent staff in locally operated CSUs are complying with the methodology for conducting assessments, these cuts will relieve such staff of the burdens associated with requirements that are not regulatorily mandated.
(4) Assistance	As the department does not anticipate any costs associated with the proposed changes, no assistance to localities is necessary.
(5) Information Sources	CSU Compliance Manual; 6VAC35-150-10

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: None. The proposed changes are intended to simplify the document and are not expected to impose any direct costs on families.</p> <p>Indirect Costs: None. The proposed changes are intended to simplify the document and are not expected to impose any indirect costs on families.</p> <p>Direct Benefits: The proposed changes are intended to simplify the document and are not expected to provide any quantifiable direct economic benefits to families.</p> <p>Indirect Benefits: The proposed changes are intended to simplify the document and are not expected to provide any quantifiable indirect economic benefits to families.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) There are no quantifiable direct or indirect costs to families associated with the proposed changes.	(b) There are no quantifiable direct or indirect benefits to families associated with the proposed changes.
(3) Other Costs & Benefits (Non-Monetized)	The primary benefit of the proposed changes is to simplify the compliance document that state and locally operated court service units use to prepare for compliance audits. Simplifying such guidance is expected to enhance compliance, which may benefit families of juveniles	

	who interact with court service units by improving outcomes for such youth.
(4) Information Sources	CSU Compliance Manual

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: None. The proposed changes are intended to simplify the document and are not expected to impact small businesses.</p> <p>Indirect Costs: None. The proposed changes are intended to simplify the document and are not expected to impact small businesses.</p> <p>Direct Benefits: None. The proposed changes are intended to simplify the document and are not expected to impact small businesses.</p> <p>Indirect Benefits: None. The proposed changes are intended to simplify the document and are not expected to impact small businesses.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) The proposed changes will result in no direct or indirect costs for small businesses.	(b) The proposed changes will result in no direct or indirect benefits for small businesses.
(3) Other Costs & Benefits (Non-Monetized)	None.	
(4) Alternatives	Rescinding the document is not a viable option so long as 6VAC35-20-35 remains in place. The referenced provision directs the department to establish and maintain documents stating how compliance to regulatory requirements will be assessed. Maintaining the document in its current form would retain outdated procedural references and duplicative language and require CSUs to comply with requirements that exceed the regulatory language. Therefore, the only viable alternative is to amend the document to remove these references and requirements.	
(5) Information Sources	CSU Compliance Manual; 6VAC35-20-35.	

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count
Compliance Manual; 6VAC35-150 – Regulation for Nonresidential Services	17,752	8,663	-9,089

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).