## Office of Regulatory Management

#### **Economic Review Form**

Agency name	Board of Agriculture and Consumer Services		
Virginia Administrative Code (VAC) Chapter citation(s)	2 VAC 5-585		
VAC Chapter title(s)	Retail Food Establishment Regulations		
Action title	Amendments to Align Regulation with 2022 FDA Food Code		
Date this document prepared	May 28, 2024		
Regulatory Stage (including Issuance of Guidance Documents)	Fast-track		

#### **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)

Direct & Indirect	This regulatory fast-track action proposes to amend Retail Food			
Costs & Benefits	Establishment Regulations. The majority of the proposed amendments			
(Monetized)	this regulatory action are to terminology, which will have no direct or			
	indirect associated costs to Industry.			
	Direct Costs:			
	The proposed amendments add sesame as a major allergen. Costs associated with this amendment are expected to be minor, as the U.S.			
	Food and Drug Administration (FDA) has already established a federal			

requirement that food manufacturers list sesame on the label as an allergen for packaged foods. Establishments that add sesame to foods will have one-time costs associated with providing written notification of any allergens present.

The proposed regulation adds requirements to the duties of the Person In Charge (PIC), which may require limited costs for initial training.

Other amendments are not estimated to result in direct costs to regulants.

The cost to VDACS to implement the proposed amendments is expected to be minimal.

Indirect Costs: The agency has not identified any indirect costs.

Direct Benefits: The proposed amendment to Section 80 reclassifies certain ill employees who were previously required to be excluded from work as those who are allowed to work in a restricted capacity. These employees will benefit, as they will not lose wages, and employers will benefit from a reduced impact on staffing.

The proposed amendment to Section 2190 reduces the requirement for the temperature of hot water required in food establishments. This may reduce energy costs or costs borne in the maintenance or replacement of hot water heaters.

Indirect Benefits: Indeterminate, however, indirect monetizable benefits to food establishments may occur due to reduction in foodborne illness and outbreak.

The indirect benefit to the individual may be significant as well. The Centers for Disease Control and Prevention estimate that 48 million people get sick, 128,000 are hospitalized, and 3,000 die from foodborne diseases each year in the United States. A 2010 estimate placed the cost to an affected (ill) individual at \$1,850 on average nationwide. The United States Department of Agriculture estimated the economic burden of foodborne pathogens at \$17.6 billion in 2018.

(2) Present		
Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a) The agency does not have data on which to base an estimate of the direct costs	(b) The agency does not have any data on which to base an estimate of the direct or indirect benefits	
(3) Net Monetized Benefit	Indeterminate; however, given the potential costs for foodborne illness to industry and individuals, the agency estimates that the benefits of the action outweigh costs.		
(4) Other Costs & Benefits (Non- Monetized)	Alignment of the Retail Food Establishment Regulations to the 2022 Food Code may benefit chain establishments that operate in other states and localities that also use the current version of the Food Code. Many large chain operations use the most recent edition of the Food Code as an operational standard to ensure they reduce liability and operate consistently throughout their operational region.		
(5) Information Sources	https://www.pewtrusts.org/eanalysis/reports/0001/01/01/01/in-the-united-states https://www.ers.usda.gov/ar	en/research-and-healthrelated-costs-from-foodborne-illness-nber-waves/2021/april/economic-cost-of-acreased-2-billion-from-2013-to-2018/	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: There are no direct costs associated with not aligning the Retail Food Establishment Regulations to the 2022 FDA Food Code.  Indirect Costs There are no indirect costs associated with not aligning the Retail Food Establishment Regulations to the 2022 FDA Food Code.  Direct Benefits: There are no direct benefits to not aligning the Retail Food Establishment Regulations to the 2022 FDA Food Code  Indirect Benefits: There are no indirect benefits to not aligning the Retail Food Establishment Regulations to the 2022 FDA Food Code.		
(2) Present Monetized Values	Direct & Indirect Costs (a) N/A	Direct & Indirect Benefits (b) N/A	
(3) Net Monetized Benefit	None		

(4) Other Costs & Benefits (Non- Monetized)	None
(5) Information Sources	N/A

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

Table 1c: Costs and	Table 1c: Costs and Benefits under Alternative Approach(es)			
(1) Direct &	Direct Costs: There are no known alternative approaches to the			
Indirect Costs & Benefits	amendments proposed in this regulatory action.			
(Monetized)	Indirect Costs: There are no known alternative approaches to the amendments proposed in this regulatory action.			
	Direct Benefits: There are no known alternative approaches to the amendments proposed in this regulatory action.			
	Indirect Benefits: There are no known alternative approaches to the amendments proposed in this regulatory action.			
(2) Present				
Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits		
	(a) N/A	(b) N/A		
(3) Net Monetized Benefit	N/A			
(4) Other Costs &	N/A			
Benefits (Non- Monetized)				
(5) Information Sources	N/A			
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## **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** 

(1) Direct & Indirect Costs & Benefits (Monetized)	The proposed amendments will have no direct or indirect impact on local partners.		
(2) Present			
Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits	
	(a) N/A	(b) N/A	
(3) Other Costs & Benefits (Non- Monetized)	None		
(4) Assistance	N/A		
(5) Information Sources	N/A		

# **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 &	Direct Costs: There are no direct costs to families that do not operate a
Indirect Costs &	food establishment (see Table 1a for impacts on those operating a food
Benefits	establishment).
(Monetized)	
	Indirect Costs: There are no indirect costs to families that do not operate
	a food establishment (see Table 1a for impacts on those operating a food establishment).
	Direct Benefits: A reduced risk of foodborne illness may result in
	reduced healthcare costs and reduced loss of wages associated with
	foodborne illness. See Table 1a.
	Indirect Benefits: It is possible that improvement in food safety as a
	result of the proposed amendments may lead to greater economic
	stability in the sale of food products in the Commonwealth, as high-
	profile outbreaks can hurt consumer confidence in retail food
	establishments such as supermarkets and convenience stores. A
	significant outbreak may have deleterious effects on the economic
	performance of the retail food establishments, which may have effects on

	the economy of the Commonwealth at large. These effects may impact the family economy, especially if the employment and wages of the family are dependent on retail food establishments.				
(2) Present Monetized Values	Direct & Indirect Costs  (a) None  Direct & Indirect Benefits  (b) Indeterminate				
(3) Other Costs & Benefits (Non- Monetized)	Improvements in food safety associated with the amendments help ensure families avoid the pain, suffering, and potential death associated with foodborne illness.				
(4) Information Sources	N/A				

# **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 &	Direct Costs: See Table1a for direct cost information.			
Benefits	Indirect Costs: See Table1a for indirect cost information.			
(Monetized)	Direct Benefits: See Table1a for dire	ect benefits information.		
	Indirect Benefits: See Table1a for in-	direct benefits information.		
(2) Present				
Monetized Values	Direct & Indirect Costs  Direct & Indirect Benefits			
	(a) See Table1a	(b) See Table1a		
(3) Other Costs &	See Table1a			
Benefits (Non-				
Monetized)				
(4) Alternatives	See Table1a			
(5) Information	See Table1a			
Sources				

### **Changes to Number of Regulatory Requirements**

### **Table 5: Regulatory Reduction**

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

#### **Key:**

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

**M/A:** Mandatory requirements mandated by federal and/or state statute affecting the agency itself

D/A: Discretionary requirements affecting agency itself

**M/R:** Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

**D/R:** Discretionary requirements affecting external parties, including other agencies

Change in Regulatory Requirements

VAC	<b>Authority of</b>	<b>Initial Count</b>	Additions	Subtractions	Net
Section(s) Involved*	Change				Change
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-40	Discretionary: § 3.2-5121	0 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-50	Discretionary: § 3.2-5121	2 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-65	Discretionary: § 3.2-5121	3 D/R; 0 D/A	0	0	0
2 VAC 5	Statutory:	0 M/R; 0 M/A	0	0	0
2 VAC 5- 585-67	Discretionary: § 3.2-5121	2 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-70	Discretionary: § 3.2-5121	16 D/R; 0 D/A	1 D/R	0	+1 D/R
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-80	Discretionary: § 3.2-5121	5 D/R; 0 D/A	0	0	0
2 VAC 5- 585-160	<b>Statutory:</b>	0 M/R; 0 M/A	0	0	0
	Discretionary: § 3.2-5121	110 D/R; 0 D/A	0	0	0
	Statutory:	0 M/R; 0 M/A	0	0	0

		1	1		1
2 VAC 5- 585-220	<b>Discretionary:</b> § 3.2-5121	2 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-270	<b>Discretionary:</b> § 3.2-5121	6 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-400	<b>Discretionary:</b> § 3.2-5121	2 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-420	<b>Discretionary:</b> § 3.2-5121	1 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-430	<b>Discretionary:</b> § 3.2-5121	4 D/R; 0 D/A	1 D/R	0	+1 D/R
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-440	<b>Discretionary:</b> § 3.2-5121	3 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	N/A	0	0	0
585-445	<b>Discretionary:</b> § 3.2-5121	N/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-450	<b>Discretionary:</b> § 3.2-5121	5 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-510	<b>Discretionary:</b> § 3.2-5121	3 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-620	<b>Discretionary:</b> § 3.2-5121	9 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-700	<b>Discretionary:</b> § 3.2-5121	4 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-725	<b>Discretionary:</b> § 3.2-5121	10 D/R; 0 D/A	0	0	0
2 VAC 5- 585-726	Statutory:	N/A	0	0	0
	<b>Discretionary:</b> § 3.2-5121	N/A	2 D/R	0	+2 D/R
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-790	<b>Discretionary:</b> § 3.2-5121	2 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
2 VAC 5- 585-830	<b>Discretionary:</b> § 3.2-5121	7 D/R; 0 D/A	0	0	0

	Statutory:	0 M/R; 0 M/A	0	0	0
2 VAC 5-	Discretionary:	4 D/R; 0 D/A	0	0	0
585-850	§ 3.2-5121	I D/IC, 0 D/II		Ŭ	
	Statutory:	0 M/R; 0 M/A	0	0	0
2 VAC 5-	Discretionary:	5 D/R; 0 D/A	5 D/R	0	+5 D/R
585-870	§ 3.2-5121	5 2710, 6 2711	3 2710		3 2,10
2 VAC 5-	<b>Statutory:</b>	0 M/R; 0 M/A	0	0	0
585-900	Discretionary:	4 D/R; 0 D/A	0	0	0
363-700	§ 3.2-5121				
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-910	Discretionary:	2 D/R; 0 D/A	1 D/R	0	+1 D/R
202 710	§ 3.2-5121				
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-930	Discretionary:	2 D/R; 0 D/A	0	0	0
	§ 3.2-5121	0.14/D 0.3.5/:			
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-950	<b>Discretionary:</b> § 3.2-5121	7 D/R; 0 D/A	1 D/R	0	+1 D/R
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-1300	Discretionary:	2 D/R; 0 D/A	0	0	0
363-1300	§ 3.2-5121				
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-1460	Discretionary: § 3.2-5121	5 D/R; 0 D/A	0	0	0
2 VAC 5-	<b>Statutory:</b>	0 M/R; 0 M/A	0	0	0
585-1540	<b>Discretionary:</b> § 3.2-5121	3 D/R; 0 D/A	0	0	0
	Statutory:	0 M/R; 0 M/A	0	0	0
2 VAC 5-	Discretionary:	6 D/R; 0 D/A	0	0	0
585-1700	§ 3.2-5121				
2 VAC 5	Statutory:	0 M/R; 0 M/A	0	0	0
2 VAC 5- 585-2010	Discretionary: § 3.2-5121	2 D/R; 0 D/A	0	0	0
2 VAC 5- 585-2100	Statutory:	0 M/R; 0 M/A	0	0	0
	Discretionary:	4 D/R; 0 D/A	0	0	0
	§ 3.2-5121				
2 VAC 5- 585-2190	Statutory:	0 M/R; 0 M/A	0	0	0
	Discretionary:	4 D/R; 0 D/A	0	0	0
303-2170	§ 3.2-5121				
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-3140	Discretionary:	2 D/R; 0 D/A	0	0	0
202 2110	§ 3.2-5121				
	Statutory:	0 M/R; 0 M/A	0	0	0

2 VAC 5-	Discretionary:	1 D/R; 0 D/A	0	0	0
585-3150	§ 3.2-5121	-			
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-3310	<b>Discretionary:</b> § 3.2-5121	4 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-3360	<b>Discretionary:</b> § 3.2-5121	2 D/R; 0 D/A	0	0	0
2 VAC 5-	<b>Statutory:</b>	0 M/R; 0 M/A	0	0	0
585-3370	<b>Discretionary:</b> § 3.2-5121	1 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-3510	<b>Discretionary:</b> § 3.2-5121	2 D/R; 0 D/A	0	0	0
2 VAC 5-	<b>Statutory:</b>	0 M/R; 0 M/A	0	0	0
585-3520	<b>Discretionary:</b> § 3.2-5121	2 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-3542	<b>Discretionary:</b> § 3.2-5121	1 D/R; 0 D/A	0	0	0
2 VAC 5-	<b>Statutory:</b>	0 M/R; 0 M/A	0	0	0
585-3600	<b>Discretionary:</b> § 3.2-5121	1 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-3620	<b>Discretionary:</b> § 3.2-5121	1 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-3630	<b>Discretionary:</b> § 3.2-5121	7 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	N/A	0	0	0
585-3670	<b>Discretionary:</b> § 3.2-5121	N/A	1 D/R	0	+1 D/R
2 VAC 5-	Statutory:	N/A	0	0	0
585-3680	Discretionary: § 3.2-5121	N/A	1 D/R	0	+1 D/R
2 VAC 5- 585-3690	Statutory:	N/A	0	0	0
	<b>Discretionary:</b> § 3.2-5121	N/A	3 D/R	0	+3 D/R
2 VAC 5- 585-3700	Statutory:	N/A	0	0	0
	<b>Discretionary:</b> § 3.2-5121	N/A	3 D/R	0	+3 D/R
2 VAC 5-	Statutory:	N/A	0	0	0
2 VAC 5- 585-3710	<b>Discretionary:</b> § 3.2-5121	N/A	3 D/R	0	+3 D/R

2 VAC 5-	Statutory:	N/A	0	0	0
585-3720	Discretionary: § 3.2-5121	N/A	3 D/R	0	+3 D/R
23/40/5	Statutory:	0 M/R; 1 M/A	0	0	0
2 VAC 5- 585-3740	<b>Discretionary:</b> § 3.2-5121	0 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-3750	<b>Discretionary:</b> § 3.2-5121	4 D/R; 0 D/A	1 D/R	0	+1 D/R
2 VAC 5-	Statutory:	N/A	0	0	0
585-3760	<b>Discretionary:</b> § 3.2-5121	N/A	3 D/R	0	+3 D/R
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-3860	<b>Discretionary:</b> § 3.2-5121	0 D/R; 2 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-3890	<b>Discretionary:</b> § 3.2-5121	0 D/R; 2 D/A	0	0	0
23/405	<b>Statutory:</b>	0 M/R; 0 M/A	0	0	0
2 VAC 5- 585-3910	<b>Discretionary:</b> § 3.2-5121	0 D/R; 3 D/A	0	0	0
2 VAC 5	Statutory:	0 M/R; 0 M/A	0	0	0
2 VAC 5- 585-3920	<b>Discretionary:</b> § 3.2-5121	1 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-3930	<b>Discretionary:</b> § 3.2-5121	2 D/R; 0 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-3940	<b>Discretionary:</b> § 3.2-5121	0 D/R; 2 D/A	0	0	0
2 VAC 5-	Statutory:	0 M/R; 0 M/A	0	0	0
585-3950	<b>Discretionary:</b> § 3.2-5121	1 D/R; 1 D/A	0	0	0
2 VAC 5- 585-4050	<b>Statutory:</b>	0 M/R; 0 M/A	0	0	0
	<b>Discretionary:</b> § 3.2-5121	0 D/R; 1 D/A	0	0	0
2 VAC 5- 585-4060	<b>Statutory:</b>	0 M/R; 0 M/A	0	0	0
	<b>Discretionary:</b> § 3.2-5121	0 D/R; 1 D/A	0	0	0
2 VAC 5- 585 DIBR	<b>Statutory:</b>	0 M/R; 0 M/A	0	0	0
	Discretionary: § 3.2-5121	38 D/R; 184 D/A	0	0	0

<b>Total Net</b>	0
Change of	
Statutory	
<b>Requirements:</b>	
<b>Total Net</b>	+29 D/R
Change of	
Discretionary	
<b>Requirements:</b>	

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
2VAC5-585-40	Adds sesame to the list of what constitutes a major allergen	Indeterminate	Indeterminate (see Table 1a)	Indeterminate

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden
2VAC5-585-80	Ill employees previously excluded from work may now work in a restricted capacity.	Positive effect on both employee income and food establishment staffing.
2VAC5-585-440	Adds 'invoice' as a recordkeeping option.	Allows greater flexibility while maintaining food safety.
2VAC5-585-2190	Reduction in the temperature required for hot water.	Indeterminate but positive effect on potential costs for hot water heater upkeep and power costs associated with hotter water use.

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

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Title of Guidance	Original Length	New Length	Net Change in	
Document			Length	
N/A	N/A	N/A	N/A	

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