



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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### **12 VAC 35-45; 46 – Regulations for Providers of Mental Health, Mental Retardation, Substance Abuse and Brain Injury Residential Services for Children; Regulations for Children’s Residential Facilities**

**State Mental Health, Mental Retardation and Substance Abuse Services Board**

February 6, 2009

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### **Summary of the Proposed Amendments to Regulation**

The proposed regulations merely restate the provisions of the repealed interdepartmental regulation of children’s residential facilities and move existing mental health module into a new single set of regulations.

### **Result of Analysis**

The benefits likely exceed the costs for all proposed changes.

### **Estimated Economic Impact**

Previously, children’s residential facilities were regulated by multiple agencies under interdepartmental regulations of children’s residential facilities. In addition to the interdepartmental regulations, Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) currently has a mental health module to cover mental health specific aspects of regulating these facilities. However, Chapter 873 of the 2008 Acts of Assembly eliminated interdepartmental regulations and mandated all of the agencies involved to implement their own regulations by October 2009.

The proposed regulations merely restate the provisions of the repealed interdepartmental regulations in the Virginia Administrative Code allocated to DMHMRSAS and move the existing mental health module that apply to the same facilities into a new single set of regulations. Since there is no change in the requirements that apply to facilities, no significant economic effect is expected other than improving the clarity of the regulations and possibly avoiding some potential communication costs.

## **Businesses and Entities Affected**

There are currently 174 providers regulated under these rules.

## **Localities Particularly Affected**

The proposed regulations apply throughout the Commonwealth.

## **Projected Impact on Employment**

No significant impact on Employment is expected.

## **Effects on the Use and Value of Private Property**

No significant impact on the use and value of private property is expected.

## **Small Businesses: Costs and Other Effects**

The proposed changes do not create any costs or other affects on small businesses.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

The proposed changes do not create any adverse impact on small businesses.

## **Real Estate Development Costs**

The proposed changes do not create any real estate development costs.

## **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.