



Economic Impact Analysis Virginia Department of Planning and Budget

22 VAC 40-260, 270 – State Board of Social Services Agency Placement Adoptions – Subsidy, Agency Placement Adoptions - Appeals April 8, 2003

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G 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. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The Department of Social Services (DSS) proposes to revise its adoption subsidy regulations. Specific changes include (1) removing the requirement to feature a child in AREVA photo listing for a period of 30 days to qualify for the subsidy, (2) clarifying that renegotiation of the adoption subsidy is required when the adopted child enters foster care or physical custody becomes the responsibility of the Commonwealth and that the applicability of appeals procedures is limited to adoption subsidy decisions.

Estimated Economic Impact

The purpose of the adoption subsidy is to facilitate adoptions of hard to place children, or children with special needs by providing federal and state financial assistance to families adopting such children. The Social Security Act¹ requires that reasonable efforts be made to place these children without the adoption subsidy in addition to other qualifying criteria for the

¹ Section 471(a)(19).

adoption assistance. Currently, a reasonable effort is deemed to be made in the Commonwealth if the child is registered and featured in Virginia's adoption resource exchange system (AREVA) photo listing for a period of 30 days. The proposed changes will remove the 30-day requirement, so that as soon as the registered child is featured in the photo listing, the reasonable effort criterion will be met and a placement with the adoption subsidy can proceed.

This change will affect those children for whom a family is available for adoption with subsidy within the 30-day photo listing period. The proposed change will allow adoption of these children immediately after being featured as opposed to waiting up to a month. In fiscal year 2002, approximately 103 adopted children were photo listed. This change will apply to a subset of these children who were adopted within the initial 30 days of listing. According to DSS, while AREVA photo listing facilitates adoptions without the subsidy in the long term, it is almost never the case that children on the photo list are adopted within the initial 30 days. Thus, no significant economic effect is expected from this change.

However, in the event that a child is being placed without having to wait 30 days for an adoption without the subsidy, a number of economic effects could be expected. First, provided the level of care provided by a family receiving and not receiving financial assistance does not differ, earlier placement of a special needs child with an adoptive parent is almost certainly expected to benefit the child being adopted. Second, families who wish to adopt with financial assistance would also benefit from this change, as the adoption process would be expedited. Third, an expedited adoption process may produce some administrative cost savings. On the other hand, this change would reduce the chance of these children being adopted by families who do not wish to receive financial assistance. As a result, the adoption assistance would be provided to more families and the need for subsidy funds would increase. Although these are potential effects, they would occur only when children are placed without having to wait the initial 30-day listing period, which is believed to be an unlikely event given DSS's experience with the adoption program.

Additionally, the proposed changes include two clarifications. One clarification is that the renegotiation of the adoption subsidy is required when the adopted child enters foster care or physical custody becomes the responsibility of the Commonwealth. According to DSS, this change is a clarification of the current language, as this requirement already exists under 22 VAC

40-260.D. Similarly, it will be clarified that the applicability of appeals procedures is limited to adoption subsidy decisions rather than actual placement decisions. As a part of making these clarifications, DSS proposes to repeal 22 VAC 40-270 and moving some of its provisions to 22 VAC 40-260. Because these changes are mere clarifications, they are not expected to create any significant economic effects.

Businesses and Entities Affected

The proposed regulations apply to each of the 121 local departments of social services in the Commonwealth. Approximately 103 adopted children who were photo listed in AREVA annually are subject to the change in the 30-day photo listing requirement.

Localities Particularly Affected

The proposed regulations apply throughout the Commonwealth.

Projected Impact on Employment

The effect of proposed changes on employment is unlikely to be significant.

Effects on the Use and Value of Private Property

The proposed changes are unlikely to have a significant effect on the use and value of private property.