



Economic Impact Analysis Virginia Department of Planning and Budget

22 VAC 40-11 – State Board of Social Services Public Participation Guidelines December 3, 2002

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 State Board of Social Services proposes to amend its public participation guidelines (1) to permit electronic mailing lists to be maintained in addition to traditional paper lists, (2) to allow the use of electronic means (e.g. electronic mail, internet, facsimile) for soliciting and receiving input from interested parties, and (3) to provide discretion to the Department of Social Services whether to publish proposed regulations in a newspaper of general circulation.

Estimated Economic Impact

Under the Administrative Process Act, all state agencies that promulgate regulations are required to maintain public participation mailing lists containing the names of all parties that have registered an interest in a particular regulation. Membership on these lists typically includes members of the regulated community, public interest groups, law firms, and individual citizens with an interest in a particular area of regulation.

The State Board of Social Services' (the board) current public participation guidelines are not flexible to allow participation of interested parties through electronic mail in the adoption, amendment, and repeal of regulations. One of the current requirements is to distribute regulatory action notices through regular mail. Also, it is not clear whether public comments must be considered if they are transmitted through electronic means. With the proposed changes, the department will be allowed to maintain an electronic list of interested parties, to solicit input from the public through electronic mail, and to consider comments provided through internet, facsimile, and other electronic means in addition to the regular mail. However, individuals may also choose to communicate with and remain on the traditional mailing lists, which will continue to be maintained by the board.

There are no disadvantages associated with these changes proposed by the board. On the contrary, the proposed changes have a high chance to produce benefits to the Department of Social Services (the department) because they will likely provide a less costly alternative for communication in rulemaking. If chosen, interested parties will be notified of regulatory actions electronically through the Virginia Regulatory Town Hall. Additionally, the department will utilize an existing intranet for notification and comment by local departments of social services. If electronic notification and comment becomes more prevalent, there would be a reduction in printing and mailing costs incurred by the department. In addition to the potential fiscal benefits, these changes will also allow the board to increase the speed of notification and the amount of information readily available to interested parties, which will increase efficiency and may enhance public participation. It can be reliably inferred that the interested parties will prefer electronic communication if it is a better alternative than regular mail.

Finally, the proposed regulations will provide discretion to the department whether to publish a notice in a general circulation newspaper to solicit input. According to the department, it costs about \$200 to publish a notice in a local newspaper. In fiscal year 2002, there were ten proposed regulations and the department spent approximately \$2,000 to publish ten notices. Also, the department notes that only a few or no comments can be attributed to newspaper notifications. Thus, if the board chooses to not publish any newspaper notices, expected cost savings to the department would be about \$2,000 per year and the number of comments received may decrease by a few.

Businesses and Entities Affected

These changes may affect individuals and organizations interested in the regulations of the Board of Social Services. The department does not have an estimate for the total number of individuals on the mailing lists. Additionally, 121 local departments of social services, 29 local community action agencies, and 6,063 entities licensed by the department may be affected. These licensed entities include child day centers, family day homes, exempt child day centers, child day care systems, assisted living facilities, and adult day care centers.

Localities Particularly Affected

No localities are particularly affected by the proposed regulations.

Projected Impact on Employment

The proposed regulations are not expected to have a significant effect on employment.

Effects on the Use and Value of Private Property

The proposed regulations are not anticipated to have a significant effect on the use and value of private property.