



Economic Impact Analysis Virginia Department of Planning and Budget

22 VAC 40-131 –Standards for Licensed Child-Placing Agencies
Department of Social Services
February 18, 2010

Summary of the Proposed Regulation

The State Board of Social Services (Board) proposes to repeal 22 VAC 40-130 (Minimum Standards for Licensed Private Child Placing Agencies) which now govern the parts of the adoption process, as well the disposition of children in foster care and children who are at risk of becoming part of the foster care system, not directly handled by Local Departments of Social Services (LDSS). The Board proposes to replace 22 VAC 40-130 with 22 VAC 40-131 (Standards for Licensed Child-Placing Agencies); the new regulations will harmonize regulations for private placing agencies with those that govern the public provision of permanency services through LDSS. Although most of the provisions in the new regulations are not different in effect from those in current regulations, the Board is proposing several substantive changes.

The Board proposes to:

1. Specify in regulation how many treatment foster care cases may be handled at one time by a caseworker,
2. Allow executive directors (executive directors of social services) to have a doctorate or masters degree in any subject but require them to have five years experience rather than the currently required three,
3. Specify topics that must be covered in training for foster parents,
4. Increase the time allowed after a foster care placement for the child placing agency to complete a full written assessment from 30 days to 45 days and

5. Change bedroom requirements so that children over the age of two may not share a bed and children over the age of three may not share a bedroom with a child of the opposite gender.

Result of Analysis

The benefits exceed the costs for most proposed regulatory changes. The costs likely exceed the benefits for at least one proposed regulatory change. There is insufficient data to ascertain whether benefits exceed costs for at least one other change. Detailed analysis of costs and benefits can be found in the next section.

Estimated Economic Impact

Current regulations have rules for how many children a caseworker may generally oversee but do not specifically address how many treatment foster care cases that involve high needs children a caseworker can handle. Board staff reports that, currently, Board policy allows caseworkers to oversee 12 treatment foster care cases at any one time; the Board proposes to move this restriction into regulation. As this caseload restriction is already current practice for agencies that provide treatment foster care, no regulated entity is likely to incur costs on account of moving the policy into regulation. Regulated entities, as well as other interested parties, will benefit from the added clarity of having this rule included in the same place as other staffing rules for child-placing agencies.

Current regulations require that executive directors of social services for child-placing agencies have a doctorate or masters of social work and three years experience. The Board proposes to change this requirement so that individuals hired for this position may have a doctorate or masters in any area plus five years experience. Allowing individuals to have any doctorate or masters will tend to widen the pool of individuals who would be eligible to apply for this position while requiring two more years of experience will tend to narrow the pool of eligible individuals. There is no information that would indicate which effect would be larger.

Board staff provided information about several studies that indicated social workers who had either a bachelor's degree or a master's degree in social work were more likely to be prepared for the rigors of their job and were more likely to stay in the social work field longer. Since the Board is proposing to move away from requiring a degree in social work (for the executive director position) these studies are likely of limited value in supporting the proposed

regulatory language. These studies notwithstanding, there are likely skills and information learned while attaining a degree in a field other than social work that would be useful for this position.

In general, however, the public, private placing agencies and individuals who have an interest in doing the work of an executive director of social services will all likely benefit if the Board sets requirements for this position only at a level that they can show is necessary to maintain the safety and wellbeing of children placed through these agencies. The public would likely benefit from this because the Board would not be creating artificial scarcity in the pool of qualified applicants that would, in turn, likely drive up the costs of their services (that the public pays for through their taxes). The agencies would likely benefit from the costs of these services, that they have to contract for, not being driven up. Individuals who would be interested in applying for a position as an executive director of social services will certainly benefit from not being unnecessarily precluded from making such application. The Board has not provided any evidence that outcomes for children who are in foster care are worse when the director of the agency that places them has fewer than five years of experience. All affected entities would likely benefit if the Board were to reconsider increasing the years of experience required for this position.

Current regulations require that private placing agencies ensure that foster parents have appropriate training but do not specify what should be included in that training. The Board proposes to add to the regulations a list of topics that must be covered in foster parent training. Board staff reports that most agencies are likely already covering all the topics that would be required and, so, would be unlikely to incur any additional costs for training. Some small agencies, however, are likely not currently covering all of the proposed topics in their training and will likely incur costs for the additional training that would be required. Board staff does not have exact estimates of how many more hours of training would be needed for agencies that are not currently meeting the proposed requirement but does report that such training would cost approximately \$31 per hour.

Current regulations allow private placing agencies 30 days, after placing a child in a foster home, to complete a written assessment of that child. Since placing agencies must get information from LDSS who, in turn, must have time to gather that information, 30 days has

sometimes proven an inadequate time period to complete this assessment. The Board proposes to extend the deadline for completion of the written assessment to 45 days after a child is placed. Child-placing agencies will likely benefit from having the extra time to complete all assessments in the time frame required by the Board.

Current regulations require that foster homes maintain “separate beds for each foster child except that two siblings of the same sex may share a double bed.” The Board proposes to require that children over the age of two have separate beds and that children over the age of three not share bedrooms with a child of the opposite gender. Board staff reports that these changes are proposed to harmonize these regulations with LDSS Permanency Regulations and because the Department of Social Services is concerned that children who have been sexually abused themselves have a greater likelihood of inappropriate sexual behavior with other children at a very young age. Foster homes that currently allow same sex siblings over two years of age to share a bed or who have children of opposite genders over the age of three sleeping in the same bedroom will incur costs for buying more beds and/or for allocating more bedrooms to the children in their care. In 2005, Board staff estimated that foster families would incur cumulative costs of approximately \$1,400 per year for new beds but did not provide estimates of how much it would cost foster families to accommodate requirements for separate bedrooms. If foster parents cannot accommodate the new bed space requirements, some children may have to move away from otherwise ideal placements. This provision may also make it harder to place sibling groups in the same home. Board staff reports that, in such cases, agencies can apply for variances that would allow foster families to have non-compliant bedroom accommodations.

Businesses and Entities Affected

The proposed regulations will affect 77 private child-placing agencies as well as the children who are placed by these agencies.

Localities Particularly Affected

All 120 local Departments of Social Services will be affected by these new regulations.

Projected Impact on Employment

These proposed regulations are unlikely to have a significant impact on total employment in the Commonwealth. The proposed credential requirements for executive directors will likely,

however, preclude some individuals, who would otherwise be interested, from applying and being hired to do that job.

Effects on the Use and Value of Private Property

The use and value of private property should not be affected by the proposed regulations.

Small Businesses: Costs and Other Effects

Most of the 77 child-placing agencies that are affected by these proposed regulations are small businesses. Some affected small business agencies will likely incur greater training costs under the proposed regulations.

Small Businesses: Alternative Method that Minimizes Adverse Impact

There is likely no alternate method for making sure that foster parents are trained in the areas that the Board thinks are important that would also further minimize costs.

Real Estate Development Costs

This regulatory action will likely have no effect on real estate development costs in the Commonwealth.

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 21 (02). 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.