

Office of Regulatory Management
Economic Review Form

Agency name	DBHDS
Virginia Administrative Code (VAC) Chapter citation(s)	12 VAC 35-230
VAC Chapter title(s)	Operation of the Individual and Family Support Program
Action title	Amendments to establish criteria and annual funding priorities through the Annual Funding Program Guidelines and ensure public input.
Date this document prepared	05/14/2024
Regulatory Stage (including Issuance of Guidance Documents)	Final

Cost Benefit Analysis

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Direct Costs: The amendments update the way IFSP funding is assigned from first come, first served to a criteria-based system. The new system does not impact the number of individuals receiving services but may result in changes in which individuals qualify. As such, costs and benefits as a result of this regulatory change are expected to zero out or have benefits that outweigh the costs due to the efficiency of resource allocation created under the new system.</p> <ul style="list-style-type: none"> The changes are expected to result in potential economic costs for some individuals who received the full award amount (\$1,000) through the first come, first served system, as they may be a lower priority applicant as a result of the criteria-based system. Conversely, economic benefits are expected for those who previously did not receive any IFSP support under the first come, first served system, as these individuals may receive funding under the new criteria-based system. As the total amount of funding provided through the IFSP program remains unchanged, these costs and benefits are expected to balance out across the system, resulting in a neutral economic impact. The changes are expected to benefit the entire system, as individuals with the greatest need will be prioritized for support. This will result in a more efficient assignment of
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	<p>resources.</p> <ul style="list-style-type: none"> • The development of a new application process could potentially result in one-time costs for DBHDS staff to develop the new system. However, ongoing efforts by the Division of Developmental Services and IFSP have contributed to greater technological functionality of the waiver system and IFSP system in recent years. These IFSP portal and WAMs system have been connected to facilitate automation across the system that, overall, has contributed to reduced manual work by staff during the application process. As such, there has been no additional staff cost related to the development and establishment of a criteria-based system for awarding IFSP funds. • The functionality of the IFSP system is expected to benefit as a result of this change. Under the first come, first served system individuals would rush to submit their application as soon as the system open, which lead to two major crashes of the IFSP portal. As there is no longer an individual benefit to submitting an application first, DBHDS expects to see an alleviation of IT system pressures. 	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

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

(1) Direct & Indirect Costs & Benefits (Monetized)	Not needed as this regulatory change was mandated by Item 313 N of the 2022 Acts of Assembly.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

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

(1) Direct & Indirect Costs & Benefits (Monetized)	Not needed as this regulatory change was mandated by Item 313 N of the 2022 Acts of Assembly.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Impact on Local Partners

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Local partners include community services boards (CSBs) that establish the priority status of individuals who receive a waiver. Due to the change in award criteria, there was additional outreach from local CSBs to individuals receiving a waiver to ensure that each individual was aware of his priority level. This is expected to be a one-time cost resulting from the initial system change. This cost cannot be calculated as there is no record of amount of staff time spent working with an individual specifically on this matter.
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Assistance		
(5) Information Sources		

Impacts on Families

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: As discussed in Table 1a, it is possible that some families may experience a reduction in the award amount, while others may see an increase when compared to the previous system. This may result in costs or benefits for individual families, however, as the total amount of IFSP funding distributed has not changed, these costs and benefits are expected to balance out across the system as a whole.</p> <p>Indirect Costs: There may be some initial one-time costs of families having to learn how the new system works and how to complete the modified application. DBHDS IFSP staff have worked to mitigate this cost through the development of training videos and targeted outreach to help families navigate this change. The old first come, first served system similarly required training for first time applicants, so this cost is simply a replacement of already present costs of learning how to apply for an IFSP award.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		

(4) Information Sources	
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Impacts on Small Businesses

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Individuals who receive an IFSP award may use the funds to purchase goods or services that meet the criteria established by the program. Some small businesses may be impacted if an individual who received greater support under the old system is no longer able to purchase goods or services due to a reduced award amount. However, as other individuals may receive an award under the new system when they did not before, some small businesses may see an economic benefit. There is no requirement that IFSP funds are used specifically on small businesses, therefore, it is possible that there will be no impact on small businesses at all. If an impact is observed, it is expected to be neutral across the system as there has been no change in the total funding amount provided by IFSP across the system.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Alternatives		
(5) Information Sources		

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
	(M/A):	18*	2	0	2
	(D/A):	0			
	(M/R):	0			
	(D/R):	7	0	0	0
				Grand Total of Changes in Requirements:	(M/A): 2
					(D/A): 0
					(M/R): 0
					(D/R): 0

*These regulatory changes were mandated by Item 313 N of the 2022 Acts of Assembly. The goal of this regulatory action is to facilitate compliance with the U. S. Department of Justice’s Settlement Agreement with Virginia (United States of America v. Commonwealth of Virginia, Civil Action No. 3:12cv059-JAG) (<https://dbhds.virginia.gov/doj-settlement-agreement/>).

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

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
N/A				

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
N/A		

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

Title of Guidance Document	Original Length	New Length	Net Change in Length
DD 07 The Individual and Family Support Funding Guidelines (FY2023)	--	1,592	

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