Office of Regulatory Management

Economic Review Form

Agency name	State Board of Social Services
Virginia Administrative Code (VAC) Chapter citation(s)	22VAC40-151
VAC Chapter title(s)	Standards for Licensed Children's Residential Facilities
Action title	Amend Children's Residential Facilities Regulation
Date this document prepared	May 18, 2026
Regulatory Stage (including Issuance of Guidance Documents)	Final (Action 5370 / Stage 9388)

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

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

(1) Direct & Indirect Costs & Benefits (Monetized)	There are direct costs for children's residential facilities (CRFs) that choose to meet the requirements of the Family First Prevention Services Act of 2018 in order to become qualified residential treatment program provider. Direct Costs: Qualified residential treatment program CRFs are required to obtain accreditation in an evidence-based program. Indirect Costs: There are no monetized indirect costs with this proposed change. Direct Benefits: The accreditation will increase the CRF's annual operating budget. Indirect Benefits: There are no monetized indirect benefits with this proposed change.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) $6,209	(b) Will increase annual CRF operating budget by 37%.
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)	Accreditation from an evidence-based program will strengthen staff expertise, leading to improved outcomes for children and families receiving services from the CRF.	
(5) Information Sources	Commission on Accreditation of Rehabilitation Facilities (CARF) Direct Costs: CRF can choose between five different types of program accreditations. CARF was selected for this analysis because its accreditation fees fell in the mid-range compared to the other four accreditation organizations. Direct Benefits: According to CARF, a recent study found that CARF-accredited programs experienced a 37% increase in annual budget dollars. Based on this study, becoming a qualified residential treatment program is expected to provide a direct financial benefit to CRFs.	

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

(1) Direct & Indirect Costs &	Direct Costs: There are no monetized direct costs with this proposed change.

Benefits (Monetized)	Indirect Costs: There are no monetized indirect costs with this proposed change. Direct Benefits: There are no monetized direct benefits with this proposed change. Indirect Benefits: There are no monetized indirect benefits with this proposed change.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) $0	(b) $0
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)	There are no associated costs or benefits if the current regulatory requirements remain unchanged, as the revisions are either technical or mandated by federal or state law, including the Family First Prevention Services Act of 2018, Preventing Sex Trafficking and Strengthening Families Act of 2014, or the Code of Virginia.	
(5) Information Sources		

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

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: There are no monetized direct costs with this proposed change. Indirect Costs: There are no monetized indirect costs with this proposed change. Direct Benefits: There are no monetized direct benefits with this proposed change. Indirect Benefits: There are no monetized indirect benefits with this proposed change.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) $0	(b) $0

(3) Net Monetized Benefit	
(4) Other Costs & Benefits (Non-Monetized)	There are no alternative approaches, as these requirements are technical in nature and necessary to comply with state and federal law.
(5) Information Sources	

<u>Impact on Local Partners</u>

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: There are no monetized direct costs with this proposed change. Indirect Costs: There are no monetized indirect costs with this proposed change. Direct Benefits: There are no monetized direct benefits with this proposed change. Indirect Benefits: There are no monetized indirect benefits with this proposed change.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) $0	(b) $0
(3) Other Costs & Benefits (Non-Monetized)	There are no costs to local partners as this regulatory change applies to the CRF programs and services. A non-monetized benefit is that local partners may receive improved services as CRFs comply with state and federal laws.	
(4) Assistance		
(5) Information Sources		

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: There are no monetized direct costs with this proposed change. Indirect Costs: There are no monetized indirect costs with this proposed change. Direct Benefits: There are no monetized direct benefits with this proposed change. Indirect Benefits: There are no monetized indirect benefits with this proposed change.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) $0	(b) $0
(3) Other Costs & Benefits (Non-Monetized)	Families will benefit from these regulatory changes, as CRFs will provide a higher level of service to children in care and will receive additional oversight, training, and resources if they choose to become accredited and approved as a qualified residential treatment program.	
(4) Information Sources		

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	There are direct costs for CRFs that choose to meet the requirements of the Family First Prevention Services Act of 2018 in order to become qualified residential treatment program providers. Direct Costs: A CRF that becomes a qualified residential treatment program provider is required to obtain accreditation in an evidence-based program. Indirect Costs: There are no monetized indirect costs with this proposed change.

	Direct Benefits: A qualified residential treatment program provider is eligible to receive title IV-E, federal funding for children placed by local departments of social services. Indirect Benefits: There are no monetized indirect benefits with this proposed change.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) $6,209	(b) Will increase CRF annual budget by 37%
(3) Other Costs & Benefits (Non-Monetized)	The accreditation from an evidence-based program will increase staff expertise that will benefit children and families receiving services from CRF.	
(4) Alternatives	There are no alternatives because this requirement is based on the Family Services Prevention Act of 2018 and the Code of Virginia.	
(5) Information Sources	Commission on Accreditation of Rehabilitation Facilities (CARF)	

<u>Changes to Number of Regulatory Requirements</u>

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
30	**(M/A):**	**2**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**0**			0
50	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**3**			0
	(D/R):	**3**			0
70	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**2**			0
120	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**6**			0
180	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**1**			0
210	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**5**			0
240	**(M/A):**	**0**			0
	(D/A):	**0**			0

	(M/R):	**0**			0
	(D/R):	**12**			0
250	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**2**			0
	(D/R):	**27**			0
270	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**2**			0
	(D/R):	**1**			0
280	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**7**			0
290	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**6**			0
310	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**3**			0
320	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**8**			0
350	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**1**			0
360	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**6**			0

	(D/R):	**6**			0
420	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**13**			0
430	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**1**			0
450	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**4**			0
530	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**2**			0
540	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**4**			0
570	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**7**	1		+1
620	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**13**			0
670	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**6**			0

680	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**17**	2		+2
700	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**8**			0
710	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**1**			0
720	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**	3		+3
	(D/R):	**11**	2		+2
740	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**1**			0
	(D/R):	**29**	1		+1
750	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**1**			0
	(D/R):	**21**			0
760	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**10**			0
770	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**16**			0
790	**(M/A):**	**0**			0

	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**6**			0
800	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**13**	1		+1
820	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**14**			0
830	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**2**			0
840	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**30**			0
850	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**1**			0
860	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**2**	1		+1
	(D/R):	**6**			0
870	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**3**			0
880	**(M/A):**	**0**			0
	(D/A):	**0**			0

	(M/R):	**0**	1		+1
	(D/R):	**20**			0
900	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**4**			0
950	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**4**			0
	(D/R):	**2**			0
960	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**14**			0
970	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**2**			0
	(D/R):	**10**			0
980	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**7**			0
990	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**44**			0
1020	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**			0
	(D/R):	**52**			0
1030	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**	6		+6

	(D/R):	**0**	2		+2
1040	**(M/A):**	**0**			0
	(D/A):	**0**			0
	(M/R):	**0**	1		+1
	(D/R):	**0**	1		+1
				Grand Total of Changes in Requirements:	**(M/A): 0**
					(D/A): 0
					(M/R): +12
					(D/R): +10

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