



Virginia Department of Planning and Budget **Economic Impact Analysis**

22 VAC 40-730 Investigation of Child Abuse and Neglect in Out of Family Complaints
Department of Social Services
Town Hall Action/Stage: 6645 / 10578
January 24, 2025

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 19. The analysis presented below represents DPB’s best estimate of the potential economic impacts as of the date of this analysis.¹

Summary of the Proposed Amendments to Regulation

As a result of a periodic review of this regulation, the State Board of Social Services (Board) proposes amendments that would remove duplicative or unnecessary language.²

Background

This regulation governs the investigation by local departments of social services (LDSS) of child abuse and neglect complaints in “out of family” (OOF) settings. The Department of Social Services (DSS) reports that OOF in this context includes public schools, private schools for children with disabilities, child day programs, foster homes, children’s residential facilities, children’s detention homes and correctional facilities, and children’s medical residential facilities. Most of these entities are licensed or operated by other state agencies, such as the Department of Health, the Department of Behavioral Health and Developmental Services, the Department of Education, or the Department of Juvenile Justice.

¹ Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

² See <https://townhall.virginia.gov/L/ViewPReview.cfm?PRid=2481>.

The regulation on *Child Protective Services* (22 VAC 40-705) contains the bulk of the regulatory requirements and definitions regarding complaints of child abuse and neglect, whereas this regulation (22 VAC 40-730) is specific to complaints in OOF settings. DSS reports that in fiscal year 2024, 8,872 reports of child abuse and neglect resulted in an investigation by Child Protective Services (CPS), and that 1,585 of those investigations were conducted in OOF settings.

The Board proposes to strike language that it has determined is redundant. Specifically, the Board proposes to remove (i) requirements in Section 20 (General) regarding the qualifications for staff to conduct an investigation, since it is already covered in Section 130 (Requirements); (ii) repetitive language regarding communication between CPS and other agencies (in Section 40) and between CPS and facility administrators (in Section 70); and (iii) a requirement that DSS and each LDSS maintain a roster of personnel qualified to conduct out of family investigations, since they can do so without a regulatory requirement.

Estimated Benefits and Costs

Since the proposed amendments would remove redundant language, but not change requirements overall, they are not expected to generate any benefits or costs.

Businesses and Other Entities Affected

The proposed amendments would affect readers of the regulation, including the 120 LDSS, other state agencies with licensing or regulatory authority over children's facilities, and facilities involved in an out of family investigation. The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.³ An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.⁴ As mentioned previously, the proposed amendments would remove redundant language. Thus, no adverse impact is indicated.

³ Pursuant to Code § 2.2-4007.04(D): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance.

⁴ Statute does not define "adverse impact," state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

Small Businesses⁵ Affected:⁶

The proposed amendments do not appear to adversely affect small businesses.

Localities⁷ Affected⁸

The proposed amendments do not disproportionately affect particular localities or affect costs for local governments.

Projected Impact on Employment

The proposed amendments are not expected to affect total employment.

Effects on the Use and Value of Private Property

The proposed amendments would not affect the use or value of private property. Real estate development costs would not be affected.

⁵ Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

⁶ If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

⁷ “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

⁸ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.