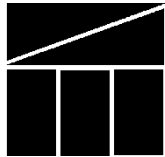


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes<sup>1</sup>  Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



## Virginia Department of Planning and Budget Economic Impact Analysis

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**22 VAC 40-470 Exemptions Applicable to Public Assistance**  
**Virginia Department of Social Services**  
**Town Hall Action/Stage: 5278/8616**  
July 22, 2019

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### **Summary of the Proposed Amendments to Regulation**

The State Board of Social Services (Board) seeks to repeal 22 VAC 40-470 (Exemptions Applicable to Public Assistance) for the Auxiliary Grants Program. The Auxiliary Grants Program is no longer administered by the Board; it is administered by the Department of Aging and Rehabilitative Services (DARS). Effective June 30, 2017, the text of this regulation has been included verbatim under 22 VAC 30-80, rendering this regulation redundant.

### **Background**

The 2012 Acts of Assembly (Chapters 803 and 835) eliminated the Department for the Aging and the Department of Rehabilitative Services and transferred their powers to the concomitantly created DARS. The same Acts transferred powers relating to the administration of auxiliary grants, adult services, and adult protective services from the Department of Social Services (DSS) to the newly created DARS.

DSS' regulations pertaining to the Auxiliary Grants Program were previously laid out in 22VAC40-25 and were relocated to DARS and renumbered as 22VAC30-80, effective October 23, 2013. However, 22VAC40-470 seems to have been erroneously omitted in the transfer that

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<sup>1</sup> Adverse impact is indicated if there is any increase in net cost or reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined.

occurred in 2013. Recognizing this omission, DARS amended 22VAC30-80 in 2017 to add Section 80 containing the full text of 22VAC40-470-10 verbatim. In doing so, they folded it into the existing numbering convention such that it is unlikely to be erroneously omitted in the future.

The now redundant regulation, which the DSS seeks to repeal, contains a single section on “Foreign government restitution payments to Holocaust survivors” saying “all such payments made on or after August 1, 1994 be disregarded in the determination of eligibility or amount of assistance for the Auxiliary Grants Program as defined in § 51.5-160 of the Code of Virginia.”

### **Estimated Benefits and Costs**

The proposed amendment appears to benefit the public by marginally improving the clarity of the Virginia Administrative Code.

The proposed amendment does not create any new initial or ongoing cost to the public.

### **Businesses and Other Entities Affected**

The proposed amendment affects readers of the Virginia Administrative Code, but does not affect any business or other entities particularly.

### **Localities<sup>2</sup> Affected<sup>3</sup>**

The proposed amendment does not affect particular localities or introduce new costs for local governments. Accordingly, no additional funds would be required.

### **Projected Impact on Employment**

The proposed amendments do not appear to affect total employment.

### **Effects on the Use and Value of Private Property**

The proposed amendment has no effect on the use and value of private property, nor does it affect real estate development costs.

### **Adverse Effect on Small Businesses<sup>4</sup>:**

The proposed amendment does not adversely affect small businesses.

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<sup>2</sup> “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.

<sup>3</sup> § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

<sup>4</sup> 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.”

## Legal Mandates

**General:** The Department of Planning and Budget 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 14 (as amended, July 16, 2018). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report 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.

**Adverse impacts:** 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 within the 45-day period.

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.