



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

22 VAC 40-601 Supplemental Nutrition Assistance Program
Department of Social Services
Town Hall Action/Stage: 5540/9186
March 29, 2021

Summary of the Proposed Amendments to Regulation

The State Board of Social Services (Board) seeks to repeal section 50 *Application Processing* of 22 VAC 40-601 *Supplemental Nutrition Assistance Program* (SNAP), which states that an application would be denied after 30 days if the applicant has not provided “verification or information needed to determine eligibility” for SNAP.

Background

Title 7, Section 271.4 of the Code of Federal Regulations (CFR) delegates authority to the Department of Social Services (DSS) to implement SNAP in the state.¹ Specifically, if an applicant fails to provide verification or information needed to determine eligibility of the household, 7 CFR § 273.2(h) gives states the option to either (i) deny a SNAP application after 30 days or (ii) extend its pending status for an additional 30 days.

Accordingly, section 50 currently requires that applications for SNAP benefits be disposed of within 30 days. As per the current text, “Applicants have 30 days to provide verification or information needed to determine eligibility of the household. If an application cannot be processed by the 30th day because such information is lacking due to the fault of the household, the application must be denied. If the applicant provides the information during the next 30 days, the eligibility worker must reinstate the application and prorate benefits to the date

¹ See <https://www.law.cornell.edu/cfr/text/7/273.2>.

the last verification was provided.” Thus, the approach taken by the Board appears to be a combination of the two options provided by the CFR.

The Board established section 50 in 2009 as a potential local work reduction effort. However, “full comprehension of federal requirements and system changes required for implementation of the provision extinguished hope for work reduction outcomes.”² A periodic review of 22 VAC 40-601 resulted in the realization that the agency had not implemented the processing method outlined in section 50, and likely would never implement the provision.³ Repealing the provision would allow the agency to keep an application under review for up to 60 days, in keeping with the second option provided by the CFR.

Estimated Benefits and Costs

Since the provision has not been implemented, the proposed repeal would not likely have any impact beyond potentially reducing confusion among readers of the regulation. DSS does not expect any changes in the number of applications received or denied by local departments. There is no expected fiscal impact on local departments of social services, as local workers would have only needed additional training if the provision had actually been implemented in the first place.

Businesses and Other Entities Affected

The proposed amendment does not appear to affect businesses or other entities.

Small Businesses⁴ Affected

The proposed amendment would not affect small businesses.

Localities⁵ Affected⁶

The proposed amendment does not affect local governments and is unlikely to affect any locality in particular.

Projected Impact on Employment

² See the Agency Background Document:

https://townhall.virginia.gov/l/GetFile.cfm?File=73\5540\9186\AgencyStatement_DSS_9186_v1.pdf.

³ See <https://townhall.virginia.gov/l/ViewPReview.cfm?PRid=1737> for the periodic review.

⁴ 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.”

⁵ “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.

⁶ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

The proposed amendment is unlikely to affect employment by DSS or its local departments.

Effects on the Use and Value of Private Property

The proposed amendment is unlikely to affect the use and value of private property. Real estate development costs are not affected.

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.