



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

6 VAC 35-101 Regulation Governing Juvenile Secure Detention Centers
Department of Juvenile Justice
Town Hall Action/Stage: 6433 / 10605
May 12, 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

The Board of Juvenile Justice (Board) proposes to establish 1) regulations for community placement programs (CPPs) that currently operate under agreements between Juvenile Detention Centers (JDCs) and the Department of Juvenile Justice (DJJ) and 2) regulatory authority for DJJ to audit and certify CPPs.

Background

Starting in 2014, DJJ and JDCs have created six CPPs that are operated, on a local or regional basis, within a JDC. According to DJJ, CPPs are structured residential programs where youth originally committed to a Juvenile Correctional Center (JCC) are housed in units separate from the rest of the JDC population. CPPs are intended to place committed youth in smaller settings closer to their home communities to increase family engagement and facilitate a smoother transition back to the community after release. The programs focus on positive youth

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.

development, and increasing competency in the areas of education, vocational preparation, life and social skills, thinking skills, employability skills, and anger management.

Both JCCs and JDCs are subject to established regulations addressing personnel and staffing requirements, physical environment, facility safety and security, residents' rights, program operations, health care, and behavior management. However, CPPs are not currently explicitly covered by either the JCC or the JDC regulations (6 VAC 35-71 and 6 VAC 35-101, respectively) and as a result they lack established regulations. Instead, they have been governed by agreements between DJJ and the various JDCs that house a CPP in order to ensure the health, safety, and welfare of their residents. According to DJJ, these agreements contain similar personnel, staffing requirements, physical environment, etc., standards compared to the regulatory standards for JCCs and JDCs. However, there is a notable difference with respect to oversight of CPPs in that JCCs and JDCs are subject to DJJ audit and certification requirements. In contrast, CPPs are not subject to these requirements and instead have been evaluated by the DJJ's quality assurance unit. In this action, the Board proposes to establish regulatory standards for CPPs and the regulatory authority for DJJ to audit and certify them.

Estimated Benefits and Costs

The operation of a CPP program is optional. Therefore, we can expect a JDC to only operate a CPP program if it is expected to benefit the JDC more than it costs. Additionally, according to DJJ, the proposed regulatory standards addressing personnel, staffing requirements, physical environment, etc., for CPPs are not significantly different than the standards required under the agreements between DJJ and JDCs. Currently, the agreements accommodate unique needs of each JDC operating a CPP. Under the proposal, the minimum standards applicable to all CPPs would be part of the regulatory requirements but this would still allow each JDCs to maintain their CPP's unique features. Thus, the proposal to bring CPPs under such standards is not expected to create a significant economic impact other than making sure that CPPs are governed by regulatory standards, which is the same way that JCCs and JDCs are regulated. DJJ states this has the advantage for the Commonwealth and for the regulated entities of providing clarity and consistency across residential programs.

It appears, however, that there would be a notable difference regarding the oversight of CPPs. DJJ states that CPPs have not been audited or certified by DJJ's certification unit but have

instead been evaluated by DJJ's quality assurance unit. As a result, CPPs are subject to a different and perhaps less stringent accountability structure compared to JCCs and JDCs. For example, the quality assurance team evaluates the CPPs for the quality of their programs and the services provided and makes recommendations as to how services can be improved. The quality assurance team focuses on the strengths of what the CPP has in place and how to enhance the work they are already doing. The quality assurance team also ensures that CPPs are meeting their contractual obligations. The certification unit, on the other hand, conducts formal audits designed to assess compliance with regulatory requirements. Those results are reported for certification action by the Director. In essence, certification is the formal finding that a program or facility is approved to operate for a specific time period, as provided for in 6 VAC 35-20-100. Once the DJJ director certifies the program or facility, the results are reported to the Board, usually at their next meeting. In short, the certification unit focuses on compliance with the regulations, and the quality assurance team focuses on the quality of the programs.

The proposal would eliminate the disparate oversight CPPs have received and bring them under the same certification process currently in place for all other residential programs overseen by DJJ. Under the proposal, DJJ expects that health, safety, and welfare of CPP residents would be better served by ensuring that these programs receive the same type and level of scrutiny that all others do. This added consistency may in turn help DJJ and JDCs operate more effectively, which may also reduce recidivism throughout the Commonwealth.

Businesses and Other Entities Affected

There are 24 JDCs across the Commonwealth. Any one of them may choose to operate a CPP program, but currently six do so: Blue Ridge (Charlottesville), Chesterfield, Newport News, Prince William, Shenandoah Valley (Staunton), and Virginia Beach. These six CPPs currently serve a total of 57 residents. No entity appears to be disproportionately affected.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.² 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

² 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.

combined.³ The proposal does not introduce costs or reduce revenues for affected entities. Thus, an adverse impact is not indicated.

Small Businesses⁴ Affected:⁵

The proposed amendments do not adversely affect small businesses.

Localities⁶ Affected⁷

CPPs are voluntarily operated by JDCs, which are run by local or regional commissions. Additionally, the proposed personnel, staffing requirements, physical environment etc. standards do not appear to be significantly different than those currently required. The proposed changes to audit and certification standards may be moderately burdensome for JDCs, but such standards may also provide benefits offsetting the potential burden. Thus, no adverse impact on localities is indicated. Also, although there are only six CPPs in operation in the Commonwealth any locality may choose to operate a JDC and a CPP. Thus, the proposal applies to all localities and no locality appears to be disproportionately affected.

Projected Impact on Employment

According to DJJ, any increase in staff time that may be needed would be absorbed by the existing resources. Thus, no significant impact on total employment is expected.

Effects on the Use and Value of Private Property

The proposed changes apply to locally operated JDCs and do not have any direct impact on the use and value of private property nor on real estate development costs. While the

³ 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.

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 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.

⁶ “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.

⁷ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

proposed text makes mention of the requirements private providers would have to follow, these requirements are designed to safeguard CPP residents in the future should DJJ ever decide to engage private providers to operate any CPPs. DJJ has no current plans to do so.