Office of Regulatory Management

Economic Review Form

Agency name	Virginia Department for Aging and Rehabilitative Services
Virginia Administrative Code (VAC) Chapter citation(s)	22VAC30-60
VAC Chapter title(s)	Virginia State Plan for Aging Services
Action title	Amended Virginia State Plan for Aging Services
Date this document prepared	February 24, 2025
Regulatory Stage (including Issuance of Guidance Documents)	Guidance Document Revision

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.

BACKGROUND: The Virginia State Plan for Aging Services is required by the Older Americans Act (OAA, specifically 42 U.S.C. § 3027) and state law (specifically § 51.5-136 of the Code of Virginia). DARS creates one comprehensive plan that serves these dual purposes.

In 2023, DARS obtain approval from DARS Commissioner Hayfield, then-SHHR John Littel, and Governor Glenn Youngkin for the current Virginia State Plan for Aging Services (October 1, 2023-September 30, 2027).

Since that time, ACL has issued revised federal OAA regulations and new State Plan Guidance that requires states to update their current State Plans by October 1, 2025.

DARS has drafted amendments to the current State Plan to bring it into compliance with new OAA federal regulations (45 CFR Part 1321) and the U.S. Administration for Community Living's (ACL) new State Plan Guidance (OMB # 0985-0083).

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

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: $0 Indirect Costs: $0 Direct Benefits: Without a state- and federally-approved State Plan in place by October 1, 2025, Virginia may lose the roughly $40 million it receives annually in federal OAA funding. DARS allocates much of this funding to support a network of 25 Area Agencies on Aging (AAAs) across the Commonwealth who provide services to older Virginians and their caregivers. Indirect Benefits: $0	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) $0	(b) $40 million in federal funds
(3) Net Monetized Benefit	$40 million in federal funds	
(4) Other Costs & Benefits (Non-Monetized)	Non-Monetized Indirect Benefits: AAAs supplement the federal funding they receive with state funding, private donations, and other grant opportunities. Ensuring that AAAs have ongoing federal funding, with an approved amended State Plan for Aging Services, helps preserve continuity of operations and maximize all the funding they are eligible to receive. In addition, ensuring that the State Plan for Aging Services filed on the Town Hall website is updated and consistent with the one that is required	

	to be approved by ACL provides the public and stakeholders with a clear and publicly accessible location for the amended State Plan for Aging Services, which will meet the federal requirements as well as the state requirements. Ensuring the public and other key stakeholders can access and easily locate the amended plan on the DARS website and on the Virginia Town Hall website advances ORM's goals of streamlined access and transparency.
(5) Information Sources	42 U.S.C. § 3027 § 51.5-136 of the Code of Virginia 45 CFR Part 1321 ACL State Plan Guidance (OMB # 0985-0083)

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

(1) Direct & Indirect Costs & Benefits (Monetized)	An amended State Plan for Aging Servies is required to continue to receive federal Older Americans Act funding. Direct Costs: Virginia needs to have clear and singular amended State Plan for Aging Services to represent the Commonwealth's intentions for receiving OAA funding. By not approving the amended State Plan for Aging Services for inclusion on the Town Hall website, it could raise questions about how Virginia will fulfill its OAA obligations with the roughly $40 million in federal OAA funding the Commonwealth receives each year. Indirect Costs: $0 Direct Benefits: $0 Indirect Benefits: $0	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) $40 million in federal funding	(b) $0
(3) Net Monetized Benefit	(-$40 million in federal funding)	
(4) Other Costs & Benefits (Non-Monetized)		

(5) Information Sources	42 U.S.C. § 3027 § 51.5-136 of the Code of Virginia 45 CFR Part 1321 ACL State Plan Guidance (OMB # 0985-0083)

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

(1) Direct & Indirect Costs & Benefits (Monetized)	There are no alternative approaches. An amended State Plan for Aging Services must be in place by October 1, 2025 to continue to receive federal Older Americans Act funding. Direct Costs: N/A Indirect Costs: N/A Direct Benefits: N/A Indirect Benefits: N/A	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

Impact on Local Partners

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)	In Virginia, 11 of the DARS-designated Area Agencies on Aging (AAAs) are local government or local-government affiliated entities. DARS has been consulting with the AAAs in the development of the amended State Plan for Aging Services.

	Direct Costs: $0 Indirect Costs: $0 Direct Benefits: $13 million in federal funds Indirect Benefits: $0	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) $0	(b) $13 million in federal funds
(3) Other Costs & Benefits (Non-Monetized)	Non-Monetized Indirect Benefits**:** AAAs supplement the federal funding they receive with state funding, private donations, and other grant opportunities. Ensuring that AAAs have ongoing federal funding, with an approved amended State Plan for Aging Services, helps preserve continuity of operations and maximize all the funding they are eligible to receive.	
(4) Assistance	N/A	
(5) Information Sources	42 U.S.C. § 3027 § 51.5-136 of the Code of Virginia 45 CFR Part 1321 ACL State Plan Guidance (OMB # 0985-0083)	

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: $0 Indirect Costs: $0 Direct Benefits: $0 Indirect Benefits: $0	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a) $0	(b) $0
(3) Other Costs & Benefits (Non-Monetized)	Non-Monetized Direct Benefits**:** AAAs provide an array of vital aging services and home and community-based services (HCBS) to older adults and caregivers across the Commonwealth. AAAs are funded through federal and state funding, some of which is allocated by ACL to DARS, which in turn allocates it to AAAs to provide these important aging services. Receiving these aging services can be life changing for older adults and their families, ensuring that they can continue to live in their homes and be fully integrated into their communities. Non-Monetized Indirect Benefits**:** AAAs often pair and supplement the federal funding they receive through the ACL with state funding, private donations, and other grant opportunities to provide more comprehensive support to older adults and caregivers. Ensuring that AAAs have ongoing federal and state funding helps preserve continuity of operations and maximize all the funding they are eligible to receive, which translates to improved and increased services for older adults and families.	
(4) Information Sources	42 U.S.C. § 3027 § 51.5-136 of the Code of Virginia 45 CFR Part 1321 ACL State Plan Guidance (OMB # 0985-0083)	

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)	In Virginia, 14 of the DARS-designated Area Agencies on Aging (AAAs) are nonprofit organizations, which would be considered small businesses. DARS has been consulting with the AAAs in the development of the amended State Plan for Aging Services. Direct Costs: $0 Indirect Costs: $0 Direct Benefits: $27 million in federal funding Indirect Benefits: $0

(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) $0	(b) $27 million in federal funding
(3) Other Costs & Benefits (Non-Monetized)	Non-Monetized Indirect Benefits**:** AAAs supplement the federal funding they receive with state funding, private donations, and other grant opportunities. Ensuring that AAAs have ongoing federal funding, with an approved State Plan for Aging Services, helps preserve continuity of operations and maximize all the funding they are eligible to receive.	
(4) Alternatives	There are not alternative approaches. An amended State Plan for Aging Services is required by federal and state law with federal funding contingent on a new State Plan for Aging Services in place.	
(5) Information Sources	42 U.S.C. § 3027 § 51.5-136 of the Code of Virginia 45 CFR Part 1321 ACL State Plan Guidance (OMB # 0985-0083)	

<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
	(M/A):				
	(D/A):				
	(M/R):				
	(D/R):				
				Grand Total of Changes in Requirements:	(M/A):
					(D/A):
					(M/R):
					(D/R):

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

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	**Original Word Count**	**New Word Count**	**Net Change in Word Count**
State Plan for Aging Services**	Body of the Plan: 37 pages	Body of the Plan: 37 pages	Body of the Plan: 0 pages
	ACL Required Sections: 74 pages	ACL Required Sections: 92 pages	ACL Required Sections: +18 pages
	Total Page Count: 182 pages	Total Page Count: 196	Total Page Count: +14 pages***

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).

** NOTE: DARS used page numbers in the prior release of the State Plan in 2023. Due to the document's design and formatting, word counts might be challenging to produce.

*** NOTE: The State Plan for Aging Services is expected to increase in length due to the new OAA regulations and the new ACL State Plan Guidance that requires additional content in Attachment B and the inclusion of a new Attachment E.