

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	Department of Environmental Quality (“Department”)
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	NA
<b>VAC Chapter title(s)</b>	NA
<b>Action title</b>	NA
<b>Date this document prepared</b>	April 15, 2026
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	GM #6130 – Stormwater Local Assistance Fund Program Guidelines

**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.

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

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<p><b>This action updates Guidance Memorandum #6130 - Stormwater Local Assistance Fund (SLAF) Program Guidelines, replacing the previous version of the Guidelines, dated June 24, 2022. Updates to GM #6130 reflect full implementation of changes to the SLAF program in October 2024 with stakeholder feedback and internal analysis incorporated to increase clarity and understanding of SLAF processes.</b></p> <p>To reduce non-point source pollution from stormwater runoff, the Virginia General Assembly included Item 360 in Chapter 860 of the 2013 Acts of Assembly (the Commonwealth’s 2013-2014 Budget), which created and set forth specific parameters for the administration of the Stormwater Local Assistance Fund (SLAF). With the consolidation of water quality programs with the State Water Control Board (SWCB) through HB 2048 (2013) and SB 1279 (2013) (2013 Va. Acts Chs. 756 and 793), administration of the SLAF resides with the SWCB and the Department of Environmental Quality (DEQ or Department). The SLAF has been continued in the Commonwealth’s subsequent budgets; currently budget language that authorizes the continuation of the SLAF is included in Item 365 of Chapter 725 of the 2025 Acts of Assembly. In addition, the SLAF is codified at § 62.1-44.15:29.1 of the Code of Virginia.</p> <p>This action is to issue updated agency guidance makes revisions to GM #6130 that: (i) ensures consistency with Laws and Regulations; (ii) aligns guidance with updated program processes; and (iii) revises text, figures, and tables for greater clarity regarding eligibilities and responsibilities.</p> <p>Notable revisions and updates include:</p> <ul style="list-style-type: none"> <li>- Revising types, errors, and broken weblinks</li> <li>- Updated references to Laws and the Code of Virginia</li> <li>- Guidance for grant recipient onboarding, i.e. – project initial meetings</li> <li>- Additional bullets for ineligible costs that DEQ has consistently deemed as ineligible, but did not elucidate in the 2022 Guidelines</li> <li>- Clarification regarding requirements for during and post-construction of SLAF projects with additional detail on responsibilities and maintenance plan and post-construction monitoring and evaluation requirements</li> <li>- Guidance on eligibility and use of environmental credits generated from SLAF-funded projects</li> <li>- Clarification on select wording in the Priority Ranking Criteria</li> </ul>
---	---

	<ul style="list-style-type: none"> <li>- Additional methodology guidance for calculating total phosphorus and total nitrogen reduction of SLAF projects to align with calculation methodologies and practices described in the Chesapeake Bay TMDL Special Condition Guidance (GM20-2003) to promote consistency between MS4 TMDL Action Plans and the SLAF program requirements</li> </ul> <p>An alternative to updating GM #6130 would be to not update until a later date.</p> <p><b>Direct Costs:</b> As guidance that provides information relating to applying for and receiving SLAF grant funding, GM #6130 does not impose any direct costs on either stakeholders or the Department.</p> <p><b>Indirect Costs:</b> The primary indirect costs associated with GM #6130 are associated with staff time for local government and Department staff to learn SLAF processes. Updates to GM #6130 reflect full implementation of changes to the program that have been in effect for local governments participating in SLAF since October 2024. Approximately three dozen local governments have had at least one SLAF Grant Agreements impacted by the changes summarized in GM #6130. Those local governments include the most frequent applicants to and recipients of recent SLAF program funding; therefore, the Department expects the amount of time required for local government staff to become familiar with the updates to GM #6130 will be minimal. Should additional technical assistance to local governments be necessary, the Department assumes minimal cost for Department staff to provide training.</p> <p><b>Direct Benefits:</b> As guidance that provides information relating to applying for and receiving SLAF grant funding, GM #6130 directly benefits local governments, stakeholders, and the Department. Benefits include:</p> <ul style="list-style-type: none"> <li>- Reduces confusion as GM #6130 formally implements the phased approach to SLAF grant agreement into detailed guidance</li> <li>- More efficient compliance for SLAF Grantees of the responsibilities imposed by the SLAF Grant Agreement for more efficient compliance and Department oversight</li> <li>- More accurate nutrient reduction calculations on project applications and plans and specifications as GM #6130's Appendix A clarifies methodology guidance based on SLAF project type</li> <li>- Time savings for local governments, their hired consultants, and the Department as GM #6130 defines the terms, clarifies eligibilities, and SLAF processes</li> </ul>
--	--

	<p>Indirect Benefits: Updating GM #6130 provides greater clarity and alignment with recent program implementation, which may increase implementation of SLAF-funded projects and therefore, faster compliance with Chesapeake Bay total maximum daily load (TMDL) requirements, local impaired stream TMDLs, measures of the Chesapeake Bay Watershed Implementation Plan, and permitting of small municipal separate storm sewer systems (MS4s).</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	<p>(a) As guidance, there are no direct costs. Unable to monetize indirect costs associated with additional staff or stakeholder training.</p>	<p>(b) If a consulting firm saves an average of 10 hours in the activities related to applying for and complying with a SLAF grant agreement because GM #6130 better explains eligibilities, processes, and Grantee responsibilities, multiplying the 8 hours by a typical billable rate of \$150/hour, for approximately 180 active SLAF Grant projects annually, the total savings is approximately \$270,000.</p> <p>The Department is unable to quantify the cost of more efficient project delivery leading to faster implementation with TMDL, watershed implementation plans, and small MS4 permitting requirements indirect benefit of GM #6130 updates.</p>
(3) Net Monetized Benefit	NA	
(4) Other Costs & Benefits (Non-Monetized)	Unknown	
(5) Information Sources	Department program records and communications with Department staff that worked for consulting firms that prepare and work on grant applications and post-award compliance.	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p><b>Direct Costs:</b> The “status quo” option would be to continue to use previous version of the Guidelines, dated June 24, 2022. While it would not impose any direct costs on either stakeholders or the Department, it meant the time and effort of stakeholders review and Department staff analysis are not realized.</p>
--	---

	<p><b>Indirect Costs:</b> The “status quo” option would be to continue to use the version of the Guidelines, dated June 24, 2022, which contains outdated Code and Budget language references and does not reflect the current practices of the SLAF program. It would also leave ambiguous language or gaps in guidance that could lead to greater confusion and inefficient project delivery. The primary indirect costs with the “status quo” are the local government, stakeholder, and Department staff time to resolve application and compliance issues. The Department is unable to quantify these costs.</p> <p><b>Direct Benefits:</b> The primary direct benefit of maintaining the “status quo” is the continued construction and implementation of SLAF-funded projects under guidelines familiar to consulting engineers, stakeholders, contractors, and local governments. The Department is unable to quantify these costs.</p> <p><b>Indirect Benefits:</b> The primary indirect benefit of maintaining the “status quo” alternative is that save local governments, consulting engineering, and contractors time and personnel costs associated with learning updates to SLAF program eligibilities and processes.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) As guidance, there are no direct costs. Unable to monetize indirect costs associated with the status quo.	(b) Unable to monetize direct and indirect benefits.
(3) Net Monetized Benefit	NA	
(4) Other Costs & Benefits (Non-Monetized)	NA	
(5) Information Sources	NA	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	DEQ is not aware of any alternatives to the current proposal besides the “status quo” option.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a) NA	(b) NA
(3) Net Monetized Benefit	NA	
(4) Other Costs & Benefits (Non-Monetized)	NA	
(5) Information Sources	NA	

**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)	<p><b>Direct Costs:</b> There are no direct costs to local partners because this action does not change the existing responsibilities of local governments to applying for and receiving funding from the SLAF program.</p> <p><b>Indirect Costs:</b> The indirect costs associated with guidance is additional staff time necessary for local staff to learn or be trained. The Department is unable to quantify these costs.</p> <p><b>Direct Benefits:</b> The direct benefit to local partners is less confusion and more efficient project delivery because of clearer guidance on SLAF program eligibilities, responsibilities, and processes. The Department is unable to quantify these costs.</p> <p><b>Indirect Benefits:</b> The indirect benefit of faster project delivery on projects related to meeting TMDL requirements, Watershed Implementation Plan activities, and MS4 Action Plans cannot be quantified by the Department.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unable to monetize direct and indirect costs.	Unable to monetize direct and indirect benefits.
(3) Other Costs & Benefits (Non-Monetized)		

(4) Assistance	
(5) Information Sources	

**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)	<p><b>Direct Costs:</b> There are no direct costs that impact families associated with this guidance.</p> <p><b>Indirect Costs:</b> There are no indirect costs that impact families associated with this guidance.</p> <p><b>Direct Benefits:</b> There are no direct benefits that impact families associated with this guidance.</p> <p><b>Indirect Benefits:</b> There are no indirect benefits that impact families associated with this guidance.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) NA	(b) NA
(3) Other Costs & Benefits (Non-Monetized)	NA	
(4) Information Sources	NA	

**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 &	Small businesses would have experience the same impact as described in Table 1(a). The Department is unable to identify the number of small businesses that use (or would use) GM #6130.
-------------------------------	--

Benefits (Monetized)		
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) As guidance, there are no direct costs. Unable to monetize indirect costs associated with additional staff or stakeholder training.	(b) If a consulting firm saves an average of 10 hours in the activities related to applying for and complying with a SLAF grant agreement because GM #6130 better explains eligibilities, processes, and Grantee responsibilities, multiplying the 8 hours by a typical billable rate of \$150/hour, for approximately 180 active SLAF Grant projects annually, the total savings is approximately \$270,000.  The Department is unable to quantify the cost of more efficient project delivery leading to faster implementation with TMDL, watershed implementation plans, and small MS4 permitting requirements indirect benefit of GM #6130 updates.
(3) Other Costs & Benefits (Non-Monetized)	NA	
(4) Alternatives	NA	
(5) Information Sources	NA	

**Changes to Number of Regulatory Requirements**

**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):				
<b>Grand Total of Changes in Requirements:</b>					(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
NA				

*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
NA		

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

<b>Title of Guidance Document</b>	<b>Original Word Count</b>	<b>New Word Count</b>	<b>Net Change in Word Count</b>
Guidance Memo No. #6130 – Stormwater Local Assistance Fund Program Guidelines	4,392	7,250	2,858

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