Virginia Department of Planning and Budget

Economic Impact Analysis

24 VAC 35-80 Alcohol Safety Action Program
Commission on the Virginia Alcohol Safety Action Program
Town Hall Action/Stage: 7066/11304 Proposed
October 7, 2026

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 Commission on the Virginia Alcohol Safety Action Program (Commission) proposes to amend 24 VAC 35-80 *Alcohol Safety Action Program* to implement changes mandated by Chapters 686 and 687 of the 2026 *Acts of Assembly*. These changes are primarily intended to strengthen the fiscal sustainability and financial oversight of local alcohol safety action programs (local ASAPs). In addition, the proposed changes would also address program decertification, conflicts of interest, data privacy, data reporting, and the approval and use of treatment service providers.

Background

Chapters 686 and 687 of the 2026 *Acts of Assembly* newly created Article 2.1 (§18.2-273.1 et seq.) of Chapter 7 of Title 18.2 of the Code of Virginia, which contains requirements for the administration and oversight of the statewide VASAP network, including 21 local ASAPs. Article 2.1 includes two requirements with a delayed effective date of January 1, 2028: (i) for each locality that has established, or jointly participates in, a local ASAP to provide financial support for the program (§ 18.2-273.4. D) and (ii) for each local ASAP to designate a locality it

[1] See Code § 2.2-4007.04 (A).

serves to act as its fiscal agent locality (§ 18.2-273.6).[2] The 2026 legislation also called for a study on the long-term sustainability of Virginia's local ASAPs, which provides additional context and analysis for these new requirements.[3]

The proposed amendments relating to these statutory changes are summarized below.

- Section 55 (Local government funding and fiscal agent obligations) would be newly added to implement the requirements of Code §§ 18.2-273.4 and 18.2-273.6 and provide specific requirements for each local ASAP pertaining to annual budgets, the determination of each participating locality's financial support, and situations in which the Commission may authorize supplemental funding.
- Section 60 (Local ASAP revenues) would be entirely replaced with specific requirements regarding reserve funds. Code § 18.2-273.4 and the language currently in section 60 authorize the Commission to collect unexpended revenue or reserve balances from local ASAPs. The proposed language would also (i) specify how reserve funds must be maintained and accounted for, (ii) require each local ASAP to specify a target reserve balance, and (iii) require local ASAPs to include reserve fund status as part of its regular financial reporting to the Commission.
- Section 70 (Local ASAP audits and financial records) would be amended to address the role of fiscal agents. In addition, late fees would be added for local ASAPs that fail to remit the state share fee payment owed from each monthly financial report within 30 days of the due date of the monthly financial report.
- Section 80 (Local ASAP budgets) would be amended to (i) address the role of the fiscal agent localities and (ii) remove language pertaining to requests for allocation of Commission funds, which would be covered in Section 55.
- Section 150 (VASAP state-wide performance monitoring and data reporting) would be newly added to address the third enactment clause of Chapters 686 and 687, which

[2] The fiscal agent locality would be responsible for (i) conducting transactions and accounting for the local ASAP's funds, (ii) serving as the employer of record for local ASAP personnel, and (iii) providing payroll and benefits administration, and human resources functions for the local ASAP. The legislation also authorized the fiscal agent to collect up to 10 percent of the Commission-approved annual budget for the local ASAP for the administration of such services.

[3] See https://vasap.virginia.gov/wp-content/uploads/2026/09/Long-Term-Sustainability-of-Virginias-Local-Alcohol-Safety-Action-Programs.pdf.

directed the Commission to promulgate regulations to include, "procedures for the collection and reporting of data necessary for statewide performance monitoring."

In addition, the Commission seeks to make the following amendments to implement other statutory requirements:

- Section 100 (Suspension or revocation of certification of a local ASAP) would be amended to add the specific steps to be taken when a local ASAP is decertified. These changes largely mirror the provisions of Code § 18.2-273.7 with additional detail pertaining to the implementation of those provisions. The absence of a locality serving as fiscal agent would be added as grounds for suspension or revocation of certification, as would a violation of the new conflict of interest section summarized below.
- Section 110 (Local ASAP case management processes and procedures) would require any local ASAP case manager or other local ASAP employee who is designated to provide probation and related services to take an oath of office as required by Code § 18.2-273.8.

The Commission also seeks to make the following discretionary amendments that are broadly intended to strengthen the integrity of program operations:

- Section 120 (Local ASAP privacy and security procedures) would be significantly revised to (i) include specific physical and electronic security measures to be followed for case files, (ii) address actions to be taken if unauthorized access occurs, (iii) require employees to sign a written confidentiality agreement upon hire and annually thereafter.
- Section 125 (Conflicts of interest) would be newly added to address conflicts of interest for local ASAP employees or policy board members, including required disclosure, prohibited acts, and consequences for failures to disclose conflicts or engaging in prohibited acts.
- Section 140 (Local ASAP employee certification, revocation, or suspension) would be amended to add specific requirements for local ASAP directors to demonstrate competency, be evaluated annually, and to attend a minimum of 50 percent of

quarterly commission meetings on an annual basis. In addition, a 30-day deadline would be added for local ASAP employees who seek to request an agency hearing if their VASAP Certification Letters have been denied, revoked, suspended, or terminated; the proposed amendments would also specify that the request would have to be in writing and directed to the executive director. Lastly, a provision would be added allowing the executive director to revoke a VASAP Certification Letter for failure to successfully pass the VASAP Certification Exam with a minimum score of 80 percent.

- Section 160 (Approval and use of treatment service providers) would be newly added to establish requirements governing the approval, listing, monitoring, and removal of treatment service providers from the commission treatment service provider directory. Treatment providers would be required to maintain all required licenses and certifications, comply with applicable federal and state law and professional standards, use the required case management system and provide the required documentation. These additions largely reflect current practice.[4]

Estimated Benefits and Costs

Virginia's local ASAP network provides court-related monitoring, education, assessment, intervention, treatment referral, ignition-interlock monitoring, and related services to 20,000-22,000 participants annually. The proposed amendments are intended to strengthen the financial sustainability and operational integrity of the local ASAPs. These changes would indirectly benefit the participants who receive services; the broader public would also indirectly benefit, to the extent that these services result in safer driving on Virginia's roadways.

According to the report required by the 2026 legislation (see footnote 3), 10 of the 21 local ASAPs already have a fiscal agent locality. Current and prospective fiscal agent localities would benefit from being able to collect up to 10 percent of the local ASAP's annual budget as an administrative fee, especially if it exceeds the marginal cost of performing the functions of a fiscal agent. The report shows that although this charge is not effective until January 1, 2028, the total fiscal agent fees based on current FY27 budgets would be up to $1.4 million.

[4] See https://s80.esserver.com/VASAPTreatmentDirectory/ and https://vasap.virginia.gov/provider-portal/.

On the other hand, all localities would now be responsible for at least some portion of the budget of the local ASAP. Multi-jurisdictional local ASAPs would need to determine a methodology for allocating their expenditures (after any revenues from fees) across the localities they serve, and those local governments would need to appropriate the required funds. These changes would necessarily create new costs for local governments, but those costs are yet to be determined and would be attributed to the statutory changes rather than this regulatory action.

Discretionary changes in section 140 could create costs for local ASAPs, specifically the directors and other staff. Requirements regarding Commission meeting attendance, the addition of a 30-day limit to request an agency hearing following the denial of certification, and the risk of having certification revoked for not attaining a passing score on the VASAP Certification Exam could create new costs. Other discretionary changes pertaining to confidentiality, conflicts of interest, and approval of providers do not contain new requirements and are not expected to create any costs. However, including this language in the regulation would benefit the affected parties by providing clarity and consistency.

Businesses and Other Entities Affected

The proposed amendments would directly affect 21 local ASAPs, including their staff; all local governments in Virginia, including current and prospective fiscal agents; and 307 treatment service providers who are currently listed in the provider directory, as well as providers that seek to be added to the directory in the future.

The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.[5] 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 combined.[6] As mentioned previously, although local governments would likely face increased costs, these costs result from the legislative mandate and not from this regulatory action. However, discretionary changes with new requirements for local ASAPs could result in additional costs. Thus, an adverse impact for local ASAPs is indicated.

[5] See Code § 2.2-4007.04 (D).

[6] 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.

Small Businesses[7] Affected:[8]

Although no data are available, most of the 307 treatment service providers likely meet the definition of a small business. Treatment service providers that are small businesses would benefit from greater clarity and transparency regarding the requirements for inclusion in the provider directory. Treatment service providers are not expected to face any new costs because of the proposed changes.

Localities[9] Affected[10]

As described above, the legislation requires all 21 local ASAPs to have a fiscal agent locality; 10 local ASAPs already have a fiscal agent locality, and 11 more will be designated by the statutory deadline of January 1, 2028. In addition, localities will need to provide funding to support the local ASAP that serves them; these appropriations will be determined for FY28 as this requirement also goes into effect January 1, 2028.

Projected Impact on Employment

The proposed amendments are not expected to affect employment.

Effects on the Use and Value of Private Property

The proposed amendments would not affect the use and value of private property. The proposed amendments do not affect real estate development costs.

[7] 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.”
[8] See Code § 2.2-4007.04 (A.2). and Code § 2.2-4007.1 (C).
[9] “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.
[10] Code § 2.2-4007.04 defines “particularly affected" as bearing disproportionate material impact.