

Office of Regulatory Management
Economic Review Form

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| Agency name | State Board of Social Services |
| Virginia Administrative Code (VAC) Chapter citation(s) | 22 VAC 40 - 680 |
| VAC Chapter title(s) | Virginia Energy Assistance Program – Low Income Home Energy Assistance Program (LIHEAP) |
| Action title | Amend LIHEAP Regulation - 2025 Legislation |
| Date this document prepared | November 19, 2025 |
| Regulatory Stage (including Issuance of Guidance Documents) | Exempt Final |

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)

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|---|---|---|
| <p>(1) Direct & Indirect Costs & Benefits (Monetized)</p> | <p>Direct Costs: The amount of benefits issued for low-income households eligible for the Energy Assistance Program (EAP) will be increased.</p> <p>Indirect Costs: There are no indirect costs.</p> <p>Direct Benefits: There will be additional low-income households eligible for the EAP because the application periods will be longer, and the eligibility requirements will be reduced for Cooling Assistance.</p> <p>Indirect Benefits: There are no indirect benefits.</p> | |
| <p>(2) Present Monetized Values</p> | <p>Direct & Indirect Costs</p> | <p>Direct & Indirect Benefits</p> |
| | <p>(a) \$4,031,349 in potential additional EAP benefits to low-income households.</p> <p>\$1,000,000 in IT costs to update Virginia Case Management System (VaCMS)/ CommonHelp as well as printing and correspondence for customers.</p> <p>\$124,459 for one additional (Home Office) Consultant to assist local departments of social services (LDSS) and customers.</p> | <p>(b) There are no monetized values for indirect benefits.</p> |
| <p>(3) Net Monetized Benefit</p> | <p>Total: \$5,155,808</p> <p>\$4,031,349 in potential additional EAP benefits to low-income households.</p> <p>Expected increase to Fuel households served 117,293 * 3% increase = 3,519 additional households 3519 additional households * average benefit of \$451 = \$1,587,069</p> <p>Expected increase to Cooling households served 84,829 * 3% increase = 2,545 additional households 2545 additional households * average benefit of \$606 = \$1,549,905</p> | |

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| | <p>Expected increase to Crisis households served 14,312 * 10% increase = 1,431 additional households 1431 additional households * average benefit of \$625 = 894,375</p> |
| (4) Other Costs & Benefits (Non-Monetized) | There are no other costs and benefits. |
| (5) Information Sources | Virginia Department of Social Services (VDSS) Financial Accounting and Analysis System and VACMS |

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

| | | |
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| (1) Direct & Indirect Costs & Benefits (Monetized) | <p>Direct Costs: There are no direct costs if there is no change to the regulation.</p> <p>Indirect Costs: There are no indirect costs if there is no change to the regulation.</p> <p>Direct Benefits: There are no direct benefits if there is no change to the regulation.</p> <p>Indirect Benefits: There are no indirect benefits if there is no change to the regulation.</p> | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) There are no direct and indirect costs if there is no change to the regulation. | (b) There are no monetized values for direct and indirect benefits if there is no change to the regulation. |
| (3) Net Monetized Benefit | There is no net monetized benefit if there is no change to the regulation. | |
| (4) Other Costs & Benefits (Non-Monetized) | There are no other costs and benefits if there is no change to the regulation. | |
| (5) Information Sources | There are none. | |

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

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| (1) Direct & Indirect Costs & Benefits (Monetized) | <p>Direct Costs: There are no direct costs. VDSS is not able to consider alternative approaches because the General Assembly directed VDSS to promulgate regulations.</p> <p>Indirect Costs: There are no indirect costs. VDSS is not able to consider alternative approaches because the General Assembly directed VDSS to promulgate regulations.</p> <p>Direct Benefits: There are no direct benefits. VDSS is not able to consider alternative approaches because the General Assembly directed VDSS to promulgate regulations.</p> <p>Indirect Benefits: There are no indirect benefits. VDSS is not able to consider alternative approaches because the General Assembly directed VDSS to promulgate regulations.</p> | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) There are none. VDSS is not able to consider alternative approaches because the General Assembly directed VDSS to promulgate regulations. | (b) There are none. VDSS is not able to consider alternative approaches because the General Assembly directed VDSS to promulgate regulations. |
| (3) Net Monetized Benefit | There is no net monetized benefit. VDSS we is not able to consider alternative approaches because the General Assembly directed VDSS to promulgate regulations. | |
| (4) Other Costs & Benefits (Non-Monetized) | There are no other costs and benefits (non-monetized). VDSS is not able to consider alternative approaches because the General Assembly directed VDSS to promulgate regulations. | |
| (5) Information Sources | There are none. | |

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) | Direct Costs: Local partners share a portion of the cost of the administration of this regulation. The amount indicated below is the local share of the cost of the administration of the EAP. |
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| | <p>Indirect Costs: There are no indirect costs.</p> <p>Direct Benefits: There are no direct benefits.</p> <p>Indirect Benefits: There will be an increased number of customers in the locality who are eligible to receive assistance to address their energy needs.</p> | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) \$809,125 additional staffing costs. | (b) There are no monetized values for direct and indirect benefits. |
| (3) Other Costs & Benefits (Non-Monetized) | There are no other costs or benefits. | |
| (4) Assistance | The VDSS will utilize all possible automation to assist with the taking/processing of applications and generation of payments to reduce the burden on LDSS staff. | |
| (5) Information Sources | VDSS Financial Accounting and Analysis System and VaCMS | |

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

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|--|---|
| (1) Direct & Indirect Costs & Benefits (Monetized) | <p>Direct Costs: These changes will reduce the energy burden for eligible low-income households by assisting with the repair or purchase of heating/cooling equipment and with bill payment for utilities. This will assist with the reduction of late fees, disconnection fees, and costs related to illness caused by excessive heat or cold.</p> <p>Indirect Costs: There are no indirect costs.</p> <p>Direct Benefits: This will help low-income households to use funds they would have used for heating/cooling for other necessary items such as groceries and medication.</p> <p>Indirect Benefits: This will improve the overall quality of life for the household.</p> |
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|--|--|---|
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) There are no monetized values for direct and indirect costs. | (b) There are no monetized values for direct and indirect benefits. |
| (3) Other Costs & Benefits (Non-Monetized) | There are no other costs or benefits. | |
| (4) Information Sources | VaCMS | |

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) | <p>Direct Costs: There are no direct costs to small businesses.</p> <p>Indirect Costs: There are no indirect costs to small businesses.</p> <p>Direct Benefits: There are no direct benefits to small businesses.</p> <p>Indirect Benefits: Businesses who provide services to energy assistance customers could receive additional energy assistance payments for the customers and could see a decrease in account defaults and disconnections due receipt of these funds.</p> | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) There are no monetized values for direct and indirect costs to small businesses. | (b) There are no monetized values for direct and indirect benefits to small businesses. |
| (3) Other Costs & Benefits (Non-Monetized) | There are no other costs or benefits. | |
| (4) Alternatives | There are no other alternatives. VDSS is not able to consider alternative approaches because the General Assembly directed VDSS to promulgate regulations. | |
| (5) Information Sources | There are none. | |

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 |
|---------------------------------|----------------------------|----------------------|------------------|---------------------|---|
| 10 | (M/A): | 0 | 0 | 0 | 0 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 0 | 0 | 0 | 0 |
| 30 | (M/A): | 0 | 0 | 0 | 0 |
| | (D/A): | 1 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 1 | 0 | 0 | 0 |
| 40 | (M/A): | 0 | 0 | 0 | 0 |
| | (D/A): | 1 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 0 | 0 | 0 | 0 |
| 50 | (M/A): | 0 | 0 | 0 | 0 |
| | (D/A): | 2 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 1 | 0 | 0 | 0 |
| 60 | (M/A): | 0 | 0 | 0 | 0 |
| | (D/A): | 1 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 0 | 0 | 0 | 0 |
| 63 | (M/A): | 0 | 0 | 0 | 0 |

| | | | | | |
|--|--------|---|---|---|----------|
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 1 | 0 | 0 | 0 |
| 67 | (M/A): | 0 | 0 | 0 | 0 |
| | (D/A): | 1 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 1 | 0 | 0 | 0 |
| 70 | (M/A): | 0 | 0 | 0 | 0 |
| | (D/A): | 1 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 0 | 0 | 0 | 0 |
| Grand Total of Changes in Requirements: | | | | | (M/A): 0 |
| | | | | | (D/A): 0 |
| | | | | | (M/R): 0 |
| | | | | | (D/R): 0 |

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 |
|--------------------------|---------------------------------------|--------------|----------|--------------------------------|
| | | | | |
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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 |
|---------------------------------------|--------------------------------|-----------------------|-------------------------------------|
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| | | | |

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