

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: SB 898

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Favola, Barbara A.

3. Committee: Rehabilitation and Social Services

4. Title: Family day homes, unlicensed and unregistered; notice to DSS, background checks

5. Summary: The proposed legislation requires unlicensed and unregistered family day homes to submit the following to the Commissioner of the Department of Social Services prior to beginning operation: (i) a statement of intent to operate an unlicensed and unregistered family day home, (ii) the name, address, and telephone number of the person maintaining the family day home, and (iii) a statement that the person who maintains the family day home has complied with the applicable background check requirements. The bill requires background checks for (a) employees who will be involved in the day-to-day operations of the family day home or will be alone with, in control of, or supervising one or more of the children and (b) any other adult living in the family day home. The bill also requires that a person trained and certified in first aid and cardiopulmonary resuscitation be present whenever one or more children are in the home and that the home remain free from fire hazards.

6. Budget Amendment Necessary: Yes

7. Fiscal Impact Estimates: Preliminary

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015	-	-	-
2016	\$1,098,046	14.0	Special
	\$771,000	-	Indeterminate*
2017	\$1,028,090	14.0	Special
	\$21,000	-	Indeterminate*
2018	\$1,028,090	14.0	Special
	\$21,000	-	Indeterminate*
2019	\$1,028,090	14.0	Special
	\$21,000	-	Indeterminate*
2020	\$1,028,090	14.0	Special
	\$21,000	-	Indeterminate*
2021	\$1,028,090	14.0	Special
	\$21,000	-	Indeterminate*

*The agency has accrued a significant one-time federal Child Care Development Fund (CCDF) balance that is estimated to be \$55.4 million at the end of FY 2016. The introduced budget appropriates a portion of this anticipated balance to support the on-going cost (through FY 2022) of recent a child care subsidy rate (effective October 1, 2014) increase. As this balance is available in the current year, CCDF dollars could be used to offset this bill's fiscal impact.

- 8. Fiscal Implications:** A family day home is a child day program offered in the residence of the provider or the home of any of the children in care for one through twelve children under the age of thirteen when at least one child receives care for compensation. Under current law, family day homes serving six or more children exclusive of the provider's own children and any child who resides in the home must be licensed.

Department of Social Services

This legislation requires every unlicensed and unregistered family day home to provide the Department of Social Services (DSS) with a written statement of intent to operate an unlicensed and unregistered family day home serving fewer than six children annually. The statement shall include the name, address, and telephone number of the person maintaining the family day home as well as a statement that the person who maintains the family day home has complied with the applicable background check requirements. In addition every unlicensed and unregistered family day home shall have a person trained and certified in first aid and CPR, whenever one or more children are present. Every unlicensed and unregistered family day home shall be free from fire hazards and have adequate fire protection. The department currently does not require this information from unlicensed and unregulated family day home providers.

The Department estimates that as of June 30, 2014, there were approximately 63,049 unlicensed and unregistered family day home providers operating in Virginia. Based on average of 1,500 annual productive work hours, it is estimated that the department would need an additional part time position to make sure all the necessary data is entered into the database. Assuming an average hourly rate of \$14 per hour, this should cost the agency approximately \$21,000 annually. In addition, the agency would need to update its Division of Licensing Program Health and Information Network (DOLPHIN) system to include fields that capture the required data on unlicensed and unregulated family day home providers. It is assumed that this would be a minimal one-time as the necessary system changes could be included as part of annual revisions.

Although the bill does not include a specific requirement for the dissemination of information, it is assumed that one would be necessary to effectively implement the bill's provisions. Many of the providers impacted by this legislation do not have any interactions with DSS or other state agencies with regard to child care and would have no way to understand the new expectations. Based on previous experience, DSS estimates the cost of a statewide bilingual media campaign to be \$750,000. This estimate is based on approximately \$40,000 per week in radio and print ads that run between \$750 and \$5,000 depending on the publication, and print materials such as flyers, pamphlets and posters that cost between \$0.35 and \$2.50 per piece.

DSS has no way of knowing how many additional criminal background checks will be required as a result of this legislation. For illustration purposes, this statement reflects 80 percent of the 63,049 unregulated family day home providers meeting the requirements of this bill. As such, approximately 126,098 (50,439 x 2.5 adults per home) additional unlicensed, unregistered family day home employees, agents and other adults living in the family day home will require background checks. Currently, background checks for all child day programs are processed by Virginia State Police. OBI would need additional staff to handle the volume of central registry searches to determine if individuals have founded Child Protective Services (CPS) complaints and to enter data into the database. It is estimated that each additional staff person can process approximately 11,700 central registry searches annually. Based on this, eleven (126,098/11,700) additional full time program support technicians (at an average cost of \$32,022) and one supervisor position (\$41,685) are needed. In addition, non-personnel services, which includes rent, telephone, computer costs and travel, are estimated at \$14,368 in the first year and \$9,205 each year thereafter for each staff person. Therefore, total annual cost for additional central registry search staff is estimated to be \$785,223 in the first year and \$723,267 each year thereafter.

Virginia State Police

The State Police estimate that they would need two additional employees as well as office space and equipment associated with each new employee to support this legislation. State Police estimate the cost of these positions to be \$312,823 the first year and \$304,823 each year thereafter. The amounts in item 7 reflect the appropriation to cover the cost of the legislation as well as two nongeneral fund positions.

9. Specific Agency or Political Subdivisions Affected:

Department of Social Services
Virginia State Police

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/30/15