

## Department of Planning and Budget 2020 Fiscal Impact Statement

**1. Bill Number:** SB668

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Boysko

**3. Committee:** Rehabilitation and Social Services

**4. Title:** Child care providers; out-of-state background checks.

**5. Summary:** Requires certain child care providers and employees or volunteers thereof to submit to background checks that include a criminal history record information check and sex offender registry check in any state in which the applicant has resided in the preceding five years.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** See Item 8.

**8. Fiscal Implications:** This legislation is required to comply with the Federal Child Care Development Block Grant (CCDBG). If the legislation passes, there is no fiscal impact to the Department of Social Services (DSS), because childcare providers would be responsible for obtaining the out of state background checks on applicants, volunteers, and current employees directly from the previous state(s) in which he or she resided in the previous five years.

Based on federal child care regulations, a penalty of five percent of a state's Child Care Development Fund (CCDF) discretionary funds for a fiscal year shall be withheld if the Secretary of Health and Human Services determines that the state has failed to comply with criminal background check requirements. If Virginia does not comply with federal CCDF regulations, it is assumed that the state would incur a penalty equal to five percent of its discretionary fund grant award during state fiscal year (SFY) 2021. In federal fiscal year (FFY) 2019, Virginia's CCDF discretionary award was \$99,946,327. Based on the award amount, a penalty of \$4,997,316 ( $\$99,946,327 \times .05$ ) would be withheld from Virginia's discretionary grant award in FY 2022 and each year thereafter, until the state complies with federal regulations.

The Governor's introduced budget transfers the CCDF grant to the Department of Education (DOE) effective July 1, 2021.

**9. Specific Agency or Political Subdivisions Affected:** Department of Social Services,  
Department of Education (effective 7/1/2021)

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.