

Department of Planning and Budget

2007 Fiscal Impact Statement

1. Bill Number HB 1839

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

2. Patron Fralin

3. Committee Health, Welfare and Institutions

4. Title Child Care Provider Registry; created

5. Summary/Purpose: This legislation requires the establishment and maintenance of the Virginia Child Care Provider Registry (the registry) within the Department of Social Services (DSS). The registry allows family day home providers, who are not required to be licensed, to voluntarily register with the registry and authorize the registry to disclose whether or not the registered provider is the subject of a founded complaint of child abuse or neglect.

This bill also establishes a non-reverting Child Care Provider Registry Fund to be supported with a one-time registration fee of \$10. The provisions of this bill require the DSS to:

- Conduct a search of the Child Protective Services (CPS) Central Registry
- Enter and maintain the results of the search in the registry
- Assess a fee for the registration
- Adopt rules and regulations concerning the registry

This legislation also amends §63.2-1505 to require the CPS Central Registry to transmit founded abuse or neglect reports to the registry so that the department can remove the name of any registrant that has a founded complaint against them from the registry.

6. Fiscal impact estimates are preliminary.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008	220,581	1.0	General Fund
2009	7,831	0.1	General Fund
2009	81,250	0.9	Nongeneral Fund*
2010	7,831	0.1	General Fund
2010	81,250	0.9	Nongeneral Fund*
2011	56,581	0.6	General Fund
2011	32,500	0.4	Nongeneral Fund*
2012	56,581	0.6	General Fund
2012	32,500	0.4	Nongeneral Fund*
2013	56,581	0.6	General Fund
2013	32,500	0.4	Nongeneral Fund*

*Accounts for revenue generated by the child care provider registration fee.

7. Budget amendment necessary: Yes, Item 341

8. Fiscal implications:

There are three major items of cost associated with this legislation. The Department of Social Services would have to develop and maintain an automated information system containing the registry information. Staff would be needed to process payments and operate the registry. In addition, some type of media/publicity campaign, though not explicitly required by the bill, would be necessary to make the existence of the registry known to the general public and potential family child care provider registrants.

System Development and Operation

Development of a separate automated tracking system for the registry is estimated to cost \$100,000 in the first year. This amount is based on the agency's experience with the development of an adoption registry system plus an additional \$25,000 to provide a linkage to the CPS system. Specifically, this amount includes the costs of business analysts, technical writers, and testers to develop a system and the underlying software. The bill requires the removal of a registrant if a founded complaint is made against the provider registrant. The department's existing CPS registry maintains the listing of all persons against whom a founded complaint has been established. The bill authorizes the release of this information from the CPS registry to the child care provider child care registry against the CPS registry each time a founded complaint is added to the CPS registry. To keep the child care provider registry current, there must be some means of checking the registry or a new registrant is added to the child care provider registry. There will be hundreds of such transactions each year, which will require an automated linkage between the two registries to ensure timeliness and accuracy. Ongoing systems operating and maintenance costs are estimated at 25 percent of development costs or \$25,000.

Registry Staffing

The department estimates that a position costing about \$56,511 (salary and benefits) annually would be needed to administer the child care registry. Routine non-personal services costs such items as supplies, copier costs, space, PC seat costs are estimated at the department average of \$7,570. One-time costs of \$6,500 for procurement of office equipment and furniture are also included in the first year.

Publicity

The fiscal impact identified in item five reflects the costs associated with a one-time publicity campaign to inform parents and child care providers of the new registry. Although not explicitly required by the bill, the department would need to publicize the availability of the registry for it to be effective. The department estimates that it would require approximately \$50,000 to conduct a statewide print and media campaign. This amount would be equally divided between composition and printing of pamphlets and a small public service announcement campaign. Pamphlets would be distributed to pediatrician offices, local departments of social services and health, libraries, and other general public locations. Again, since the bill does mandate a public relations component, this amount is scalable and the fiscal impact in item five can be reduced accordingly.

This legislation also provides for the creation of a non-reverting Child Care Provider Registry Fund to be supported with a one-time registration fee of \$10 paid by registrants.

Child Care Provider Registry Fund

Revenue would be generated by a one-time fee of \$10 for each registrant, which is to be used for the administration of the registry. It is assumed that the first year (FY 2008) would be spent developing, staffing, and publicizing the registry, which would be operational beginning in FY 2009. Revenue projection is difficult because the department has records on only the unlicensed providers who (1) receive federal funds through DSS child care programs, (2) fall into the religious exemption category, or (3) have voluntarily registered. The total number of these providers is 6,502. VDSS speculates that this number represents 20 percent of the total number of unlicensed family day homes, or roughly 32,500. It is assumed that 50 percent of these operations would seek registry over two years beginning in FY 2009, i.e., 8,125 homes per year. After the initial surge of registration, the department estimates that new registrations would equal 10 percent of total centers or 3,250 per year. The \$10 fee is then applied to these volume estimates to obtain the estimated revenues.

Financial Summary HB 1839

	FY 2008	FY 2009	FY 2010	FY 2011
Staff (Salary and Benefits)	\$ 56,511	\$ 56,511	\$ 56,511	\$ 56,511
Operating Costs	\$7,570	\$7,570	\$7,570	\$7,570
One-time Equipment	\$ 6,500	-	-	-
Publicity campaign	\$ 50,000	-	-	-
Software Development/Maintenance	\$ 100,000	\$ 25,000	\$ 25,000	\$ 25,000
Total Cost	\$ 220,581	\$ 89,081	\$ 89,081	\$ 89,081

General Fund	\$ 220,581	\$ 7,831	\$ 7,831	\$ 56,581
Child Care Registry Funds	-	\$ 81,250	\$ 81,250	\$ 32,500

9. Specific agency or political subdivisions affected:

Department of Social Services

10. Technical amendment necessary: No

11. Other comments: None

Date: 01/15/07

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cc: Secretary of Health and Human Resources