

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB 3

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Tata

3. Committee: Health, Welfare and Institutions

4. Title: Establish Virginia Child Care Provider Registry

5. Summary: This legislation requires the establishment and maintenance of the Virginia Child Care Provider Registry (the registry) within the Department of Social Services (DSS). Child care providers who are not required to be licensed would be able to voluntarily apply to be registered with the registry and authorize DSS to disclose information contained in the registry. The registry can not contain any applicants who have a founded complaint of child abuse or neglect or any barrier crime convictions listed in §63.2-1719. The bill further authorizes the department to assess a fee sufficient to cover the cost of reviewing and processing these applications. The bill also establishes a non-reverting Virginia Child Care Provider Registry Fund from collected fees to be used solely for the purpose of the administration of the registry. The provisions of this bill require DSS to:

- Prepare an application form for use by registrants;
- Conduct a search of the Child Protective Services (CPS) Central Registry;
- Update the registry when a founded complaint of abuse or neglect notification is received;
- Assess and process a fee for registration;
- Adopt rules and regulations concerning the registry; and
- Verify age, citizenship status and social security numbers of registrants.

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 a any registrant that has a founded complaint from the registry.

6. Fiscal Impact Estimates:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2009	\$191,780	1.0	General
2010	\$150,280	1.0	Special
2011	\$150,280	1.0	Special
2012	\$106,280	1.0	Special
2013	\$106,280	1.0	Special
2014	\$106,280	1.0	Special

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2009	-	-	-
2010	\$203,125	-	Special
2011	\$203,125	-	Special
2012	\$107,250	-	Special
2013	\$107,250	-	Special
2014	\$107,250	-	Special

7. Budget Amendment Necessary: Yes, Items 342 and 345.

- 8. Fiscal Implications:** There are several major items of cost associated with this legislation. The Department of Social Services would have to develop and maintain an automated system containing the registry information. Staff would be needed to conduct CPS searches, process the results of CPS searches and criminal background checks on each applicant, process payments, and update the registry on an on-going basis when a founded complaint of abuse or neglect notification is received on a registrant. 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 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 registry. To keep the child care provider registry current, there must be some means of checking the child care registry against the CPS registry each time a founded complaint is added to the CPS 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% of development costs or \$25,000.

Staffing

Registry Staff: The department estimates that a position costing about \$57,710 (salary and benefits) annually would be needed to verify age, citizenship status and social security numbers of registrants, process applications, and administer the child care registry. Routine non-personal services costs including 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.

Child Protective Services Staff: The agency estimates an additional 1.3 temporary (wage) staff positions costing a total of \$40,000 per year for personnel costs will be needed to conduct the additional searches required by the bill and notify the registry of the results for

each applicant. It is anticipated that the volume of applicants will be greater in the first two years of operations and that staffing need will decrease to .5 wage position by FY 2012.

Publicity

The fiscal impact identified 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 in order for it to be effective. The department estimates that it would require approximately \$60,000 to conduct a statewide print and media campaign. The campaign cost will be spread equally over three years. This amount will be equally divided between composition and printing of pamphlets and a small public service announcement campaign. Pamphlets will be distributed to pediatrician offices, local departments of social services and health, libraries, and other general public locations.

Child Care Provider Registry Fund

It is assumed that the first year (FY 2009) would be spent developing, staffing, and publicizing the registry, which would be operational beginning in FY 2010. 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. The department 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 2010 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. Based on these estimated volumes, fees to the registry costs are estimated to be between \$20 and \$28 per year. A fee of \$28 would be required to cover the department's cost for the registry on an ongoing basis. Lower fees in the first two years of registry operation years may be possible if the expected volume of applicants is realized. This fee does not include the fees the applicant would pay the department for the CPS search or the fee they would pay the State Police for the criminal background check.

Additional Applicant Fees and Revenue

Child Protective Services Central Registry Revenue:

The legislation requires CPS to conduct searches and notify the registry of the search results. The department currently assesses a fee of \$5.00 for each search conducted. This will provide an estimated annual revenue of \$40,625 for the first two years based on 50 percent of these operations seeking registry over these first two years.

Background/Fingerprinting Cost:

Applicants must submit to fingerprinting for purposes of conducting a criminal background check. The State Police assesses a fee of \$37 for a national and state background check. In addition, the code allows for a fee of up to \$10 to be charged for the actual fingerprinting.

The total cost to the applicant would be the \$28 fee for the administration of the registry, plus the \$5 fee for the CPS search, plus from \$37-\$47 for the criminal background check, for a total fee of \$70, or \$80 if a \$10 fingerprinting fee is assessed.

Cost Summary-HB 0003

	FY 2009	FY 2010	FY 2011	FY 2012
Child Registry Staff Salary & Benefits	\$57,710	\$57,710	\$57,710	\$57,710
P-14 CPS Staff	-	\$40,000	\$40,000	\$16,000
Operating Costs	\$7,570	\$7,570	\$7,570	\$7,570
One-time Equipment	\$6,500	-	-	-
Publicity Campaign	\$20,000	\$20,000	\$20,000	-
Software Development/Maintenance	\$100,000	\$25,000	\$25,000	\$25,000
Total Cost	\$ 191,780	\$ 150,280	\$ 150,280	\$ 106,280

Child Care Provider Registry Fee	-	\$20	\$20	\$20
CPS Central Registry Fee	-	\$5	\$5	\$5
Estimated Applications	-	8,125	8,125	3,250
Child Care Provider Registry Funds	-	\$162,500	\$162,500	\$91,000
CPS Central Registry Revenue	-	\$40,625	\$40,625	\$16,250
General Fund	\$191,780	-	-	-
Special Fund	-	\$203,125	\$203,125	\$107,250

9. Specific Agency or Political Subdivisions Affected:

Department of Social Services

Department of State Police

10. Technical Amendment Necessary: No**11. Other Comments: None****Date:** 1/22/2008**Document:** G:\2008 Fiscal Year\08 Session\FIS\HB3.Doc

cc: Secretary of Health and Human Resources