

Department of Planning and Budget

2018 Fiscal Impact Statement

1. Bill Number: HB924

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

2. Patron: Lopez

3. Committee: Rules

4. Title: Child care; Quality Rating and Improvement System.

5. Summary: Directs the Board of Social Services to establish a Quality Rating and Improvement System for all child welfare agencies participating in the Virginia Preschool Initiative.

6. Budget Amendment Necessary: Yes.

7. Fiscal Impact Estimates:

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	-	-	-
2019	\$1,222,532	1	General
2020	\$1,217,369	1	General
2021	\$1,217,369	1	General
2022	\$1,217,369	1	General
2023	\$1,217,369	1	General
2024	\$1,217,369	1	General

8. Fiscal Implications: This legislation requires the Board of Social Services to establish a Quality Rating and Improvement System (QRIS) for all child welfare agencies participating in the Virginia Preschool Initiative (VPI). QRIS focuses on child welfare agency program quality improvement, supports programs with tools and services to achieve top quality, and provides information to families about the different types of quality child care and preschool options available using research based quality standards that apply across childcare settings. VPI, through schools and community-based organizations, provides quality preschool programs for at risk four year-olds who are unserved by Head Start programs and for at-risk five year olds who are not eligible to attend kindergarten. There are currently 608 programs in VPI, of which 378 are not already QRIS. These 378 programs would be brought into QRIS under this legislation.

QRIS Expansion

Current data shows that 812 QRIS programs, which include both VPI and non-VPI child welfare agency programs, are funded by the Department of Social Services (DSS). There are another 66 Virginia Quality Programs in QRIS funded by the Department of Education for a total of 878 (812 + 66) programs in QRIS.

In FY 2017, DSS QRIS expenditures totaled \$2,409,014 and averaged \$2,967 (\$2.4 million / 812 DSS funded programs) per program. Expanding QRIS to include an additional 378 programs would increase the QRIS expenditures by \$1,121,526 ($\$2,967 \times 378$) in FY 2019 and each year thereafter.

Additional Child Care Staff

Furthermore, expanding QRIS by 378 programs will increase the workload on department staff. Therefore, one additional full time program administration specialist will be needed to oversee and manage the VPI Programs and to develop policies and regulations for this expanded population of programs.

Using an average salary of \$60,000 for the program administration specialist, salary and benefits are estimated to be \$86,638 annually. In addition, nonpersonal services are estimated at \$14,368 in the first year and \$9,205 each year thereafter. Therefore, the total annual cost for the additional staff is estimated to be \$101,006 in the first year and \$95,843 each year thereafter.

Funding Availability

Total costs for this legislation are estimated at \$1,222,532 ($\$1,121,526 + \$101,006$) in FY 2019 and \$1,217,369 ($\$1,121,526 + \$95,843$) in FY 2020. While there are one-time federal Child Care Development Fund (CCDF) Block Grant discretionary fund balances available from prior years that could fund the cost of this program in FY 2019, the availability of these funds in future years cannot be assumed. In addition, the current year's CCDF grant is fully obligated, therefore a balance cannot be assumed in future years for this grant. Moreover, it should be noted that this statement estimates the fiscal impact of this bill versus the introduced budget; it does not account for other legislative proposals that impact CCDF funds.

9. Specific Agency or Political Subdivisions Affected: Department of Social Services,
Department of Education

10. Technical Amendment Necessary: No.

11. Other Comments: None.