

A Report of the  
Department of Social Services  
Commonwealth of Virginia

# **Implementation of a Screened Family Day Home Provider Registry**

to the Governor and the  
General Assembly of Virginia

October 2008



**COMMONWEALTH OF VIRGINIA**  
**DEPARTMENT OF SOCIAL SERVICES**  
*Office of the Commissioner*

Anthony Conyers, Jr.  
COMMISSIONER

October 1, 2008

**MEMORANDUM**

**TO:** The Honorable Timothy M. Kaine  
Governor of Virginia

The Honorable Lacey E. Putney, Chair  
House Appropriations Committee

and

The Honorable Charles J. Colgan, Chair  
Senate Finance Committee

**FROM:** Anthony Conyers, Jr.

A handwritten signature in black ink, appearing to read "Anthony Conyers Jr.", written over the printed name.

**SUBJECT:** Implementation of a Screened Family Day Home Provider Registry

I am pleased to submit the Department of Social Services' study of the financial and regulatory impact of implementing a screened family day home provider registry prepared pursuant to Item 346(G) of the 2008 Appropriation Act. If you have questions or need additional information concerning this report, please contact me.

AC/lrm

# Preface

This report is submitted pursuant to Item 346(G) of the 2008 Appropriation Act, which establishes the intent of the General Assembly to have the Department of Social Services (DSS) assess the financial and regulatory impact of implementing a screened family day home provider registry, and requires that:

The Department of Social Services shall assess the financial and regulatory impact of implementing a screened family day home provider registry for individuals who wish to offer their services as family day home providers in the Commonwealth, and who are not required to be licensed or regulated pursuant to this chapter or regulated by local ordinance pursuant to § 15.2914, Code of Virginia, and who may wish to voluntarily apply to be included in the registry and may authorize the Department to disclose information contained in the registry. As part of its impact analysis, the Department shall examine the cost to family day home providers for inclusion on the registry. The Department shall submit a copy of this analysis to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2008.

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# Executive Summary

Chapter 498 of the 2008 Acts of Assembly provides for DSS to create a Screened Family Day Home Provider List (List). Individuals who are not required to be licensed or regulated and who offer family day home services may voluntarily apply to be included on the List. Chapter 498 included an enactment clause that rendered it ineffective if funds were not appropriated in the general appropriation act passed by the 2008 Session of the General Assembly.

There were no funds appropriated and Chapter 498 was not implemented. However, Item 346(G) of the 2008 Appropriation Act mandated that DSS assess the financial and regulatory impact of implementing a screened family day home provider registry and the cost to family day home providers for inclusion in the registry.

Analysis of the financial impact indicated that (1) approximately \$88,000 would be initially required to implement the List, (2) the List would be self-sustaining in subsequent years with collection of an offsetting initial and biennial renewal fee of between \$95 to \$105 paid by providers, and (3) implementing the List would have no regulatory impact.

While Item 346(G) of the 2008 Appropriation Act refers to the screened family day home provider “registry” and Chapter 498 of the 2008 Acts of Assembly refers to the screened family day home provider “list,” the terms are interchangeable and the List and the Registry are one and the same.

# Implementation of a Screened Family Day Home Provider Registry

## Background

Criminal background checks are critical in reducing the risk of harm to children by care givers. Chapter 498 of the 2008 Acts of Assembly (Appendix B) provides for DSS to create a Screened Family Day Home Provider List (List). Individuals who wish to offer their services as family day home providers in the Commonwealth and who are not required to be licensed or regulated may voluntarily apply to be included on the List. Chapter 498 identifies the requirements that each provider must meet in order to be initially included and to remain on the List.

Chapter 498 included an enactment clause that rendered it ineffective if funds were not appropriated in the general appropriation act passed by the 2008 Session of the General Assembly. There were no funds appropriated and Chapter 498 was not implemented.

While Item 346(G) of the 2008 Appropriation Act refers to the screened family day home provider “registry” and Chapter 498 of the 2008 Acts of Assembly refers to the screened family day home provider “list,” the terms are interchangeable and the List and the Registry are one and the same.

## Financial Impact of Implementing the List

During the 2008 General Assembly Session, DSS analyzed the fiscal impact of implementing the List. The same methodology is used in this analysis. However, certain figures have been updated to reflect current costs.

### Financial Impact to DSS:

#### Expenditure Impact:

Fiscal Year	Dollars	Positions	Fund
2010	\$87,972		General
2010	\$362,235	1.0	Special
2011	\$673,134	6.0	Special
2012	\$729,559	6.0	Special
2013	\$765,984	6.0	Special
2014	\$822,409	6.0	Special
2015	\$878,834	6.0	Special

#### Revenue Impact:

Fiscal Year	Dollars	Positions	Fund
2010	\$362,235	-	Special
2011	\$724,375	-	Special
2012	\$869,250	-	Special

2013	\$1,014,125	-	Special
2014	\$1,159,000	-	Special
2015	\$1,303,875	-	Special

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Licensing List Staff Salary & Benefits	\$57,172	\$57,172	\$57,172	\$57,172	\$57,172	\$57,172
CPS Staff Salary & Benefits	\$53,029	\$106,058	\$106,058	\$106,058	\$106,058	\$106,058
Background Invest. Staff Salary & Benefits	\$79,545	\$159,089	\$159,089	\$159,089	\$159,089	\$159,089
Operating Costs	\$28,403	\$48,690	\$48,690	\$48,690	\$48,690	\$48,690
One-time Equipment	\$30,978	-	-	-	-	-
Publicity Campaign	\$20,000	\$20,000	\$20,000	-	-	-
One-Time Purchase of 2 Fingerprint Scanners	\$20,000	-	-	-	-	-
DOLPHIN Database Adjustments	\$20,000	-	-	-	-	-
State Police Charges for FBI Record Checks	\$141,081	\$282,125	\$338,550	\$394,975	\$451,400	\$507,825
<b>Total Cost</b>	<b>\$450,207</b>	<b>\$673,134</b>	<b>\$729,559</b>	<b>\$765,984</b>	<b>\$822,409</b>	<b>\$878,834</b>
Screened Family Day Home List Initial Fee	\$40	\$40	\$40	\$40	\$40	\$40
CPS Central Registry Fee	\$5	\$5	\$5	\$5	\$5	\$5
Criminal Records Check Fee	\$50	\$50	\$50	\$50	\$50	\$50
Screened Family Day Home List Renewal Fee	-	-	\$50	\$50	\$50	\$50
Initial Applications	3,813	7,625	5,337	3,050	3,050	3,050
Renewal Applications & Fingerprinting	-	-	3,813	7,625	9,150	10,675
Total Applicants to Be Processed	3,813	7,625	9,150	10,675	12,200	13,725
Screened Family Day Home List Fund	\$152,520	\$305,000	\$366,000	\$427,000	\$488,000	\$549,000
CPS Central Registry Revenue	\$19,065	\$38,125	\$45,750	\$53,375	\$61,000	\$68,625
FBI Criminal Record Check Revenue	\$190,650	\$381,250	\$457,500	\$533,750	\$610,000	\$686,250
<b>Total Screened Family Day Home List Funds (initial and renewal)</b>	<b>\$362,235</b>	<b>\$724,375</b>	<b>\$869,250</b>	<b>\$1,014,125</b>	<b>\$1,159,000</b>	<b>\$1,303,875</b>
Special Fund	\$362,235	\$673,134	\$729,559	\$765,984	\$822,409	\$878,834

General Fund	\$87,972	-	-	-	-	-
Special Fund Surplus*	-	\$51,241	\$139,691	\$248,141	\$336,591	\$425,041

## Basis For Cost Estimates

### Database Adjustments

DSS would establish and maintain the List on a public website. The most cost effective approach would be to modify the current DSS Division of Licensing Programs Help and Information Network web-based licensing database. Modifications are estimated to cost \$20,000 in the first year to establish and maintain the List. This amount includes the cost of technical writers and testers to adjust the system to meet the requirements of the List.

### Fingerprint Scanner Equipment

The Office of Background Investigations within DSS currently conducts background checks as required by law. Additional scanners would be required to handle the increased volume of requests resulting from the creation of the List. Based on quotes received, DSS estimates it will cost approximately \$10,000 per unit to purchase a fingerprint card scanner system. The total first year cost would be \$20,000 for two units, which includes the Virginia State Police submission software, the Federal Bureau of Investigation (FBI) approved software, an extended warranty, and installation.

### Staffing

Additional staff would be needed to process applications and maintain the database, conduct searches of the central registry, process the results of central registry searches and criminal background checks, process payments, and update the List on an ongoing basis when biennial renewals indicate an individual is no longer eligible to remain on the List. The breakdown of staffing needs is as follows:

- **Licensing Staff**  
DSS would need to hire a Program Administration Specialist (pay band 4) to administer the List. This individual would be responsible for processing applications, updating the database, processing annual disclosure statements, and monitoring/tracking individuals on the List to ensure that the annual and biennial requirements are met. The estimated cost of this position is \$57,172 for salary and benefits.
- **Child Protective Services (CPS) Staff**  
A central registry search for any founded complaint of child abuse or neglect would be conducted at the time an individual applies to be included on the List and biennially thereafter. The agency estimates two additional CPS positions (pay band 3) would be needed to conduct the additional searches and notify the List staff of the results. The estimated annual cost for these two positions is \$106,058 for salary and benefits. It is assumed that the staff would be hired by January 1, 2010.
- **Background Investigations Staff**  
Applicants would be required to submit to a fingerprint criminal history record check at the time an individual applies to be included on the List and biennially thereafter. DSS estimates that three additional positions (pay band 3) at an annual cost of \$159,089 for salary and benefits would be required to process the expected increase of incoming



background checks. Processing the applications for background checks includes transmitting data to the Central Criminal Records Exchange, screening results for an offense, doing any required research due to incomplete data, and notifying DSS staff maintaining the List of the results. It is assumed that the Background Investigations' staff would be hired by January 1, 2010.

In addition to salary and benefits, there would be operating costs for such items as supplies, copier usage, rent, and computer usage of \$8,115 per position, as well as one-time costs of \$5,163 per position for office/cubical costs. The total costs for these six positions are \$249,127 the first year, as staff is phased in and \$371,009 each year thereafter.

### Publicity

In order to make the existence of the List known to the general public and potential family child care provider applicants, a media campaign would be necessary in order for the List to be effective. Efforts would have to be made to inform parents and providers of the new List. DSS estimates that it would require approximately \$60,000 to conduct a statewide print and media campaign. The campaign's cost would be spread equally over three years. This amount would be equally divided between composition and printing of pamphlets and a small public service announcement campaign. Pamphlets would be distributed to pediatricians' offices, local departments of social services (LDSS), and health departments, libraries, and other general public locations.

### Screened Family Day Home Provider List Fund (Fund)

The Fund would be established to create a funding source in order for the list to be self-sustaining. The fee that should be charged is difficult to determine because the number of providers who would apply to be included on the List is unknown. DSS has access to the number of unlicensed providers who:

- Have been approved to receive child care subsidy (family, friend, and neighbor care);
- Have been approved by LDSS;
- Fall into the religious exemption category;
- Have been voluntarily registered;
- Have been approved by a family day home system;
- Have been approved as a certified Pre-School;
- Have been approved by the Department of Education; and
- Have been approved through local ordinance.

An individual who applies to be included on the List will not fall into one of the above categories. There is no known cost effective method for determining the number of providers who would potentially apply for inclusion on the List.

For purposes of this analysis, DSS used the most current data, which shows the total number of the above-recorded providers is approximately 6,100. DSS estimates that this number represents 20% of the total number of unregulated family day homes, or roughly 30,500. It is assumed that 50% of these operations would apply to be included on the List over two years

(7,625 homes per year), beginning January 1, 2010. After the initial surge of applicants, DSS estimates that new registrations would equal 10% of total number of unregulated family day homes, or 3,050 per year.

Based on these estimated volumes, initial application fees for the List are recommended to be \$40 per application. A renewal fee of \$40 every two years is recommended for processing biennial renewals on an ongoing basis. This fee does not include the fees the applicant would pay DSS for the CPS central registry search or the fee for the fingerprint criminal background check.

If the volume of requests goes up, there would likely be additional operating costs, including the need for additional staff, which would be funded by the projected special fund surplus. Actual implementation is the only method to determine if the \$40 fee would need to be adjusted downward or upward, based upon the volume of applicants and the operating costs DSS incurs.

#### Additional Applicant Fees and Revenue

CPS would conduct central registry searches and notify List staff of the search results. DSS currently assesses a fee of \$5.00 for each central registry search conducted. The collection of these fees would provide estimated revenue of \$19,065 in SFY 10 based on processing 3,813 applications.

#### Background/Fingerprinting Revenue:

Individuals applying to be included on the List would need to submit to fingerprinting for the purposes of conducting a national criminal background check. A criminal background check fee of \$50 (\$37 to cover the fee charged by the Virginia State Police and \$13 to cover the fee charged by the Office of Background Investigations) would be collected from each applicant for a national (FBI) and state background check. In addition, the Code of Virginia allows for a fee of up to \$10 to be charged for the actual fingerprinting process. This would provide estimated revenue of \$190,650 in SFY 10 based on processing 3,813 applications.

### **Total Cost to the Provider**

The total cost to the provider is based on a \$40 fee for the administration of the List, plus the \$5 fee for the CPS central registry search, plus between \$50 and \$60 for the national criminal background check, for a total fee of \$95, or \$105 if a \$10 fingerprinting fee is assessed.

These fees would also apply to all biennial renewals.

### **Regulatory Impact of Implementing the List**

There is no regulatory impact if the List is implemented as outlined in Chapter 498 of the 2008 Acts of Assembly, which provides DSS the authority to establish and manage the List.

# Appendix A

## **Item 346(G) of the 2008 Appropriation Act**

The Department of Social Services shall assess the financial and regulatory impact of implementing a screened family day home provider registry for individuals who wish to offer their services as family day home providers in the Commonwealth, and who are not required to be licensed or regulated pursuant to this chapter or regulated by local ordinance pursuant to § 15.2914, Code of Virginia, and who may wish to voluntarily apply to be included in the registry and may authorize the Department to disclose information contained in the registry. As part of its impact analysis, the Department shall examine the cost to family day home providers for inclusion on the registry. The Department shall submit a copy of this analysis to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2008.

# Appendix B

## CHAPTER 498

*An Act to amend the Code of Virginia by adding sections numbered 63.2-1704.1, 63.2-1704.2, and 63.2-1704.3, relating to the Screened Family Day Home Provider List.*

[H 3]

Approved March 10, 2008

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding sections numbered 63.2-1704.1, 63.2-1704.2, and 63.2-1704.3 as follows:

*§ 63.2-1704.1. Screened Family Day Home Provider List.*

*A. The Department shall establish and maintain on a website created by the Department the Screened Family Day Home Provider List (the List). Individuals who wish to offer their services as family day home providers in the Commonwealth, and who are not required to be licensed or regulated pursuant to this chapter or regulated by local ordinance pursuant to § 15.2-914, may voluntarily apply to be included in the List and may authorize the Department to disclose information contained in the List. Only unlicensed and unregulated family day home providers who are found to have (i) no founded complaints of child abuse or neglect, (ii) no convictions for an offense as defined in § 63.2-1719, and (iii) no pending charges for an offense as defined in § 63.2-1719 may be included in the List.*

*B. The Department shall assess a fee for reviewing and processing applications for inclusion in the List. Application fees collected pursuant to this section shall be deposited in the Screened Family Day Home Provider List Fund established in § 63.2-1704.3.*

*C. The applicant shall pay the cost of any background check and check of records contained in the central registry maintained pursuant to § 63.2-1515, required by § 63.2-1704.2.*

*§ 63.2-1704.2. Screened Family Day Home Provider List; procedure.*

*A. Any individual who is 18 years of age or older may apply to be included on the List.*

*B. A person seeking to be included on the Screened Family Day Home Provider List shall:*

*1. Submit to the Commissioner, at the time of application and biennially thereafter, a statement that shall include (i) the applicant's current name and any other name by which the applicant has been known; (ii) the applicant's address and telephone number; (iii) the applicant's email address, if any; (iv) verification of the applicant's date of birth; (v) the applicant's social security number; and (vi) any other personal descriptive information necessary for the purpose of obtaining a criminal history background check pursuant to this section. Any false statement, if such statement is knowingly or willfully made, shall be a ground for prosecution of perjury as provided for in § 18.2-434;*

2. *Submit to the Commissioner, at the time of application and annually thereafter, a notarized sworn statement or affirmation disclosing whether or not the individual has a criminal conviction or is the subject of any pending criminal charges within or outside the Commonwealth and whether or not the individual has ever been the subject of a founded complaint of child abuse or neglect within or outside the Commonwealth. Any person making a materially false statement regarding the sworn statement or affirmation shall be guilty of a Class 1 misdemeanor;*

3. *Submit, at the time of application for inclusion in the List and biennially thereafter, to fingerprinting and provide personal descriptive information to be forwarded by the department, along with the individual's fingerprints, through the Central Criminal Records Exchange to the Federal Bureau of Investigation for the purpose of obtaining criminal history record information. The designated state agency shall inform the individual that he is entitled to obtain a copy of any background check report and to challenge the accuracy and completeness of any such report and obtain a prompt resolution before a final decision is made of the individual's fitness to be included in the List.*

*The Central Criminal Records Exchange, upon receipt of an individual's record or notification that no record exists, shall forward the record or notification to the designated state agency. The designated state agency shall, upon receipt of an individual's record that lacks disposition data, conduct research in whatever state and local recordkeeping systems are available in order to obtain complete data. The designated state agency shall report to the Department whether the individual meets the criteria for having responsibility for the safety and well-being of children based on whether or not the individual has ever been convicted of or is the subject of pending charges included in § 63.2-1719 or equivalent charges in another state. Copies of any information received by the designated state agency shall be available to the Department; however, further dissemination of the background check information is prohibited other than to a federal or state authority or court as may be required to comply with an express requirement of law for such further dissemination; and*

4. *Authorize, at the time of application and biennially thereafter, a search of the central registry maintained pursuant to § 63.2-1515 for any founded complaint of child abuse or neglect.*

*C. Upon receipt of the information required in subsection B on forms prescribed by the Department, the Commissioner shall conduct a search of the records contained in the central registry maintained pursuant to § 63.2-1515 and a criminal history background check pursuant to this section.*

*D. Upon determining that the individual has (i) no founded complaints of child abuse or neglect, (ii) no convictions for an offense as defined in § 63.2-1719, and (iii) no pending charges for an offense as defined in § 63.2-1719, the Commissioner shall add the individual's name to the List. Upon notification that the individual has been convicted of any offense as defined in § 63.2-1719, that the individual has any pending charges for any offense as defined in § 63.2-1719, or that the individual has any founded complaints of child abuse or neglect, the Commissioner shall not include the individual's name on the Screened Family Day Home Provider List.*

*E. If an applicant is denied inclusion on the Screened Family Day Home Provider List because of information from the central registry or convictions appearing on his criminal history record, the Commissioner shall provide a copy of the information obtained from the central registry to the applicant, and shall inform the applicant that a copy of the information contained on his criminal history record may be obtained by the applicant.*

*F. An individual may withdraw from the List at any time by submitting a notarized affidavit to that effect to the Commissioner.*

*§ 63.2-1704.3. Screened Family Day Home Provider List Fund.*

*There is hereby created in the state treasury a special nonreverting fund to be known as the Screened Family Day Home Provider List Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. All application fees collected by the Department pursuant to § 63.2-1704.1, such funds as may be appropriated by the General Assembly, and any gifts, bequests, grants, or donations shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of the administration of the Screened Family Day Home Provider List. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner.*

2. That the provisions of this act shall not become effective unless general funds or non-general funds effectuating the purposes of this act are included in the general appropriation act passed by the 2008 Session of the General Assembly that becomes law.