



COMMONWEALTH of VIRGINIA
DEPARTMENT OF SOCIAL SERVICES
Office of the Commissioner

Margaret Ross Schultze
COMMISSIONER

April 13, 2016

MEMORANDUM

TO: Honorable Terry McAuliffe
Governor of Virginia

Honorable Thomas K. Norment, Jr.
Co-Chairman, Senate Finance

Honorable Emmett W. Hanger, Jr.
Co-Chairman, Senate Finance

Honorable S. Chris Jones
Chairman, House Appropriations

Daniel Timberlake
Director Department of Planning and Budget

FROM: Margaret Ross Schultze

A handwritten signature in black ink, appearing to read "Margaret Ross Schultze", written over the printed name.

SUBJECT: Quarterly Report on Implementation of House Bill 1570/Senate Bill 1168 (2015)

I am pleased to submit the Department of Social Services' quarterly report on implementation of House Bill 1570 and Senate Bill 1168 (2015), pursuant to Item 342 (E) of the 2015 Appropriation Act. If you have any questions or need additional information,, please contact me.

MRS: kc

Attachment

January 1, 2016-March 31, 2016

Report Mandate

The Department of Social Services shall provide a quarterly report on the implementation of House Bill 1570 / Senate Bill 1168 to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees.

Background

House Bill 1570 and Senate Bill 1168 was a combination omnibus bill addressing multiple issues regarding child care health and safety. There are multiple requirements with varying implementation dates. Below is a description of the Department of Social Services' (DSS) implementation efforts this quarter.

Section 63.2-100 of the Code of Virginia (Code) changes the licensing threshold for family day homes, requiring licensure when there are five children in care, effective July 1, 2016. A corresponding change was made in § 63.2-1704 of the Code, allowing a family day home provider to be voluntarily registered when caring for four or fewer children, effective July 1, 2016. DSS Division of Licensing- Children's Programs continues to recruit for new licensing inspector positions due to these changes. In the Fairfax licensing office, one new position has been filled, three positions are awaiting final human resources approval for hire, and one additional new position is being requested for a total of five new positions. Forty-eight initial licensing applications for family day homes were submitted to the Fairfax licensing office this quarter. Regulatory actions to update regulations for family day homes, voluntary registration of family day homes, and family day systems are being drafted. Implementation plans are moving forward to ensure that voluntarily registered family day homes either become licensed or reduce their capacity to four children in care.

Section 63.2-1701.1 of the Code requires local government to report to DSS semiannually contact information for child care business licenses for child day centers or family day homes. Seventy-two localities have reported on their child care business licenses. Twenty-four localities have indicated that they do not issue child care business licenses.

Sections 63.2-1720.1 and 63.2-1721.1 of the Code require national fingerprint background checks for licensed child day centers and licensed family day homes, effective July 1, 2017. The DSS Office of Background Investigations is working with the Division of Information Systems to implement these changes. A service request has been initiated to implement changes to the Background Information System. A meeting has been scheduled in April with other state agencies in the Health and Human Resources Secretariat to review requirements for working with a fingerprint vendor.

Revisions made to § 63.2-1725 of the Code added a requirement that child day centers and family day homes that enter into a contract with DSS to provide child care services (subsidy

child care providers) shall comply with federal law and regulations. Numerous activities are underway to develop and implement strategies in response to the federal law, including:

- Health and safety standards have been drafted and a workgroup is drafting inspection procedures for unlicensed subsidy providers. DSS is working with the Pennsylvania State University *Better Kid Care Program* to develop an on-line pre-service training program for child care providers in Virginia to be in place by August 1, 2016.
- Guidance revisions to the state Child Care Subsidy Program are underway to reflect federal requirements. Most new requirements for the Child Care Subsidy Program will require a revision to the Program's state regulation. The Program submitted a Notice of Intended Regulatory Action for the new regulation to the State Board of Social Services in December 2015. The draft regulation is scheduled to go to the State Board in August 2016.
- Identification of requirements and estimated costs of automated system changes associated with the federal requirements is underway. In March 2016, requirements for Subsidy, Division of Licensing Programs Information Network (DOLPHIN), and MicroPact enhancements were generated.
- The Child Care and Development Block Grant Act requires States to collect and disseminate consumer and provider education information that is "user-friendly" to parents, providers and the general public concerning the diverse availability of child care services. This quarter, a new child care microsite was launched. The microsite (www.childcareva.com) will serve as the agency's online "hub" for educational tools, resources and materials to promote the importance of health and safety standards, as well as increase awareness about the benefits of quality child care in Virginia. In one, easy-to-navigate site, parents will be able to find information on various child care options, benefits of licensed care, as well as guidance for choosing the best child care option for their family. Current and prospective providers will find state and federal requirements, information on obtaining licensure, training and professional development opportunities and much more. The site also includes community resources such as search tools, child growth and development information, guidance on how to file a complaint and a "What's Changing" section that provides accurate, up-to-date information on child care in Virginia. PSA development is underway.
- House Bill 920 was passed by the 2016 Session of the General Assembly. This bill prohibits individuals from working, volunteering, operating, or residing in a child welfare agency if the individual has a conviction that requires registration on the Virginia Sex Offender and Crimes Against Minors Registry. This new law is one of the background check requirements for child care providers in the federal law, Child Care and Development Block Grant Reauthorization of 2014.

Enactment Clause 4 requires DSS to develop and make available training and technical assistance for child care providers on new requirements. Training related to Child Care Subsidy Program requirements and procedures that are changing has been scheduled for child care providers, workers in local departments of social services, and other organizations that partner

with DSS to carry out the Program. The training will begin in June 2016. Additional information will be reported in future quarterly reports as the training commences.

Enactment Clause 5 requires DSS to develop recommendations regarding civil and criminal penalties for individuals who operate a child day center or family day home subject to licensure without obtaining the appropriate DSS license, or centers or homes that serve more children than the license allows. House Bill 1189 was passed by the 2016 Session of the General Assembly, making it a Class 4 felony if a child sustains a serious injury while in the care of an unlicensed child welfare agency that is subject to licensure. This enhanced penalty was a recommendation of the *Report on Penalty Recommendations for Individuals Operating a Child Day Center or Family Day Home Without a License*.

Enactment Clause 7 requires DSS to work with local governments authorized under § 15.2-914 to regulate and license family day homes to identify and address any differences between local ordinances and state licensing regulations for family day homes. DSS staff has met with the three local departments that regulate family day homes and a review of their requirements and procedures is being completed.

Conclusion

DSS continues to work on implementation for House Bill 1570/Senate Bill 1168.