



COMMONWEALTH of VIRGINIA
DEPARTMENT OF SOCIAL SERVICES
Office of the Commissioner

Margaret Ross Schultze
COMMISSIONER

July 30, 2016

MEMORANDUM

TO: The Honorable Terence R. McAuliffe
Governor of Virginia

The Honorable Walter A. Stosch
Co-Chairman, Senate Finance Committee

The Honorable Charles J. Colgan
Co-Chairman, Senate Finance Committee

The Honorable Chris S. Jones
Chairman, House Appropriations Committee

FROM: Margaret Ross Schultze

A handwritten signature in blue 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 questions or need additional information, please contact me.

MRS:kc

Attachment

Quarterly Report on the Implementation of House Bill 1570 and Senate Bill 1168

April 1, 2016- June 30, 2016

Report Mandate

Item 342 (E) of the 2015 Appropriation Act directs the Department of Social Services (DSS) to provide a quarterly report on the implementation of House Bill 1570/Senate Bill 1168 (2015) to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees.

Background

House Bill 1570/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 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, three new positions were filled this quarter, two positions are in the interview screening stage, for a total of six new positions since July 1, 2015. Sixty-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 have been submitted. 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. As of June 15, 2016, seven counties submitted business license reports to DSS this quarter. A total of 100 localities have reported since July 1, 2015, of which 24 reported not issuing business licenses to child day centers or family day homes.

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 needed changes to the Background Information System. The decision was made to move forward with writing a Request for Proposal (RFP) for a fingerprint vendor to include DSS, the Department of Behavioral Health and Developmental Services, and the Department of Health. This RFP is expected to be issued later this summer.

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. Some 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.
- Modifications to information systems are in development for the Subsidy Program and the Division of Licensing Programs. These systems modifications are needed in order to conduct health and safety inspections of subsidy programs, which is a requirement of the federal law.
- 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, the first PSA titled, Choose the Right Provider was released and is currently on air. The PSA explains that one of the most important decisions a parent can make is choosing licensed child care. It encourages the listener to visit the microsite www.childcareva.com to learn of the benefits of choosing a licensed provider and tips on how to search for a provider. The development of a television commercial 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. DSS will be notifying staff and providers of these new requirements before July 1, 2016. DSS has requested the Office of the Attorney General to review existing barrier crimes lists. Staff and providers will be notified if any changes are determined.

Enactment Clause four requires DSS to develop and make available training and technical assistance for child care providers on new requirements. Information sessions 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 Child Care Subsidy Program has scheduled 22 information sessions across the state to inform Subsidy providers of the upcoming changes mandated by federal law. The information sessions for providers will begin in July 2016. Additional information will be reported in future quarterly reports as the training commences.

Enactment Clause five 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. Governor McAuliffe signed the bill into law on May 31, 2016. This enhanced penalty was a recommendation of the 2015 *Report on Penalty Recommendations for Individuals Operating a Child Day Center or Family Day Home without a License*. DSS will be notifying staff, providers, and partners of this new, enhanced penalty.

Enactment Clause six 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 has been submitted to the Commissioner of DSS.

Conclusion

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