



COMMONWEALTH of VIRGINIA

DEPARTMENT OF SOCIAL SERVICES

Office of the Commissioner

Margaret Ross Schultze
COMMISSIONER

January 4, 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 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 questions or need additional information, please contact me.

MRS:kc

Attachment

October 1, 2015 – December 31, 2015

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 has begun recruitment for new licensing inspector positions in anticipation of additional programs needing licensure due to these changes. Four positions have been advertised, with one position filled.

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. DSS has begun collecting these local government reports on child care business licenses; the first report is due to DSS on January 1, 2016. Fourteen localities have submitted reports and 20 localities have indicated they do not issue business licenses for child care and therefore do not need to submit reports. This data will be collected and analyzed by DSS Division of Licensing- Children's Programs.

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. An internal licensing workgroup continues to meet, determining implementation and timelines for the fingerprint checks. The DSS Office of Background Investigations continues to research system requirement changes that are needed and is working with the Division of Information Systems to implement these changes.

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:

- Workgroups are addressing numerous areas, including health and safety standards and inspection procedures for unlicensed subsidy providers, training requirements, and development of a statewide child care disaster plan.
- 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.
- Identification of requirements and estimated costs of automated system changes associated with the federal requirements is underway.
- 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. A workgroup has been established and a communication plan has been drafted to disseminate information through a newly obtained microsite and public service announcements (PSAs). The microsite is currently being coded and narrative draft content has been provided for website formatting. The microsite and PSAs are anticipated to begin in early 2016.

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. The *Report on Penalty Recommendations for Individuals Operating a Child Day Center or Family Day Home Without a License* was submitted by December 1, 2015.

Enactment Clause 6 requires DSS to report on requirements in the Child Care and Development Block Grant to the Chairman of the Senate Committee on Rehabilitation and Social Services and the House Committee on Health, Welfare, and Institutions by Dec 1, 2015. The Division of Child Care and Early Childhood Development completed the report and it has been submitted to the General Assembly.

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 in process.

Conclusion

DSS continues to work on implementation for House Bill 1570/Senate Bill 1168. Two reports to the Governor and the General Assembly required by this Act were submitted this quarter: *Report on Penalty Recommendations for Individuals Operating a Child Day Center or Family Day Home Without a License*; and *Report on Requirements Established by the Child Care and Development Block Grant Act of 2014*.