



Proposed Regulation Agency Background Document

Agency name	State Board of Social Services
Virginia Administrative Code (VAC) citation	22 VAC 40 -690
Regulation title	Virginia Child Care Provider Scholarship Program
Action title	Amend Child Care Provider Scholarship Program regulation for efficiency and effectiveness
Date this document prepared	August 15, 2007

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 21 (2002) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Brief summary

In a short paragraph, please summarize all substantive changes that are being proposed in this regulatory action.

The Virginia Child Care Scholarship Program provides financial assistance to child care providers attending child care development and administration courses at Virginia's institutions of higher education. The regulation is to be amended to reflect efficient business practices and to further delineate the scholarship applicant selection process.

Legal basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant law and/or regulation, including Code of Virginia citation and General Assembly chapter number(s), if applicable, and (2) promulgating entity, i.e., the agency, board, or person. Describe the legal authority and the extent to which the authority is mandatory or discretionary.

This regulation informs the public and childcare providers of the process used by the Virginia Department of Social Services to administer the Virginia Child Care Provider Scholarship Program. The Code of Virginia, § 62.2-217, authorizes the State Board of Social Services to promulgate this regulation. The regulation is not mandated by federal or state law or regulation.

Purpose

Please explain the need for the new or amended regulation by (1) detailing the specific reasons why this regulatory action is essential to protect the health, safety, or welfare of citizens, and (2) discussing the goals of the proposal, the environmental benefits, and the problems the proposal is intended to solve.

The goals of the revision are to support professional development of child care providers, promote quality care in child care settings and employ more efficient business practices. This revision addresses the issues of the limited available scholarships being awarded to individuals not working in child care settings, the acknowledgement of the use of a third party administrator and the requirement for agreements with higher education institutions for routine billing and reimbursement procedures.

The revision will promote the health, safety and welfare of children by giving priority to applicants who currently work in child care settings; research has shown that the level of the provider’s education has a direct impact on the quality of care provided to children. The revision allows for a more streamlined business process so applicants and institutions participating in the scholarship program have clear guidelines and information about program use and processes.

Substance

Please briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. (More detail about these changes is requested in the “Detail of changes” section.)

The substantive regulatory changes include: 1) recognize the Department of Social Services’ relationship with a contractor to accept and process applications, 2) revise the applicant eligibility and selection process, 3) clarify the business process and procedures for working with colleges and universities, 4) clarify recipient responsibilities, and 5) revise application forms.

Issues

Please identify the issues associated with the proposed regulatory action, including:
1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions;
2) the primary advantages and disadvantages to the agency or the Commonwealth; and
3) other pertinent matters of interest to the regulated community, government officials, and the public.

If the regulatory action poses no disadvantages to the public or the Commonwealth, please so indicate.

The primary advantages in amending this regulation are 1) child care providers and the public will be better informed of the scholarship selection process; 2) scholarship funds will be available to more individuals currently working in child care; 3) the Commonwealth will enjoy a more qualified child care workforce; and 4) a more qualified child care workforce will enhance the child care experience of Virginia children and families.

There are no disadvantages to the public, agency, or Commonwealth because of the changes made to the regulation.

Economic impact

Please identify the anticipated economic impact of the proposed regulation.

Projected cost to the state to implement and enforce the proposed regulation, including (a) fund source / fund detail, and (b) a delineation of one-time versus on-going expenditures	There is no projected cost to the state.
Projected cost of the regulation on localities	There is no projected cost to the localities.
Description of the individuals, businesses or other entities likely to be affected by the regulation	The regulation affects current and future child care providers and families and children who utilize child care providers.
Agency’s best estimate of the number of such entities that will be affected. Please include an estimate of the number of small businesses affected. Small business means a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.	There are approximately 12,000 child care facilities, including homes and centers that have been identified by the Department. Much of the child care service that is provided in private homes is not regulated, it is not possible to compute how many additional people are affected.
All projected costs of the regulation for affected individuals, businesses, or other entities. Please be specific. Be sure to include the projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses.	There is no projected cost to individuals, businesses, or other entities.

Alternatives

Please describe any viable alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in §2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulation.

The alternative is to repeal the regulation. This is not feasible or recommended because the regulation safeguards the equitable and appropriate distribution of scholarship funds to assist child care professionals with raising their early childhood education level.

Regulatory flexibility analysis

Please describe the agency’s analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum:

1) the establishment of less stringent compliance or reporting requirements; 2) the establishment of less stringent schedules or deadlines for compliance or reporting requirements; 3) the consolidation or simplification of compliance or reporting requirements; 4) the establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the proposed regulation.

There is no projected adverse impact on small business.

Public comment

Please summarize all comments received during public comment period following the publication of the NOIRA, and provide the agency response.

No comments were received during the public comment period.

Family impact

Please assess the impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

- 1) The child care workforce participating in the scholarship program will be able to immediately implement what they learn in the child care setting, enhancing their ability to recognize and support parents as the child's first and primary teacher.
- 2) Providers who attend and complete college classes improve their level of self-sufficiency by increasing their potential for success and employment in the field of early childhood education. Quality child care options provide parents and families with resources and services to be self-sufficient and earn income working while raising a family.
- 3) Parents with reliable, quality child care are less likely to be absent from work. Thus, they are able to maintain income and reduce the potential stress on marriage that may result from financial problems.
- 4) Individuals who increase their level of education also increase their income potential. Also parents will decrease the risks of lost wages that may occur due to the unavailability of quality child care providers.

Detail of changes

Please detail all changes that are being proposed and the consequences of the proposed changes. Detail all new provisions and/or all changes to existing sections.

If the proposed regulation is intended to replace an emergency regulation, please list separately (1) all changes between the pre-emergency regulation and the proposed regulation, and (2) only changes made since the publication of the emergency regulation.

Current section number	Proposed new section number, if applicable	Current requirement	Proposed change and rationale
20		Applications are obtained from and must be submitted directly to the Virginia Department of Social Services	<p>Applications are available on the DSS website or from its designated agent and must be submitted to the designated agency.</p> <p>The Department uses a contractor to administer the scholarship program. The contractor processes all applications. It is not efficient to have applications collected at the Department.</p>
30		Scholarships are awarded on a first-come, first-served basis.	<p>Priority will be extended to child care providers who are currently working in the child care field.</p> <p>Individuals who have demonstrated a commitment, by active employment, will have an opportunity to take classes and apply gained knowledge immediately to benefit children.</p>
		<p>Applicants may have no more than three occurrences of the following for courses for which the applicant received a scholarship:</p> <ul style="list-style-type: none"> a. Did not register for the course after receiving an award; b. Did not complete the course and received a grade of "W" for withdrawal; or c. Did not receive a passing grade. 	<p>For any one time occurrence of the noted conditions the Department will not award future scholarships to an individual until the applicant reimburses the State for the course tuition and fees that were paid to the college or university on behalf of the applicant.</p>
40		Colleges and universities that have five or more students who participate in the scholarship program must have a written agreement with the Department.	<p>The department or third party administrator will distribute written policies, procedures and expectations to all colleges and universities who participate in the program. This will alleviate the additional time required to draft and process individual agreements and it will ensure that all colleges and universities, regardless of the number of participating students, have the appropriate information to guide the efficient implementation of the program.</p>

55		The institutions that have an agreement with the Department are instructed to submit information for reimbursement.	The terminology will be written to reflect the changes in section 40.
60		The current wording does not clearly articulate the total award available to eligible applicants.	The change will clarify the terms of the maximum life time award available to applicants.
Forms		Terminology and references to current sections.	Amend the forms to reflect updates.