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Periodic Review and Small Business Impact Findings Where Result is "Retain the Regulation As Is"

Agency name	State Board of Social Services
Virginia Administrative Code (VAC) citation	22VAC40-690
Regulation title	Virginia Child Care Provider Scholarship Program
Date	August 16, 2017

This information is required pursuant to Executive Order 17 (2014).

Legal basis

Please identify the state and/or federal legal authority for the regulation, including: 1) the most relevant law and/or regulation; and 2) promulgating entity, i.e., agency, board, or person.

The *Code of Virginia*, § 63.2-217, provides the State Board of Social Services with the authority to promulgate this regulation. The Board shall adopt such regulations, not in conflict with this title, as may be necessary or desirable to carry out the purpose of this title. State law requires a regulation to implement and enforce the rights and benefits provided to the eligible public with this Scholarship Program.

Alternatives

Please describe all viable alternatives for achieving the purpose of the existing regulation that have been considered as part of the periodic review process. Include an explanation of why such alternatives were rejected and why this regulation is the least burdensome alternative available for achieving the purpose of the regulation.

The regulation provides requirements for the individuals working (or intending to work) in child care who are awarded limited financial assistance to obtain formal education in early childhood. Funding is

provided by the federal Child Care and Development Fund and requires state accountability. Without the regulation, the accountability of individual child care providers would be challenging to enforce. The regulation provides a level of security for the participating 2- and 4-year colleges and universities, and negates the need for 23 or more individual contractual agreements with each institution. The regulation clarifies scholarship eligibility, the use of the funds, the lifetime maximum award, and the consequences for wasting a scholarship award. This regulation is the least burdensome alternative available for providing a means for typically low-income, child care providers to improve their knowledge and skills in early childhood, which in turn helps improve the quality of child care statewide.

Public comment

Please summarize all comments received during the public comment period following the publication of the Notice of Periodic Review, and provide the agency response. Please indicate if an informal advisory group was formed for purposes of assisting in the periodic review.

No public comments were received.

Effectiveness

Please indicate whether the regulation meets the criteria set out in Executive Order 17 (2014), e.g., is necessary for the protection of public health, safety, and welfare, and is clearly written and easily understandable.

The regulation is necessary for the protection of public welfare, providing the eligibility criteria and application process for the Virginia Child Care Provider Scholarship Program, and clarifying the appeal process, if needed. The regulation is clearly written and easily understandable, and meets all other EO17 (2014) criteria.

Result

Please state that the reason why the agency is recommending that the regulation should stay in effect without change.

The agency is recommending that the regulation stay in effect without change. It is straightforward and provides clear requirements for the use of the funds, how the funds will be paid, and the appeal process. The regulation provides clear guidance for the Program and stakeholders. There is nothing that needs to change in any component of the regulation.

Small business impact

In order to minimize the economic impact of regulations on small business, please include, pursuant to § 2.2-4007.1 E and F, a discussion of the agency's consideration of: 1) the continued need for the regulation; 2) the nature of complaints or comments received concerning the regulation from the public; 3) the complexity of the regulation; 4) the extent to which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and 5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation. Also, include a discussion of the basis for the agency's determination to retain

the regulation as is, consistent with the stated objectives of applicable law, to minimize the economic impact of regulations on small businesses.

- 1) Child care providers are typically low-income earners and need financial assistance to take college courses to improve their knowledge and skills in child development and early education. With the increasing market-driven need for child care providers to earn formal education degrees, the need exists for financial help for these low-income earners. Research proves that having educated child care teachers is the single, most influential factor that positively impacts the level of quality of a child care program. There are over 100,000 child care small businesses in the Commonwealth.
- 2) To date, we have only received complaints from the public when the federal funds have been exhausted before the need is met.
- 3) The regulation is clear and concise, covering all parts of the Scholarship Program: eligibility, benefits, and consequences.
- 4) The regulation does not overlap, duplicate, or conflict with federal or state law or regulation.
- 5) This regulation was last revised in 2013. Since that time, the Virginia Child Care Provider Scholarship Program developed an online database to streamline the application process and automate communication with the applicants. This has saved the state administrative time and money.

The regulation is being retained with no change because no needed changes were identified. Repealing this regulation would have a negative economic impact on Virginia's institutions of high education (mainly the community colleges), the child care industry, and would contribute to low-quality early education, having an overall negative economic impact on society (Grunewald and Rolnick, July 2010).