

SMALL BUSINESS IMPACT STATEMENT

In order to accurately predict the impact the adoption, amendment, or repeal of a regulation will have on small businesses, the promulgating authority must conduct a thorough analysis that not only considers the potential effects of the action but also quantifies the costs, if any, associated with each. The questions below are designed to aid promulgating authorities in conducting their analysis.

Agency submitting regulation:

Department of Human Services

Subject matter of regulation:

Child Care Assistance Program Section 0850 Starting Right Child Care Program

ERLID No: 7755

7730 emergency; amends ERLID 7516

Statutory authority:

RIGL 40-6

Other agencies affected:

None

Other regulations that may duplicate or conflict with the regulation:

None

Describe the scope and objectives of the regulation:

This rule establishes the regulations for certification of clients and providers within the Starting Right Child Care Assistance Program (CCAP), which ensures access to affordable, developmentally appropriate, early childhood education and support services for young children and their families. CCAP's focus is on providing low to moderate-income families with the financial resources to find and afford quality child care for their children; promoting a stable, regulated, well-qualified provider community; and implementing quality initiatives to enhance the quality of child care in Rhode Island.

Proposed revisions have been filed under emergency rule-making guidelines to reflect the 2013 changes in the Federal Poverty Level guidelines. Additional revisions have been made to sections 0850.03.02 - CPD Application for Approval Process; 0850.03.04 - DHS-CCAP Approved Provider Agreement; and, 0805.06.05 - Entry into the Quality Rating and Improvement System for CCAP Approved Providers to clarify the process by which CCAP providers were awarded a One Star, the steps necessary to maintain a One Star, and the requirement of maintaining a minimum of a One Star as a condition of being a CCAP approved provider. These changes are effective April 1, 2014 under emergency-rule making provisions as well as being filed under regular rule-making to sustain the changes and provide for public comments and engagement.

Technical amendments have been made to section 0850.02.04 (D)(3)(c) to clarify that the minimum wage requirement applies for any parent with earned income and to remove language that implied a single parent household needs to have earned income.

What was the rationale for establishing this regulation?

Rhode Island's Quality Rating and Improvement System (QRIS) is established and administered under the authority of the state and federal laws. Promulgated in accordance with 45 CFR Part 98 and RI General Laws 42-12-23 and 42-12-23.1.

DHS administers the Quality Rating and Improvement System and partners with public and private agencies that receive funding for the implementation of the QRIS, including collecting and validating information, conducting standardized observations, assigning quality ratings, and providing quality improvement services.

Proposed revisions clarify the process by which CCAP providers were awarded a One Star, the steps necessary to maintain a One Star, and the requirement of maintaining a minimum of a One Star as a condition of being a CCAP approved provider.

Does the rationale still exist?

Yes

Is the rationale still relevant?

Yes

Business industry (s) affected by the regulation:

Sector 62: Health Care and Social Assistance

Types of businesses included in the industry (s):

Child Day Care Services 624410

Total number of small businesses included in the regulated industry (s) (Please see the attached guidance documents for assistance determining the total number of small businesses)

1

Number of small businesses potentially subject to the proposed regulation:

1

How often do small businesses contact your agency for assistance with clarification of the regulation and/or receive assistance with compliance issues?

Never

What is the cost to your agency of establishing and enforcing this regulation?

No cost

What would the consequences be if the regulation did not exist?

The agency would be out of compliance with Federal Poverty Levels and guidelines set through the Race to the Top Grant.

Effective date used in cost estimate:

April 2, 2014

For each question below, please answer “yes” or “no” and offer a brief explanation.

Please describe any facts, data, views, arguments, or other input from small businesses, organizations or any other sources that were used to quantify the impacts outlined below.

1.	Yes X	No	Do small businesses have to create, file, or issue additional reports? For continued approved provider status, all licensed providers shall maintain a minimum of designation of One Star in the Quality Rating Improvement System. Maintenance of a program’s Star level designation includes the completion and submission of a Quality Improvement Plan to ensure compliance with the Quality Rating and Improvement System criteria outlined in addendum 4, 5 & 6 in this rule. Child care programs/providers complete an application to participate in the Quality Rating and Improvement System (QRIS), indicating their desired star rating on the application. Once the complete application has been submitted and reviewed, QRIS staff may conduct one or more unannounced site visits prior to awarding a program their initial Star Rating. Programs then need to maintain that rating by 1) continuing to meet the criteria as set out in addendums 4, 5, and 6 of the Child care Assistance Program Rules and Regulations; 2) completing and submitting a Quality Improvement Plan within 3 months of receiving their initial star rating; and 3) completing and submitting an annual report each year.
2.	Yes X	No	Do small businesses have to implement additional recordkeeping procedures? Child care programs/providers complete an application to participate in the Quality Rating and Improvement System (QRIS), indicating their desired star rating on the application. Once the complete application has been submitted and reviewed, QRIS staff may conduct one or more unannounced site visits prior to awarding a program their initial Star Rating. Programs then need to maintain that rating by 1) continuing to meet the criteria as set out

			in addendums 4, 5, and 6 of the Child care Assistance Program Rules and Regulations; 2) completing and submitting a Quality Improvement Plan within 3 months of receiving their initial star rating; and 3) completing and submitting an annual report each year.
3.	Yes	No X	Do small businesses have to provide additional administrative oversight? No. These proposed regulations do not require additional oversight or administrative burden on businesses that they govern.
4.	Yes	No X	Do small businesses have to hire additional employees in order to comply with the proposed regulation? No. These proposed regulations do not require additional hiring to comply.
5.	Yes	No X	Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)? No. These proposed regulations do not require additional hiring to comply.
6.	Yes	No X	Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation? No. These proposed regulations will not require any capital investments to comply with these regulations.
7.	Yes X	No	Are performance standards more appropriate than design standards? Performance standards are already contained in the rules captured in the amendments.
8.	Yes X	No	Does the regulation require small businesses to cooperate with audits, inspections, or other regulatory enforcement activities? For continued approved provider status, all licensed providers shall maintain a minimum of designation of One Star in the Quality Rating Improvement System. Maintenance of a program's Star level designation includes the completion and submission of a Quality Improvement Plan to ensure compliance with the Quality Rating and Improvement System criteria outlined in addendum 4, 5 & 6 in this rule.
9.	Yes	No X	Does the regulation have the effect of creating additional taxes and/or fees for small businesses? No fee associated.
10.	Yes	No	Does the regulation require small businesses to provide educational services to

		X	keep up to date with regulatory requirements? No. There is no education or training required by these proposed regulations.
11.	Yes	No X	Is the regulation likely to <i>deter</i> the formation of small businesses in RI? No. Small businesses in child care do not have to apply to be CCAP providers. If they choose to be an approved CCAP provider through DHS they would need to comply.
12.	Yes	No X	Is the regulation likely to <i>encourage</i> the formation of small businesses in RI? See response to Question #11 above.
13.	Yes	No X	Can the regulation provide for less stringent compliance or reporting requirements for small businesses? No, for consistency and compliance with Race to the Top the reporting requirements are necessary is a provider chooses to become CCAP approved.
14.	Yes	No X	Can the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses? See response to Question #13 above.
15.	Yes	No X	Can the compliance or reporting requirements be consolidated or simplified for small businesses? See response to Question #13 above.
16.	Yes	No X	Can performance standards for small businesses replace design or operational standards? No. This question is not applicable to this type of regulatory action
17.	Yes	No X	Are there alternative regulatory methods that would minimize the adverse impact on small businesses? These proposed regulations support small businesses as opposed to causing an adverse impact on small businesses.
18.	Yes X	No	Have any small businesses or small business organizations been contacted during the preparation of this document? If so, please describe. The CCAP Program holds a monthly Advisory Committee Meeting where all program changes and initiatives associated with Race to the Top are vetted.

			Membership of the Advisory Committee is comprised of community advocates as well as direct owners of Child Care organizations as well as union representation from the newly enacted Child Care Unionization.
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