

MEMORANDUM

DATE: March 11, 2016

TO: Katherine Vasquez, DSHS Rules Coordinator
DSHS Rules and Policies Assistance Unit
Administrative Services Division, MS:45850

FROM: Kristina Wright, Division of Licensed Resources Program Manager
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SUBJECT: Small Business Economic Impact Statement and Cost Benefit Analysis
for Proposed Amendments to Chapters 388-145, 388-147, and 388-148
WAC

SUMMARY OF PROPOSED RULES

The Department of Social and Health Services' Children's Administration is proposing amendments to chapters 388-145, 388-147, and 388-148 WAC, Licensing Requirement for Group Care Facilities, Child Placing Agencies and Adoption Services, and Child Foster Homes.

DLR licensing requirements were amended on January 11, 2015. Since the release foster parents, DSHS agency staff, group care facilities, and child placing agencies have requested additional changes. The intent of the proposed WAC revisions are to provide foster parents, department staff, and group care facilities, and child placing agencies additional clarification on the licensing process and requirements.

The proposed amendments to this chapter include, but are not limited to:

- The definition of “child”, “children”, or “youth” will be revised to no longer include up to twenty-one years of age and pursuing a high school or equivalency course of study (GED/HSEC), or vocational program.
- An exception to the group care and child placing agency staff qualifications is being implemented.
- New requirement for reporting incidents involving children.
- Additional clarification regarding bedroom sharing requirements.

- The National Center for Missing and Exploited Children contact number has been added for foster parents and agencies to call when there is a child missing from care. This change is due to the new federal legislation requirement; Public Law 113-183 The Preventing Sex Trafficking and Strengthening Families Act that goes into effect on September 29, 2016.
- New requirements for infant safe sleep procedures.
- Home schooling is being prohibited in licensed foster homes.
- Additional clarification on weapon storage in foster homes.
- Other language or housekeeping edits have been made.

SMALL BUSINESS ECONOMIC IMPACT STATEMENT—DETERMINATION OF NEED

Chapter 19.85 RCW, The Regulatory Fairness Act, requires that the economic impact of proposed regulations be analyzed in relation to small businesses. The statute defines small businesses as those business entities that employ fifty or fewer people and are independently owned and operated.

These proposed rules impact Child Placing Agencies and adoption services and group care facilities. These businesses fall under the Child Group Foster Homes designation by the North American Industry Classification System (NAICS) codes (#623990).

Preparation of an SBEIS is required when a proposed rule has the potential of placing a disproportionate economic impact on small businesses. The statute outlines information that must be included in a Small Business Economic Impact Statement (SBEIS).

The Children's Administration has analyzed the proposed rule amendments and has determined that small businesses will not be disproportionately impacted by these changes. There are no additional costs to child placing agencies or group care facilities with the implementation of the WAC revisions noted above.

INDUSTRY ANALYSIS

The Division of Licensed Resources (DLR), Children's Administration (CA), is responsible for the development and regulatory oversight of all licensing requirements for Child Placing Agencies and Group Residential Facilities per RCW 74.15. As part of their monitoring, DLR keeps a current internal database that identifies all affected small businesses.

Most of the child placing agencies and facilities with whom CA contracts are considered to be small businesses employing fewer than 50 staff. These proposed rules impact the licensing of child placing agencies and adoption services and group care facilities.

INVOLVEMENT OF SMALL BUSINESSES

DLR involved child placing agencies licensing staff, tribes, and group residential care stakeholders. An email survey was sent out to the 231 child placing agencies or group care facilities licensed by the DLR statewide. These small businesses were asked whether or not the implementation of the proposed WAC revision would cause additional

costs to either the child placing agency or group care facility. All of the agencies that responded indicated that there would not be additional costs.

COST OF COMPLIANCE

Under RCW 19.85.020, Children's Administration has considered annual costs to small businesses that are fifty dollars or more per child served annually.

GENERAL COSTS

DLR's analysis revealed that there are no costs imposed by the proposed amendments. An email survey was sent out to the 231 child placing agencies or group care facilities that DLR licenses statewide. Out of 231 emails sent, 23 responses were received and 100% reported that the implementation of the proposed WAC revision would not cause any additional cost to the group care facilities.

Benefits for Proposed Rules

The proposed WAC revisions for chapters 388-145, 388-147, and 388-148 WAC will provide foster parents, DSHS staff, child placing agency staff, and group care staff further clarification on the licensing process and the minimum licensing requirements. It will also create some new additional requirements for the safety and well-being of children.

JOBS CREATED OR LOST

We do not anticipate that jobs will be lost or created as a result of these rules.

CONCLUSION

The Division of Licensed Resources, Children's Administration has given careful consideration to the impact of proposed rules in chapters 388-145, 388-147, and 388-148 WAC would have on small businesses. To comply with the Regulatory Fairness Act, Chapter 19.85 RCW, DLR has analyzed impacts on small businesses and there is no cost to child placing agencies or group care facilities with the proposed WAC amendments.

Please contact Kristina Wright if you have questions.