

**Testimony on House Bill 685**

**Harriet Dichter, Acting Secretary**

**House Children and Youth Committee**

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**pennsylvania**

**DEPARTMENT OF PUBLIC WELFARE**

## **Introduction**

Good afternoon, Chairwoman Bishop, Chairman O'Brien, committee members and staff. Thank you for the opportunity to testify today regarding House Bill 685. This legislation impacts the operation of family child care homes and the Department of Public Welfare's, DPW, regulation of those facilities. Family child care homes are one of three categories of regulated child care programs, providing care to four, five or six children. By statute, a family child care home must be located in a private home. These facilities are registered by the Department. Registration is a self-certification system that was created by the General Assembly in 1981. As of October 1, 2009, there are 3618 registered family child care homes in Pennsylvania serving over 22,000 or six percent of children in care.<sup>1</sup>

## **House Bill 685**

House Bill 685 proposes to amend Article X(c) of the Public Welfare Code to require:

- An applicant for a family child care home registration certificate to submit proof of a current general liability insurance policy that covers all persons on the premises of the facility. The requirement applies to applications to operate a new facility and to renewal applications.

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<sup>1</sup> The other two types of regulated child care facilities are child care centers and group child care homes. Child care centers are the largest child care facilities with a maximum capacity based on the physical size of the building. As of October 1, 2009, there are 4,389 licensed child care centers in Pennsylvania and they serve approximately 320,000 or 92 percent of children in care. Group child care homes are a sub-category of child care centers. Seven through 12 children may receive care in a group child care home. Many group child care homes are located in the provider's home. As October 1, 2009, there are 887 licensed group child care homes in Pennsylvania and they serve 10,644 or 3 percent of children in care. Across the commonwealth, approximately 350,000 children receive care in close to 8,000 licensed and registered child care facilities in these three categories.

- The operator to post in the facility the current certificate of compliance, a copy of the DPW regulation, a copy of the facility's inspection summary and other records required by DPW.
- The operator to provide in writing and review with the parent the numerous documents and facility policies, including the insurance policy.
- The parent, upon enrollment, to sign an agreement and provide emergency contact information required by DPW.

**DPW's position on House Bill 685 is as follows:**

- **Liability insurance**

Currently, family child care homes are the only child care facilities that are not required to obtain general liability insurance. Child care centers and group child care homes are required to have this type of coverage.

DPW's research into liability insurance for family child care homes reveals that liability insurance will cost between \$350 and \$800 annually. Premiums will depend on policy limits (higher limits mean higher premiums) and the amount of the deductible (lower deductibles mean higher premiums). Some companies' premiums also may depend on the size of the home and/or the number of children in care.

General liability insurance provides the operator with protection from claims arising from injuries or damage to other people and serves as a protection for the operator.

We support the liability insurance provision for several reasons. We know that some providers already purchase liability coverage to protect themselves in the event of litigation, so this requirement will not create additional costs for all family child care homes, only those who currently do not have coverage. Typically, family child care homes are sole proprietorships and

are located in the operator's home. Facing a lawsuit due to an injury in the family child care home would be catastrophic for these operators who could face losing their homes and/or bankruptcy due to lack of liability insurance. Additionally, if a child suffered a severe injury at the family child care home, the liability insurance could help cover the child's medical costs. The immediate cost of annual insurance coverage would be less than the cost a provider could face in the event of a lawsuit.

Second, based on the cost estimates DPW received, liability insurance would cost \$350 to \$800 annually. This breaks down to \$6.73 to \$15.38 per week or 96 cents to \$2.19 per day. DPW believes this cost is reasonable for a family child care home. As a point of comparison, group child care homes have an average capacity of 12 children, are required to carry liability insurance, and have the additional costs of hiring staff. Family child care homes serve no more than six children and do not have the cost of paying employees. Comparing the costs of doing business for the two types of facilities, it is clear that family child care homes can bear this modest increase in costs just as group child care homes do today.

- **Post the current certificate of compliance, a copy of the regulation, a copy of the facility's inspection summary and other records required by DPW.**

These requirements are part of the family child care home regulation at 55 Pa. Code Chapter 3290.

- **The operator must provide in writing and review with the parent the facility's certificate of compliance, inspection summary, insurance policy, emergency plan, general daily schedule, hours in which care is provided, fees, responsibilities for meals, clothing, health policies, supervision policies, night care policies, dismissal policies, transportation, pickup arrangements and any other policy as required by DPW.**

DPW's family child care home regulation requires the operator to review with the parent at the time of application, the facility's general daily schedule, hours in which care is provided, fees, responsibilities for meals, clothing, health policies, supervision policies, night care policies, dismissal policies, transportation and pick-up arrangements. At the time of enrollment, the operator must provide this information to the parent in writing. Additionally, the regulation requires that the operator provide the parent with a letter that contains information about the emergency plan.

The regulation also requires that the facility's certificate of compliance must be posted in a conspicuous location and that an inspection summary must also be posted near the certificate until such time as the department determines that all violations are corrected. Instructions for contacting the appropriate regional office are also required to be posted at the same location. The operator is also required to give each parent a copy of the regulation.

These provisions are in the best interest of all involved in assuring sound communication and information flow from parent to provider and back again, in order to best serve the needs of the children.

- **The parent, upon enrollment, is required to sign an agreement and provide emergency contact information required by the Department.**

The regulation requires the facility operator to sign an agreement with the parent and obtain emergency contact information from them. The Department has regulatory authority over the facility and facility operator through the registration process; however, DPW does not regulate parents and therefore, this language should be directed at the operator's responsibility to obtain the information, not the parent. The intent of this provision is sound.

The provisions of House Bill 685 mirror language that appears in Senate Bill 59. DPW suggests that the following language that is included in Senate Bill 59 be added to House Bill 685:

- **The facility operator must provide information to the parent regarding how to contact the Regional Office of Child Development and Early Learning to obtain the facility's registration history and compliance history and if the parent wants to file a complaint or make inquiries about the facility.**

The current regulation requires that instructions for contacting the appropriate regional office must be posted at the same location as the facility's certificate of registration. This language goes further by requiring the operator to hand the parent information about contacting the regional office. DPW agrees with this requirement and can prepare forms that a family child care home operator can use for this purpose.

- **DPW is provided with procedures for emergency closure when especially egregious circumstances, such as gross incompetence, negligence, misconduct, or mistreatment or abuse of children that constitutes an immediate threat to a child.**

Currently, DPW has the authority to pursue emergency closure of child care centers and group child care homes. This authority is provided under the department's regulation at 55 Pa. Code Chapter 20 which is applicable only to facilities that are approved and licensed by the department. The addition of an emergency closure provision for family child care homes affords additional protection to children. The language should authorize DPW's staff to request assistance with an immediate closure from law enforcement and the removal of children. DPW staff are required to remain at the facility until notified parents arrive to pick up their children

and to take children to a safe location. This action can be taken quickly to close a facility that poses an immediate danger to children in care.

DPW supports House Bill 685 with the recommended amendments as a responsible step toward providing safer environments for children in care at family child care homes. Thank you for the opportunity to testify today and I will answer any questions you have at this time.