

## SMALL BUSINESS IMPACT STATEMENT 2016

### PROPOSED AMENDMENTS TO NAC 432A

The Division of Public and Behavioral Health (DPBH) has determined that the proposed amendments should not create significant impact upon a small business or hinder the formation, operation or expansion of a small business in Nevada.

A small business is defined in Nevada Revised Statutes NRS 233B as a "business conducted for profit which employs fewer than 150 full-time or part-time employees."

This small business impact statement is made pursuant to NRS 233B.0608 (3) and complies with the requirements of NRS 233B.0609. As required by NRS 233B.0608(3), this statement identifies the methods used by the agency in determining the impact of the proposed regulation on a small business in sections 1, 2, 3, and 4 below and provides the reasons for the conclusions of the agency in section 8 below followed by the certification by the person responsible for the agency.

#### **Background**

In 2014, the federal government passed the Child Care Act which stipulates precise mandated changes to occur within all licensed child care facilities across the States. The set forth proposed amendments were generated in efforts to bring the State of Nevada into compliance with these federal mandates. The necessary amendments were made to provider trainings; school ratios and group size as required.

#### **1) A description of the manner in which comment was solicited from affected small businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

The amended regulations of NAC432A were sent out to State of Nevada licensed child care facilities and posted publicly for other interested parties. The delivery outlets included postings to the listserv, child care licensing website, as well as, being electronically mailed. Majority of the responses received indicate that the proposed changes will have an adverse effect on small business in its current state. Individuals who answered the small business impact questionnaire explain that the effect would put a financial strain on their business and found the changes to be excessive.

Pursuant to NRS 233B.0608 (2)(a), the Division of Public and Behavioral Health has requested input from State of Nevada licensed child care facilities.

A Small Business Impact Questionnaire was sent to licensed child care facilities along with a copy of the proposed regulation changes, on July 25<sup>th</sup>, 2016. The questions on the questionnaire were:

- 1) How many employees are currently employed by your business?
- 2) Will a specific regulation have an adverse economic effect upon your business?
- 3) Will the regulation(s) have any beneficial effect upon your business?
- 4) Do you anticipate any indirect adverse effects upon your business?
- 5) Do you anticipate any indirect beneficial effects upon your business?

**Summary of Response**

<b>Summary Of Comments Received</b> <b>67 responses were received out of 459 small business impact questionnaires distributed)</b>			
<b>Will a specific regulation have an adverse economic effect upon your business?</b>	<b>Will the regulation (s) have any beneficial effect upon your business?</b>	<b>Do you anticipate any indirect adverse effects upon your business?</b>	<b>Do you anticipate any indirect beneficial effects upon your business?</b>
Respondents that replied yes stated that the increase of training will adversely affect their business because trainings come at a cost. Increasing supervision needs will mean hiring more staff which will cost the facility.	Respondents did claim that having more training will be beneficial by keeping caregivers knowledgeable on their day to day activities. Increase to supervision is good because it helps to ensure children's safety.	Trainings and hiring of more caregivers will cost the facilities in the end which in turn will require the facilities to raise the cost to the parents that utilize their services.	More education and better supervision.

<b>Number of Respondents out 67</b>	<b>Adverse economic effect?</b>	<b>Beneficial effect?</b>	<b>Indirect adverse effects?</b>	<b>Indirect beneficial effects?</b>
	48	15	27	6
	67	67	67	67

**2) Describe the manner in which the analysis was conducted.**

- a) Program review of the responses sent in and summarized.

**3) The estimated economic effect of the proposed regulation on the small business which it is to regulate including, without limitation both adverse and beneficial effects and both direct and indirect effects.**

- a) Training, as it stands within the license process, does come with various fees and with the increase of mandated trainings to be taken, the cost would reasonably increase. However, it is important to note that the newly required trainings would only need to be taken once by the facility employee for their duration of being employed at the facility with updated trainings to be taken as information on a particular subject or topic evolves. Providers will only need to take the new mandated classes initially upon hire, which will then be prorated against any required annual hours that first year; this will assist to combat the increase.
- b) Ratios could have an economic effect within child cares because supervision of children would require a set number of caregivers within a classroom of children. However, the proposed ratios do not overly differ from current standards and it is not anticipated that the economic effect will adversely affect the schools, but will help to ensure compliance and mitigate risk to children's safety.
- c) Group size as currently delineated out within the proposed regulations could have an economic impact on facilities, however, a feasible compromise of ensuring that all facilities will be able to utilize all usable square footage within classrooms while adhering to group size mandates will help to minimize that economic effect.

**4) Provide a description of the methods that the agency considered reducing the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.**

The Division of Public and Behavioral Health has held several opportunities for child care businesses to provide input and comments regarding the proposed NAC432A proposed regulations, including the economic impact the proposed regulations may have on these child care businesses. Modifications to the proposed regulations will be made as a result of this input. Workshops will be held on September 30<sup>th</sup>, 2016 allowing for further input by child care providers regarding the proposed regulations and how they will impact their businesses. These comments will be taken into consideration for possible further revisions to the regulations to reduce the economic impact on facilities.

**5) The estimated cost to the agency for enforcement of the proposed regulation.**

NONE

**6) If the proposed regulation provides a new fee or increases an existing fee, the total annual amount DPBH expects to collect and the manner in which the money will be used.**

NONE

7) **An explanation of why any duplicative or more stringent provisions than federal, state or local standards regulating the same activity are necessary.**

NONE

8) **Provide a summary of the reasons for the conclusions of the agency regarding the impact of a regulation on small businesses.**

The agency recognizes that the proposed amendments are essential to ensuring the continued health and safety of the children and families that utilize these child care facilities. Continued education and by placing strong safeguards around supervision are among the basic function of need in producing equitability in the quality of care offered throughout the State. The agency is also mindful of the economic impact changes can have on facilities which is why the agency is willing to make feasible modifications that will not compromise the health and safety of the children this State serves.

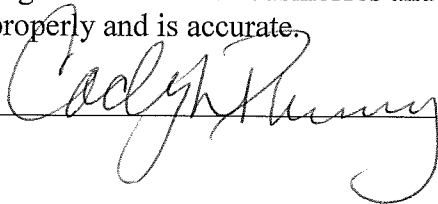
Any other persons interested in obtaining a copy of the summary may e-mail, call, or mail in a request to Latisha Brown at the Division of Public and Behavioral Health at:

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3811 W. Charleston Blvd, Suite 210  
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**Certification by Person Responsible for the Agency**

I, Cody Phinney, Administrator of the Division of Public and Behavioral Health certify to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and the information contained in this statement was prepared properly and is accurate.

Signature



Date:

9/15/16