

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**PUERTO RICO CHILDCARE HOME
PROVIDERS DID NOT ALWAYS
COMPLY WITH COMMONWEALTH
HEALTH AND SAFETY REQUIREMENTS**

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EXECUTIVE SUMMARY

The 20 childcare homes that we reviewed in Puerto Rico did not always comply with applicable lead agency requirements to ensure the health and safety of children.

WHY WE DID THIS REVIEW

The Administration for Children and Families provides Federal grants through several programs, including Head Start and the Child Care and Development Fund (CCDF). In a December 2011 report summarizing the results of 24 audits of Head Start grantees, we described multiple health and safety issues that put children at risk. To determine whether similar health and safety risks exist at childcare providers that received CCDF funding, we reviewed 20 licensed childcare homes (providers) in Puerto Rico that received CCDF funding. We conducted this review of the Puerto Rico Department of the Family's (State agency) designated lead agency, the Administration for Integral Child Care and Development (lead agency), in conjunction with our review of three child day care centers (report number A-02-14-02001).

The objective of this review was to determine whether the State agency ensured that providers that received CCDF funds complied with lead agency requirements related to the health and safety of children.

BACKGROUND

The CCDF (authorized by the Child Care and Development Block Grant Act and the Social Security Act § 418) assists low-income families, families receiving temporary public assistance, and families transitioning from public assistance to obtain child care so that they may work or obtain training or education. Combined funding for the CCDF program for fiscal year 2014, including the block grant's discretionary fund and the CCDF mandatory and matching funds, was approximately \$5.2 billion. On November 19, 2014, after our fieldwork, the Child Care and Development Block Grant Act of 2014 (P.L. No. 113-186) reauthorized the CCDF program and improved childcare health, safety, and quality requirements. Among other things, the law requires that States' lead agencies perform an initial onsite monitoring visit and at least one annual unannounced onsite visit of providers that have received CCDF subsidies. Lead agencies must maintain a ratio of inspectors to providers sufficient to ensure timely inspections.

The lead agency designated to administer the CCDF program in Puerto Rico is the Administration for Integral Child Care and Development, a division of the State agency. The CCDF program helps low- to moderate-income families in Puerto Rico pay for child care. Parents may select a childcare provider that satisfies the applicable Commonwealth and local requirements, including basic health and safety requirements.

As the lead agency, the Administration for Integral Child Care and Development must monitor providers. According to lead agency officials, the lead agency is required to conduct annual announced and/or unannounced onsite inspections to ensure that providers meet basic health and safety requirements. The lead agency delivers childcare services through two provider types:

(1) providers contracted through municipally operated childcare networks and (2) providers that directly receive CCDF funds through vouchers.

WHAT WE FOUND

The State agency did not ensure that providers that received CCDF funds complied with lead agency requirements related to the health and safety of children. We found that all 20 providers that we reviewed did not always comply with lead agency requirements to ensure the health and safety of children. Specifically, we found potentially hazardous conditions at 19 of the 20 providers, and 11 of the providers did not comply with requirements to obtain background checks on household members and employees.

Although the lead agency retains overall responsibility for ensuring that providers meet health and safety requirements, it required municipalities to use their own inspectors to conduct health and safety inspections on the 14 municipally operated network providers that we reviewed. In addition, the lead agency did not perform any random inspections of these 14 providers during fiscal years 2013 and 2014. Also, the lead agency did not inspect any of the six voucher-funded providers that we reviewed because the lead agency had not established procedures for monitoring these provider types.

WHAT WE RECOMMEND

To improve its health and safety monitoring, we recommend that the State agency:

- update its CCDF State Plan to more accurately describe the lead agency's childcare home types and requirements;
- establish binding health and safety requirements for all CCDF providers in Puerto Rico law or regulation;
- have procedures in place to ensure that providers receive adequate training on health and safety requirements;
- develop a single comprehensive and specific checklist to aid in its monitoring of providers for compliance with health and safety requirements, and provide the childcare homes with the checklist;
- correct the specific health and safety issues with the 20 providers noted in this report;
- establish policies and procedures to ensure that onsite inspections are performed at all providers at least annually;
- ensure that all providers comply with requirements for obtaining background checks on providers, household members, and employees; and

- establish requirements in Puerto Rico law or regulation for all household members to obtain a certification that they are not in Puerto Rico’s registry of persons convicted of sex crimes and child abuse.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency concurred with our findings and described actions it had taken and planned to take to address our recommendations.

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INTRODUCTION

WHY WE DID THIS REVIEW

The Administration for Children and Families (ACF) provides Federal grants through several programs, including Head Start and the Child Care and Development Fund (CCDF). In a December 2011 report summarizing the results of 24 audits of Head Start grantees,¹ we described multiple health and safety issues that put children at risk. To determine whether similar health and safety risks exist at childcare providers that received CCDF funding, we reviewed 20 licensed childcare homes² (providers) in Puerto Rico that received CCDF funding. We conducted this review of the Puerto Rico Department of the Family's (State agency) designated lead agency, the Administration for Integral Child Care and Development (lead agency), in conjunction with our review of three child day care centers (report number A-02-14-02001).³

OBJECTIVE

Our objective was to determine whether the State agency ensured that providers that received CCDF funds complied with lead agency requirements related to the health and safety of children.

BACKGROUND

Child Care and Development Fund

Authorized by the Child Care and Development Block Grant (CCDBG) Act (42 U.S.C. 9858 et seq.) and section 418 of the Social Security Act (42 U.S.C. 618), the CCDF assists low-income families, families receiving temporary public assistance, and families transitioning from public assistance to obtain child care so that they may work or obtain training or education. Combined funding for the CCDF program for fiscal year 2014, including the block grant's discretionary fund and the CCDF mandatory and matching funds, was approximately \$5.2 billion.

The CCDBG Act and implementing Federal regulations require the State to maintain a plan that certifies that the State has requirements in State or local law to protect the health and safety of children. The plan must also certify that procedures are in effect to ensure that childcare

¹ *Review of 24 Head Start Grantees' Compliance With Health and Safety Requirements* (A-01-11-02503, issued December 12, 2011).

² A childcare home (referred to as *hogar de cuidado* in Puerto Rico) is defined by regulation as a home care facility dedicated to providing child care for part of a day for up to six children not related to the family operating the facility (PR Regulation 6474 § 2.4). Children under age 12 who are related to the family and are in the home must be included in the maximum capacity of the facility. For example, a family with two children may operate a childcare home and provide services for up to four children not related to the family.

³ The lead agency is a programmatic component of the State agency.

providers comply with these requirements (42 U.S.C. §§ 9858c(c)(2)(F) through (G) and 45 CFR §§ 98.15(b)(5) and (6)).⁴

Federal regulations require States to designate a lead agency to administer the CCDF program (45 CFR § 98.10). In retaining overall responsibility for the administration of the program, the lead agency must ensure that the program complies with the approved Plan and all Federal requirements and must monitor programs and services (45 CFR §§ 98.11(b)(4) and (6)).

Puerto Rico's Childcare Services

In Puerto Rico, the lead agency administers the CCDF program, which helps low- to moderate-income families pay for child care. Parents may select a childcare provider that satisfies the applicable Commonwealth and local requirements, including basic health and safety requirements. Lead agency officials stated that because of English-Spanish translation misunderstandings, the *Puerto Rico CCDF State Plan* does not fully and accurately describe the types of childcare homes and the requirements that apply to these types of homes. To minimize any possible inaccuracies, in this report we relied on information conveyed to us by lead agency officials as well as definitions and requirements laid out in Puerto Rico law and regulation.

The lead agency must monitor providers. According to lead agency officials, the lead agency is required to conduct annual announced and/or unannounced onsite inspections using a checklist to verify that providers comply with health and safety requirements. The lead agency certifies that procedures are in effect to ensure that CCDF-funded childcare providers comply with all applicable State or local health and safety requirements.

Lead agency officials stated that home-based childcare services are provided through two provider types: (1) providers contracted through municipally operated childcare networks and (2) providers who directly receive funds through vouchers. Although the lead agency retains overall responsibility for ensuring that providers meet health and safety requirements, its contracts with municipalities require the municipalities to hire their own inspectors. One of the duties of these inspectors is to complete a lead-agency-provided health and safety checklist.⁵ For voucher-funded providers, the lead agency is responsible for performing onsite health and safety inspections.

Related Office of Inspector General Work

On July 11, 2013, the Office of Inspector General issued to ACF an Early Alert Memorandum Report entitled *License-Exempt Child Care Providers in the Child Care and Development Fund Program* (OEI-07-10-00231). The report concluded that States may and do exempt many types of providers from licensing and that these providers are still required to adhere to Federal health and safety requirements to be eligible for CCDF payments.

⁴ The statutory provisions cited were those in effect during our audit period.

⁵ Lead agency officials stated that the lead agency also conducts its own random inspections of municipally operated childcare network providers.

Child Care Aware of America

Child Care Aware of America (CCAA)⁶ published a 2013 update, *We Can Do Better*, that reviewed and ranked State childcare center regulations and oversight.⁷ CCAA stated that effective monitoring policies are important for child safety and provider accountability for compliance with State licensing requirements. CCAA added that making inspection reports public is an important form of consumer education because parents cannot make informed selections among childcare settings unless they have access to compliance information. Otherwise, they assume that a State license is a seal of approval. CCAA also suggested that, because of the important role effective monitoring plays in promoting child safety and program compliance with licensing, the number of programs that each licensing inspector monitors needs to be reduced, not increased. CCAA recommended that States reduce the caseload for licensing inspectors to a ratio of 1:50 (1 inspector for 50 cases).

Child Care and Development Block Grant Act of 2014

On November 19, 2014, the Child Care and Development Block Grant Act of 2014⁸ reauthorized the CCDF program and improved childcare health, safety, and quality requirements. The law includes a requirement that States' lead agencies perform an initial onsite monitoring visit and at least one annual unannounced onsite visit of providers that have received CCDF subsidies. State lead agencies must maintain a ratio of inspectors to providers sufficient to ensure timely inspections. The law also requires training and professional development of the childcare workforce to meet the needs of the children and improve the quality and stability of the workforce. Specifically, it requires lead agencies to establish ongoing provider training.

HOW WE CONDUCTED THIS REVIEW

Of the 45 providers in Puerto Rico that received CCDF funding from October through December 2013, we selected 20 providers for our review.⁹ We based this selection on the consideration of certain risk factors, including number of children being served by the provider, the amount of funds received by the provider, the provider's geographical location, and whether the provider was contracted through a municipality or directly received funds through vouchers.

⁶ In 2012, the National Association of Child Care Resource & Referral Agencies changed its name to Child Care Aware of America.

⁷ CCAA works with more than 600 State and local childcare resource and referral agencies nationwide. CCAA leads projects that increase the quality and availability of childcare professionals, undertakes research, and advocates childcare policies that positively affect the lives of children and families.

⁸ P.L. No. 113-186 (Nov. 19, 2014).

⁹ Of the 45 providers that received CCDF funding, 33 were contracted through 8 municipalities, and 12 directly received funds through vouchers.

We conducted unannounced site visits from May 12 through 28, 2014, at the 20 providers located throughout Puerto Rico.¹⁰

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains details of our audit scope and methodology, Appendix B contains details on the Federal regulations and Commonwealth licensing health and safety requirements that pertain to providers, and Appendix C contains photographic examples of potentially hazardous conditions.

FINDINGS

The State agency did not ensure that providers that received CCDF funds complied with lead agency requirements related to the health and safety of children. We determined that all 20 providers that we reviewed did not always comply with lead agency requirements to ensure the health and safety of children. Specifically, we found potentially hazardous physical conditions at 19 of the 20 providers, and 11 of the providers did not comply with requirements for obtaining background checks on household members and employees.

Although the lead agency retains overall responsibility for ensuring that providers meet health and safety requirements, it required municipalities to use their own inspectors to conduct health and safety inspections of the 14 municipally operated network providers that we reviewed. In addition, the lead agency did not perform any random inspections of these 14 providers during fiscal years 2013 and 2014. Also, the lead agency did not inspect any of the six voucher-funded providers that we reviewed because the lead agency had not established procedures for monitoring providers who directly receive funds through vouchers.

Appendix D contains the number of instances and categories of potentially hazardous conditions and noncompliance at each provider.

POTENTIALLY HAZARDOUS CONDITIONS OBSERVED

Federal Requirements

Federal regulations require lead agencies to certify that there are in effect, within the area served by the lead agency, requirements designed to protect the health and safety of children that are applicable to childcare providers (45 CFR § 98.41). These requirements must include building and physical premises safety.

¹⁰ Of the 20 providers that we reviewed, 14 were contracted through 6 municipalities, and 6 directly received funds through vouchers.

Commonwealth Requirements

Childcare home providers are required to be licensed by the State agency's licensing division (PR Regulation 6474 § 3.1). Puerto Rico law requires that regulations to determine the granting of childcare licenses shall specify, among others, the requirements to be met with regard to physical facilities, equipment and materials, sanitary conditions of the premises and surroundings, space, light, ventilation, firefighting safety devices, and other measures to protect the health and welfare of children (Title 8 § 76 of the Laws of Puerto Rico Annotated (P.R. Laws Ann.)).

The lead agency certifies that procedures are in effect to ensure that CCDF-funded childcare providers comply with all applicable State or local health and safety requirements. In addition, according to officials, the lead agency performs announced and unannounced visits to childcare homes using a checklist designed to measure compliance with health and safety requirements. These inspections and the contents of the checklist are separate from visits from the licensing division and the licensing requirements it enforces.

Potentially Hazardous Conditions

We determined that 19 of the 20 providers we reviewed had potentially hazardous conditions that could affect the health and safety of children.

Potentially Hazardous Conditions

We identified 59 instances of potentially hazardous conditions at 17 of the 20 providers reviewed. Examples included:

- a hacksaw accessible to children in a cluttered hallway (Appendix C, photograph 1);
- a hammer sitting on the children's dining table (Appendix C, photograph 2);
- a toolbox on the floor of the children's play area (Appendix C, photograph 3);
- cleaning materials in children's play areas (e.g., brooms, dustpans, mops, and empty buckets (Appendix C, photograph 3));
- an unanchored, disconnected, and nonworking stove located in the children's play area with a stove door that children could open, potentially allowing them to climb into the stove (Appendix C, photograph 4);
- a fan in a children's sleeping and play area with an electrical cord that was a tripping hazard (Appendix C, photograph 5);
- a broken fence in a children's playground area (Appendix C, photograph 6);

- a punching bag on the floor next to the sink in the bathroom, with dangerous metal chains (Appendix C, photograph 7);
- furniture and other items not stable or secured to prevent tipping onto a child (e.g., an unsecured tall metal ladder leaning on the wall of a children’s play area (Appendix C, photograph 8)); and
- unidentified emergency exits, no flashlights with batteries for use during power failures, and no first aid kits with basic materials.

Fire and Electrical Safety

We identified 37 instances of potentially hazardous fire and electrical safety conditions at 18 of the 20 providers reviewed. Examples included:

- a fire extinguisher covered by an apron (Appendix C, photograph 8);
- a rusted propane gas tank inside the entrance to the provider’s home, which through leaks or being turned on could cause a catastrophic explosion (Appendix C, photograph 9); and
- no protective covers for electrical outlets and exposed electrical cables and electrical cords in a children’s play area (Appendix C, photograph 10).

Environmental Safety

We identified 20 instances of poisonous substances within areas that were accessible to children at 9 of the 20 providers that we reviewed. Examples included:

- bug spray (insecticide) on a television stand within reach of children (Appendix C, photograph 11);
- a dining table with prescription drugs and household cleaners accessible to children (Appendix C, photograph 12);
- a children’s play area next to a neighbor’s carport, which produced noxious fumes when the car was running (Appendix C, photograph 13); and
- childcare areas that were poorly lit and ventilated.

Home Cleanliness

We identified 13 instances of unclean or unsanitary conditions at 3 of the 20 providers reviewed. Examples included:

- a floor fan with a dusty grill in the children’s sleeping and play area (Appendix C, photograph 5) and

- a dirty love seat in the children’s sleeping area (Appendix C, photograph 14).

Meeting Children’s Physical Needs

We identified 3 instances of childcare homes not meeting children’s physical needs at 2 of the 20 providers reviewed. At one provider, children did not have adequate sleeping arrangements. Specifically, five children were sleeping on two sofa beds in the living room, instead of each child having their own sleeping provisions. In addition, the provider was taking care of seven children, two more than the State agency-approved maximum.¹¹

At another provider, we found that children did not have their own separate dining area. Specifically, the provider used a portable folding table and a sofa bed when feeding the three children under its care.

PROVIDERS DID NOT ALWAYS COMPLY WITH REQUIREMENTS TO OBTAIN BACKGROUND CHECK CERTIFICATIONS

In Puerto Rico, every childcare facility owner, administrator, operator, manager, employee, or volunteer is required to present a Certificate of No Penal Record at least every 6 months (P.R. Laws Ann. Title 8 § 69). In addition, care services entities may not contract or employ anyone unless they have presented a certification indicating that they are not registered in the Puerto Rico registry of persons convicted of sex crimes and child abuse (P.R. Laws Ann. Title 8 § 483). This requirement pertains only to operators and employees, not household members. Further, all providers’ employees and household members must comply with requirements for submitting a Certificate of No Penal Record (Puerto Rico Regulation 6474, § 4.2).

We reviewed the personnel files for background check documents for a total of 38 individuals at the 20 providers and determined that 17 individuals at 11 providers did not comply with background check requirements. Specifically:

- Fourteen individuals (11 household members and 3 operators) did not have a Certificate of No Penal Record.
- Two individuals (an operator and an employee) did not have a Certificate of No Penal Record and did not have a certification that they were not in Puerto Rico’s registry of persons convicted of sex crimes and child abuse.
- An operator did not have a certification indicating that she was not in Puerto Rico’s registry of persons convicted of sex crimes and child abuse.

¹¹ The provider was licensed to care for five children; however, we found that the provider was taking care of seven children, including the provider’s two grandchildren, during our visit.

LEAD AGENCY DID NOT ENSURE THAT ALL PROVIDERS WERE INSPECTED

Commonwealth Requirements

Lead agency officials stated that all childcare home providers are inspected on an annual basis.

Lead Agency Did Not Oversee Municipally Operated Childcare Networks or Inspect Voucher-Funded Providers

The lead agency retains the overall responsibility for ensuring the health and safety of all childcare homes; however, its contracts with municipalities required the municipalities to hire their own inspectors to oversee the health and safety of their network providers. Although these inspections were performed as required, we still found health and safety issues at all 14 homes. Lead agency officials stated that the lead agency conducts random inspections of municipally operated childcare network providers; however, none of the 14 network providers in our sample were inspected by the lead agency during fiscal years 2013 and 2014. In addition, the lead agency did not inspect any of the six providers in our sample that received funds through vouchers.

CAUSE OF NONCOMPLIANCE WITH HEALTH AND SAFETY REQUIREMENTS

The noncompliance with lead agency requirements occurred because the State agency did not have procedures in place to ensure that providers received adequate training on CCDF health and safety requirements. Although municipalities used their own inspectors to perform inspections at the 14 municipally operated childcare network providers, we still found potentially hazardous conditions at all 14 providers. In addition, the lead agency did not perform any inspections of its own at these 14 providers. The lead agency did not develop a single health and safety checklist and did not provide specific guidance on elements of the inspections to the childcare homes. Failure to develop a single checklist for the childcare homes and not discussing the specific health and safety measures in advance resulted in potentially hazardous conditions.

In addition, the lead agency did not perform health and safety inspections during our audit period for any of the six voucher-funded providers because, according to lead agency officials, the lead agency had not established procedures for monitoring home childcare providers.

These instances of potentially hazardous conditions indicate that additional measures need to be taken to ensure that providers clearly understand what is required to safeguard and protect the children in their care. In accordance with the new statutory requirements, the lead agency must establish requirements for ongoing training. Implementation of training related to health and safety regulations would reduce noncompliance.

RECOMMENDATIONS

To improve its health and safety monitoring, we recommend that the State agency:

- update its CCDF State Plan to more accurately describe the lead agency's childcare home types and requirements;
- establish binding health and safety requirements for all CCDF providers in Puerto Rico law or regulation;
- have procedures in place to ensure that providers receive adequate training on health and safety requirements;
- develop a single comprehensive and specific checklist to aid in its monitoring of providers for compliance with health and safety requirements, and provide the childcare homes with the checklist;
- correct the specific health and safety issues with the 20 providers noted in this report;
- establish policies and procedures to ensure that onsite inspections are performed at all providers at least annually;
- ensure that all providers comply with requirements for obtaining background checks on providers, household members, and employees; and
- establish requirements in Puerto Rico law or regulation for all household members to obtain a certification that they are not in Puerto Rico's registry of persons convicted of sex crimes and child abuse.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency concurred with our findings and described actions it had taken and planned to take to address our recommendations. The State agency's comments are included in their entirety as Appendix E.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Of the 45 providers in Puerto Rico that received CCDF funding during the months of October through December 2013, we selected 20 providers for our review. We based this selection on the consideration of certain risk factors, including the number of children being served by the provider, the amount of funds received by the provider, the provider's geographical location, and whether the provider was contracted through a municipality or directly received funds through vouchers.

We conducted a review of the providers' records and facilities as of May 2014. To gain an understanding of the State agency's operations as they related to childcare providers, we reviewed the State agency's internal controls that related to our objective.

We conducted unannounced site visits from May 12 through 28, 2014, at the 20 providers located throughout Puerto Rico.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal laws and Commonwealth requirements related to the licensing and inspection of childcare home providers;
- interviewed the CCDF program officials to determine how the lead agency monitored its childcare home providers;
- reviewed lead agency documentation used for the monitoring of childcare home providers;
- obtained a letter from the lead agency that explained our audit, which we gave to the providers being reviewed;
- conducted unannounced site visits at the 20 providers to identify potentially hazardous conditions;
- interviewed providers and obtained a list of household members and employees to determine whether all required criminal history records checks were conducted; and
- discussed the results of our review with provider and lead agency officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions

based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: FEDERAL AND COMMONWEALTH CRITERIA RELATED TO CHILD CARE AND DEVELOPMENT FUND HEALTH AND SAFETY

Federal Regulations

One of the goals of CCDF is to assist States in implementing the health, safety, licensing, and registration standards established in State regulations (45 CFR § 98.1(a)(5)).

The State agency must certify that there are in effect within the State (or other area served by the lead agency) under State or local (or tribal) law, requirements designed to protect the health and safety of children that are applicable to childcare providers that provide services for which assistance is made available under the CCDF (45 CFR § 98.15(b)(5)).

The State agency must certify that it has put in effect provider health and safety requirements that are designed to protect the health and safety of children receiving childcare services. Such requirements shall address building and physical premises safety (45 CFR § 98.41).

Commonwealth Law and Regulations

Commonwealth regulations (Title 8 § 69 of the Laws of Puerto Rico Annotated (P.R. Laws Ann.)) establish that the State agency requires every childcare facility owner, administrator, operator, manager, and custodian, and every candidate, employee, or volunteer who is interested in rendering or who renders services in said establishments, to present a Certificate of No Penal Record at least every 6 months.

Commonwealth regulations (P.R. Laws Ann. Title 8 § 73) require those candidates for employment, employees, or volunteers interested in rendering or who render services in these establishments to be persons who enjoy good repute in the community and who have not been convicted of a crime. To comply with this obligation, the establishments shall request that they present a [non-criminal record certification] at least every six months.

Commonwealth regulations (P.R. Laws Ann. Title 8 § 76) establish that the regulations to determine the granting of licenses to establishments for the care of children shall specify, among others, the requirements to be met with regard to the following: “c) physical facilities of equipment and materials, sanitary conditions of the premises and surroundings, space, light, ventilation, firefighting safety devices, and other measures for health protection and welfare of the children.”

Commonwealth regulations (P.R. Laws Ann. Title 8 § 483) require that care services entities may not contract, employ, or use in any capacity, through remuneration or for free, any provider of such services unless he or she has previously presented a certification indicating that the person is not registered in the Puerto Rico registry of persons convicted of sex crimes and child abuse. The State agency must incorporate the verification of compliance with this requirement in its respective regulations related to the certification, authorization, or issue of licenses or operating permits for entities that provide care services.

Commonwealth regulations (Puerto Rico Regulation 6474 § 2.4) define a childcare home as a home care facility dedicated to providing child care for part of a day for up to six children not related to the family operating the facility. Children under age 12 that are related to the family and are in the home must be included in the maximum capacity of the facility.

Commonwealth regulations (Puerto Rico Regulation 6474 § 3.1) require that any person planning to operate or establish a childcare home shall file a license application with all minimum requirements requested on the form provided by the Department of the Family.

Commonwealth regulations (Puerto Rico Regulation 6474 § 4.2) establish that all providers' employees and household members must comply with submission of Certificate of No Penal Record every 6 months.

Commonwealth regulations (Puerto Rico Regulation 6474 § 4.3 c) require that providers must have screens against insects on doors and windows to the exterior, if necessary.

Commonwealth regulations (Puerto Rico Regulation 6474 § 4.4) require childcare home providers to provide a rest area for infant and toddler children.

Commonwealth regulations (Puerto Rico Regulation 6474 § 8.1 a) require childcare homes to have adequate materials for child's play according to the age and needs of the children in good condition.

Commonwealth regulations (Puerto Rico Regulation 6474 § 8.1 b) require childcare homes to count with play yards and mattress when services are provided during the day. In case of childcare services to babies, a crib should be provided for each baby.

Commonwealth regulations (Puerto Rico Regulation 6474 § 8.1 c) require childcare homes' dining rooms to have tables and chairs for all children.

Commonwealth regulations (Puerto Rico Regulation 6474 § 8.1 e) require childcare homes' equipment and materials to be in good condition.

Commonwealth regulations (Puerto Rico Regulation 6474 § 10.3 a) require each childcare home to have a first aid kit with basic materials and safeguarded from children.

Commonwealth regulations (Puerto Rico Regulation 6474 § 10.3 b) require childcare homes to keep cleaning materials out of the reach of children.

Commonwealth regulations (Puerto Rico Regulation 6474 § 10.3 c) require childcare homes to have flashlights with batteries available in case of power failures.

Commonwealth regulations (Puerto Rico Regulation 6474 § 11.4) do not allow childcare homes to provide services to more children than authorized by the Department of the Family.

Commonwealth regulations (Puerto Rico Regulation 6474 § 11.5) require that no applicants with a history of negligence or abuse should apply for a license to provide services to children.

**APPENDIX C: PHOTOGRAPHIC EXAMPLES OF
POTENTIALLY HAZARDOUS CONDITIONS**



Photograph 1: A hacksaw accessible to children in a cluttered hallway.



Photograph 2: A hammer on a children's dining table.



Photograph 3: Ladder, toolbox, umbrellas, broom, and dustpan in children's play area.



Photograph 4: A disconnected and nonworking stove located in a children's play area. Children could open the door and climb into the stove.



Photograph 5: A floor fan with a dusty grill and electrical cord that was a tripping hazard in a children’s sleeping and play area.



Photograph 6: An outdoor play area with a broken fence, which did not prevent children from wandering into the wooded area or animals from entering the play area.



Photograph 7: A punching bag on the floor next to the sink in the bathroom, with dangerous metal chains.



Photograph 8: A fire extinguisher covered by an apron, and an unsecured tall metal ladder leaning on a wall of the children’s play area.



Photograph 9: A rusted propane gas tank inside the entrance to the provider's home. The tank could leak or be turned on and cause a catastrophic explosion.



Photograph 10: No protective covers for electrical outlets, and exposed electrical cables and electrical cords in children's play area.



Photograph 11: Bug spray (insecticide) on television stand within reach of children.



Photograph 12: Dining table with prescription drugs and household cleaners accessible to children.



Photograph 13: A children's play area next to a neighbor's carport, which produced noxious fumes when the car was running.



Photograph 14: A dirty love seat in a children's sleeping area.

**APPENDIX D: INSTANCES OF POTENTIALLY HAZARDOUS CONDITIONS
AND NONCOMPLIANCE AT EACH
CHILDCARE HOME PROVIDER**

Provider Number	Date of Last Inspection¹²	Potentially Hazardous Conditions	Fire and Electrical Safety	Environmental Safety	Home Cleanliness	Meets the Needs of Children	Background Checks Certifications
1	-	7	2	6	6	0	2
2	-	10	2	0	0	0	0
3	4/3/2014	2	1	1	0	0	0
4	-	0	2	0	0	0	1
5	2/27/2014	1	1	0	0	0	2
6	3/27/2014	1	1	0	0	0	0
7	-	1	1	0	0	0	0
8	11/7/2013	1	1	1	0	0	2
9	-	11	8	4	5	2	2
10	3/11/2014	0	1	0	0	0	0
11	3/11/2014	4	3	0	0	0	2
12	3/12/2014	1	3	0	0	0	0
13	2/4/2014	2	2	0	0	0	0
14	2/4/2014	8	0	3	2	0	1
15	1/28/2014	1	1	1	0	0	2
16	1/28/2014	0	0	0	0	0	1
17	2/11/2014	1	1	1	0	0	1
18	3/18/2014	1	3	0	0	0	0
19	3/20/2014	2	1	2	0	1	1
20	-	5	3	1	0	0	0
Total		59	37	20	13	3	17

Notice: We provided to the lead agency under a separate cover the specific names of the providers we reviewed.

¹² The lead agency did not have health and safety inspections performed during our audit period for any of the six voucher-funded providers.

APPENDIX E: STATE AGENCY COMMENTS



ESTADO LIBRE ASOCIADO DE
P U E R T O R I C O

Administración para el Cuidado y
Desarrollo Integral de la Niñez

November 27, 2015

Mr. James P. Edert
Regional Inspector General for Audit Services
Department of Health and Human Services
Office of Inspector General
Office of Audit Services, Region II
Jacob K. Javits Federal Building
26 Federal Plaza, Room 3900
New York, NY 10278

RE: REPORT NUMBER A-02-14-02016

Dear Mr. Edert:

Please find enclosed the written comments to the draft report entitled *Puerto Rico Childcare Home Providers Did Not Always Comply With Commonwealth Health And Safety Requirements*, Report Number A-02-14-02016. For each finding, a statement of concurrence or nonoccurrence is included, as directed on the cover letter of the draft report.

The Department of the Family broadly concurs with the findings stated in the draft report, although there are several observations that need to be noted, and are included in the written comments. The Administration for Integral Child Care and Development (ACUDEN, for its Spanish acronym) of the Puerto Rico Department of the Family is responsible for the management and supervision of the *Child Care Development Fund Grant* awarded to the Commonwealth.

To address the findings noted in the draft report, as well as implement new strategies to comply with federal and state regulations, ACUDEN began last year with reorganization plan in the Child Care Program. The plan includes the appointment of a Director and a Deputy Director, posts that were vacant for almost a decade. The organizational chart was reviewed and changed according to programmatic and monitoring requirements, creating an area that will work exclusively with the inspection and certification of facilities, among other major changes that are reflected in our concurrence statements.

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Our Department is committed with improving the quality of services to the children and their families. We are implementing a stronger administrative structure to ensure the adequate use of federal funds awarded for the development of the Child Care Program in Puerto Rico. We appreciate the opportunity to submit written comments on the preliminary findings.

Cordially,


Idalia Colón Rondón, MSW
Secretary

CC: Carolyn Baker, Yolanda Muriel, Evangeline



ESTADO LIBRE ASOCIADO DE
PUERTO RICO

Administración para el Cuidado y
Desarrollo Integral de la Niñez

COMMENTS TO DRAFT REPORT NUMBER A-02-14-02016

Finding:

“The State agency did not ensure that providers that received CCDF funds complied with lead agency requirements related to health and safety of children. We found that all 20 providers that we reviewed did not always comply with lead agency requirements to ensure the health and safety to children. Specifically, we found potentially hazardous conditions at 19 of the 20 providers, and 11 of the providers did not comply with requirements to obtain background checks on household members and employees.

Although the lead agency retains overall responsibility for ensuring that providers meet health and safety requirements, it required municipalities to use their own inspectors to conduct health and safety requirements on the 14 municipally operated network providers that we reviewed. In addition, the lead agency did not perform any random inspections of these 14 providers during fiscal years 2013 and 2014. Also, the lead agency did not inspect any of the six voucher-funded providers that we reviewed because the lead agency had not established procedures for monitoring these provider types.”

Comments:

Since January 2015, ACUDEN initiated a reorganization process of the Child Care Program to comply with federal and state regulations. As part of the process, most of the recommendations stated in the draft report, have been implemented and others are in advance stage of implementation. The organizational chart was reviewed to maximize the allocation of human resources. The following positions were recruited and/or reassigned to strengthen the programmatic areas:

1. Director of the Child Care Program: Sidnia J. Vélez González
2. Deputy Director of Child Care Program: Christian Beltré Tavarez
3. Administrative Assistant: Vanessa Ramis
4. Health and Safety Area:
 - a. Supervisors- Rebecca Román Pérez and Argie Díaz.
 - b. Inspectors- Angelymarie Hernández Elías, Annette Hernández Polanco, José Oscar Pérez Millán, Ismael Canet
5. Eligibility Area: María T. Pérez Rodríguez and Luis Rodríguez
6. Family and Community Area: Elsa M. López
7. Children Development Area: Luris Betancourt

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8. Health: Lourdes Avilés

According to CCDF-ACF-PI-2015-02 and the Timeline of Effective Dates for States and Territories, the Monitoring of Licensing and Regulatory Requirements (658E(c)(2)(K)) should be in full compliance by November 19, 2016, and the criminal background checks, including new requirements (658H(j)) should be in full compliance by November 30, 2017. The submission of the 2016-2018 State Plan Draft is on March 1st, 2016, and its effective date is June 1st, 2016. Please, refer to Attachment 1.

OIG's Recommendations	ACUDEN's position		Status	Effective date
	Concurrence	Non-concurrence		
1. Update its CCDF State Plan to more accurately describe the lead agency's childcare home types and requirements	✓		Under development.	1.1 Submission of draft: March 1 st , 2016.
2. Establish binding health and safety requirements for all CCDF providers in Puerto Rico law or regulation	✓		A State regulation applicable to the Child Care Program has been drafted.	2.1 Public hearings were held on November 2015. 2.2 Final review: December 2015. 2.3 Submission to PR Department of State: December 2015-January 2016. 2.4 Effective date: 30 days after submission to the Department of State.
3. Have procedures in place to ensure that providers receive adequate training on health and safety requirements	✓		Under development. Program instructions were released on November 2015, and will be effective when the regulation is approved.	<u>Phase 1:</u> 3.1 Recruitment and training of personnel. 3.1.1 Personnel of Central Office: Recruited, some personnel transactions are pending for the approval of the local

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				<p>Office of Management and Budget (OMB).</p> <p>3.1.2 Recruitment/reclassification of personnel in regional offices is waiting the analysis and transactions of the Human Resources Office and the local OMB. Once the recruitment/reclassification is done, training to personnel will begin.</p> <p>3.2 A meeting with providers under delegation of funds to discuss the new regulations (draft) and the new Health and Safety Checklist was held on November 16 and 18, 2015.</p> <p>3.3 Initial general meeting with Home Care providers: January 2016.</p> <p>3.4 Distribution of checklist to providers under delegation of funds and Child Care home providers: November thru January 2016.</p> <p><u>Phase 2:</u></p> <p>3.5 On-site visits for assessment and orientation of pre-service certification requirements: during FY 2016.</p>
<p>4. Develop a single comprehensive and specific checklist to aid in its monitoring of providers for compliance with health and safety requirements and provide the childcare homes with the checklist</p>	✓		<p>A draft of the single comprehensive checklist for health and safety requirements applicable to all providers has been made.</p>	<p>4.1 Design of the checklist: August 2015.</p> <p>4.2 Validation of checklist: August-October 2015.</p> <p>4.3 Training: November 2015-January 2016.</p> <p>4.4 Use: Pending for the recruitment of personnel and the approval of the State Regulations. The regulations will affect third parties (providers) and is needed to effectively implement the monitoring process.</p>

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<p>5. Correct the specific health and safety issues with the 20 providers noted in this report</p>	<p>✓</p>		<p>A Corrective Action Plan (CAP) will be requested to providers to address specific areas of concern.</p>	<p>5.1 Visit and meeting with the 20 Home Care Providers noted in the report to request a CAP: December 2015. 5.2 Approval of CAP: December 2015. 5.3 Follow up to verify corrections according to CAP: 30-60-90 days, according to the severity of safety issues.</p>
<p>6. Establish policies and procedures to ensure that onsite inspections are performed at all providers at least annually</p>	<p>✓</p>		<p>Under development.</p> <p>The organizational chart was reviewed and changed according to programmatic and monitoring requirements, creating an area that will work exclusively with the inspection and certification of facilities, including home providers.</p> <p>The State regulation drafted establishes the procedures for the inspections.</p>	<p>6.1 Refer to comments on recommendations 2 and 3.</p>
<p>7. Ensure that all providers comply with requirements for obtaining background checks on providers, household members, and employees</p>	<p>✓</p>		<p>Implementation process.</p>	<p>7.1 Communication with providers to emphasize compliance with State plan requirements and provide orientation of requirements stated on the reauthorization law: December 2015-January 2016. 7.2 Inclusion of revision of background requirement in checklist.</p>

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				<p>7.3 Internal procedures to conduct and review background checks: drafted, under review, and pending the approval of the Child Care State regulations.</p> <p>7.4 New background check procedures and certifications: completed by September 2017, as requested by the new State Plan.</p>
<p>8. Establish requirements in Puerto Rico law or regulation for all household members to obtain a certification that they are not in Puerto Rico's registry of persons convicted of sex crimes and child abuse</p>	✓		<p>Implementation process.</p> <p>The proposed State regulation includes this requirement.</p>	<p>8.1 Refer to comments on recommendation 2 regarding the proposed state rule.</p>


 Idalia Colón Rondón, MTS
 Secretary
 PR Department of the Family


 Laura I. Santa Sánchez, Esq.
 Administrator
 ACUDEN

CCDF-ACF-PI-2015-02 ATTACHMENT: Timeline of Effective Dates for States and Territories: Child Care and Development Block Grant (CCDBG) Act of 2014							
New CCDF Program Requirements		CCDF State & Territory Plan (3-yr) FY 2016-2018			CCDF State & Territory Plan (3-yr) FY 2019-2021		
	FY 2015 10/01/2014 – 9/30/2015	FY 2016 10/01/2015 – 9/30/2016	FY 2017 10/01/2016 – 9/30/2017	FY 2018 10/01/2017 – 9/30/2018	FY 2019 10/01/2018 – 9/30/2019	FY 2020 10/01/2019 – 9/30/2020	FY 2021 10/01/2020 – 9/30/2021
Minimum Quality Spending Requirement (658G(a)(2)(A))	<i>Planning/Implementation</i>	at least 7%	at least 7%	at least 8%	at least 8%	at least 9%	at least 9%
Infant and Toddler Spending Requirement (Additional 3% quality set-aside) (658G(a)(2)(B))	<i>Planning/Implementation</i>		at least 3%	at least 3%	at least 3%	at least 3%	at least 3%
Criminal Background Checks (658H(j))	<i>Planning/Implementation</i>			Compliance by 9/30/2017: Not later than the last day of the 2 nd full fiscal year after enactment (states may request an extension of not more than 1 year).			
Monitoring of Licensing and Regulatory Requirements (658E(c)(2)(K))	<i>Planning/Implementation</i>		Compliance by 11/19/2016: Not later than 2 years after the date of enactment.				
Posting Results of Monitoring and Inspection Reports (Website) (658E(c)(2)(D))	<i>Planning/Implementation</i>			Compliance by earlier of 11/19/2017 or 1 year after monitoring in place.			
State compliance with Priority for Services (658E(c)(3)(B)(ii))	<i>Planning/Implementation</i>		Compliance by 9/30/2016: Not later than September 30 of the first full fiscal year after the date of enactment (ACF will make an annual determination and report thereafter). The requirement to submit this report applies to ACF. However, prior to submission of this report, states will need to provide information to ACF regarding their compliance with priority for services.				
Other Requirements	<i>Planning/Implementation</i>	If a state or territory provides justification for why it cannot certify compliance with one or more of the requirements of the new law in its FY 2016-2018 Plan, ACF may allow the Lead Agency to submit a state-specific timeline for achieving compliance with such provision(s). We expect the need for additional time would be limited to provisions that require significant policy revisions or implementation and that the timeline for implementation would not exceed a 1-year period (i.e., September 30, 2016).					