

**Memorandum**

Date . MAR 23 1993

From Bryan B. Mitchell *Bryan Mitchell*
Principal Deputy Inspector General

Subject Audit of Health and Safety Standards at Child Care
Facilities in North Carolina (A-12-92-00044)

To Laurence J. Love
Acting Assistant Secretary for
Children and Families

The purpose of this memorandum is to alert you to the issuance on March 24, 1993, of our final audit report. A copy is attached.

The Office of Inspector General performed this review as part of a broader effort to assess risk to our Nation's children in child care facilities. Recognizing that the adequacy of facilities is a critical element for satisfactory delivery of services to children, we have initiated a series of reviews to assess whether providers of child care services are in compliance with appropriate Federal, State or local authorities' health and safety standards. Additionally, we assessed the State monitoring and oversight.

The review disclosed that additional attention is needed to improve the health and safety conditions as well as the recordkeeping at the facilities. The facilities visited receive Federal funding from the Social Services Block Grant for Day Care and the Foster Care and Head Start programs. This report is one of a series of reports that we plan to issue on the health and safety conditions at facilities providing services to our Nation's children.

We found violations of State codes and areas where improvements can be made at 23 out of 27 facilities visited. The violations ranged from discrepancies in employees and children records to fire code violations and unsanitary conditions. Examples of the types of health hazards noted that placed the children "at risk" were exposure to raw sewage, insect infestations, dangerous chemicals and fire hazards such as locked exit doors and uncharged fire extinguishers. The types of deficiencies noted at the State of North Carolina parallel those previously reported to you.

Our previous report on the results of health and safety standards at selected facilities (A-03-91-00550) in the States of Delaware, Virginia and Pennsylvania, included facilities at Head Start and Foster Care programs and was an assessment of child care facilities. Additionally, the results of health and safety standards at Native American Head Start facilities (A-09-91-00134) reviewed the adequacy of fire safety, sanitation, cleanliness and nutrition at Head Start facilities participating in the Native American program.

The deficiencies identified at the child care facilities in the States visited reinforce the findings recently reported by the General Accounting Office (GAO) in its report entitled, "CHILD CARE: States Face Difficulties Enforcing Standards and Promoting Quality." The GAO reported that many States face difficulties protecting children from care that does not meet minimum safety and health standards. In particular, staffing and budget cuts in several States have reduced on-site monitoring, a key oversight activity that is necessary for the enforcement of standards.

We believe the results of our efforts will provide you with some insight to the level of compliance by the State with existing child care standards. Additionally, this report may be helpful to you in implementing recent Child Care Development Block Grant rules and regulations.

Our audit of North Carolina health and safety standards included reviewing operations at the responsible State licensing offices and performing on-site inspections at 27 judgmentally selected child care facilities which were distributed between Day Care, Head Start, and Foster Care programs. Using the State's standards as a measure and accompanied by inspectors from the State, we performed on-site inspections of facilities with the capacity to care for 1,177 children. Of the 27 facilities, 4 with a capacity of 58 children had no violations and 23 with a capacity of 1,119 children (95 percent of the children served at the selected facilities) had a total of 214 violations in 7 broad categories. See page 7 of the report for the distribution of the types of observations noted.

The State inspectors that accompanied our review team concurred with our observations. The State of North Carolina, on February 4, 1993 provided comments to the draft report. In general, the State concurred with

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the observations noted. They provided a detailed response on some of the issues. The State's comments and our response to the comments begin on page 22 of this report.

We are recommending that the State of North Carolina reevaluate its policies and procedures to ensure that adequate controls and safeguards are in place that will assure compliance with all State regulations and codes that are necessary to protect the welfare and safety of children receiving services in child care facilities.

If you have any questions, please call me or have your staff contact John A. Ferris, Assistant Inspector General for Administrations of Children, Family, and Aging Audits, at (202) 619-1175.

Attachment

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF HEALTH AND SAFETY
STANDARDS AT CHILD CARE FACILITIES
IN NORTH CAROLINA**



A-12-92-00044



MAR 23 1993

Common Identification No. A-12-92-00044

Mr. C. Robin Britt, Sr.
Secretary for Department
of Human Resources
101 Blair Drive
Raleigh, North Carolina 27603

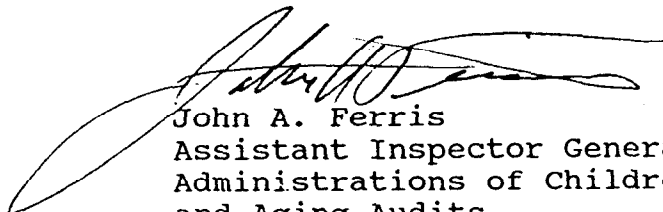
Dear Mr. Britt:

Enclosed for your information and use are two copies of the Department of Health and Human Services (HHS)/Office of Inspector General (OIG) Office of Audit Services report entitled, "Audit of Health and Safety Standards at Child Care Facilities in North Carolina." Your attention is invited to the audit findings and recommendations contained in this report. The below named official will be in communication with you in the near future regarding implementation of these items.

In accordance with the principles of the Freedom of Information Act (Act), HHS/OIG Office of Audit Services reports issued to the Department's grantees and contractors are made available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act, which the Department chooses to exercise. (See section 5.71 of the Department's Public Information Regulation, dated August 1974, as revised.)

To facilitate identification, please refer to the referenced common identification number in all correspondence relating to this report.

Sincerely yours,



John A. Ferris
Assistant Inspector General for
Administrations of Children, Family,
and Aging Audits

Enclosure

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SUMMARY

Although the Federal Government has established specific program performance standards for Head Start and promotes standards for other child care related programs, the responsibility for assuring quality of care rest mainly with State and local governments. States attempt to assure the quality of care by regulating providers, establishing standards that regulated providers must meet, and monitoring for compliance. Our review disclosed violations of State codes and administrative deficiencies at the facilities providing child care services and identified opportunities for improvement at the State offices responsible for carrying out the programs. Our observations indicate that additional attention is needed to improve safety, environmental, and administrative safeguards at facilities used to care for children thereby diminishing the risk to children in federally-funded child care facilities.

Accompanied by State inspectors, we performed on-site inspections of 27 judgmentally selected child care facilities with the capacity to care for 1,177 children. Of the 27 facilities, 4 with a capacity of 58 children had no violations and 23 with a capacity of 1,119 children had 214 violations including:

<u>DEFICIENCY</u>	<u>OCCURRENCES</u>
Fire code violations	26
Unsanitary conditions	60
Playground hazards	26
Other facility hazards	69
Incomplete employee's records	5
Incomplete children's records	7
Toxic chemicals assessable to children	<u>21</u>
Total	<u>214</u>

Our review indicated that 95 percent of the children receiving care at the facilities we inspected were "at risk" of such health and safety hazards as raw sewage, insect infestations, dangerous chemicals, water temperatures in excess of 110 degrees Fahrenheit, and fire hazards such as locked exit doors and uncharged fire extinguishers.

Our further concern for environmental health and safety was the use of background checks. North Carolina General Statutes do not permit access to either FBI records, statewide police data, or the Central Registry for Child Abuse and Neglect for purposes of screening applicants

for employment. However, local criminal record information is available in North Carolina through individual county Clerks of Court. Many agencies licensed through the Division of Social Services (DSS) conduct background checks on prospective foster parents in this way. During our review we noted that North Carolina performs background checks only on care givers at Foster Care homes (5 or less children). Employees and operators at Foster Care group homes (9 or less children) and institutions (10 or more children), as well as Day Care homes (8 or less children) and centers (more than 8 children) are not subjected to background checks. Eighty percent of the eligible children in North Carolina receive service from care givers in these excluded categories. Background checks can improve the safety of children and help assure that the State's law prohibiting employment at child care facilities of persons convicted of a crime involving child abuse, child neglect or moral turpitude is adequately enforced.

The State of North Carolina is in the process of revising the rules for child care institutions and group homes to include prohibiting individuals who have a substantiation of abuse or neglect from providing direct child care. Additionally, the State has proposed that the North Carolina General Statute be amended to allow DSS access to the data from the Central Registry for Child Abuse and Neglect (statewide data base). We believe that accessing statewide and national criminal data information systems would provide greater confidence that criminal offenders are not entrusted with the care and well being of children.

During our site inspections of Day Care and Foster Care facilities, we gathered names and social security numbers of 87 child care employees. We requested and received criminal background checks using their social security numbers. The search disclosed that 8 (approximately 10 percent of the numbers gathered) of the individuals showed previous criminal histories ranging from crimes against property to crimes of violence.

We also found inconsistencies in sanitation and fire inspections of child care facilities, consequently, violations were not corrected timely. State employees responsible for licensing child care facilities (consultants) for all three Federal programs providing child care services (Head Start, Social Services Block Grant and Foster Care) rely on fire and sanitation inspections performed by representatives of the local fire and sanitation departments. During the inspections by the health department, demerits are given when an

inspector notes an exception to the rules. The demerits are weighted on a predetermined scale by the seriousness of the deficiency. These demerits are then summed to determine if the facility passes or fails.

During our review of licensing files, we found sanitation inspection reports where several demerits for identified deficiencies were omitted and were not part of the total reported demerits. The sum of the demerits would have mandated that a provisional license be issued to the facility, however, there was no licensure limitation. In addition, one Day Care facility operated 14 months after failing a fire inspection that required heating renovations, installation of fire doors, additional fire exits and fire-rated walls to achieve fire code compliance. North Carolina child care regulation requires child care facilities to obtain and pass a fire inspection prior to licensing.

Another major concern is that both the Division of Facility Services (DFS) and the DSS licensing consultants have heavy workloads. The DFS has 43 consultant positions (41 positions filled) to monitor over 6,565 Day Care and Head Start facilities. The DSS has 3 consultants monitoring 103 Foster Care group homes and institutions. Foster homes are inspected by county employees and the files are sent to the State offices for licensure. The DSS has 1 administrative person to monitor the Foster Care homes inspections of 2,763 Foster Homes conducted by the county inspectors.

Finally, we are concerned that the use of checklists in inspections was inconsistent. Unlike the DFS who conduct inspections on Day Care and Head Start facilities, DSS does not use a standard checklist when performing inspections of Foster Care facilities. The narrative report used by DSS for licensing and monitoring did not address health and safety issues consistently, for example we found that when an unusual circumstance occurs, i.e. a foster child with a communicable disease entering a facility, the report addressed the issue. Other issues such as unsecured medicine cabinets were not recorded. Use of a standard checklist may insure a consistent inspection process for all Foster Care facilities.

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INTRODUCTION

Recent statistics indicate many children are "at risk", at every age, among all races and income groups, and in communities nationwide. They often grow up in families whose lives are in turmoil. Their parents are frequently stressed and too drained to provide nurturing, structure, and security that protect children and prepare them for adulthood. Dramatic social, demographic, and economic changes during the past 30 years have transformed the American family. For many children and parents, the experience of family life is different today than a generation ago. Families are smaller. More children live with only one parent. More mothers, as well as fathers hold jobs outside the home. Yet children are now the poorest group in America. Today, one in four children in the U.S. is raised by just one parent. One in every five children lives in a family without a minimally decent income. Many of these families are desperately poor, with incomes less than half the Federal poverty level. Illicit drugs and the wanton violence they spawn have ravaged many U.S. communities in recent years with devastating consequences for children of all ages. Dramatically increasing numbers of babies are born exposed to drugs, which will produce health and developmental problems that society will have to address.

The Federal role in supporting families and children has increased. In an effort to help parents reduce dependency and achieve self-sufficiency, provide alternate care to children when other forms of care are not appropriate and to provide children a head start, the Administration for Children and Families (ACF) administers grants to states and community non-profit organizations for the purpose of fulfilling these goals. The ACF was created in 1991 by the Secretary of the Department of Health and Human Services (HHS) to place greater emphasis and focus on the needs of America's children and families. One of ACF's many functions is to administer grants to fund child care services and provide financial assistance to low-income families.

The primary focus is directed towards the grantees and facilities administering the three major ACF programs:

- o Social Services Block Grant (Day Care)
- o Head Start
- o Foster Care

States have the primary responsibility for delivering services to children. In 1990, North Carolina had:

- o a child population of 1,606,149;
- o 32 percent of the child population under the age of 6;
- o 66 percent of working mothers with children under age 6;
- o 266,000 children living in poverty;
- o 32,832 children participating in State funded Day Care and an additional 14,449 eligible children on waiting lists for these services;
- o 12,352 children in the North Carolina Head Start program;
- o 5,693 poor children in out-of-home placement, an increase of 24 percent between 1989 and 1990; and
- o another 2,889 "at risk" children remaining at home while in the legal custody of North Carolina as a result of efforts to keep families together.

Funding and regulations for the three major ACF programs are as follows:

Day Care

The ACF supports Day Care through Social Services Block Grants under Title XX and the Job Opportunities and Basic Skills (JOBS) program under Title IV-F of the Social Security Act. All of the above provide funding for center-based child care and family Day Care. Federal funding of child care was \$4.6 billion in 1991 and is expected to increase to \$4.8 billion in 1993.

States are required to establish procedures to ensure center-based child care will be subject to State and local requirements designed to ensure basic health and safety, including fire safety. The State must also endeavor to develop guidelines for family Day Care if it has not already done so.

In North Carolina, there are approximately 32,000 children enrolled in subsidized Day Care at over 6,500 Day Care centers and homes.

Head Start

The Title V of the Economic Opportunity Act of 1964 established the Head Start program. Each ACF regional office awards grants to community based non-profit organizations and school systems to operate Head Start programs at the local level.

Overall, Federal funding was \$1.9 billion in 1991 and is expected to increase to \$2.8 billion in 1993. It has been proposed that Head Start be funded in excess of \$4 billion in Fiscal Year 1995 to allow full funding of Head Start services for all eligible preschool children. This is a threefold increase since 1990.

There are approximately 12,000 children enrolled in the Head Start program at over 240 Head Start centers in North Carolina.

Head Start facilities must, as required by 45 CFR §1304.2-3, provide space, light, ventilation, heat, and other physical arrangements that are consistent with the health, safety, and developmental needs of the children, however, (a)(13) of the same section states that:

"Evidence that the center meets or exceeds State or local licensing requirements for similar kinds of facilities for fire, health, and safety shall be accepted as prima facie compliance with the fire, health, and safety requirements of this section."

Foster Care

The Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272) established the Title IV-E Foster Care program. Foster Care, funded through the ACF, may be provided in homes, group homes, institutions, or other facilities licensed or approved for the purpose of providing Foster Care.

There are approximately 10,000 children (approximately 8,000 poor children) in the Foster Care program in North Carolina and more than 2,800 licensed Foster Care providers. Funding for Foster Care and Adoption Assistance was \$2 billion in 1991 and is expected to reach \$2.9 billion in 1993.

According to 45 CFR §1356.20 and Title IV-E, the State plan is to provide for designation of a State authority to be responsible for establishing and maintaining standards for foster homes and institutions. These standards should be reasonably in accordance with recommended standards of national organizations concerned with standards for such facilities, including standards related to admission policies, safety, sanitation, and protection of civil rights.

Purpose and Scope of Review

Pursuant to Task Order No. 2 under Contract No. HHS-100-91-0018 with HHS/Office of Inspector General (OIG) and Tichenor & Eiche, Certified Public Accountant's, performed certain agreed upon procedures related to the State of North Carolina's requirements for maintaining health and safety standards at child care facilities. This effort was augmented by OIG, Office of Audit Services personnel from the Atlanta Region and the Headquarters divisional office in Washington, D.C.

Our review was conducted in accordance with generally accepted government auditing standards where applicable. The purpose of this review is to provide a basis for our ongoing comprehensive national review of health and safety conditions at child care facilities. Our review was conducted during the period October 14, 1991 through October 22, 1992.

In response to rising interest and concern by the Congress, Secretary of HHS, and the general public, the OIG has planned a series of reviews to assess risk to our Nation's children in child care facilities. Recognizing that the adequacy of facilities is a critical element for satisfactory delivery of services to children, we have initiated these reviews to assess whether providers of child care services are in compliance with appropriate Federal, State or local authorities' health and safety standards. Additionally, we plan to assess the State monitoring and oversight.

Our review was designed to identify potential areas for improvements in health and safety conditions at child care facilities. Areas reviewed included:

- o Federal, State, and local authorities' requirements for health and safety at child care facilities.
- o Assessment of compliance with the health and safety requirements by child care providers at 27 judgmentally selected facilities.

Our review focused on health and safety standards, accordingly we limited our use of the State's checklist to health and safety requirements. During the review, we used the States' **Small Child Day Care Home, Compliance Report, Checklist** and the **Large Day Care Homes Report, Scoring Sheet**. In addition to using the checklists described above, we matched each deficiency against the **DFS, Child Day Care Section, Child Day Care Regulations** in each category of care (i.e. small home, large home, centers). Based on our desire to include in our sample those facilities that: (1) were operating under a full license; (2) were operating under less than a full license (temporary or provisional); (3) that were identified as out of compliance; and (4) were operating in satisfactory compliance we identified 166 child care facilities for review. After selection and review of 166 files, we judgmentally selected 27 facilities for on-site reviews. A statistically valued sample of facilities was not taken. Facilities visited include:

- o 17 Day Care facilities,
- o 1 Head Start facility, and
- o 9 Foster Care facilities.

The review was accomplished using an audit guide developed by the HHS/OIG and included the following procedures:

- o Contacting the ACF regional office in Atlanta, Georgia to obtain background information and to benefit from their knowledge of and expertise with ACF-funded programs in the State.
- o Visiting the North Carolina Department of Human Resources (NCDHR) offices in Raleigh, North Carolina responsible for licensing and monitoring child care facilities.

- o Selecting 166 State licensing files for child care facilities and reviewing for documentation to support compliance with health and safety requirements.
- o Visiting 27 child care facilities and performing inspections related to health and safety requirements and reviewing recordkeeping maintained for children and employees. During on-site visits, we were accompanied by State licensing officials (consultants). The DFS inspection checklists related to health and safety standards at Day Care facilities was used at all facilities.

RESULTS OF REVIEW

Our observations show that additional action is needed to improve safety, environmental, and administrative safeguards at facilities used to care for children. Our review of State licensing and inspection procedures for child care facilities in North Carolina disclosed several areas of concern. These relate to health and safety requirements, background checks, sanitation and fire inspections, consultant workload, inconsistent inspection procedures and recordkeeping practices and other administrative policies. Our observations show that additional action is needed to assure the health and safety of children. Areas where we believe improvements can be made are described below.

A. ON-SITE INSPECTIONS

Our judgmental selection of 27 facilities for on-site reviews was made after the review of 166 facility licensing files. The selection of the 27 facilities was not statistically based. Due to the judgmental selection of these facilities, the results can not and should not be used to make any statistical inference about the condition of child care facilities statewide.

The 214 health and safety findings we found are categorized as follows and are presented in more detail in Appendix B of this report.

HEALTH AND SAFETY FINDINGS

<u>Category of Finding</u>	<u>Number of Facilities</u>	<u>% of facilities visited W/ Problems</u>	<u>Total of Findings</u>
Fire code violations	14	51.8%	26
Unsanitary conditions	19	70.4%	60
Toxic chemicals in an unlocked storage area	14	51.9%	21
Playground hazards	14	51.9%	26
Other facility hazards	20	74.0%	69
Employee records	5	18.5%	5
Children's records	5	18.5%	<u>7</u>
Total			<u>214</u>

For some categories, more than one health and safety deficiency was observed at a facility.

1. Fire Code Violations

Twenty-six fire code violations were observed at the facilities visited. Violations included bars on the windows, exposed wires in the children's rest room, locked doors and gates, blocked fire escapes, and fire extinguishers in need of recharging.

2. Unsanitary Conditions

Sixty unsanitary conditions were observed at the facilities visited. These include inoperable toilets, improper disposal of diapers, lack of hot water, raw sewage in play areas, raw sewage leaking into living areas, improperly stored food, roach infestation, and spoiled food in uncovered barrels.

3. Toxic Chemicals

Twenty-one examples of toxic chemicals and medications in unlocked storage lockers, closets, or other areas assessable to children. Toxic chemicals included ammoniated wax stripper, turpentine, bug spray, antifreeze, paints, and bleach. Medications include cough syrups and prescribed diet pills.

4. Playground hazards

Twenty-six playground hazards were observed including fallen fences, unanchored play equipment, broken glass, boards with protruding nails, rusted metal car parts, and a rusted wheelbarrow.

5. Other facility hazards

Sixty-nine other facility hazards were observed which included abandoned roofing equipment assessable to children, an inoperable clothes dryer posing a suffocation hazard to children, an unmounted fire extinguisher, uncovered electrical outlets, sharp knife on children's table, pacifier on a cord around a sleeping child's neck, a crib taped together, an air conditioner taped into a window and plastic bags assessable to children.

6. Employee records

Five examples of incomplete employee records were noted. Missing data included health assessments, tuberculosis test, and an employment application.

7. Children's records

Seven examples of incomplete children's medical assessment, immunization records, and emergency contacts.

During the 27 inspections, we were accompanied by a State or county consultant responsible for inspecting and licensing the child care facilities. Observations were discussed with the consultants. The consultants generally agreed with our findings.

The child care facilities visited during our on-site review could have served a maximum of 1,177 children. A summary of the selection is as follows:

FACILITY SELECTIONS

<u>Type of Facility Visited</u>	<u>Total</u>
Day Care	17
Head Start	1
Foster Care	<u>9</u>
Total	<u>27</u>

HEALTH AND SAFETY FINDINGS BY PROGRAM

Category of Findings	Day Care	Head Start	Foster Care	Total
Fire Code Violations	16		10	26
Unsanitary Condition	35		25	60
Toxic Chemicals in an unlocked Storage Area	20		1	21
Playground Hazard	20	1	5	26
Other Facility Hazards	46	2	21	69
Employee Records	4		1	5
Children's Records	7			7
Total	148	3	63	214

B. STATE LICENSING PROCEDURES

1. Background Checks

We found that the State of North Carolina performs background checks only on Foster Care homes (5 or less children). Employees and operators at Foster Care group homes (9 or less children) and institutions (10 or more children) as well as Day Care homes (8 or less children) and centers (more than 8 children) are not subjected to background checks.

The DSS indicated that it is in the process of revising the rules for child care institutions and group homes to include prohibiting individuals who have a substantiation of abuse or neglect from providing direct child care and that they have proposed that the North Carolina General Statute be amended to allow DSS access to the data from the Central Registry for Child Abuse and Neglect.

As a result of North Carolina's limited policy for requiring background checks, children in child care facilities may be "at risk" of abuse. For example, during our review of employee records at a Foster Care facility, we found evidence that an employee had been charged with rape of a foster child during their employment at the facility and subsequently convicted of a lesser crime. Additionally, we found that this employee had a past criminal record, before he was hired, sufficient to bar him from employment as a child care provider based on North Carolina child care regulations. If this had been a Foster Care home, a background check might have been performed. Since this facility was an institution, background checks are not performed.

As a further test for employees that could place children at risk, we gathered names and social security numbers of 87 child care employees during our on-site inspections of Day Care and Foster Care facilities for the purpose of using social security numbers to identify criminal histories. We matched employee social security numbers with nationwide law enforcement files to determine if persons with criminal histories were able to secure employment in child care facilities. Subsequent investigative inquiries disclosed that eight (10 percent of the names gathered) of the child care providers had previous criminal histories ranging from crimes against property to crimes of violence.

The following are the findings pertaining to the eight individuals shown to have criminal histories based solely upon a records check using social security numbers as the identifier. We did not perform any further audit test to confirm the accuracy of the information.

Individual 1

Arrested 14 times between 1973 and 1981 for the following: possession of stolen property; procure for prostitution; shoplifting (petty); passing a forged instrument; resisting officer--arrest without violence; probation violation; fraud-illegal use of credit cards--obtaining goods; vehicle theft--auto; assault-battery; disorderly conduct; and commercial sex--prostitution.

Records show one dismissal, four convictions. Disposition of other charges not identified per records check. Records check identified this individual as a habitual violent felony offender.

Individual 2

Arrested once in 1983 for larceny by servant--disposition of charges not identified per records check.

Individual 3

Arrested once in 1983 for fraud--felony, records show dismissal without leave.

Individual 4

Arrested twice between 1979 and 1984 for the following: misdemeanor breaking and entering and larceny misdemeanor. Records show one conviction and one dismissal without leave.

Individual 5

Arrested twice in 1991 for the following: possession of schedule II controlled substances and possession of drug paraphernalia. Dispositions of charges not identified per records check.

Individual 6

Arrested three times in 1986 for the following: uttering forged check and forgery. Records show three convictions and one dismissal.

Individual 7

Arrested once in 1985 for violation of social services laws, disposition of charges not identified per records check.

Individual 8

Arrested once in 1980 for larceny. Records show one conviction.

Record checks can be accomplished either through a criminal record check, a child abuse registry check or a Federal Bureau of Investigation (FBI) check. A criminal records check involves submitting an application for a criminal record history to the State police. The State police determines if applicants have been convicted of a

crime that has been determined by the State to be sufficient to bar employment as a child care provider. Criminal record checks may search criminal records statewide or nationwide depending on the regulations in force in the State. A child abuse registry check is performed by a State agency that maintains a data base of individuals who have been named as perpetrators in a substantiated report of child abuse. Child abuse registries are statewide data bases. An FBI record check includes a fingerprint check, as well as a records check.

Each provider of child care licensed by DFS is required to give details of all criminal convictions on his/her employment application. No verification of this is performed. Article 7 of the North Carolina Statute regarding employment of child care providers states that:

"No person shall be an operator of nor be employed in a Day Care facility (or Day Care home) who has been convicted of a crime involving child neglect, child abuse or moral turpitude..."

The Rules for Licensing Foster Care homes, and group homes prohibit participation in the Foster Care program by:

"...persons who have been found to have neglected or abused a child by any agency duly authorized by law to investigate allegations of abuse or neglect."

The Rules for Licensing Foster Care institutions are silent with regard to abuse and neglect. The DSS officials could not adequately explain why background checks were not performed for group home providers or why the rules for institutions did not address child abuse and child neglect.

The State maintains a child abuse and neglect registry. The registry is used only for statistical purposes by the Day Care section and only contains data on private family Foster Care providers. A consistent policy of performing background checks for all child care providers may help ensure the well being of children as intended by regulation.

2. Administrative Policies

Our review of the State's licensing procedures included visits to the two divisions within the NCDHR (DFS and DSS) responsible for licensing Day Care, Head Start, and Foster Care. The DFS is responsible for licensing Head Start and Day Care. The DSS is responsible for licensing

Foster Care facilities. Our review disclosed concerns about policies pertaining to: (1) sanitation and fire inspections, (2) consultant workload, (3) checklist for inspections, and (4) other administrative policies.

SANITATION INSPECTIONS

Consultants for all three programs (Day Care, Foster Care and Head Start) rely on sanitation inspections performed by representatives of the public health department when performing licensing inspections. During our review of licensing files, we noted that several sanitation inspections did not include the total demerits for deficiencies indicated on the sanitation inspection. Demerits are given when an inspector identifies an exception to the sanitation rules. The demerits are weighed on a predetermined scale by the seriousness of the deficiency. The sum of the demerits determines if the facility passes the sanitation inspection. At 3 of the 27 facilities visited, inclusion of all the demerits indicated on prior sanitation inspection would have mandated that the facility receive a provisional license and be monitored until compliance was achieved. We found this had occurred twice for each of the three facilities. Both DFS and DSS responded that if consultants noted obvious deficiencies in sanitation, the consultant would contact the health department for a reinspection. In the health and safety inspections noted above, there were no indications in the licensing files that the inspection reports were questioned.

FIRE INSPECTIONS

Fire inspections, required for licensing are performed by the county fire departments and the results are sent to DFS for inclusion in the Day Care licensing files. In one instance, we noted that a large Day Care center had failed a fire inspection in December 1990 and was required to undergo major renovation that included constructing exit doors to allow for safe exit in the case of fire, installing proper interior doors for fire containment, and correcting the heating system to allow proper ventilation. This facility had passed in previous years with no exceptions. The local fire marshall's office disclosed that the facility was approved earlier in error and that an inspector trained in both building and fire codes had discovered the hazards. Our review of the licensing files disclosed the following events:

- o December 1990 - Facility failed fire inspection due to conditions that previously existed. The fire inspector noted on the fire inspection report that the center would be granted a license on a "provisional basis for 90 days while repairs are being made."

Also in December of 1990, the City of Raleigh, Inspections Department composed a list of necessary code corrections and conditions for issuance of the provisional license. This was provided to the child care facility. The document indicates that all items were to be completed in 90 days with the exception of certain heating renovations that were to be completed by June 1, 1991.

- o January 1991 - The DFS issued a provisional license for 6 months.
- o May 1991 - An additional 30 days was granted on the 90 day provisional license approved by the Raleigh Fire Department due to delay of repair work. File documentation of a telephone conversation between the facility and the Office of Inspections indicates that no work had been done on facility.
- o June 1991 - A letter from the City of Raleigh, Office of Director of Inspections states that no work had begun on the heating renovations that were to be completed by June 1, 1991 and indicated that the Office of Inspections was not in agreement with the methods used, nor of the 30 day extension to the 90 day provisional license approved by the Raleigh Fire Department on December 6, 1990.
- o September 1991 - A denial of application for renewal was mailed to the facility. Correction of deficiencies was not complete.
- o November 1991 - The Director of the facility filed a petition to contest the ruling. The petition stays the administrative action and allows the center to operate until the case has an administrative hearing. Administrative hearings must be conducted within 120 days of the petition for a hearing.

- o December 12, 1991 - Auditors visited the center and found it operating.
- o January 1992 - The facility passed a building and fire inspection. The repairs were completed to the satisfaction of the inspectors.
- o February 1992 - An administrative hearing was held and it was agreed that the center had completed the required repairs and would remain in operation.

The laxity of the system allowed the facility to remain in operation 14 months subsequent to a failed fire inspection, thus placing up to 75 children "at risk".

With the concurrence of the consultants we identified 86 sanitation and fire code violations. The identified violations represented 40 percent of all findings at the facilities visited. Since these deficiencies were identified with no formal training of OIG personnel, the benefits to be derived from (1) increasing coordination of the entities responsible for licensing inspections and (2) conducting awareness training for consultants should greatly improve the detection and correction of harmful conditions that children are exposed to at child care facilities.

DFS WORKLOAD

Consultants are responsible for annual licensing of North Carolina child Day Care facilities which includes an inspection of the facility. State regulations require announced inspections for renewal of a license, routine unannounced inspections to ensure compliance, and additional unannounced inspections in response to complaints. North Carolina has 6,565 child care facilities and 43 consultant positions available to conduct inspections of facilities. The DFS goal is to visit each center twice a year and each home once a year. This represents a decrease in frequency of inspections from 2 years ago when centers were inspected four times a year and homes were inspected twice a year. In addition, DFS must respond to approximately 60 reports of illegal operations and about 75 reports of noncompliance monthly. Because of budget constraints, 41 of the 43 consultant positions could be filled and travel was limited to 3 days per week. The significance of these numbers is that when annual leave, sick leave, holidays and travel time are subtracted, 41 consultants have 80 days each to complete

semiannual inspections of 2,995 Day Care centers and annual inspections of 3,570 Day Care homes in 100 counties. This does not consider repeat visits required for monitoring noncompliance, or training and advisory services. Workload per consultant is approximately 281 (11,528/41) facilities per year or approximately 4 per day. When considering these numbers it becomes immediately clear that the adequacy and completeness of the inspections could be questioned.

DFS CONSULTANT WORKLOAD*

Center visits	2,995 X 2 per yr	5,990
Home visits	3,570 X 1 per yr	3,570
Visits in response to illegal operations	60 per mo X 12	720
Visits in response to noncompliance	75 per mo X 12	900
Training and Advisory		<u>348</u>
Total visits required		<u>11,528</u>

* Information obtained from DFS' Child Day Care Section Workplan: 1990-91 and Department of Human Resources Preliminary Expansion Request Worksheet dated January 8, 1992.

It appears that the quality and scope of inspections could benefit from a staffing/workload mix that would allow more time for on-site inspections and follow-up on administrative actions. The shortage of consultants may be further evidenced by the fact that as of March 5, 1992, the DFS, Child Day Care Section, Day Care Analysis indicated that 12 percent of the Day Care facilities were operating on delinquent licenses.

DELINQUENT LICENSE AGING ANALYSIS

	<u>NUMBER DELINQUENT</u>	<u>PERCENT*</u>
Less than 30 days	230	3.5%
30 to 59 days	132	2.0%
60 to 89 days	68	1.0%
90 to 120 days	71	1.1%
More than 120 days	<u>269</u>	<u>4.1%</u>
Total delinquent	<u>770</u>	<u>11.7%</u>

* Amounts represent the percent of the total number of Day Care facilities in the State.

In FY 1990 and again in FY 1991, DFS requested additional funding to accommodate consultant workload and increase the number of compliance visits to the 1989 goal of 4 annual visits for centers and 2 annual visits for homes. The request was denied due to financial constraints. As a result, DFS reduced it's goal of annual visits to centers and homes to two and one respectively.

In their January 1992 (FY 91) request for additional consultants, DFS indicated that it was impossible to adequately protect the health and safety of the thousands of children in out-of-home care without an increase in staff.

Administrative actions initiated by DFS in response to violations of the North Carolina Day Care Regulations, are negatively affected by the workload. For example, during our review of the licensing file and on-site visit of a selected small Day Care home, we found repeated violations that had been previously documented and had been the basis of a written warning issued to the facility. The repeated violations include hazardous chemicals and medicines, broken or jagged windows and screens, and improper solid waste disposal. The written warning indicates that noncompliance may lead to civil penalties or the revocation of the facility's license. The written warning was not followed by an inspection to assess compliance prior to the deadline prescribed in the warning nor was restrictive action taken to assure

compliance as required by the North Carolina Day Care Regulation. During our visit to the home 3 months after the written warning, we found that three items of non-compliance previously cited had not been corrected and that no further administrative action had been pursued.

DSS WORKLOAD

Foster Care facilities under DSS oversight are monitored by different groups depending on the number of children receiving services at the facility. Institutions and group homes are monitored by State consultants and Foster Care homes are monitored by county social service employees with oversight from the State office. In addition to monitoring Foster Care annual licensing, periodic compliance monitoring, and inspections in response to complaints, Foster Care consultants and county social workers are responsible for child development and protection issues addressed in the Social Security Act for the State's 10,364 children. Because the child development and protection issues must be addressed, inspection of Foster Care facilities take considerable time. For example, Foster Care institutions caring for 54 children takes 4 to 5 days for a consultant to inspect to satisfy the annual licensing requirements. The State of North Carolina has approximately 103 Foster Care group homes/child care institutions and 2,763 Foster Care homes. There are three State consultants to monitor 21 institutions and 82 group homes in 100 counties. County social service employees who monitor the 2,763 Foster Care homes send inspection reports into the State DSS office for licensing. These reports are monitored by one individual. Based on the workload, it appears that the consultants responsible for Foster Care are overburdened and to assure full compliance with regulations, the workload for Foster Care consultants should be realistically matched to the work force.

LICENSING INSPECTIONS - DSS

The DSS does not have a standard approved checklist for conducting annual licensing inspections. Instead, DSS uses a blank narrative form when documenting their inspections. Having a standard checklist in the inspection of Foster Care facilities would assure that basic requirements were addressed. This would be particularly beneficial for Foster Care inspections because of the additional issues (child development and protection) that are required for those children in Foster Care.

According to DSS officials, many times the inspections of Foster Care facilities are based upon past experience with the facility and do not necessarily cover all prescribed licensing criteria. The DSS officials agreed that they may overlook specific areas including those involving health and safety standards because there is no checklist available to follow.

The DSS should develop a checklist of licensing standards for inspection of Foster Care facilities which includes applicable health and safety standards and the checklist should be applied consistently.

DAY CARE COMMISSION

The North Carolina General Assembly established Article 7, Chapter 110, Child Day Care Law (Article 7) which states that Day Care regulations will be established by a Day Care commission. Article 7 is silent on composition of the Day Care Commission. The commission has powers and duties that include:

- o developing policies and procedures for the issuance of a license;
- o making rules establishing minimum standards of health and safety;
- o establishing the maximum capacity for each category of child care facility; and
- o making rules for administrative action against Day Care facilities.

The Day Care Commission is made up of 15 members. Seven members are operators of Day Care facilities and 8 members are consumers. Concerns about the practice of having the operators establish the rules which govern their operation were expressed in media research performed for WRAL, TV-5 in Raleigh, North Carolina. This research demonstrated that, in the State of North Carolina, member absences from a meeting could give operators a majority vote in rule making. In addition, a Child Development and Day Care expert testified that North Carolina was the only State that she knew of as having a citizen body with the ability to adopt rules or an advisory panel that advises the State agency on rule making composed in this way.

VAGUENESS OF REGULATIONS

Day Care regulations are separated into categories by facility capacity and accordingly operate under different regulations. A Day Care home is a facility that can care for no more than eight children at any one time. A Day Care center can care for more than eight children.

Regulations for Day Care facilities are vague and can be interpreted loosely so that there is a laxity in the enforcement. For example, the regulations for a home requires keeping:

"...all areas used by the children, indoors and outdoors, reasonably clean and orderly and free of items which are potentially hazardous to children."

The small Day Care operator may designate an area for outdoor play, however, there is no requirement to fence an area for play purposes. Looseness in requirements provide no firm basis for evaluation. This may create problems in identifying violations of health and safety standards. For example, we encountered a situation where an unfenced playground clearly presented a harmful environment for children yet no violation was noted due to the vagueness of the requirements. This home was located behind an auto repair shop which stored auto fluids and parts in the rear of their building which bordered on the play area of the home. In addition, the yard surrounding the house was strewn with bottles, cans, discarded auto parts, cinder blocks, toys, and household furnishings. When the provider was asked to identify the play area, she indicated that a portion of the front yard was used for that purpose. A consultant would find it difficult to define the boundaries of the play area and determine if children were actually confined to that area.

CONCLUSIONS AND RECOMMENDATIONS

Federal funds are granted to States to assist in the funding of child care services. States have the primary responsibility to develop and enforce regulations that protect the health and safety of children at child care facilities. The State of North Carolina should reevaluate their comprehensive plan to assure timely, accurate, and comprehensive inspections that will assure compliance with State regulations. The plan should assure compliance with:

- o fire and building codes by strictly enforcing fire and building regulations;
- o sanitation regulations by requiring inspectors to strictly enforce sanitation requirements;
- o child care regulations to include coordinating the efforts of the entities responsible for licensure inspections and conducting awareness training for consultants;
- o Day Care regulations by accommodating consultant workload and pursuing additional funding through other funding sources or developing practices that more realistically match workload and work force to allow increased compliance visits and follow-up on administrative actions; and
- o requirements for completing background checks on child care providers to assure the intent of the current regulation is upheld. Additionally, the State should establish policy requiring background checks on child care providers currently exempted from the regulation. At a minimum, the statewide child abuse registry should be utilized.

In addition, North Carolina should:

- o review regulations and eliminate vagueness;
- o ensure Day Care operators do not constitute a majority of the commission's voters approving rules and policies;
- o provide technical assistance and directives to the facilities as to information that should be contained in employee and child records;
- o should collect and disseminate information to child care providers through newsletters, hotlines, or State conferences about State child care standards and help them understand how compliance can reduce risks and injuries to children; and
- o provide health and safety information to parents and ask that they report conditions that would be harmful to their children.

NORTH CAROLINA RESPONSE AND OIG COMMENTS

By memorandum dated February 4, 1993, North Carolina DFS and Division of Social Services (DSS) responded separately to our draft report (Appendix A). We have reviewed their comments and fully considered them in the final report. We have made some revisions to this report to clarify or address certain of their concerns.

In the following paragraphs, we have summarized key portions of ACF's response to our draft report, and have provided our comments.

General comments made by DFS addressed concern that: (1) the report recommendations are not supported by a statistically valid sample; (2) the data is not helpful to the two agencies involved in licensing Day Care/Head Start and Foster Care because they were not separated by program; and (3) a copy of the audit instrument should be included in the appendix of the report.

As indicated in the scope section of the report a statistically valued sample of facilities was not taken. We have revised the report to further clarify the point. Our draft report specifies the criteria of the sample, the process used in drawing the sample and discloses the judgmental nature of the selection. We also disclosed in the results of review section that the conditions reported could not be extrapolated to the entire universe of facilities in North Carolina providing services to children because of the judgmental sample.

Although the report recommendations are not supported by a statistically valid sample, we believe that sufficient evidence was established to illustrate a systematic weakness in the State's operational procedures requiring some attention.

In response to DFS' comment that the findings were not useful because they were not divided by program, we have added a chart to the report to show the distribution of the deficiencies by program.

In response to DFS' recommendation that a copy of the audit instrument be included in the report. The OIG does not attach audit working papers used in the performance

of the review to the audit report (i.e., audit guides and programs). The audit instrument is available for review upon request.

The State has informed the OIG that they are in the process of correcting identified deficiencies in the area of: (1) removing identified hazardous conditions; (2) providing technical assistance to Day Care operators; and (3) improving access to the statewide Central Registry for Child Abuse and Neglect. We commend the State and encourage their continued efforts in promptly correcting conditions that could be harmful to the safety and well being of children while at child care facilities.

Specific comments by DFS and DSS are addressed in the following pages.

North Carolina Response - Background Checks

The DFS Response

Consultants do request criminal records check if they believe a person might have a criminal background.

The DSS Response

We concur that child care institution rules do not currently prohibit individuals who have a substantiation of abuse or neglect from providing direct child care and that the current group home rules do include this prohibition. However, the rules for child caring institutions and group homes are under revision to address such inconsistencies and to reflect changes in practice. The planned rule revisions will include a change to achieve consistency in the area of prohibiting individuals with substantiations of abuse and neglect from direct care of foster children in any type of residential placement licensed under the rules of the Social Services Commission.

OIG Comments - Background Checks

Our review showed that background checks were performed only by DSS on care givers at Foster Care homes. Employees and operators at Foster Care group homes and institutions, as well as Day Care homes and centers are not subjected to background checks. We believe the inconsistency in the obtainment of background checks is

the result of several conflicting State regulations:
(1) Foster Care Institution Regulation is silent on the employment of convicted child abusers; (2) Foster Care Group Home Regulation prohibits the employment of convicted child abusers; (3) Article 7 of the North Carolina Statute prohibits employment of persons with moral turpitude at child Day Care facilities; and
(4) North Carolina General Statute prohibits the use of criminal background checks for the purpose of screening applicants for employment. The North Carolina General Statute has the potential effect of neutralizing regulations restricting employment by persons convicted of child abuse or moral turpitude.

It should be noted that the DSS' efforts are limited to accessing the Central Registry for Child Abuse and Neglect which is a statewide data base of persons convicted of child abuse or neglect. We believe that North Carolina's recent efforts in modifying it's rules on securing background checks should include National and other statewide criminal background checks.

North Carolina Response - Comprehensive Plan

The DFS indicated that there is no comprehensive plan and that judgmental selections cannot be used as a basis for making recommendations.

OIG Comments - Comprehensive Plan

We agree that there is no requirement for a comprehensive plan collectively covering all child care facilities. However, each of the programs, Foster Care, Head Start, and Day Care have an individual requirement that State plans be developed and approved for participation in Federal programs. The Code of Federal Regulations contains requirements for State plans that are similar for each program reviewed in this report. State plans under Title IV-A and Foster Care require the State to establish procedures to ensure that child care will be subject to State and local requirements designed to ensure basic health and safety, including fire safety, protections.

North Carolina Response - Workload

We agree with the finding that the four consultants in the DSS "work under heavy workloads", especially the licensing consultant who is responsible for the licensure of county Department of Social Services' supervised family foster homes. During the year, July 1, 1991 to June 30, 1992, this consultants performed 3,111 license actions. Currently, the average yearly caseload is 40 for the remaining three consultants. While the report noted that consultants are responsible for 103 group homes and facilities, these staff are also responsible for the licensure of private child placing agencies and the family foster homes supervised by these agencies, and for maternity homes. Currently, there are 18 licensed child placing agencies and four maternity homes, bringing the total to 125.

OIG Comments - Workload

We have not revised the report to disclose the additional workload of the DSS consultant responsible for county supervised Foster Care homes because: (1) we used the number of homes operating at the time of our field work as a minimum number of homes that required annual inspections and (2) the workload data does not relate to our period of review. The number of Foster Care family homes can vary with time.

We did not revise the report to disclose the additional workload of the State consultants responsible for private child placing agencies and maternity homes because they were not in the scope of our review.

North Carolina Response - Photographs

The pictures of residential child care facilities contained in the report are misleading. They are all from one child caring institution. The above mentioned home readily agrees that cottage improvements are needed, especially the photographed cottage, in which all the interior photographs were shot. Planning for these renovations cannot get underway without the necessary capital, however. The raw sewage pictured in Appendix C, Page 5, had been reported to the city by the director of the facility. It was explained to the audit team that it was the city's responsibility to correct this problem.

In the matter of the ice chest, it most certainly ought not to have been on the facilities campus. The director explained its presence as a mistake and had requested its removal. Clearly, the director needed to take further precautions by having the container turned around where the open door would not have been operable...For each of the past 4 years, plans were presented by the director and each year, were not implemented due to shortages of funds.

OIG Comments - Photographs

The pictures in Appendix C are representative of the type of deficiencies found at the facilities visited which includes Day Care homes, Day Care centers and Foster Care residential facilities. The pictures were chosen to represent essentially the collapse of one facility in providing safe and sanitary conditions for children in care. The inclusion of the pictures was to bring attention to the risk that children are subjected to in facilities that do not meet health and safety standards no matter what the cause or situation.

North Carolina's commented that the raw sewage and the removal of the ice chest was the responsibility of others. While it may be true that the responsibility for repair or removal of the health or safety hazard belongs to the city, it continues to remain a serious risk to the children at the facility. It is the responsibility of the State to maintain health and safety conditions at child care facilities and to coordinate the services of various departments (i.e. Public Health Department and Division of Public Works) to assure a healthy environment. Aggressive action must be taken to immediately protect the health of the children and remove the occasion for possible disease.

North Carolina Response - Checklists

The State commented that checklist for compliance with licensure rules is included in the application for licensure sent to the facility prior to the consultants inspection of the facility. The consultants complete the checklist during inspection of the facility. The State also commented that consultants concentrate on the areas of greatest need or change which may have occurred from the previous year.

OIG Comments - Checklists

During our review of Foster Care licensing files we found that the inspection of Foster Care group homes and institutions was in narrative format and did not include a checklist for compliance testing. The narrative licensing reports included in the files did not address health and safety issues consistently, for example the checklist sent to applicants includes a requirement that medicines are kept in a secured cabinet but this requirement was not addressed in the narrative inspection reports for each facility reviewed. The licensing files did not document that a consistent format of monitoring health and safety was followed i.e. a checklist indicating that each requirement is addressed.



North Carolina Department of Human Resources
Division of Social Services

325 North Salisbury Street • Raleigh, North Carolina 27603
Courier # 56-20-25

James B. Hunt, Jr., Governor
C. Robin Britt, Sr., Secretary

Mary K. Deyampert, Director
(919) 733-3055

January 22, 1993

Ms. Lynda D. McDaniel, Deputy Director
Division of Facility Services
701 Barbour Drive
Raleigh, North Carolina 27603

Dear Ms. McDaniel:

This letter is in response to the part of the draft report from the Office of the Inspector General, Office of Audit Services, pertaining to residential child care facilities. Division staff who participated in the onsite visits with the audit team have reviewed this draft report. As a result of these reviews, we believe that several areas of the draft require clarification.

While we concur with some of the audit team's findings contained in the summary, we would like to provide further clarification to several of the team's conclusions. Licensing staff of this Division do utilize a standard checklist when conducting licensing visits. In addition to completing a checklist of licensure rules, before an onsite visit, they conduct reviews of the license application and supporting materials. While onsite, they interview administrative, supervisory, social work, and direct care staff. Separate from staff, they interview children; monitor organizational, personnel, and children's records; and tour the facilities. We agree that the consultants would benefit from some training regarding the fire and building safety inspection and sanitation inspection, but we do not agree with the audit team's recommendation that Division staff need to conduct these inspections. It is our opinion that such inspections need to continue to be conducted by the local experts in these areas.

We would also like to clarify that it is not the practice of the licensing consultants to intentionally overlook demerits or deficiencies reported by the inspectors. It is the practice of the

licensing consultants to issue a provisional license when the sanitarian issues a provisional status on his inspection. Also, it is the practice of the licensing consultants to withhold issuance of a license if the fire and building safety inspector withholds approval from any family foster home or residential child care facility. Licensing consultants also follow up with licensees when improvements and corrections are identified and needed before the issuance of a license.

In response to the finding that criminal record checks for residential child care staff are not required by the licensure rules, North Carolina General Statutes do not permit access to either the FBI records, statewide police data, or the Central Registry for child abuse and neglect for purposes of screening applicants for employment. Due to federal and state laws and regulations restricting access to federal and statewide criminal information, licensure staff are unable to complete national or state criminal record checks on prospective foster parents or residential child care staff. However, local criminal record information is available in North Carolina through individual county Clerks of Court. Many agencies licensed through this Division do conduct criminal record checks on their prospective foster parents and residential child care staff through their local Clerks of Courts and we recommend this practice. Access to state and federal criminal records information and to the Central Registry would require statutory changes. Greater assistance by the State in this area would be beneficial and welcomed by residential child care providers. The Division has proposed that G.S. 7A-552, Central Registry, be amended to provide authority for the Social Services Commission to adopt rules regarding disclosure of data from the Central Registry.

We also agree with the finding that our staff "work under heavy workloads", especially the licensing consultant who is responsible for the licensure of county Department of Social Services' supervised family foster homes. During the year, July 1, 1991 to June 30, 1992, this consultant performed 3,111 license actions. Currently, the average caseload is 40 for the remaining three consultants. While the report noted the consultants are responsible for 103 group homes and facilities, these staff are also responsible for the licensure of private child placing agencies and the family foster homes supervised by these agencies, and for maternity homes. Currently, there are 18 licensed child placing agencies and four maternity homes, bringing the total to 125.

Finally, while it is true that the Division of Social Services has delegated authority for studying and preparation for licensure of family foster homes to county Department of Social Services for the homes they supervise, we disagree with the team's conclusion that there is limited state oversight of these foster homes. In completing the checklist/application, obtaining the sanitation, fire, and building safety inspections; reviewing the medicals for the foster family; and providing on-going supervision of these homes, including required quarterly contacts and at least 2 visits

in the home annually, county Department of Social Services are assuring that the necessary protections are being provided to foster children in accordance with the state's standards. It is our opinion, once again, that the inspections of a facility's physical plant need to continue to be conducted by the local professionals who have greater expertise in these areas.

Within the body of the report, a few additional areas were found to need clarification. On page 11, we concur that child care institution rules do not currently prohibit individuals who have a substantiation of abuse or neglect from providing direct child care and that the current group home rules do include this prohibition. However, the rules for child caring institutions and group homes are under revision to address such inconsistencies and to reflect changes in practice. The planned rule revisions will include a change to achieve consistency in the area of prohibiting individuals with substantiations of abuse and neglect from direct care of foster children in any type of residential placement licensed under the rules of the Social Services Commission.

On page 17, it needs to be clarified that a checklist of compliance with licensure rules is included in the application and is completed annually by the licensure consultants. Licensure consultants concentrate on areas of greatest need or change which may have occurred from the previous year, and assist the licensee to improve programs and practice and move beyond minimum licensure compliance. The last sentence in the first full paragraph is surprising, as consultant reviews are based on compliance with all rules. On occasion, however, the necessary inspections are not completed prior to the consultants' onsite visits. In these situations, demerits or deficiencies in the areas of sanitation and fire and building safety are not known and, therefore, are not discussed with the licensees during the onsite visit. However, as noted earlier, no license is issued until these reports are received and document that the facility meets established standards.

Finally, we agree with the audit team's recommendation regarding providing training to licensees, as well as collecting and disseminating information through newsletters and/or state conferences. The Division of Social Services annually co-plans with the North Carolina Child Care Association to provide a comprehensive training conference for residential care child staff. Additionally, the state currently has a major contract with the North Carolina Child Care Association for providing a broad range of relevant child care training. Licensing consultants also stay abreast of current child welfare standards, routinely collect a variety of resource materials, and regularly disseminate such materials to licensees who express a need or interest in them.

One final note regarding the pictures of residential child care facilities contained in the report, which we believe are misleading. They are all from one child caring institution. Central Children's Home readily agrees that cottage improvements are needed, especially Shephard Cottage, in which all the interior photos were shot.

Planning for these renovations cannot get underway without the necessary capital, however. The raw sewage pictured in Appendix C, page 5, had been reported to the City of Oxford by the director of Central. It was explained to the audit team that it is the city's responsibility to correct this problem. In the matter of the ice chest, it most certainly ought not to have been on Central's campus. Mr. Alston explained its presence as a mistake and had requested its removal. Clearly, Mr. Alston needed to take further precautions by having the container turned around where the open door would not have been operable. To further elaborate on the situation at Central Children's Home, for the past four years, our records document the great concern we have had about this facility and the need for major improvements in the physical plant, these concerns have been shared in the licensure report sent each year to the Director and Board of the home. For each of the past four years, plans were presented by the director and each year, were not implemented due to shortages of funds. Central, without a doubt, would benefit from additional funds to improve its campus and child care services.

We would appreciate the opportunity to address our concerns about this draft report prior to its finalization. Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary K. Deyampert".

Mary K. Deyampert

MKD/EDR/chs

Response to Office of Inspector General's "Review of Health and Safety Standards at Child Care Facilities in North Carolina", prepared by the Child Day Care Section.

The Child Day Care Section has reviewed the draft audit report and has several concerns about the conclusions and recommendations contained in it. First, the reader is cautioned on page 6 not to use the results of the audit to make statistical inferences about the condition of child care facilities statewide. Yet it seems that the authors themselves have assumed that their findings do characterize child care facilities statewide. They have made broad policy recommendations based on their findings even though they have said that the facilities chosen were selected on a "judgmental" basis. The audit was not a scientifically valid research study and that should be clearly stated from the outset. We urge the authors to present the results of the study and follow their own advice against generalizing their findings to all child care facilities in North Carolina unless they can present methodology which demonstrates that the study is scientifically valid.

The report mixes national and state data and, as a result, is confusing and hard to follow. We suggest that the following revisions be considered to enhance the overall clarity and usefulness of the report:

- 1) Separate data concerning day care and Head Start from data on foster care. As presented now, the data is virtually useless to the two agencies involved in licensing day care/Head Start and foster care so far as knowing the extent of violations found in one type of facility or another.
- 2) Include a copy of the instruments used in completing the audit. The report states that day care center checklists were used for all facilities. There is nothing to indicate that modifications were made to allow for the differences in requirements or not. That needs to be spelled out. Otherwise, one could assume that day care homes and foster care facilities were monitored against center requirements even though there are many differences in the requirements for each type of facility.

More specific comments, by page and paragraph, are attached.

Attachment

COMMENTS ON DRAFT REPORT OF THE "REVIEW OF HEALTH AND SAFETY STANDARDS AT CHILD CARE FACILITIES IN NORTH CAROLINA"

Page i, Paragraph 2:

What does "judgmentally selected child care facilities" mean? What were the criteria used to select the facilities?

Page ii, Paragraph 1:

Clarify that background checks are done when there is reason to suspect an operator or caregiver has a criminal record.

Page 5, Paragraph 3:

Audit guide instrument should be included as an appendix to the report.

Page 5, Paragraph 7:

Exactly what standards were monitored? North Carolina has an indicator checklist for day care centers and a comprehensive checklist. Which center checklist was used? Were modifications made to accommodate the different standards that apply to day care centers, family day care homes, and foster care facilities? If so, what were those modifications?

Page 6 Paragraph 2:

One cannot identify violations found in day care centers or homes as compared to foster care, let alone tell which violations were found in day care centers as compared to day care homes.

Page 8, Paragraph 5:

Clarify that the consultant requests a criminal record check when there is a reason to suspect that the person may have a criminal record.

Page 9 Paragraph 2:

Second sentence--Clarify to state that 10% of the sample, not 10% of the providers had either an arrest record or a conviction. The way the information is presented implies that 10% of the child care providers in North Carolina would have been barred from child care if a criminal records check had been done. The information given about each individual indicates that the disposition of charges was unknown for 4 of the individuals whose records were checked. In North Carolina, the child day care law does not prevent someone from working in a day care facility with an arrest record but no convictions.

Page 9, Paragraph 3:

The way the findings are presented is confusing. What was the criteria for deciding which criminal records were problematic and should be reason to prevent someone from employment in a child care facility?

Page 10, Paragraph 5:

This paragraph should be labeled to distinguish it from the information on the arrest/criminal records. It should also be noted that this is a general discussion related to criminal background checks and not North Carolina specific. The Child Day Care Section does not have access to the child/abuse neglect registry maintained by the Division of Social Services. In addition, the Section together with its legal counsel, not the "state police", determines whether criminal convictions violate the moral turpitude provision of the day care licensing law.

Page 10, Paragraph 6:

Consultants do request criminal records check if they believe a person might have a criminal background.

Page 14, Paragraph 4:

Where were the numbers of expired licenses obtained? If they are based on a statistical printout provided by the Child Day Care Section, they cannot be assumed to be accurate for that time period. At the time this audit was done, it took anywhere from 2 to 4 months for the computer printout to reflect that licenses had been renewed because of an outdated computer system then in use. Therefore, the statement that 12% of the day care facilities were operating with an expired license is incorrect. In addition, North Carolina day care rules provide that a facility's license remains valid until the Section takes administrative action related to it. Also, if there is negative action in process, renewal of the permit would be delayed pending the final disposition of that action. Another factor that can cause a delay in renewal is an open abuse/neglect investigation. It is very misleading not to clarify the reasons for delinquent renewals and to attribute expired licenses only to a consultant not having visited.

Page 17, Paragraph 6:

The composition of the Child Day Care Commission is addressed in North Carolina General Statute Article 56, section 143.B. We will be glad to supply a copy of this statute upon request.

Page 18, Paragraph 3:

The statement that regulations for day care are vague and that the vagueness leads to laxity in enforcement cannot be supported by only one example. Again, this seems to be a generalization that the reader was warned on page 6 not to make.

At the time this audit was conducted, the Section was in the process of developing a handbook for child day care facilities to give providers an explanation of the requirements plus provide the intent and rationale of each one. That handbook has been completed and distributed to all center operators.

Page 19, Paragraph 1:

To which comprehensive plan does this paragraph refer?

Page 19, Paragraph 4:

By statute, the responsibility for sanitation and fire inspections is given to the local public health department and the local fire marshall. The child day care consultants are day care experts, not sanitation and fire code experts. Training them to complete sanitation and fire inspections would result in a duplication of effort. The consultants have a working knowledge of sanitation requirements and fire safety standards and contact the appropriate local inspector whenever a violation may have been overlooked or the situation seems to warrant re-inspection.

Page 19, Paragraph 8:

Does the statement "Review regulations and eliminate vagueness" apply to day care, Head Start, foster care, or all three?

Page 19, Paragraph 10:

A newly completed Child Day Care Handbook addresses many of the points that apply to child day care centers that are raised here.

Appendix B:

Information about violations would be more helpful to state agencies if it were shown by type of facility.

APPENDIX B

NORTH CAROLINA CHILD CARE PROGRAMS
 ANALYSIS OF 214 HEALTH AND SAFETY DEFICIENCIES AT 27 FACILITIES*

HEALTH & SAFETY DEFICIENCY	DEFICIENCIES		FACILITIES	
	NUMBER	PERCENT	NUMBER	PERCENT
FIRE CODE VIOLATIONS	26	12.1%	14	51.8%
UNSANITARY CONDITIONS	60	28.0%	19	70.4%
TOXIC CHEMICALS IN AN UNLOCKED STORAGE AREA	21	10.2%	14	51.9%
PLAYGROUND HAZARDS	26	12.1%	14	51.9%
OTHER FACILITY HAZARDS	69	32.1%	20	74.0%
EMPLOYEE RECORDS	5	2.3%	5	18.5%
CHILDREN'S RECORDS	7	3.2%	5	18.5%

* For some categories, more than one health and safety deficiency was observed at a facility.

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



Deteriorating and unstable fire escape
at foster care institution

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



Bars on windows of play area
at foster care residential institution

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



Inoperable clothes dryer accessible to children
at day care home

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



Wooden boards with protruding nails
scattered on play area at day care center

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



Raw sewage draining from city septic system
into childrens outdoor play area
at foster care institution

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



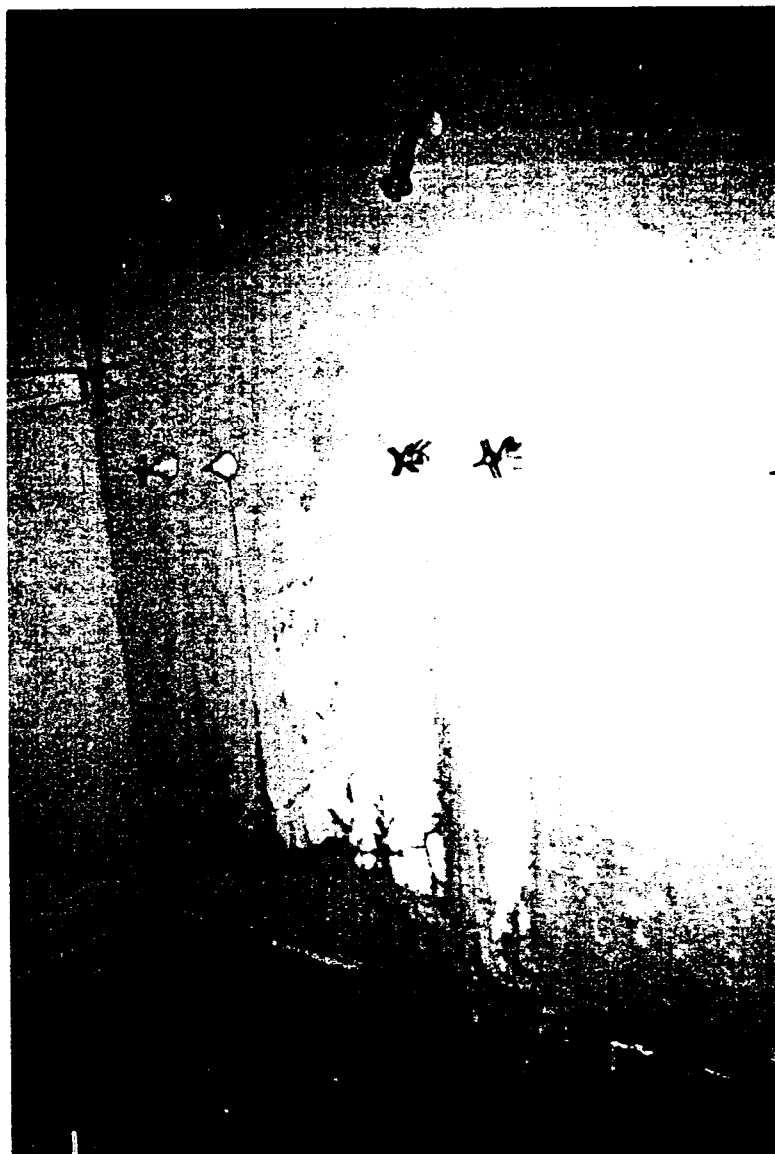
Inoperable ice case accessible to children
at foster care institution

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



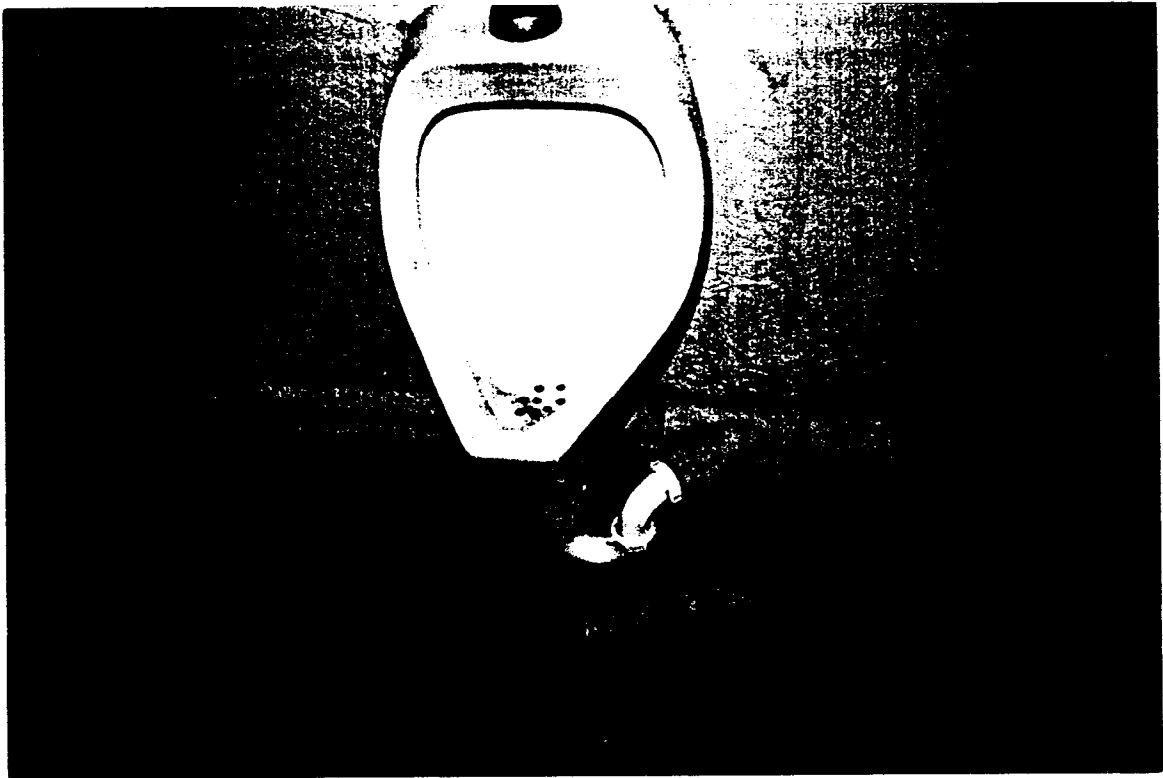
Unsanitary bathroom at
foster care institution

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



Unsanitary common shower area
at foster care institution

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



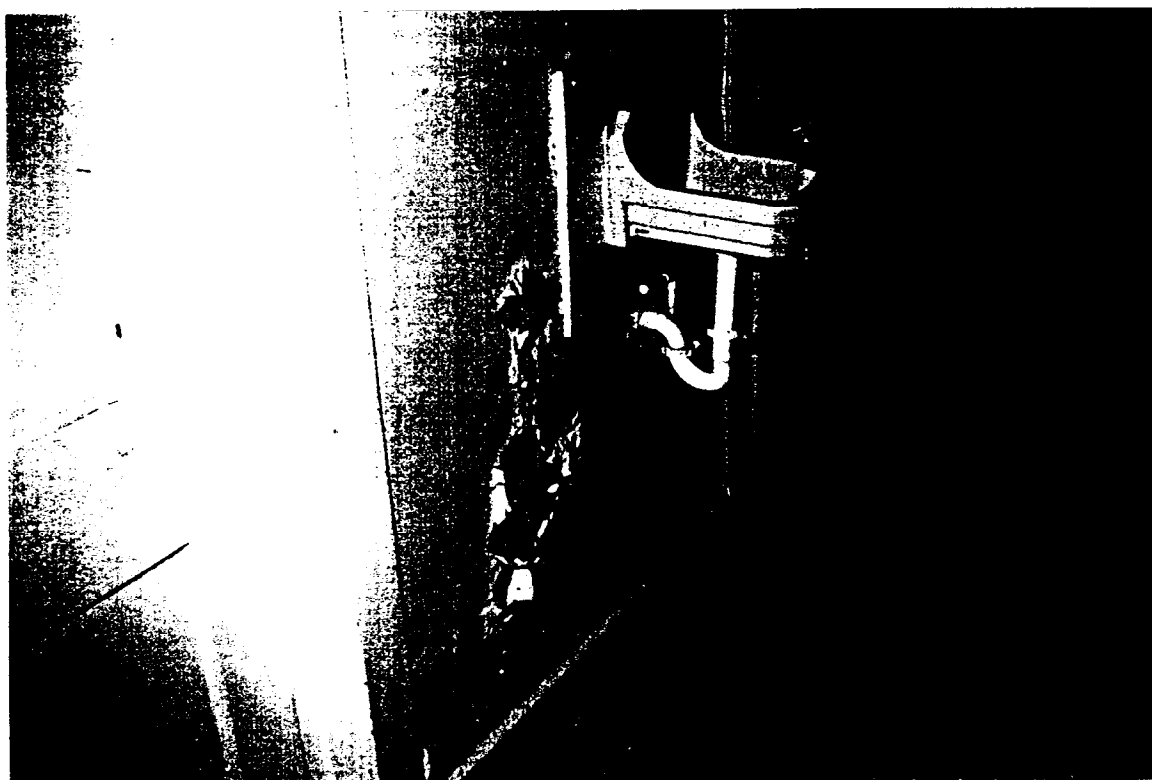
Unsanitary bathroom
at foster care institution

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



Unsanitary bathroom at day care home

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



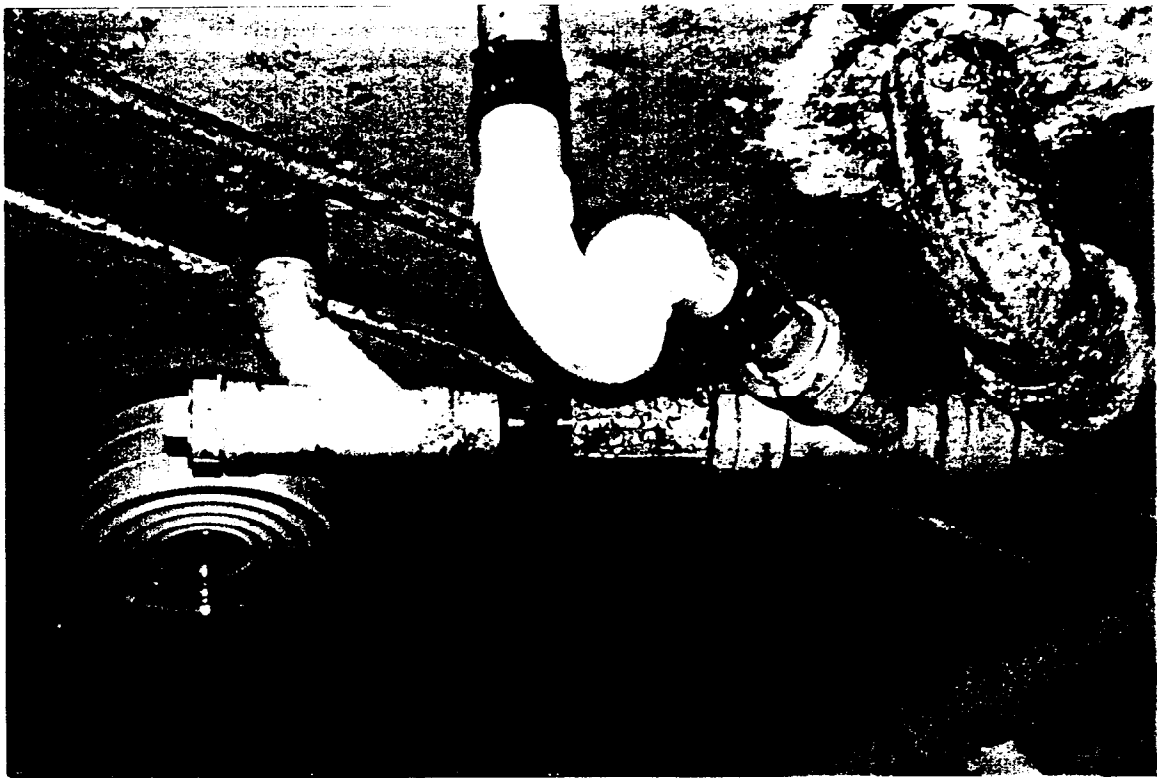
Peeling paint and unsanitary drinking fountain
at foster care institution

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



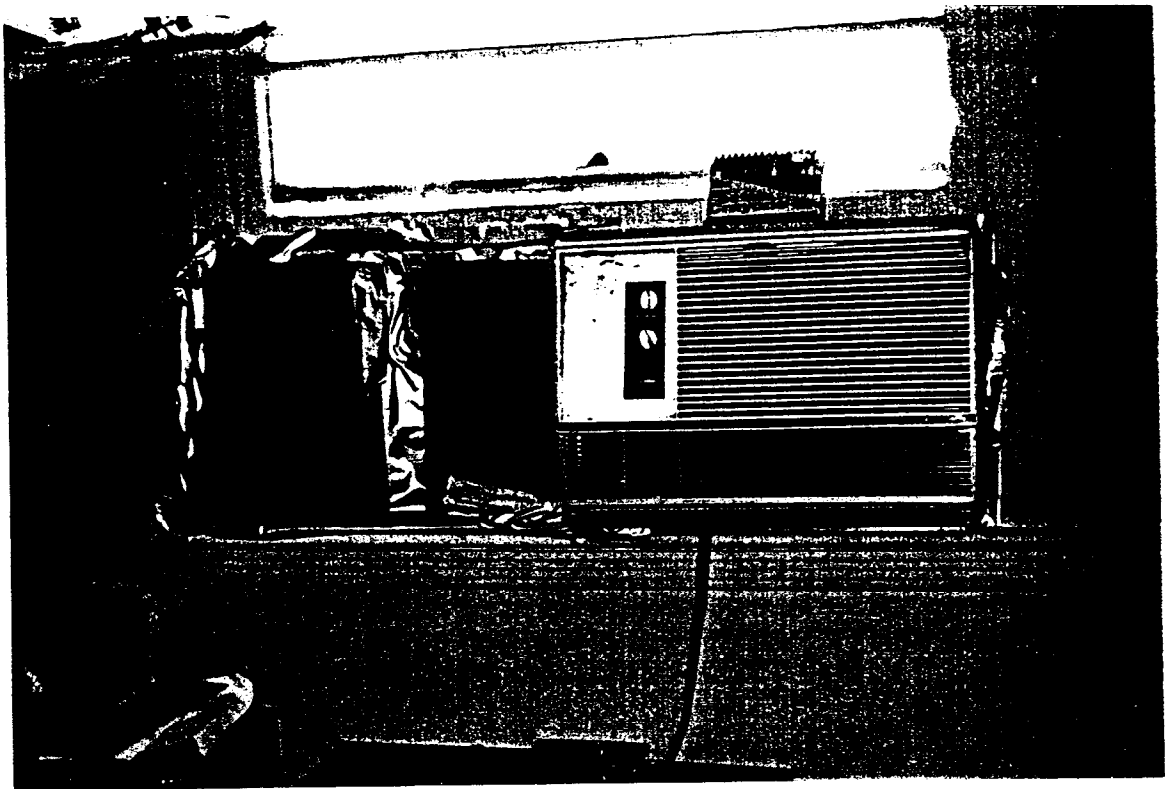
Ammoniated wax stripper and unsanitary tools
accessible to children at day care center

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



Leaking sewer pipes in ceiling of shower facility
at foster care institution

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



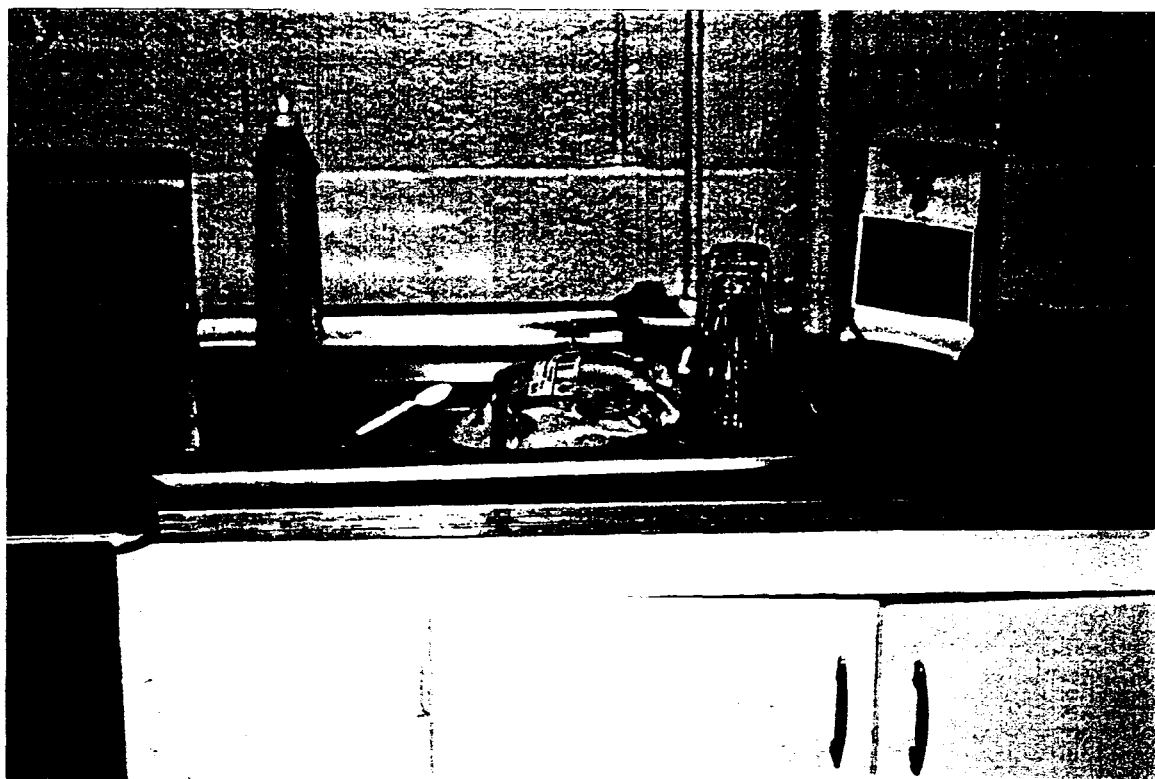
Air conditioner secured in window
with duct tape at day care home

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



Toxic chemicals in unlocked cabinet
at day care center

**Review of Health and Safety Standards
at Child Care Facilities
in the State of North Carolina**



Thawed food at room temperature
at day care center

Review of Health and Safety Standards at Child Care Facilities in the State of North Carolina



Toxic chemicals in unlocked cabinet
at day care center