

**ALASKA STATE LEGISLATURE
JOINT COMMITTEE ON
ADMINISTRATIVE REGULATION REVIEW**

May 4, 2001
4:45 p.m.

HOUSE MEMBERS PRESENT

Representative Lesil McGuire, Chair

HOUSE MEMBERS ABSENT

Representative Jeannette James
Representative Joe Hayes

SENATE MEMBERS PRESENT

Senator Robin Taylor, Vice Chair
Senator Lyda Green

SENATE MEMBERS ABSENT

Senator Georgianna Lincoln

COMMITTEE CALENDAR

REVIEW OF PROPOSED CHANGES TO 4 AAC 62 CHILD CARE LICENSING
REQUIREMENTS

PREVIOUS ACTION

No previous action to record

WITNESS REGISTER

YVONNE CHASE, Deputy Commissioner of Early Development
Office of the Commissioner
Department of Education and Early Development (EED)
333 West Fourth Avenue, Suite 320
Anchorage, Alaska 99501-2341
POSITION STATEMENT: Testified on behalf of EED.

CAROL JENSEN, Owner-operator
Kaleidoscope Corner Child Care
Wasilla, Alaska

POSITION STATEMENT: Testified on how regulations are having negative impacts on private child care providers.

VERNA EUWER, Operator
Children's House Preschool & Child Care Center
291 East Paulson
Wasilla, Alaska 99654

POSITION STATEMENT: Testified on a need for the appointment of a state Board of Education and Early Development member with private child care experience.

ARLIE REED LEWIS, Owner
Butte Little Critters Daycare Center (ph)
(No address provided)

POSITION STATEMENT: Testified that there are too many regulations on child care.

NATALIE RAY, Director
Ray's Child Care and Learning Centers
Palmer-Wasilla Highway
Palmer, Alaska

POSITION STATEMENT: Testified her on concern about economic effects of new regulations and lack of contact between child care providers and the board.

SHEILA BOX, Executive Secretary
Board of Education and Early Development
801 West Tenth Street, Suite 200
Juneau, Alaska 99801

POSITION STATEMENT: Testified on behalf of the board.

ACTION NARRATIVE

TAPE 01-13, SIDE A
Number 0001

CHAIR LESIL McGUIRE called the Joint Committee on the Administrative Regulation Review to order at 4:45 p.m. Representative McGuire and Senator Green were present at the call to order. Senator Taylor arrived as the meeting was in progress.

REVIEW OF PROPOSED CHANGES TO 4 AAC 62 CHILD CARE LICENSING REQUIREMENTS

Number 0154

YVONNE CHASE, Deputy Commissioner of Early Development, Office of the Commissioner, Department of Education and Early Development (EED), testified via teleconference. She pointed out that the responsibility for child care licensing moved from the Department of Health and Social Services to EED, effective July 2000.

MS. CHASE stated that there was a need for EED to talk with parents as well as child care providers. She called these informal talks "community meetings." They differ from public hearings because they allow dialogue.

MS. CHASE pointed out that in the meetings to date, caregivers had two major areas of concern. The first was the staffing ratios that had been narrowed slightly. The second area of concern was the increase in staff training requirements. Ms. Chase admitted EED needs to take a closer look at the staffing ratios in order to ensure the safety of children. With regard to the training issue, she said caregivers were not averse to training but they were concerned about spending excess time in a classroom setting acquiring it. Federal stipends had helped in providing this additional training. Ms. Chase also outlined a differentiated payment rate increase that would compensate licensed care providers more than registered care providers.

Number 0626

SENATOR GREEN asked if the changes were new regulations based on new law or if it was "review."

Number 0681

MS. CHASE answered that the changes were review, but added there were changes from the child protection law that took effect when the program was still in the Department of Health and Social Services.

Number 0715

SENATOR GREEN asked which sections Ms. Chase was referring to.

MS. CHASE replied that the changes referred to fingerprinting of all full-time staff.

SENATOR GREEN surmised that the fingerprinting requirements were the only new ones.

Number 0768

SENATOR TAYLOR asked Ms. Chase how many children a registered daycare operator could be responsible for.

MS. CHASE answered that four or fewer unrelated children is the limit for a registered daycare provider. She added that the term "registered provider" only applies to the category of "registered home." Referring to a chart provided, Ms. Chase explained that "group homes" are counted in with "centers" and therefore there are no numbers for subsidized children.

SENATOR TAYLOR asked how many actual child care facility categories there are.

MS. CHASE answered that within licensed care there are homes, group homes, and centers. Within registered care there are only homes.

SENATOR TAYLOR asked whether registered child care facilities are held to the same level of training and background checks as licensed facilities.

MS. CHASE replied that they are not held to the same level and went on to explain that registered facilities are in an exempt category. A registered facility is subject to self-certification; new employees are put through a background check, and the center must possess a business license and complete a minimum health and safety application. She added there is no inspection of the facilities under "registered" classification.

SENATOR TAYLOR expressed concern that the new regulations would increase the cost to facilities and asked Ms. Chase who would pay for the added costs.

MS. CHASE answered that in some cases there is a shared payment. She spoke of three instances when there is an increased cost. Her first example was that of the staff-to-child ratio. Ms. Chase described this as primarily an issue for the centers. The second example of increased cost was an increase in training hours. The third instance was the fingerprinting requirement.

MS. CHASE said the department is proposing to pay for the criminal background checks of those people working in new facilities as well as facilities coming up for renewal.

MS. CHASE expressed concern over the issue of staff turnover and its financial effects.

Number 1250

SENATOR TAYLOR said implementation of the new regulations are all cost items to child care providers. He expressed concern that the added training requirements coupled with the high turnover rate found in the child care profession would place hardships on small businesses. Senator Taylor warned that more stringent ratio requirements would not increase the amount of employees at these facilities but rather would decrease the number of children that receive care from them. Senator Taylor said the result would be children moving from licensed, inspected facilities to "Grandma's house," where there is simply a business license and slack compliance with [regulations and standards].

SENATOR TAYLOR said regulations must be backed up with money. Otherwise, the small-capital child care providers will be forced out of business or the number of children in their care will be reduced significantly.

MS. CHASE addressed the issue of ratios. She restated her previous claim that the ratios would need to be looked at again prior to the regulations' passing. With regard to criminal background checks, Ms. Chase said the new regulations are an effort to come into compliance with statutes already on the books. She added that the background checks would be paid for by the department over the next two years for both those facilities presently operating and new ones. Ms. Chase said the two-year period will give a good idea of staff turnover.

SENATOR TAYLOR said in order to determine staff turnover, all that is necessary is a call to any number of child care facilities for a tally of their W-2 forms over the last few years.

SENATOR TAYLOR also expressed concern about what would happen to child care facilities with four or five personnel when two of their trained staff leave. He asked how they are to continue to operate and how quickly new staff can be trained and have their backgrounds checked.

Number 1626

CAROL JENSEN, Owner-operator, Kaleidoscope Corner Child Care, testified via teleconference. Ms. Jensen expressed her opinion that the regulations are a "thinly disguised attempt to mandate that all of the children start attending a federally funded program such as Head Start or the Boys and Girls Club."

MS. JENSEN said the regulations are "not a healthy situation for licensed providers." She said EED's changing the ratio of staff to child is a "major impact" on child care providers.

MS. JENSEN voiced her concern that an upcoming teleconference on the subject of the new regulations was scheduled for the fifteenth of May, while her community meeting was scheduled for the day before. She felt it did not allow enough time to gather and present information. Ms. Jensen also conveyed her concern about the meeting date set for Seward, a date when school was still in session. She felt it precluded many teachers as well as their children's child care providers from attending. Ms. Jensen also said the comment time at that meeting is limited to one hour, and that is not enough.

MS. JENSEN said she is very concerned about the new ratios. She stated that a decrease in each group and the new age group classifications were particularly detrimental to her general revenue. Ms. Jensen made the point that she pays her staff well, and if she is forced to decrease her ratios, she will have to pay her staff less and will suffer the ill effects of high turnover "like everybody else." She said some of the new regulations clarify issues, but most of them are "major changes" and are not needed.

Number 1859

SENATOR GREEN said it would be helpful for those with concerns to go through the new regulations and highlight the troublesome parts as well as include an explanation of the particularities.

Number 1956

VERNA EUWER, Operator, Children's House Child Care & Preschool, agreed with Carol Jensen's statements. She asked who the "national board" was. She also asked about the "advisory board" and what its members' qualifications were. She stated she did not feel there were any people with private daycare experience on the advisory board.

SENATOR GREEN asked Ms. Chase to follow up on Ms. Euwer's questions.

MS. CHASE claimed she was not sure which board Ms. Euwer was referring to.

MS. EUWER said Ms. Chase had mentioned the "national board" several times and an "advisory board" as well.

MS. CHASE clarified that "the board" she had been referring to was actually the State Board of Education. "The Department of Education is sort of an anomaly; it has a commissioner that is appointed by the State Board of Education," said Ms. Chase.

MS. EUWER asked if "they have somebody that knows about daycare in that group."

MS. CHASE said the board probably has several early education specialists.

MS. EUWER pointed out that there should be people with specific experience in operating a daycare on the advisory board. She also said the first notice of regulation changes she had received was two and a half weeks prior to her testimony, "a very short time," in her opinion. She made the claim that the list of groups that the notice was distributed to lacked "daycare centers" as one of the categories.

MS. CHASE said that in a memo that went out under the commissioner's signature on the ninth of April, the term "licensed daycare providers" was included in the third column.

Number 2290

MS. EUWER said the term was missing from her copy of the memo. She claimed daycare centers were not considered at first, and that neglect was upsetting. She recommended that EED work with "JOBS [Job Opportunities and Basic Skills] or the Job Corps" to set up orientation programs. She said during such a program there could be background checks and CPR training all at one time.

Number 2374

ARLIE REED LEWIS, Owner of Butte Little Critters Daycare Center (ph), said she owns her daycare center and took out loans to pay for it. She acknowledged the need for regulations but said "the

amount coming out is ridiculous" and there are too many regulations. Ms. Lewis agreed with Verna Euwer's call for people who have experience running a daycare to be on the board.

Number 2498

NATALIE RAY, Director, Ray's Child Care and Learning Centers, headquartered in Palmer, testified via teleconference. Ms. Ray claimed her main concern was affordable child care for parents. She told members, "You can't have affordable child care if you're going to lower ratios." She stated that one child being removed from the infant room of her daycare facility would force her business to make up a \$200 loss.

MS. RAY said the state has been advocating training for staff who care for infants and toddlers. She pointed out the difficulty in making a profit which the new regulations brought about. She said caring for infants and toddlers provides marginal profits to daycare facilities, and the new regulations only compound the problem.

MS. RAY voiced concern about lower-income parents turning to non-licensed facilities as the new ratios force prices up. Ms. Ray called for an overall training program for child care providers to be administered by the state.

MS. RAY said there is a lack of contact between the department and child care providers in the "Mat-Su" area. She said she felt that "our centers are getting railroaded" and she does not want to give up her center.

SENATOR GREEN asked Yvonne Chase to clarify what the public feedback policy is like in the department's regulatory process.

MS. CHASE said the department had been actively pursuing input from child care facilities in its community meetings. That input is used by the department in the development of new regulations. Ms. Chase said the ratio issue is one of the areas where the input of providers is especially valuable.

SENATOR GREEN then asked Ms. Chase whether the board had a set number of days from the time it submits the first proposed regulations.

MS. CHASE answered that the state board opens a period of regulation that coincides with the period of time between its meetings. She said the board opened the current block of

regulations prior to the last meeting. The coming June meeting would see amendments and changes based on the input given by child care providers.

SENATOR GREEN asked if those changes would be implemented at the June meeting or would come up in September.

MS. CHASE answered that it would depend on the board and the number of amendments. She said sometimes amendments take one period of public comment and sometimes longer, depending on the complexity of the regulations.

TAPE 01-13, SIDE B

Number 2986

SENATOR GREEN asked if, in addition to the time for public meetings, there would be time for daycare providers to talk about the regulations with the board before its next meeting.

MS. CHASE said there would be ample time and encouraged daycare providers to participate in an upcoming teleconference.

SENATOR GREEN commended the daycare providers in the Mat-Su area and said the board could benefit from input provided by a member with private daycare experience. She recommended drafting a letter to the commissioner and the governor's office so that this would see consideration in future appointments. She also suggested the possibility of ad-hoc advisors from the ranks of daycare providers. Senator Green said she wanted daycare providers to feel a sense of input in the regulation process.

Number 2917

CAROL JENSEN said in summary that child care providers are concerned they "are being deliberately left out of the loop" in the regulation process. She said she would be willing to volunteer her time to any committee the department would have her on. She said the board is ignoring valuable input and experience that many private care providers could share.

SHEILA BOX, Executive Secretary, Board of Education and Early Development, said she felt disturbed to hear people felt left out of the regulation process. She said she had put notices in four newspapers statewide, on the department's web site, the Online Public Notice System, and mailed out 1,600 flyers. She encouraged the child care providers at the meeting with

grievances to send written comments to her so she could forward the information to Ms. Chase.

VERNA EUWER said written comments require more time to go over the regulation information and that she does not have a computer to access information on the department's web site.

CAROL JENSEN said she and her colleagues were working on written comments and added that they want to be a part of the process.

SENATOR GREEN expressed concern for the distribution of information and the fact that not everyone has access to computers and Internet sites. She expressed that caregivers need to respond in writing to specific items in the regulations in order for the department to take action.

MS. CHASE encouraged anyone concerned to send in comments and take part in the public meeting on the fourteenth of May.

SENATOR GREEN said in her experience, Ms. Chase was very "willing to talk and make changes as needed." She described the regulations in question as "very amendable" and advised those concerned to work out the writing and to communicate with the department.

Number 2518

ADJOURNMENT

There being no further business before the committee, the Joint Committee on Administrative Regulation Review meeting was adjourned at 5:45 p.m.