

SENATE BILL NO. 95

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH AND SOCIAL SERVICES COMMITTEE

Introduced: 2/12/25

Referred: Health & Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the child care assistance program and the child care grant program;**
2 **and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 47.05.030(a) is amended to read:

5 (a) Except as provided in (b) and (c) of this section and for purposes directly
6 connected with the administration of general assistance, adult public assistance, the
7 day [CHILD] care assistance program authorized under AS 47.25.001 - 47.25.095, or
8 the Alaska temporary assistance program, and in accordance with the regulations of
9 the department, a person may not solicit, disclose, receive, make use of, or authorize,
10 knowingly permit, participate in, or acquiesce in the use of, a list of or names of, or
11 information concerning, persons applying for or receiving the assistance directly or
12 indirectly derived from the records, papers, files, or communications of the department
13 or subdivisions or agencies of the department, or acquired in the course of the
14 performance of official duties.

1 * **Sec. 2.** AS 47.05.030(a), as amended by sec. 1 of this Act, is amended to read:

2 (a) Except as provided in (b) and (c) of this section and for purposes directly
3 connected with the administration of general assistance, adult public assistance, the
4 **child** [DAY] care assistance program authorized under AS 47.25.001 - 47.25.095, or
5 the Alaska temporary assistance program, and in accordance with the regulations of
6 the department, a person may not solicit, disclose, receive, make use of, or authorize,
7 knowingly permit, participate in, or acquiesce in the use of, a list of or names of, or
8 information concerning, persons applying for or receiving the assistance directly or
9 indirectly derived from the records, papers, files, or communications of the department
10 or subdivisions or agencies of the department, or acquired in the course of the
11 performance of official duties.

12 * **Sec. 3.** AS 47.05.085(a) is amended to read:

13 (a) The commissioner or the commissioner's designee at the director level may
14 issue subpoenas to compel the production of books, papers, correspondence,
15 memoranda, and other records considered necessary as evidence in connection with an
16 investigation under or the administration of AS 47.07 (medical assistance), AS 47.08
17 (assistance for catastrophic illnesses and acute or chronic medical conditions),
18 AS 47.25 (**day** [CHILD] care assistance, child care grants, general relief, adult public
19 assistance, and food stamps), and AS 47.27 (Alaska temporary assistance program).

20 * **Sec. 4.** AS 47.05.085(a), as amended by sec. 3 of this Act, is amended to read:

21 (a) The commissioner or the commissioner's designee at the director level may
22 issue subpoenas to compel the production of books, papers, correspondence,
23 memoranda, and other records considered necessary as evidence in connection with an
24 investigation under or the administration of AS 47.07 (medical assistance), AS 47.08
25 (assistance for catastrophic illnesses and acute or chronic medical conditions),
26 AS 47.25 (**child** [DAY] care assistance, child care grants, general relief, adult public
27 assistance, and food stamps), and AS 47.27 (Alaska temporary assistance program).

28 * **Sec. 5.** AS 47.25.001(a) is amended to read:

29 (a) The department shall

30 (1) implement and administer a program to assist in providing **day**
31 [CHILD] care for the children of low and moderate income families according to the

1 requirements of AS 47.25.001 - 47.25.095;

2 (2) establish standards of eligibility for **day** [CHILD] care benefits [;
3 THE STANDARDS MUST PROVIDE THAT THE MAXIMUM MONTHLY
4 HOUSEHOLD INCOME FOR A FAMILY TO BE ELIGIBLE FOR THE
5 PROGRAM IS 105 PERCENT OF THE MEDIAN MONTHLY HOUSEHOLD
6 INCOME IN THE STATE, ADJUSTED FOR FAMILY SIZE, UNLESS THE
7 FAMILY IS OTHERWISE EXEMPT FROM INCOME ELIGIBILITY
8 REQUIREMENTS];

9 (3) contract for the care of children of eligible families;

10 (4) establish procedures to periodically review the needs of families
11 receiving **day** [CHILD] care benefits;

12 (5) provide notification to the local government body of the request for
13 a contract with a **day** [CHILD] care facility;

14 (6) establish an electronic application for assistance and allow an
15 applicant to submit an application in electronic format or in other formats required by
16 state and federal law; the electronic application must inform an applicant that a false
17 statement made on the application will be investigated and is punishable under
18 AS 11.56.210 [;

19 (7) ESTABLISH A PROGRAM TO PARTNER WITH PRIVATE
20 SECTOR ENTITIES TO CREATE INCENTIVES FOR EMPLOYERS TO
21 DEVELOP ON-SITE OR NEAR-SITE CHILD CARE].

22 * **Sec. 6.** AS 47.25.001(a), as amended by sec. 5 of this Act, is amended to read:

23 (a) The department shall

24 (1) implement and administer a program to assist in providing **child**
25 [DAY] care for the children of low and moderate income families according to the
26 requirements of AS 47.25.001 - 47.25.095;

27 (2) establish standards of eligibility for **child** [DAY] care benefits; **the**
28 **standards must provide that the maximum monthly household income for a**
29 **family to be eligible for the program is 105 percent of the median monthly**
30 **household income in the state, adjusted for family size, unless the family is**
31 **otherwise exempt from income eligibility requirements;**

1 (3) contract for the care of children of eligible families;

2 (4) establish procedures to periodically review the needs of families
3 receiving **child** [DAY] care benefits;

4 (5) provide notification to the local government body of the request for
5 a contract with a **child** [DAY] care facility;

6 (6) establish an electronic application for assistance and allow an
7 applicant to submit an application in electronic format or in other formats required by
8 state and federal law; the electronic application must inform an applicant that a false
9 statement made on the application will be investigated and is punishable under
10 AS 11.56.210;

11 **(7) establish a program to partner with private sector entities to**
12 **create incentives for employers to develop on-site or near-site child care.**

13 * **Sec. 7.** AS 47.25.011 is amended to read:

14 **Sec. 47.25.011. Administrative costs of program contractors.** To defray
15 administrative expenses, a contractor under AS 47.25.001(b) may only retain \$1,000
16 or 12 percent, whichever is greater, of the **day** [CHILD] care assistance program funds
17 it receives from the department under the contract.

18 * **Sec. 8.** AS 47.25.011, as amended by sec. 7 of this Act, is amended to read:

19 **Sec. 47.25.011. Administrative costs of program contractors.** To defray
20 administrative expenses, a contractor under AS 47.25.001(b) may only retain \$1,000
21 or 12 percent, whichever is greater, of the **child** [DAY] care assistance program funds
22 it receives from the department under the contract.

23 * **Sec. 9.** AS 47.25.021 is amended to read:

24 **Sec. 47.25.021. Conditions of receipt of benefits.** Benefits may be paid for
25 the care of children of a low or moderate income family only if a parent or guardian,
26 because of the **day** [CHILD] care, is freed to work or to seek work or to attend school.
27 Benefits may not be paid for the care of children of a family where one parent or
28 guardian is not working, actively seeking work, or attending school and is physically
29 and mentally capable of caring for the children.

30 * **Sec. 10.** AS 47.25.021, as amended by sec. 9 of this Act, is amended to read:

31 **Sec. 47.25.021. Conditions of receipt of benefits.** Benefits may be paid for

1 the care of children of a low or moderate income family only if a parent or guardian,
 2 because of the **child** [DAY] care, is freed to work or to seek work or to attend school.
 3 Benefits may not be paid for the care of children of a family where one parent or
 4 guardian is not working, actively seeking work, or attending school and is physically
 5 and mentally capable of caring for the children.

6 * **Sec. 11.** AS 47.25.031 is amended to read:

7 **Sec. 47.25.031. Eligibility of families for benefits.** The department shall
 8 determine the eligibility of families for **day** [CHILD] care benefits on the basis of the
 9 following factors:

- 10 (1) income of the family including salary, alimony, child support,
 11 retirement benefits, social security, and any other source of income;
 12 (2) number of children in the family;
 13 (3) whether there is one parent or guardian solely responsible for the
 14 care of the family.

15 * **Sec. 12.** AS 47.25.031, as amended by sec. 11 of this Act, is amended to read:

16 **Sec. 47.25.031. Eligibility of families for benefits.** The department shall
 17 determine the eligibility of families for **child** [DAY] care benefits on the basis of the
 18 following factors:

- 19 (1) income of the family including salary, alimony, child support,
 20 retirement benefits, social security, and any other source of income;
 21 (2) number of children in the family;
 22 (3) whether there is one parent or guardian solely responsible for the
 23 care of the family.

24 * **Sec. 13.** AS 47.25.041 is amended to read:

25 **Sec. 47.25.041. Contributions by parent or guardian.** The department shall
 26 develop a sliding fee scale based on the factors listed in AS 47.25.031 for purposes of
 27 determining the amount to be contributed by the parent or guardian for child care [;
 28 THE AMOUNT MAY NOT EXCEED SEVEN PERCENT OF THE FAMILY
 29 MONTHLY INCOME]. The contribution of the parent or guardian shall be paid to the
 30 **day** [CHILD] care facility.

31 * **Sec. 14.** AS 47.25.041, as amended by sec. 13 of this Act, is amended to read:

1 **Sec. 47.25.041. Contributions by parent or guardian.** The department shall
 2 develop a sliding fee scale based on the factors listed in AS 47.25.031 for purposes of
 3 determining the amount to be contributed by the parent or guardian for child care; **the**
 4 **amount may not exceed seven percent of the family monthly income.** The
 5 contribution of the parent or guardian shall be paid to the **child** [DAY] care facility.

6 * **Sec. 15.** AS 47.25.051(a) is amended to read:

7 (a) Parents or guardians shall select the **day** [CHILD] care facility for the care
 8 of their children.

9 * **Sec. 16.** AS 47.25.051(a), as amended by sec. 15 of this Act, is amended to read:

10 (a) Parents or guardians shall select the **child** [DAY] care facility for the care
 11 of their children.

12 * **Sec. 17.** AS 47.25.051(b) is amended to read:

13 (b) Benefits shall be paid by the department directly to the municipality or
 14 organization contracting with the **day** [CHILD] care facility.

15 * **Sec. 18.** AS 47.25.051(b), as amended by sec. 17 of this Act, is amended to read:

16 (b) Benefits shall be paid by the department directly to the municipality or
 17 organization contracting with the **child** [DAY] care facility.

18 * **Sec. 19.** AS 47.25.051 is amended by adding a new subsection to read:

19 (d) The department shall use a market rate study or a cost of care study to
 20 establish a subsidy rate for each region served by the program established under
 21 AS 47.25.001. The department shall use the subsidy rate to determine the amount of
 22 benefits payable by the department under (b) of this section.

23 * **Sec. 20.** AS 47.25.071(b) is amended to read:

24 (b) To qualify for a grant under (a) or (d) of this section, the child care facility
 25 must

26 (1) be currently licensed under AS 47.32 and applicable municipal
 27 licensing requirements;

28 (2) participate in the **day** [CHILD] care assistance program under
 29 AS 47.25.001 - 47.25.095; **and**

30 (3) provide care under a payment system as provided in (g) of this
 31 section [; AND

1 (4) BE DESIGNATED AS A QUALITY CHILD CARE FACILITY
2 BY THE DEPARTMENT].

3 * **Sec. 21.** AS 47.25.071(b), as amended by sec. 20 of this Act, is amended to read:

4 (b) To qualify for a grant under (a) or (d) of this section, the child care facility
5 must

6 (1) be currently licensed under AS 47.32 and applicable municipal
7 licensing requirements;

8 (2) participate in the **child** [DAY] care assistance program under
9 AS 47.25.001 - 47.25.095; [AND]

10 (3) provide care under a payment system as provided in (g) of this
11 section; **and**

12 **(4) be designated as a quality child care facility by the department.**

13 * **Sec. 22.** AS 47.25.071(g) is amended to read:

14 (g) **Each** [A] child care facility receiving a grant under (a) or (d) of this
15 section shall

16 [(1)] assure that at least 15 percent or one of its child care spaces
17 receiving subsidy under this section, whichever is greater, will be made available, if
18 requested, to children eligible for **day** [CHILD] care assistance under AS 47.25.001 -
19 47.25.095, whose parents or guardians wish to pay for care based on attendance only [;

20 (2) GIVE PRIORITY TO CHILDREN FROM LOW-INCOME
21 FAMILIES WHEN FILLING AVAILABLE CHILD CARE SPACES IN THE
22 FACILITY].

23 * **Sec. 23.** AS 47.25.071(g), as amended by sec. 22 of this Act, is amended to read:

24 (g) **A** [EACH] child care facility receiving a grant under (a) or (d) of this
25 section shall

26 **(1)** assure that at least 15 percent or one of its child care spaces
27 receiving subsidy under this section, whichever is greater, will be made available, if
28 requested, to children eligible for **child** [DAY] care assistance under AS 47.25.001 -
29 47.25.095, whose parents or guardians wish to pay for care based on attendance only;

30 **(2) give priority to children from low-income families when filling**
31 **available child care spaces in the facility.**

1 * **Sec. 24.** AS 47.25.071(h) is amended to read:

2 (h) The department shall, in consultation with **interested child care**
 3 **providers** [A CHILD CARE RESOURCE AND REFERRAL AGENCY IN THE
 4 STATE] and parents, adopt regulations to carry out the purposes of this section [,
 5 INCLUDING CRITERIA USED TO DESIGNATE A CHILD CARE FACILITY AS
 6 A QUALITY CHILD CARE FACILITY UNDER (b)(4) OF THIS SECTION].

7 * **Sec. 25.** AS 47.25.071(h), as amended by sec. 24 of this Act, is amended to read:

8 (h) The department shall, in consultation with **a child care resource and**
 9 **referral agency in the state** [INTERESTED CHILD CARE PROVIDERS] and
 10 parents, adopt regulations to carry out the purposes of this section, **including criteria**
 11 **used to designate a child care facility as a quality child care facility under (b)(4)**
 12 **of this section.**

13 * **Sec. 26.** AS 47.25.071 is amended by adding new subsections to read:

14 (k) In addition to the grants provided in (a) and (d) of this section, the
 15 department may, subject to appropriations for that purpose, provide grants to the
 16 highest performing and highest quality child care facilities in the state. The department
 17 may use quality recognition and improvement system metrics to determine the highest
 18 performing and highest quality child care facilities in the state. To receive a grant
 19 under this subsection, the child care facility must be currently licensed under AS 47.32
 20 and applicable municipal licensing requirements.

21 (l) A child care facility receiving a grant under (a) or (d) of this section may
 22 not deny a child acceptance to the facility based on disability or socioeconomic status.

23 * **Sec. 27.** AS 47.25.095(2) is amended to read:

24 (2) "**day** [CHILD] care" means the care, supervision, and guidance of
 25 a child or children unaccompanied by a parent or legal guardian on a regular basis for
 26 periods of less than 24 hours a day;

27 * **Sec. 28.** AS 47.25.095(2), as amended by sec. 27 of this Act, is amended to read:

28 (2) "**child** [DAY] care" means the care, supervision, and guidance of a
 29 child or children unaccompanied by a parent or legal guardian on a regular basis for
 30 periods of less than 24 hours a day;

31 * **Sec. 29.** AS 47.25.095(3) is amended to read:

1 (3) "child care facility" means an establishment licensed as a child care
 2 facility under AS 47.32, **including day care centers, family day care homes, and**
 3 **schools for preschool age children,** that provides care for children not related by
 4 blood, marriage, or legal adoption to the owner, operator, or manager of the facility
 5 [OR AN ESTABLISHMENT RECOGNIZED BY THE FEDERAL GOVERNMENT
 6 FOR THE CARE OF CHILDREN];

7 * **Sec. 30.** AS 47.25.095(3), as amended by sec. 29 of this Act, is amended to read:

8 (3) "child care facility" means an establishment licensed as a child care
 9 facility under AS 47.32 [, INCLUDING DAY CARE CENTERS, FAMILY DAY
 10 CARE HOMES, AND SCHOOLS FOR PRESCHOOL AGE CHILDREN,] that
 11 provides care for children not related by blood, marriage, or legal adoption to the
 12 owner, operator, or manager of the facility **or an establishment recognized by the**
 13 **federal government for the care of children;**

14 * **Sec. 31.** AS 47.25.095 is amended by adding a new paragraph to read:

15 (8) "day care facility" means a center or home licensed in accordance
 16 with the provisions of AS 47.32 as a child care facility or recognized by the federal
 17 government for the care of children.

18 * **Sec. 32.** AS 47.25.095(8), enacted by sec. 31 of this Act, is repealed.

19 * **Sec. 33.** AS 47.25.051(c), 47.25.071(i), and 47.25.071(j) are repealed.

20 * **Sec. 34.** Sections 47 and 49, ch. 15, SLA 2024, are repealed.

21 * **Sec. 35.** The uncodified law of the State of Alaska is amended by adding a new section to
 22 read:

23 CHILD CARE AND DEVELOPMENT FUND PLAN FEDERAL APPROVAL. To
 24 the extent necessary to implement sec. 6 of this Act, the Department of Health shall amend
 25 and submit for federal approval the state plan for the state's child care assistance program
 26 under the federal child care and development fund program, consistent with AS 47.25.001(a),
 27 as amended by sec. 6 of this Act.

28 * **Sec. 36.** The uncodified law of the State of Alaska is amended by adding a new section to
 29 read:

30 RETROACTIVITY. This Act is retroactive to July 23, 2024.

31 * **Sec. 37.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 CONDITIONAL EFFECT; NOTIFICATION. (a) Section 6 of this Act takes effect
3 only if, on or before January 1, 2026, the United States Department of Health and Human
4 Services

5 (1) approves the amendment to the state plan for the child care assistance
6 program under the federal child care and development fund program, consistent with
7 AS 47.25.001(a), as amended by sec. 6 of this Act; or

8 (2) determines that approval of the amendment to the state plan for the child
9 care assistance program is not necessary.

10 (b) The commissioner of health shall notify the revisor of statutes in writing within 30
11 days after the United States Department of Health and Human Services approves the
12 amendment to the state plan or determines that approval is not necessary under (a)(1) or (2) of
13 this section.

14 * **Sec. 38.** If sec. 6 of this Act takes effect, it takes effect on the day after the date the United
15 States Department of Health and Human Services approves the corresponding amendment to
16 the state plan or determines that approval is not necessary.

17 * **Sec. 39.** Except as provided in sec. 38 of this Act, this Act takes effect immediately under
18 AS 01.10.070(c).