

HB

206

2-2-82

Called Cuddy re/Subcomm in Finance = CAA Budget Cuts

2-2-82 - Request fiscal & position paper - from Don Canouse - CAA

2/2 Called Rogers Office for Backup - He's out of town

2/3 " John in Rogers office - will send back-up.

2/4 " Spike W/Handle - will send over Research Report

# STATE OF ALASKA

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

February 19, 1982

The Honorable Brian Rogers  
Representative  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Rogers:

Enclosed is a position paper and fiscal note for HB 706 "An Act making a supplemental appropriation to the Department of Community and Regional Affairs for the day care assistance program; and providing for an effective date."

If you would like more information please feel free to contact me at 465-4705.

Sincerely,

*for* Norman Sarabis  
Richard Aks  
Deputy Commissioner

POSITION PAPER HB 706  
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS  
LOCAL GOVERNMENT ASSISTANCE DIVISION

Palmer McCarter  
Director  
465-4707

Lare'  
Child Care Program Manager  
264-2201

## "An Act relating to day care assistance"

The Department supports supplemental funding for the Day Care Assistance Program as provided in Hb 706. These additional funds would eliminate the waiting lists of parents that currently exist in 11 of the 22 communities where there is a Day Care Assistance Program. Currently, there are 149 families statewide that are waiting for funds to become available to assist them in defraying the high cost of child care and by June it is projected there will be 946 families and 1433 children who could be assisted if funds were available.

If the appropriation of 1.3 million dollars were immediately available, it is projected that \$863,545 would be used by June 30, 1982. These figures were derived by looking at economic conditions in each of the communities, seasonal employment, education and training programs, and the general growth in this fast growing industry of child care. Table I shows a month by month projected use of funds. Table II shows the number of families and children that would use the program, on a community by community level, if money were available. These figures were supplied by each local administrator of the Day Care Assistance Program.

In July, 1981 this program served almost twice as many families and children as it did in July, 1980. The reasons for this growth vary, and the results appear to be cumulative.

- . . . The Day Care Program is in 22 communities this year, and was only in 16 communities last year.
- . . . More spaces licensed by the Health and Social Services are available, 667 new positions in the past seven months.
- . . . Parents are opting to have their children in licensed care, rather than unlicensed care or no care.
- . . . The mini baby boom projected by U.S. Census in 1984-85, arrived early in Alaska.
- . . . Working parents are also seeking additional training, thus children are in care longer.
- . . . As more student loan funds have become available, parents are returning to classes in greater numbers and have a need for child care.
- . . . Inflation has demanded that both parents be in the work force.
- . . . The State's population is increasing, especially in the larger cities.
- . . . Child care nationwide has received greater public emphasis and awareness, with a resulting impact on Alaska.

- . . . The Day Care Assistance Program has received much more publicity and more parents are aware of its existence.
- . . . Federal cutbacks in other programs have impacted Day Care Assistance.

Private childcare businesses expanded by 61 new facilities between July 1, 1981 and February 1, 1982. It is believed this growth has been a direct result of these state day care funds being available. For example, in the five communities which have licensed facilities, but where there is not a Day Care Assistance program, there was a reduction of 3 spaces from July, 1981 to February, 1982: In the 22 communities where there is a program, there has been an increase of 667 new spaces during this same time.

Thus, day care dollars not only assist low income parents to work and train, and thus reduce the reliance on other transfer funds, but also creates a demand in the private sector allowing for business expansion and a direct multiplier effect as this money is used in the communities to buy food, supplies and equipment locally.

Even with the one million dollar increase for this fiscal year, it became apparent in August, that without implementing the "moderate income" or "seek work" provisions which were added to the legislation effective July 1, we were not going to be able to assist all the eligible low income parents. Waiting lists began to emerge and by September most of the communities which were experiencing a higher demand than there were funds available had established a wait list. Before wait lists were established, the program served about 1400 families and 2000 children. In December, after communities began making cutbacks, about 1,100 families and 1,500 children were being assisted, but further cutbacks are still necessary.

In addition, there are four communities that are asking for the program, and an additional 24 communities have expressed an interest.

The Anchorage and Juneau municipalities have directly appropriated funds to respective day care programs to reduce the wait list. The projected figures have taken into account these funds.

SUMMARY:

Feb.- June demand level	\$1,240,493
*-Less reallocation of day care funds	186,043
** -Less under utilized Child Care Grant	190,905
	<u>\$ 863,545</u>

\* the bulk of these funds represent money withheld pending the receipt of new municipal contractors. Additionally, a portion of these funds comes from existing contractors who do not need all the DCAP funds allocated to them. Per department regulations these funds will be redistributed to current municipal contractors on 3/1/82.

\*\* because the child care grant program was new in F/Y 82 some Day Care homes and centers did not participate during the first few months of F/Y 82. Accordingly, we anticipate the child care grant program will have an excess of \$190,905 which could be transferred to the Day Care Assistance Program.

L/Jm/db/0686X

HB 706  
WAITING LIST  
by Community, by Month, by \$

Table I  
Page 1 of 2

Community	Feb. \$	Mar. \$	April \$	May \$	June \$	Total \$
Anchorage*	106,652	112,800	148,050	183,300	218,550	769,352
Anderson	-0-	-0-	-0-	-0-	-0-	-0-
Bethel	780	1,188	1,188	1,086	1,188	5,430
Cordova	1,650	1,950	2,100	2,400	2,700	10,800
Delta Junction	550	600	700	700	-0-	2,550
Fairbanks	17,906	27,343	36,781	36,781	46,218	165,029
Fort Greely	-0-	-0-	-0-	-0-	-0-	-0-
Juneau*	7,108	11,850	16,590	21,330	26,070	82,948
Kenai	2,760	2,760	2,760	4,140	5,520	17,940
Ketchikan	-0-	-0-	-0-	1,540	3,000	4,540
Kodiak	-0-	3,500	900	6,000	2,700	13,100
Kotzebue	1,030	265	265	500	265	2,325
McGrath	-0-	-0-	-0-	-0-	-0-	-0-
Metlakatla	-0-	300	800	800	800	2,700
Nome	520	1,040	1,300	1,560	CLOSED	4,420
Petersburg	730	2,470	1,942	1,942	1,502	8,586

HB 706  
 WAITING LIST  
 by Community, by Month, by \$

Community	Feb. \$	Mar. \$	April \$	May \$	June \$	Total \$
Seward	3,800	5,600	7,400	9,200	12,000	38,000
Sitka	-0-	-0-	-0-	-0-	-0-	-0-
Soldotna	-0-	-0-	-0-	-0-	-0-	-0-
Tyonek	-0-	-0-	-0-	-0-	-0-	-0-
Wasilla	-0-	-0-	-0-	-0-	-0-	-0-
Wrangell	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total</b>	<b>143,486</b>	<b>171,666</b>	<b>220,776</b>	<b>271,279</b>	<b>320,513</b>	<b>1,127,720</b>
Loc. Adm. Funds	14,349	17,167	22,078	27,128	32,051	112,773
						<u>1,240,493</u>

\*These figures exclude funds from other sources being used to reduce waiting lists.

HB 706  
 WAITING LIST  
 by Community, by Month,  
 by # families, # child and total \$

Table II  
 Page 1 of 2

F = Families  
 C = Children

Community	Feb		March		April		May		June		Total \$
	F	C	F	C	F	C	F	C	F	C	
*Anchorage	346	453	320	480	426	630	520	780	620	930	769,352
Anderson	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Bethel	3	3	4	4	4	4	4	4	4	4	5,430
Cordova	9	11	11	13	12	14	15	18	15	18	10,800
Delta Junction	1	2	1	2	2	3	2	3	-0-	-0-	2,550
Fairbanks	48	73	73	109	123	185	123	185	173	260	165,029
Fort Greely	---	---	---	---	---	---	---	---	---	---	---
*Juneau	15	27	25	45	35	63	45	81	55	99	82,948
Kenai	8	12	8	12	8	12	12	18	15	24	17,940
Ketchikan	-0-	-0-	-0-	-0-	-0-	-0-	5	7	10	14	4,540
Kodiak	--	---	20	15	5	10	15	20	10	20	13,100
Kotzebue	2	3	1	1	1	1	1	2	1	1	2,325
McGrath	---	---	---	---	---	---	---	---	---	---	---
Metlakatla	---	---	1	2	6	5	6	5	6	5	2,700
None	2	4	3	7	4	8	5	9	CLOSED		4,420
Petersburg	3	4	8	12	6	10	6	10	5	8	8,500

HB 706  
 WAITING LIST  
 by Community, by Month,  
 by # families, # child and total \$

Table II  
 Page 2 of 2

F = Families  
 C = Children

Community	Feb		March		April		May		F	June C	Total \$
	F	C	F	C	F	C	F	C			
Seward	12	15	17	22	22	36	27	43	32	50	38,000
Sitka	---	---	---	---	---	---	---	---	---	---	---
Soldotna	---	---	---	---	---	---	---	---	---	---	---
Tyonek	---	---	---	---	---	---	---	---	---	---	---
Wasilla	---	---	---	---	---	---	---	---	---	---	---
Wrangell	---	---	---	---	---	---	---	---	---	---	---
<b>Total</b>	<b>449</b>	<b>607</b>	<b>492</b>	<b>724</b>	<b>648</b>	<b>981</b>	<b>786</b>	<b>1185</b>	<b>946</b>	<b>1433</b>	<b>1,127,720</b>

\* These figures exclude funds from other sources being used to reduce waiting lists.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HR 706  
 Title An Act making supplemental appropriation... for the day care assistance program.  
 Requested by House Community & Regional Affairs Comm Date 2-9-82

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs  
 Program Category Affected Social Services  
 BRU, Program, Or Subprogram(s) Affected Child Assistance  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	863.6	1,000.0	1,120.0	1,254.0	1,405.0	1,574.0
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Source)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						
	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

HR 706 appropriates \$1,300.0 to the Day Care Assistance program. The department projects that \$863.5 could be spent in the current fiscal year. The dollar amount needed for FY 83 is above and beyond the Governor's FY 83 budget request of \$5,228.3. Projections for FY 84 and beyond are based on 9% inflation and 3% program growth.

The projected need for FY 83 and beyond assumes that participants brought into the program under this supplemental appropriation would be continued in future program years.

IV. DATE 2-9-82 PREPARED BY Ms. Lars'  
 AGENCY Community & Regional Affairs  
 Original: Legislative Finance PHONE 264-2201  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

Pouch Y, State Capitol  
Juneau, Alaska 99811  
(907) 463-3991

February 18, 1982

MEMORANDUM

TO: Representative Brian Rogers

FROM: Susan Brody, Cecily Stern and Felicity Watt  
Research Staff

RE: Day Care  
Research Request 81-207

*SEP 3 1982*

John Hartle of your staff requested that we provide current information on the availability and funding of day care services in the state. Specifically, he asked us to research the following topics.

- the availability of day care around the state;
- the current financial condition of day care centers;
- the availability of the Department of Community and Regional Affairs' Day Care Assistance Program;
- the impact of the new Child Care Grant Program on day care centers.

We used three information sources in collecting data to respond to this request: interviews with Ms. Lare of the Department of Community and Regional Affairs; interviews with municipal administrators of day care programs in ten Alaskan communities selected as a representative sample for the state; and interviews with directors of licensed day care centers in each of these ten communities.

Data collected from interviews with day care center directors served as the basis for our response to the questions on the availability of day care in the state, current financial condition of day care centers, and the impact of the new Child Care grant Program on day care centers. Ms. Lare, director of both the Child Care Grant Program and the Day Care Assistance Program for the Department of Community and Regional Affairs supplied information on these two programs. Telephone interviews with municipal administrators of day care programs furnished additional information on the availability of the day care assistance program.

## SUMMARY OF FINDINGS

### Availability of Day Care in Alaska

- There are 30 communities statewide which have licensed day care facilities. The total licensed capacity of the state's 110 day care centers is 4,905. The 344 day care homes have a total licensed capacity of 1,602.
- Of the 33 centers sampled by the House Research Agency in ten communities 16 centers (48%) were full to capacity, 12 of which had waiting lists. Another 17 centers (52% of our sample) had space available.
- Availability of day care may depend in part on the age of the child. Infant care appears to be less readily available than day care for children two years and older.

### Day Care Assistance Program (DCAP)

- Currently, 425 of the 454 licensed day care facilities in the state participate in DCAP.
- The budget for DCAP grew from \$3,123,199 in FY 81 to \$4,055,320 in FY 82. Roughly \$155,000 of that increase has been used to initiate new programs in six communities. The remainder of the increase has been used to serve additional families in those communities already participating.
- Families at the lowest income level, below \$1,075/month (adjusted income), receive 100% payment of their day care costs through DCAP. Seventy-four percent (827) of the families receiving assistance were at the 100% subsidy level in December of 1981.
- Nine of the 22 communities participating in DCAP have committed their funding allotments through the fiscal year, and can only add new families if other families drop out of the program or move. These nine communities are: Anchorage, Bethel, Cordova, Fairbanks, Fort Greely, Juneau, Kenai, Nome and Petersburg. Juneau and Kenai have overcommitted their funds to the extent that they have had to discuss the possibility of dropping families from the program or reducing the level of benefits.

- The following waiting lists for day care assistance payments are currently being maintained by six of the communities sampled by the House Research Agency:

Anchorage --400 families  
Bethel -- 6 families  
Fairbanks -- 90 families  
Juneau -- 20 families  
Ketchikan -- 39 families  
Petersburg-- 4 families

#### Financial Conditions of Day Care Centers

- Of the 33 day care centers interviewed, 27 had raised their rates during the 1981 calendar year. Twenty (63%) of the centers charged more than \$12/day for children two to six years old. None of the centers charged less than this rate for children.
- Of the 26 centers sampled which offer infant care, six (23%) charge more than \$16/day and 14 (54%) charge less than this amount.
- Twenty-one (66%) of the 33 centers sampled are currently operating under a deficit or recorded a deficit for three or more months during the 1981 calendar year. Monthly operating costs exceed monthly income by \$1,000 to \$5,000 for most centers with deficits.
- Day care center operators listed the following factors as ongoing problems:
  - high operating costs
  - high staffing costs
  - attendance losses
  - occasional nonpayment by clients
- Day care centers are also experiencing special financial problems due to cuts in the federally-funded Federal Food and CETA programs.

#### Child Care Grant Program

- Under the Child Care Grant Program, day care facilities are eligible to receive \$25/month per average full-time equivalent child enrolled at the facility.
- As of January 1982, a total of 65 centers and 73 homes from 17 Alaskan communities were participating in the program.

Representative Rogers  
February 18, 1982  
Page 4

- Funds allocated to the Child Care Grant Program in FY 82 totalled about \$1.5 million. Anchorage facilities were receiving approximately 56% of the total funds dispersed as of January 1982.
- Amounts of money received by participating centers ranged from \$300/month to \$4,000/month depending on the size of the center.
- The day care centers sampled applied Child Care Grant Program funds to two or more of five major uses:
  - staff salaries
  - staff training
  - food
  - equipment
  - supplies

#### AVAILABILITY OF DAY CARE IN ALASKA

It is necessary to consider how availability of day care can be measured before determining the extent of availability of day care in Alaska. A measure of the supply of day care services versus demand for day care would be the best determination of availability. Day care is supplied by full-time baby-sitters, unlicensed facilities, and state licensed day care homes and centers. We have no good way of measuring the number of children receiving day care from baby-sitters or at unlicensed facilities, or the number of baby-sitters and unlicensed facilities in the state. Our information on supply is limited to State-licensed day care homes and centers.

The Department of Health and Social Services licenses day care homes and centers for the state. According to the department's computer printout, run at the end of December 1981, there are 30 communities statewide which have licensed day care facilities. The total licensed capacity of the state's 110 day care centers is 4,905. The 344 day care homes have a total licensed capacity of 1,602. Table 1 lists by community the numbers and licensed capacities of day care centers and homes. Conversations with municipal administrators of the State Day Care Assistance Program and with the State Program director, Ms. Lare, indicate that the numbers on the Department of Health and Social Services printouts are not completely up to date. However, they are sufficiently accurate to provide an indication of the number of licensed spaces available in each community.

Due to the restricted time available to conduct this study, it was not possible to survey all licensed homes and centers in all Day Care Assistance Program communities statewide. Instead, we decided to selectively interview a sample of day care centers in ten communities. These communities included both urban and rural population centers and were geographically distributed across the state. Within the ten communities, we sampled 33 centers of different sizes, and made an effort to include centers serving both infants and children. Centers in Anchorage, Fairbanks and Juneau were selected on the basis of geographic distribution as well. At least one center was chosen from each Anchorage election district. Our sample of 33 centers represents about 30 percent of all licensed day care centers in Alaska.

We designed a questionnaire to be administered by telephone to day care center directors. Our questions addressed the total licensed capacity of the center, number of full-time equivalent children at the center, number of spaces available for additional children, and number of children on waiting lists. The number of names on the centers' waiting lists was our best means of determining demand for day care. Since our information on day care in Alaska is limited concerning both supply and demand, we cannot give a comprehensive response to the question of availability.

TABLE 1  
 NUMBER AND CAPACITY OF LICENSED  
 DAY CARE CENTERS AND HOMES BY COMMUNITY

<u>Community</u>	<u>Day Care Centers</u>	<u>Capacity</u>	<u>Day Care Homes</u>	<u>Capacity</u>	<u>Total Capacity</u>
Anchorage	39	2,368	153	715	3,083
Anderson	1	N/A	--	--	N/A
Arctic Village	1	45	--	--	45
Bethel	2	74	--	--	74
Copper Center	1	29	--	--	29
Cordova	2	50	1	6	56
Delta Junction	1	49	--	--	49
Dillingham	--	--	1	6	6
Eielson AFB	--	--	13	62	62
Fairbanks	19	730	67	285	1,015
Fort Greely	1	45	--	--	45
Haines	1	20	--	--	20
Homer	1	20	1	6	26
Juneau	11	436	42	212	648
Kenai	4	155	--	--	155
Ketchikan	3	87	21	127	214
Kodiak	4	154	10	31	185
Kotzebue	1	34	--	--	34
McGrath	1	23	--	--	23
Metlakatla	1	35	--	--	35
Nome	1	40	2	4	44
Palmer	1	44	3	19	63
Petersburg	1	40	2	10	50
Seward	1	30	3	14	44
Sitka	4	118	18	76	194
Soldotna	1	43	--	--	43
Tyonek	1	10	--	--	10
Valdez	1	24	--	--	24
Wasilla	3	107	6	29	136
Wrangell	<u>2</u>	<u>95</u>	<u>1</u>	<u>N/A</u>	<u>95</u>
TOTAL	110	4,905	344	1,602	6,507

N/A--not available

Source: Department of Health and Social Services

Table 2 presents our findings concerning the availability of space in the centers we sampled. Seventeen of the 33 centers, or 52 per cent, had space available. The total number of additional children for whom day care could be provided by these 17 centers was about 200. Sixteen centers were full to capacity; of these, 12 had waiting lists. One Anchorage center had a waiting list of 200. The other centers' lists ranged from two to 40 children's names. Several center directors stated that the number of children on their waiting lists was not an accurate representation of the number of children awaiting placement in the day care center since parents do not always notify the center when their children are successfully placed elsewhere. The remaining four centers which were full to capacity receive telephone inquiries, but do not keep waiting lists. When a space becomes available at one of these centers, it is filled by the next telephone call received.

Availability of day care may depend in part on the age of the child concerned. Two of the center directors stated that their centers formerly accepted infants but do so no longer due to the extra costs of infant care. In addition, directors of two of the centers which currently have infant care programs are considering discontinuing these programs due to expense. The primary reason cited for the high cost of infant care is the increased amount which must be paid in salaries due to the higher staff/child ratio for infants (one caregiver for every five infants). This is double the requirement for children two to six years old.

Many center directors found a correlation between loss of enrollment in their day care centers and loss of employment in their communities. Carol Card, former director of The Nest day care center in Ketchikan, attributed that center's increase in number of spaces available to the removal of children from the center when both lumber mills closed down. People could no longer afford to pay for day care while they were out of work.

Our research findings indicate that spaces are available in licensed day care centers in most Alaskan communities. However, it is incorrect to assume that all parents needing day care have it available to them, since availability of day care can increase as ability to pay for day care decreases.

TABLE 2  
 AVAILABILITY OF SPACE IN A SELECTED SAMPLE OF DAY CARE  
 CENTERS IN ALASKAN COMMUNITIES

<u>Communit</u> y	<u>Center</u>	<u># of Spaces Available for Add'l Children</u>	<u># on Waiting List</u>
Anchorage	Anchorage Child Care & Education Center	25-30	--
	Bayshore Learning Center	--	40
	Butterfly Child Center	--	*
	Kee's Kiddie Kare	8-9	--
	Little Red School House	1	--
	Midtown Child Care	20	--
	Nanny's Place	--	20
	Park Strip Day Care	30	--
	Saakaaya Child Care Center	10	--
	Spenard Kiddy Drop	30	--
	Tanaina Child Care Center	--	200
Bethel	Wesleyan Church Child Care	--	*
	Bethel Day Care Center	--	*
Fairbanks	Discovery Center	--	*
	Enep'ut Children's Center	--	*
	Hutchinson Day Care Center	--	*
	Love & Care Child Center	5-6	--
	New Life Day Care Center	10	--
	Play and Learn	--	20
	Wee Care Day Care	--	30
	Children's Community	--	*
Juneau	Gingerbread House	--	*
	Noah's Ark Day Care	10-12	--
	St. Ann Day Care & Nursery	--	20
	Wee Cottage	5-6	--
Kenai	Aurora Heights Kiddie Korner	15	--
	Rainbow Connection	5	--
Ketchikan	The Nest	5	--
	Small World Toddler Center	2	--
Kodiak	Small World Inc.	--	3
	None Child Care Inc.	--	2-5
Nome	Nome Child Care Inc.	--	15
Sitka	Sitka Day Care Annex	--	--
Wasilla	Wasilla House	10	--

\*Kept no waiting list

Source: House Research Agency, 2/18/82

### THE DAY CARE ASSISTANCE PROGRAM (DCAP)

The State day care assistance program was established in 1975 to provide day care services to parents who are either working or attending school. The program helps defer costs of day care when these may be a factor preventing parents or guardians from being self-supporting. During the last session AS 44.33.255(1) was amended to include moderate income families as well as low income families. In addition, the statute was amended to read that the families participating in DCAP can do so on the basis that they are actively seeking work, through the assistance of the program. Another change in the last session was the addition of grant monies administered by the Department of Community and Regional Affairs, for the purpose of defraying some of the administrative costs incurred by municipalities in the DCAP.

#### Administration

The administration of DCAP is carried out by the Division of Local Government Assistance in the Department of Community and Regional Affairs. The State contracts with municipalities who administer the program at the local level. Subsidy grants are awarded to communities who then allocate the money to day care providers on behalf of those families receiving subsidies. The grant funds can only be awarded to day care facilities that are licensed by the State Department of Health and Social Services. Currently 425 of the 454 licensed day care facilities in the state participate in DCAP.

Program funds are allocated to municipalities based upon the number of licensed day care spaces within the community as a percentage of the total number of day care spaces statewide.

The following table shows the communities and facilities (centers and homes) participating in the DCAP, the number of families served and the total allocation for FY 82. The table also lists the FY 81 allocation. Only the program dollars used to purchase child care are listed. For FY 82, administrative dollars are an additional 10% of each municipality's allocation.

TABLE 3  
 PARTICIPATION IN THE DAY CARE ASSISTANCE PROGRAM

Community	Facilities as of Dec'81		Families served as of Dec'81	Children served as of Dec'81	Total Allocations	
	Centers	Homes			FY 82	FY 81
Anchorage	39	134	504	703	\$2,085,827	\$1,755,138
Anderson	1	--	1	1	17,053	14,616
Bethel	2	--	21	29	49,737	42,630
Cordova	2	--	15	17	29,132	21,315
Delta Junction	1	--	12	19	36,948	24,969
Fairbanks	20	79	164	249	602,529	453,705
Fort Greely	1	--	--	--	31,564	27,405
Juneau	11	42	133	188	402,871	332,514
Kenai	3	--	18	30	87,395	78,551
Ketchikan	3	27	39	57	148,501	80,997
Kodiak	4	10	51	71	149,992	132,762
Kotzebue	1	--	8	7	24,158	15,225
McGrath	1	--	--	--	9,533	--
Metlakatla	1	--	14	17	21,316	--
Nome	1	--	18	24	24,869	18,270
Petersburg	1	2	13	20	35,527	30,450
Seward	1	3	12	17	21,316	--
Sitka	4	18	29	38	105,158	60,291
Soldotna	2	--	5	7	30,553	--
Tyonek	--	--	--	--	7,105	--
Wasilla	3	5	16	25	67,500	54,651
Wrangell	2	1	17	32	65,369	--
TOTALS	104	321	1,090	1,551	\$4,055,320	\$3,123,449

Source: Department of Community and Regional Affairs

### Budget

The budget for the Day Care Assistance Program grew from \$3,123,499 in FY 81 to \$4,055,320 in FY 82. Roughly \$155,192 of that \$1 million increase has been used to initiate the program in six communities which began participating in DCAP in the first quarter of FY 82. The newly enrolled communities in FY 82 were Metlakatla, McGrath, Seward, Soldotna, Tyonek, and Wrangell.

According to Ms. Lare of the Department of Community and Regional Affairs, Palmer, Noorvik, Copper Center, Mer and Valdez have applied to participate next year. That fact, in addition to the inability of current funding to fully assist all eligible low and moderate income families this year, has prompted the request for an FY 83 budget increase to \$5,228,300.

Nine of the 22 communities participating in DCAP have committed their entire allotment for the fiscal year, and can only add new families if other families drop out of DCAP or move. Those nine communities are Anchorage, Bethel, Cordova, Fairbanks, Fort Greely, Juneau, Kenai, Nome, and Petersburg. In the cases of Juneau and Kenai, the funds are actually over-committed to the extent that those communities have had to discuss the possibility of dropping families from the program or reducing the benefits across the board.

Ms. Lare explained that when each of the communities has received its DCAP subsidy grant the municipal administrator generally divides the money into twelve allotments. That procedure fixes a ceiling to each month's expenditure. There are communities which having done that, have committed their entire amount for the year, and will only be able to add new families from their waiting lists if others drop out of DCAP or move.

In our telephone interviews with ten of the municipal administrators of DCAP, we derived the following information about DCAP funding:

- As of July all of the Day Care Assistance Funds were committed in Fairbanks where they are now maintaining a waiting list of 90 families.
- Anchorage has a waiting list of 400 families for the Day Care Assistance Funds. All of Anchorage's funds are committed with almost one half of the monies spent by the end of December.
- Juneau has a waiting list for Day Care Assistance funds which was begun in November and currently contains 20 families.
- Sitka, which has 30 - 35 families receiving Day Care Assistance now, does not have all of its funds committed.

- While all of Nome's Day Care Assistance funds are committed, there is not a waiting list there.
- Petersburg has a waiting list of four families for the Day Care Assistance funds.
- Ketchikan has a waiting list of 39 families for the DCAP.
- Kodiak did have to create a waiting list for DCAP for one month, but currently they are able to accommodate their applicants.
- Marge Harris of Wasilla spoke for the Mat-Su valley area when she told us that there is not a waiting list for the DCAP there.
- In Bethel, Vickie Malone said that there are 24 families participating in DCAP and that there are six families currently on their waiting list.

Table 4 shows the number of families served by each community according to the level of subsidy each family receives. Families at the lowest income level, below \$1,075/month (adjusted income), receive 100% payment of their day care costs. As the monthly income increases, the level of subsidy declines as shown in Table 5. Table 4 displays information for the month of December, which is the lowest month in terms of the number of families served so far for this fiscal year. Seventy-four percent (827) of the families receiving assistance were at the 100% subsidy level. Altogether, 91 percent of the families are reimbursed for 70% or more of their day care costs.

TABLE 4  
 DAY CARE ASSISTANCE PROGRAM  
 NUMBER OF FAMILIES PER SUBSIDY LEVEL  
 BY COMMUNITY, AS OF 12/81

<u>Community</u>	<u>100%</u>	<u>90%</u>	<u>80%</u>	<u>70%</u>	<u>60%</u>	<u>50%</u>	<u>40%</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>	<u>TOTAL</u>
Anchorage	394	43	23	16	13	6	5	2	2	--	504
Anderson	1	--	--	--	--	--	--	--	--	--	1
Bethel	16	2	--	--	--	1	1	--	--	--	20
Cordova	13	1	--	--	--	--	--	--	1	--	15
Delta Junction	9	1	--	--	1	--	--	1	--	--	12
Fairbanks	137	8	9	2	2	2	1	--	2	--	164
Fort Greely	7	3	3	7	6	5	2	2	3	--	38
Juneau	79	16	12	6	3	4	5	--	--	--	125*
Kenai	18	--	--	--	--	--	--	--	--	--	18
Ketchikan	26	3	3	2	3	--	2	--	--	--	39
Kodiak	31	4	2	2	8	--	2	1	--	1	51
Kotzebue	7	--	1	--	--	--	--	--	--	--	8
Metlakatla	13	--	--	1	--	--	--	--	--	--	14
McGrath	N/A										
Nome	9	1	1	--	--	--	--	--	--	--	11
Petersburg	11	1	--	--	--	--	1	--	--	--	13
Seward	12	--	--	--	--	--	--	--	--	--	12
Sitka	10	2	3	2	1	1	--	--	--	--	29
Soldotna	5	--	--	--	--	--	--	--	--	--	5
Tyonek	N/A										
Wasilla	11	2	1	2	--	--	--	--	--	--	16
Wrangell	<u>8</u>	<u>1</u>	<u>1</u>	<u>4</u>	<u>1</u>	<u>--</u>	<u>--</u>	<u>3</u>	<u>--</u>	<u>--</u>	<u>18</u>
TOTAL	827	88	59	44	39	19	19	9	8	1	1,113

\*There are several additional families receiving assistance in Juneau, but their subsidy level was not available.

Source: Department of Community and Regional Affairs

TABLE 5  
DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS  
DAY CARE ASSISTANCE PROGRAM

CITY OF JUNEAU  
100% Base  
Effective March 1, 1981

<u>Monthly Adjusted Net Income</u>	<u>State Subsidy of Day Care Costs</u>
\$ \$0 - \$1,075	100%
\$1,076 - \$1,175	90%
\$1,176 - \$1,275	80%
\$1,276 - \$1,375	70%
\$1,376 - \$1,475	60%
\$1,476 - \$1,575	50%
\$1,576 - \$1,675	40%
\$1,676 - \$1,775	30%
\$1,776 - \$1,875	20%
\$1,876 - \$1,975	10%

Source: Department of Community and Regional Affairs

#### CURRENT FINANCIAL CONDITION OF DAY CARE CENTERS IN ALASKA

In order to determine the current financial condition of day care centers in Alaska, we included questions on this subject in our telephone interviews with day care center directors. We asked for information on center rates for children and infants, the date and amount of the last increase in rates, and any discount or special rates the center might offer. We also asked questions designed to disclose whether the center's income was lesser, equal to or greater than its operating costs. We asked directors of centers which were experiencing financial difficulties the reasons for those problems, and those with deficits the length of time during which the center had not been meeting operating costs.

#### Day Care Center Rates

Since 81% of the day care centers sampled are participating in the Day Care Assistance Program, it is appropriate to note the current rates per child eligible for this assistance. The State allows \$16/day for infants up to 2 years of age, and \$12/day for children two to six years old. The infant rate was raised from \$15/day to \$16/day in March of 1981. The child rate has not been raised since 1977.

Table 6 compares current day care rates for infants and children in the centers we sampled. Of the 32 centers sampled,<sup>1</sup> only five had not raised rates during the 1981 calendar year. Of these five centers, two had opened during that year, one in May, and one in September. Directors of two more of the five centers mentioned that they may have to raise rates in the near future.

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<sup>1</sup>Hutchinson day care center in Fairbanks differs from all other day care centers sampled in that it is funded as a day care staff training agency through the Foundation Program for high school students. For the purposes of this section of the memorandum, our sample will be the remaining 32 day care centers polled.

TABLE 6  
 DAILY RATES FOR INFANTS AND CHILDREN IN A SELECTED SAMPLE  
 OF DAY CARE CENTERS IN ALASKAN COMMUNITIES

Community	Center	Daily Rate for Children 2 & Over	Daily Rate For Infants Under 2	
Anchorage	Anchorage Child Care & Education Center <sup>1,4</sup>	\$14.00	\$16.00	
	Bayshore Learning Center <sup>3,4</sup>	12.10	13.80	
	Butterfly Child Center <sup>3,4</sup>	12.40	14.00	
	Kee's Kiddie Kare <sup>4</sup>	15.00	17.50	
	Little Red School House	15.00	16.00	
	Midtown Child Care	12.00	15.00	
	Nanny's Place	12.00	16.00	
	Park Strip Day Care <sup>2,4</sup>	13.00	14.00	
	Saakaaya Child Care Center	12.00	14.00	
	Spenard Kiddy Drop	14.00	14.00	
	Tanaina Child Care Center	13.10	14.00	
	Wesleyan Church Child Care	12.00	13.00	
	Bethel	Bethel Day Care Center <sup>4</sup>	15.00	---
		Fairbanks	Discovery Center	12.00
Enep'ut Children's Center	12.00		15.00	
Love & Care Child Center	12.00		---	
New Life Day Care Center	12.00		15.00	
Play and Learn	13.00		15.00	
Wee Care Day Care	12.00		16.00	
Juneau	Children's Community <sup>3</sup>	12.60	16.60	
	Gingerbread House	17.00	20.00	
	Noah's Ark Day Care <sup>3</sup>	14.00	16.90	
	St. Ann Day Care & Nursery <sup>3</sup>	13.80	16.70	
	Wee Cottage	15.00	---	
Kenai	Aurora Heights Kiddie Korner <sup>1</sup>	13.50	13.50	
	Ketchikan	Rainbow Construction	13.00	---
		The Nest	12.00	16.00
Kodiak	Small World Toddler Center	12.00	16.00	
	Small World Inc.	12.00	---	
Nome	Nome Child Care Inc.	14.00	14.00	
Sitka	Sitka Day Care Annex <sup>1</sup>	14.80	16.60	
Wasilla	Wasilla Children's House <sup>1</sup>	15.70	15.70	

<sup>1</sup>Daily rate = hourly rate multiplied by 9 hours/day

<sup>2</sup>Daily rate = weekly rate divided by 5 days/week

<sup>3</sup>Daily rate = monthly rate divided by 21 days/month

<sup>4</sup>Children's rate is for children three years old and over; infant's rate is for children under three years of age.

Source: House Research Agency, 2/18/82

Twenty (63%) of the day care centers sampled charge more than the \$12/day Day Care Assistance Program rate for children. None of the centers charges less than this rate. The highest rate charged by any center for care for children was \$17/day, and the average rate for all centers was \$13.30/day.

Of the 26 centers sampled which offer infant care, six (23%) charge more than the \$16/day Day Care Assistance Program rate for infants. Fourteen (54%) of the centers charge less than this rate. The highest rate charged for infant care by any center was \$20/day, the lowest rate charged was \$13/day and the average rate charged was \$15.40/day.

Since different centers charge clients in different ways for the day care services offered, it was necessary to develop a mechanism whereby rates for all centers sampled could be compared. There were four payment schedules used by centers: hourly, daily, weekly, or monthly. In order to determine a daily rate for all centers, we multiplied hourly rates by nine hours/day, divided weekly rates by five days/week, and divided monthly rates by 21 days/month. Four of the 32 centers charged by the hour, 12 charged by the day, three charged by the week, and 13 charged by the month. Many of those centers which charged clients on a monthly basis had higher daily rates available for children who were not enrolled on a full-time monthly basis. The more stable economic base afforded day care centers by monthly payments based on enrollment allows centers to offer discount rates for monthly payments made in advance.

Fifteen of the 32 centers sampled offer discount rates for children of some families. Six of the centers absorb all or some percentage of the difference between the center's rates and the amount paid by the Day Care Assistance Program for children of families receiving that assistance. Seven of the centers offer a discounted rate for the second child from the same family.

#### Day Care Center Deficit

Twenty-one of the centers sampled (66%) are currently operating under a deficit or have recorded a deficit for three or more months during the 1981 calendar year. The amount of deficit ranged from a few hundred dollars to ongoing debts of as much as \$74,000. Monthly operating costs exceeded monthly income by \$1,000 to \$5,000 for most centers with deficits. Centers had been experiencing deficits for periods of time ranging from three months to six years.

Eleven centers reported incomes which met or exceed operating costs. Directors of four of these centers stated that their centers would be operating under deficits if there were not some special mitigating fac-

tor for their facilities. Each of these centers either had reduced operating costs due to free rent or volunteer labor, or had funding from some source not available to most day care centers, for example a loan or grant from the community served by the center. Five day care center directors declared neither a deficit nor a profit. Their income was equal to their operating costs.

#### Financial Problems of Day Care Centers in Alaska

The financial problems experienced by the 21 centers reporting deficits, and to some extent by other centers as well, can be divided into two categories: those endemic to day care centers, and those special hardships caused by alterations in the fund base available to day care centers.

The day care center directors interviewed listed the following factors as ongoing problems:

- high operating costs
- high staffing costs
- attendance losses
- occasional non-payment by clients

High Operating Costs. Most day care centers in Alaska are experiencing an escalation in their operating costs which is disproportionate to center rate increases. Inflated food prices have caused day care center costs to spiral upwards. Many center directors said they cannot afford to buy needed equipment, or to make repairs on or renovate the center structure. The rising cost of supplies is another problem mentioned by many center directors.

High Staffing Costs. The financial problem most frequently mentioned by the day care center directors interviewed was the high cost of staffing. Staff salaries form the major component of most centers' budgets. Yet center directors are concerned that salaries are insufficient. Many directors said that the salaries which they can afford to pay are too low to hire or retain employees of the quality desired. The director of the Anchorage Child Care and Education Center said that she could not afford to pay even the minimum wage.

Attendance Losses. Many centers suffer attendance losses which affect center incomes to a degree which ranges from slight to extreme. Attendance losses can be seasonal or occasional. Seasonal reductions in attendance occur during the summer months for some centers, such as

the Discovery Center in Fairbanks. Jo Kuykendall, director of the Discovery Center, volunteers her time for three months each summer while attendance is low. Even so, the center experiences a summer deficit of \$1,500 per month. Other centers lose attendance during winter holidays. Occasional attendance losses due to unemployment in the community served by the day care center also reduce center income and can create serious financial difficulties for centers.

Non-payment By Clients. A few day care center directors have problems collecting the payment due them from clients. Reasons for this difficulty varied, but occurrences of this nature deserve mention in this memorandum as an occasional source of income loss for day care centers.

According to many of those interviewed, day care centers are experiencing special financial problems due to cuts in the federally-funded Federal Food and CETA programs, and also due to the rates paid through the State's Day Care Assistance Program.

Operating costs for those day care centers participating in the Federal Food Program rose sharply when that program was cut. Some centers had to raise rates to cover the funding loss, and others instituted a food charge. The cut in Federal Food Program funds was mentioned as one of the major causes for operating deficits by most centers which reported deficits.

An even greater financial hardship for some centers resulted from cut-backs in the CETA program. Most centers depended on CETA funding to defray at least part of their high staffing costs, and some centers had been staffed with CETA employees for all but one or two positions. Loss of CETA funding for staffing was a common reason cited for day care center deficits.

Many of the day care center directors interviewed were concerned about the State's failure to raise the Day Care Assistance Program's daily rate of \$12 per child for children from two to six years of age. This rate, set in 1977, was considered by these directors to be insufficient. Several centers absorb the difference between rates charged by the center for a child and the rate paid by the Day Care Assistance Program to avoid creating economic hardships for Day Care Assistance Program families.

#### CHILD CARE GRANT PROGRAM

The Child Care Grant Program (AS 44.47.301) was established by the 1981 Alaska Legislature to provide State assistance in the operation of child care facilities and to provide for the education or training of child care center employees or administrators. The program is administered by the Department of Community and Regional Affairs. To qualify for a grant under this program, the child care facility must be currently licensed under AS 47.35.010-47.35.080 and any applicable municipal licensing requirements, and must participate in the State Day Care Assistance Program. Each facility receiving a grant through the Child Care Grant Program must assure availability of child care positions for children eligible for the Day Care Assistance Program whose parents or guardians pay for care based on the number of full-time equivalent days the child attends the facility. Availability of positions based on an attendance fee schedule is ensured by the mandatory use by day care centers of a formula which determines the maximum number of enrollment fee schedule positions which the center may make available each month.

Child Care Grant Program monies are paid on a monthly basis. Centers receive \$25 per month per average daily full-time equivalent child enrolled at the center during the calendar month preceding the date on which application for the grant is made. The statute allows centers to receive up to \$50 per month per average daily full-time equivalent child enrolled at the center during the preceding calendar month. However, the FY 82 budget was established at a level which allows only the \$25/month per child rate. The statute provides for the monthly amount to be adjusted on a geographic basis by the same percentages as instructional unit allotments are adjusted under AS 14.17.051 so that the amount received reflects cost-of-living differences.

The Department of Community and Regional Affairs administers a training program to day care center directors who wish to apply for program funds. The training covers correct procedures for completing the necessary paperwork to apply for grants.

#### Child Care Grant Program Budget

Monies allocated to the Child Care Grant Program for FY 1982 total \$1,500,000. As of January, 1982, there was a total of 65 centers and 73 homes from 17 Alaskan communities participating in the program. Appropriations made through the program as of January 19, 1982 totalled \$382,708.57 (30% of the grant amount for FY 1982). Table 7 lists the number of participating homes and centers by community, and the amount of funds appropriated for all homes, centers, and communities as of

January 1982. According to Ms. Lare, the number of facilities and communities participating in the program is increasing. Facilities newly enrolling in the program may apply for retroactive funds.

TABLE 7  
 CHILD CARE GRANT PROGRAM FUNDS DISPERSED  
 AS OF 1/19/82

<u>Community</u> <sup>1</sup>	<u># of Homes</u>	<u># of Centers</u>	<u>Homes Amount</u>	<u>Centers Amount</u>	<u>Total</u>
Anchorage	42	24	\$25,135.18	\$182,019.25	\$207,154.43
Anderson	--	1	--	831.00	831.00
Bethel	--	2	--	8,137.50	8,137.50
Cordova	--	1	--	3,769.14	3,769.14
Delta Junction	--	1	--	4,680.00	4,680.00
Fairbank:	16	13	12,001.00	62,042.96	74,043.96
Juneau	8	8	5,022.40	32,404.00	37,426.40
Kenai	--	1	--	2,835.00	2,835.00
Kotzebue	--	1	--	3,952.50	3,952.50
Metlakatla	--	1	--	260.00	260.00
Nome	--	1	--	1,162.50	1,162.50
Petersburg	--	1	--	4,690.40	4,690.40
Seward	--	1	--	2,295.00	2,295.00
Sitka	--	4	--	12,865.84	12,865.84
Soldotna	--	1	--	1,752.30	1,752.30
<b>TOTAL</b>	<b>66</b>	<b>61</b>	<b>\$42,158.58</b>	<b>\$323,697.39</b>	<b>\$365,855.97</b>

<sup>1</sup>Wasilla was participating in the Child Care Grant Program at this time. However, data for Wasilla is unavailable.

Source: Ms. Lare, Child Care Coordinator, Department of Community and Regional Affairs, 1/29/82

Program Participation

Each of the ten communities selected for this study was currently participating in the Child Care Grant Program. Twenty-five (78%) of the 32 day care centers sampled by our telephone interviews were receiving grants through that program. Of the seven centers which were not currently enrolled, three were in the process of applying for grants through the program. One center governed by a church board had been asked by its board not to apply for program funds. One center had applied and received monies through the program but had discontinued participation because the director wished to spend these funds otherwise than as specified by the Department of Community and Regional Affairs.

Amounts Received By Participating Centers

Amounts of money received by participating centers ranged from \$300/month to \$4,000/month depending on the size of the center. Table 8 lists the monthly amount per average daily fulltime equivalent child enrolled for each of the 20 communities participating in the Child Care Grant Program as of February, 1982.

TABLE 8  
ADJUSTED CHILD CARE GRANT PROGRAM RATES PER CHILD  
BY GEOGRAPHIC LOCATION OF PARTICIPATING COMMUNITY

<u>Community</u>	<u>Instructional Unit Allotment</u>	<u>Monthly Amount Per Average Daily FTE Child Enrolled</u>
Anchorage*	100%	\$25.00
Anderson	120%	\$30.00
Bethel*	155%	\$38.75
Cordova	115%	\$28.75
Delta Junction	120%	\$30.00
Fairbanks*	112%	\$28.00
Juneau*	100%	\$25.00
Kenai*	108%	\$27.00
Ketchikan*	100%	\$25.00
Kodiak*	116%	\$29.00
Kotzebue	155%	\$38.75
McGrath	155%	\$38.75
Metlakatla	104%	\$26.00
Nome*	155%	\$38.75
Petersburg	104%	\$26.00
Seward	108%	\$27.00
Sitka	104%	\$26.00
Soldotna	108%	\$27.00
Wasilla*	104%	\$26.00
Wrangell	104%	\$26.00

\*Community sampled for this study.

Source: House Research Agency, 2/18/82

### Use of Program Funds

Each of the day care centers sampled applied Child Care Grant Program funds to two or more of five major categories:

- staff salaries
- staff training
- food
- equipment
- supplies

Staff Salaries. Eighteen (72%) of the 25 participating centers we sampled applied program funds toward paying staff salaries. This number was the largest single use of program monies made available to centers. Two reasons commonly given by center operators for this application of their grants were the high percentage of the center's budget applied toward staff salaries, and the loss of CETA program funds which previously helped to defray these costs. Child Care Grant Program funds were used by the day care center directors we interviewed to raise salaries to more competitive levels, to offer salary bonuses or to hire additional staff members.

Staff Training. Five day care center directors (20%) used portions of their grants for staff training.

Food. Eleven (44%) of the day care centers receiving grants applied these funds toward food costs. In this case, as in that of payment of staff salaries, Child Care Grant Program monies were used to pay for a budget item for which less federal money is currently available to day care centers than was previously the case. The financial effect on day care centers of cuts in the Federal Food program were mitigated to some extent by the application of these newly available state funds.

Equipment. Twelve (48%) of the day care centers spent portions of their grants on equipment. Several center directors said that equipment tends to be too expensive for centers to purchase using income from tuition fees, and that no federal program funds equipment purchases. A few centers used Child Care Grant Program funds for major equipment purchases. For example, the Butterfly Child Center in Anchorage used program monies to purchase new playground equipment, and the Children's Community Center in Juneau applied its grant to cover a portion of the cost of building a covered play area.

Supplies. Eight (32%) of the day care center directors specified supplies as a use category for grant monies.

Twelve of the center directors interviewed found the necessary paperwork for grant applications to be easy to do. Some of these 12 directors complimented the Department of Community and Regional Affairs' training course, and others stated that the forms are the simplest to fill out of any program in which they have been involved. However, eight center directors stated that they had difficulties accomplishing the grant program paperwork. Of these, some specified the lack of a person to contact for explanations of the forms as a major problem. Directors of the center in Nome and one Anchorage center commented on the short period of time elapsed between the center's submission of application forms and receipt of the check for monies granted. In contrast, directors of the center sampled in Bethel, one Juneau center, and one Ketchikan center complained about the length of time it took to get checks for the program funds for which they had applied. The Ketchikan center, The Nest, had not yet received its check for the month of December 1981 at the time of our February 12th, 1982 interview.

The majority of day care center directors participating in the Child Care Grant Program commented favorably on it. Some said that their centers would have folded without this assistance from the State. Most have used program funds to close budget gaps left by cuts in the Federal Food program and CETA program funds. Since many centers used grant monies to replace, at least in part, monies formerly available through other sources, center directors find it difficult to assess the extent to which the Child Care Grant Program has improved their centers' financial condition. Most state that without these funds their centers would have been operating under deficits, or under greater deficits than those which they are currently experiencing. Nearly all of the center directors participating in the grant program mentioned the need for more funds to bring about an improvement in their centers' financial condition.