

COMMITTEE REPORT

HOUSE

FURTHER:

5/13/81

(11)

Date: _____

Mr. Speaker:

The Committee on FINANCE has had SSHB 43

"An Act relating to day care assistance."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Position Paper
CS for Sponsor Substitute for House Bill No. 43

"An Act relating to child care facilities and child care assistance."

This Bill provides for the following changes and additions to statutes pertaining to the child care facilities and child care assistance programs:

1. Child Day Care Facility Revolving Loan Fund.
 - a. the scope of the loan fund is defined to include private non-profit child care facilities;
 - b. the loan ceiling is increased from \$30,000 to \$50,000, and the provision that a facility may receive only a single loan is repealed; and
 - c. the condition that loans shall be made for the purpose of enabling facilities to comply with licensing standards is repealed.
2. Day Care Assistance Program.
 - a. provisions are added to expand eligible families to include those of moderate income and those seeking work;
 - b. a requirement to provide payments to municipalities to help defray the expenses of administering the day care assistance program is added;
 - c. a child care grant program is established; and
 - d. a more comprehensive definition of "child care facility" is provided.

While the Department of Community and Regional Affairs has major responsibility for purchase of day care services in the State, the Department of Health and Social Services maintains responsibility for purchase of day care in child protective cases and for WIN registrants. The protective services and WIN day care programs are not named in this Bill, however, the Department of Health and Social Services has adhered to a policy of administering its day care programs in a manner consistent with the Day Care Assistance Program and plans to continue that policy to the maximum extent feasible. From a licensing perspective, the Department has an interest in the financial viability and stability of day care facilities. It is for these reasons that the Department of Health and Social Services is commenting on this Bill.

The Department supports the proposed changes to the Child Day Care Facility Revolving Loan Fund. The amendment to include private non-profit child care facilities clarifies that language of the existing statute, and the \$20,000 increase in the amount of a single loan together with the allowance for facilities to receive more than one loan appear

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AFTER Bill

to be realistic changes in light of escalating construction costs. The Department also supports the concept of providing facilities the latitude to determine the purpose of the loan, and not making it mandatory that the loan relate specifically to licensing standards. The Department of Commerce and Economic Development may have concerns on this item, however.

The Department has no objection to expanding the group of program eligibles provided that a priority system is established to ensure the ready availability of services to those most economically in need. Consideration may be given to amending section 250 of the statute to provide for prioritizing low income families. We also believe that providing day care service while a parent is "seeking work," including job interviewing, testing, employment counseling, and other activities that enhance a person's job search, is appropriate State policy.

The concept of financial assistance to municipalities to help defray the costs of administering the Day Care Assistance Program, is sound. Some communities have opted not to participate in the Day Care Assistance Program because of the administrative costs involved. This amendment may result in several additional communities choosing to participate in the Day Care Assistance Program.

Day care providers are experiencing financial hardships due to inflation and Federal budget reductions. Some are experiencing difficulties in maintaining licensing standards. The Division has an interest in the stability of day care centers and homes and in the quality of care provided. For these reasons we endorse the concept of a grant program. Targeting the grant funds for the education and training of staff will result in definite quality improvements.

While the Department does support the proposed definition of "child care facility," we wish to point out that the inclusion of preschools will have a definite impact on licensing activity. In addition, no more than an estimated 10% of homes providing day care in Alaska are licensed. There is a high likelihood that in order to increase their financial benefits, hundreds of unlicensed homes will seek licensure in order to qualify for the proposed grant program. The need for additional licensing staff in the Division of Family and Youth Services to perform the increased licensing reviews resulting from both the expanded definition of child care facility and anticipated requests to qualify facilities for grants, is reflected in the Fiscal Note.

The Department supports the concepts contained in this Bill.

RECOMMENDED BY: John R. Pugh
John R. Pugh, Director
Division of Family and
Youth Services

DATE: 5/26/81

APPROVED BY: Helen D. Beirne
Helen D. Beirne
Commissioner

DATE: 6-2-81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Sponsor Substitute for House Bill No. 43
 Title "An Act relating to child care facilities and child care assistance."
 Requested by HESS Committee Date 5/13/81

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services
 Program Category Affected Health
 BRU, Program, or Subprogram(s) Affected Various
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		147.2	160.4	174.9	190.6	207.8
200 TRAVEL						
300 CONTRACTUAL		10.8	11.8	12.9	14.1	15.4
400 COMMODITIES		1.6	1.7	1.9	2.1	2.3
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		159.6	173.9	189.7	206.8	225.5

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		159.6	173.9	189.7	206.8	225.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		4	4	4	4	4
PART TIME						
TEMPORARY						

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

Two provisions of this Bill are expected to dramatically increase the workload of the Division of Family and Youth Services licensing staff: 1) the establishment of a grant program which requires facilities to be licensed in order to qualify, and 2) an expanded definition of "child care facility" which would add preschools. The addition of these provisions will require four (4) new licensing positions. The Fiscal Note reflects the addition of four Child Care Specialists I positions (R16) in Anchorage (2), Fairbanks (1), and Juneau (1). Office space computed at 150'/position, \$1.50/ft. is shown under Contractual; Commodities at \$400/position per year are also included. Figures for FY 83 through FY 86 reflect an annual increase of 9%.

IV. DATE 5/26/81 PREPARED BY John R. Pugh John R. Pugh, Director
 AGENCY Division of Family and Youth Services
 PHONE 465-3070
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) M&B Approval Millard Date 5/27/81

Original sponsors: Buchholdt, Fuller,
and Zharoff

Offered: 5/13/81
Referred: Finance

*10472
P. 10472*

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 43 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to child care facilities and child
7 care assistance."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 44.33.245(a)(1) is amended to read:

10 (1) make loans for the construction, renovation, and equip-
11 ping of child care facilities, including private nonprofit child care
12 facilities;

13 * Sec. 2. AS 44.33.255(a) is amended to read:

14 (a) A loan to a child care facility under AS 44.33.240 - 44.33.-
15 275 may not exceed \$50,000 [\$30,000, AND NO MORE THAN ONE LOAN MAY BE
16 MADE TO A SINGLE CHILD CARE FACILITY UNDER AS 44.33.240 - 44.33.275].

17 * Sec. 3. AS 44.47.250(a)(1) is amended to read:

18 (1) implement and administer a program to assist in providing
19 day care for the children of low and moderate income [LOW-INCOME]
20 families according to the requirements of AS 44.47.250 - 44.47.310;

21 * Sec. 4. AS 44.47.260 is repealed and reenacted to read:

22 Sec. 44.47.260. CONTRACT ADMINISTRATION. When a contract is made
23 under AS 44.47.250(b)(2) between the department and a municipality, or
24 under AS 44.47.250(b)(4) between the department and an organization,
25 the department shall pay to that municipality or organization the
26 greater of:

27 (1) an amount equal to 10 percent of the total annual day
28 care benefits paid to day care facilities in the geographic area admin-
29 istered by that municipality or organization; or

1 (2) \$1,000 per year.

2 * Sec. 5. AS 44.47.270 is amended to read:

3 Sec. 44.47.270. CONDITIONS OF RECEIPT OF BENEFITS. Benefits may
4 be paid for the care of children of a low or moderate income family
5 only if a parent or guardian, because of the day care, is freed to work
6 or to seek work or to attend school. In no event shall benefits be
7 paid for the care of children of a family where one parent or guardian
8 is not working or attending school and is physically and mentally
9 capable of caring for the children.

10 * Sec. 6. AS 44.47 is amended by adding a new section to read:

11 Sec. 44.47.301. CHILD CARE GRANT PROGRAM. (a) A child care grant
12 program is established in the Department of Community and Regional
13 Affairs to provide state assistance in the operation of child care
14 facilities. The department shall provide grants for the operation of
15 child care facilities, including private nonprofit child care facil-
16 ities. Participation in the program is optional.

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

19 (1) be currently licensed under AS 47.35.010 - 47.35.080 and
20 any applicable municipal licensing requirements;

21 (2) participate in the day care assistance program under
22 AS 44.47.250 - 44.47.310;

23 (3) provide a specified level of care under a payment system
24 based on the attendance of the child as provided in (g) of this section.

25 (c) A grant under this section may not exceed \$150 per month for
26 each child the child care facility cares for, or for each full-time
27 equivalent, as determined by the department. The grant shall be
28 adjusted on a geographic basis by the same percentages as instructional
29 unit allotments are adjusted under AS 14.17.051.

1 (d) In addition to the grants provided in (c) of this section,
2 the department may, subject to appropriations for that purpose, provide
3 by grant or contract for the education and training of child care
4 employees or administrators. To receive a grant or contract under this
5 subsection or to participate in a training program under this subsec-
6 tion, the child care facility must meet all the requirements of (b) of
7 this section.

8 (e) Application for grants under this section shall be made in
9 the form established by the department.

10 (f) A grant under (c) of this section shall be made monthly or
11 quarterly and shall be based on the average daily enrollment in the
12 child care facility during the calendar month or quarter preceding the
13 date on which application for a grant is made.

14 (g) Each child care facility receiving a grant under this section
15 shall assure that a specified number of child care positions are avail-
16 able to children eligible for day care assistance under AS 44.47.250 -
17 44.47.310, whose parents or guardians wish to pay for care based on the
18 number of days the child attends the facility. The number of child
19 care positions to be made available under a payment schedule based on
20 attendance rather than enrollment shall be determined under a formula
21 established by the department by regulation, which shall take into
22 consideration the demand for an attendance-based fee schedule and the
23 economic impact of attendance-based fees on the child care facility.

24 (h) The commissioner shall, in consultation with interested child
25 care providers and parents, adopt regulations to carry out the purposes
26 of this section.

27 * Sec. 7. AS 44.47.310 is amended by adding a new paragraph to read:

28 (6) "child care facility" means an establishment licensed
29 under AS 47.35.010 - 47.35.080, including but not limited to day care

1 centers, family day care homes, and schools for preschool age children,
2 which provides care for children not related by blood, marriage, or
3 legal adoption to the owner, operator, or manager of the facility.

4 * Sec. 8. AS 44.33.250 and 44.33.260(2) are repealed.
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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SS HB 43 (Finance)
 Title An Act relating to day care.
 Requested by House Finance Committee Date May 19, 1981

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs
 Program Category Affected Community Development
 BRU, Program, or Subprogram(s) Affected Day Care Assistance Program
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		37.5	41.5	45.6	50.2	55.2
200 TRAVEL		4.0	4.4	4.8	5.3	5.8
300 CONTRACTUAL		4.3	4.7	5.2	5.7	6.3
400 COMMODITIES		.2	.2	.2	.3	.3
500 EQUIPMENT		2.0	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.		1,750.2	1,812.7	1,903.1	1,998.4	2,098.3
TOTAL		1,798.2	1,863.5	1,958.9	2,059.9	2,165.9

FUNDING (Thousands of Dollars)

GENERAL FUND		1,798.2	1,863.5	1,958.9	2,059.9	2,165.9
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)		-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME		-0-	-0-	-0-	-0-	-0-
TEMPORARY						

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

The grant costs indicated (Line 700) include the cost of the child care grants, the proposed raise in the subsidy scale level and the costs of local municipal administration, using 5,251 child care slots as a base figure (5,746 existing slots minus 495 military slots).

The grants cost is arrived at by multiplying the base figure (5,251) times \$25 a month times twelve months times an 80% slot occupancy rate (1,260.2). It is not anticipated that the geographic adjustment called for in Section 6(c) will be funded in connection with this bill.

\$466.0 is added to the above figure to allow for administrative fees paid to municipalities and subsidy. In addition, it is estimated that \$24,000 per year (plus 10% per year for inflation) will be needed to fund the training grants provided for in Section 6 (44.47.301d).

IV. DATE May 19, 1981 PREPARED BY Mckie Campbell
 AGENCY Department of Community & Regional Affairs
 PHONE 465-4735
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Fiscal Note CS SS HB 43 (Finance) - (cont'd)

Projected grant costs for future years assume 5% growth of existing programs but do not make allowances for annual revisions of the scale, increased costs per child, or an increase in the number of child care contractors.

Administrative costs (Lines 100-500) are based on the need for one additional Field Training Officer to monitor grant and program activities. Projected administrative costs assume 10% inflation.

Original sponsors: Buchholdt, Fuller,
and Zharoff

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 43 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

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19 day care for the children of low and moderate income [LOW-INCOME]
20 families according to the requirements of AS 44.47.250 - 44.47.310;

21 * Sec. 4. AS 44.47.250(b)(2) is amended to read:

22 (2) contract with municipalities, or, if necessary, with day
23 care facilities, to perform [ITS] duties of the department under
24 AS 44.47.250 - 44.47.310 within that municipality; with the approval of
25 the department, the municipality may subcontract with another organiza-
26 tion in the community to perform administrative duties, or, if neces-
27 sary, the department may contract with another organization to perform
28 administrative duties;

29 * Sec. 5. AS 44.47.260 is repealed and reenacted to read:

1 Sec. 44.47.260. CONTRACT ADMINISTRATION. When a contract is made
2 under AS 44.47.250(b)(2) between the department and a municipality, or
3 under AS 44.47.250(b)(4) between the department and an organization,
4 the department shall pay to that municipality or organization the
5 greater of:

6 (1) an amount equal to 10 percent of the total annual day
7 care benefits paid to day care facilities in the geographic area admin-
8 istered by that municipality or organization; or

9 (2) \$1,000 per year.

10 * Sec. 6. AS 44.47.270 is amended to read:

11 Sec. 44.47.270. CONDITIONS OF RECEIPT OF BENEFITS. Benefits may
12 be paid for the care of children of a low or moderate income family
13 only if a parent or guardian, because of the day care, is freed to work
14 or to seek work or to attend school. In no event shall benefits be
15 paid for the care of children of a family where one parent or guardian
16 is not working, actively seeking work, or attending school and is
17 physically and mentally capable of caring for the children.

18 * Sec. 7. AS 44.47 is amended by adding a new section to read:

19 Sec. 44.47.301. CHILD CARE GRANT PROGRAM. (a) A child care grant
20 program is established in the Department of Community and Regional
21 Affairs to provide state assistance in the operation of child care
22 facilities. The department shall provide grants for the operation of
23 child care facilities, including private nonprofit child care facil-
24 ities. Participation in the program is optional.

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

27 (1) be currently licensed under AS 47.35.010 - 47.35.080 and
28 any applicable municipal licensing requirements;

29 (2) participate in the day care assistance program under

1 AS 44.47.250 - 44.47.310;

2 (3) provide care under a payment system as provided in (g)
3 of this section.

4 (c) A grant under this section may not exceed \$50 per month for
5 each child the child care facility cares for, or for each full-time
6 equivalent, as determined by the department. The grant shall be
7 adjusted on a geographic basis by the same percentages as instructional
8 unit allotments are adjusted under AS 14.17.051.

9 (d) In addition to the grants provided in (c) of this section,
10 the department may, subject to appropriations for that purpose, provide
11 by grant or contract for the education and training of child care
12 employees or administrators. To receive a grant or contract under this
13 subsection or to participate in a training program under this subsec-
14 tion, the child care facility must meet all the requirements of (b) of
15 this section.

16 (e) Application for grants under this section shall be made in
17 the form established by the department.

18 (f) A grant under (c) of this section shall be made monthly and
19 shall be based on the average daily full-time equivalent enrollment in
20 the child care facility during the calendar month preceding the date on
21 which application for a grant is made.

22 (g) Each child care facility receiving a grant under this section
23 shall assure that a specified number of child care positions are avail-
24 able to children eligible for day care assistance under AS 44.47.250 -
25 44.47.310, whose parents or guardians wish to pay for care based on the
26 number of full-time equivalent days the child attends the facility.
27 All child care positions not made available under a payment schedule
28 based on enrollment shall be made available under a payment schedule
29 based on attendance and at least one full-time equivalent position

1 shall be made available based on attendance rather than enrollment.
2 The maximum number of child care positions in each facility which may
3 be made available under a payment schedule based on enrollment shall be
4 determined each month under the following formula:

5 $M = (T+E) - (A+B)$ where

6 $M =$ maximum number of positions available under an enrollment-
7 based fee schedule;

8 $T =$ the total number of full-time equivalent child care positions
9 in the facility

10 $E =$ number of full-time equivalent positions during the month
11 before computation with an enrollment-based fee schedule;

12 $A =$ average daily full-time equivalent attendance during the
13 month before computation in positions with an enrollment-
14 based fee schedule;

15 $B =$ maximum daily full-time equivalent attendance during the
16 month before computation in positions with an attendance-
17 based fee schedule.

18 (h) The commissioner shall, in consultation with interested child
19 care providers and parents, adopt regulations to carry out the purposes
20 of this section.

21 * Sec. 8. AS 44.47.310 is amended by adding a new paragraph to read:

22 (6) "child care facility" means an establishment licensed
23 under AS 47.35.010 - 47.35.080, including but not limited to day care
24 centers, family day care homes, and schools for preschool age children,
25 which provides care for children not related by blood, marriage, or
26 legal adoption to the owner, operator, or manager of the facility.

27 * Sec. 9. AS 44.33.250 and 44.33.260(2) are repealed.

28 * Sec. 10. This Act takes effect July 1, 1981.

A M E N D M E N T

TO: C S S S H B 43(Finance)

Page 1, after line 20, insert the following:

"*Sec. 4. AS 44.47.250(b)(2) is amended to read:

(2) contract with municipalities, or, if necessary, with day care facilities, to perform [ITS] duties of the department under AS 44.-47.250 - 44.47.310 within that municipality; with the approval of the department, the municipality may subcontract with another organization in the community to perform administrative duties, or, if necessary, the department may contract with another organization to perform administrative duties;"

Renumber following bill sections accordingly.

changes: P. 1, Line 20 - new sec. 4
P. 2, Line 25 - change "\$150" to "\$50"

Cook:

Original sponsors: Buchholdt, Fuller,
and Zharoff

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 43 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to child care facilities and child
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16 MADE TO A SINGLE CHILD CARE FACILITY UNDER AS 44.33.240 - 44.33.275].

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19 day care for the children of low and moderate income [LOW-INCOME]
20 families according to the requirements of AS 44.47.250 - 44.47.310;

21 Add new sec. 4 (copy attached).

* Sec. 4. AS 44.47.260 is repealed and reenacted to read:

22 Sec. 44.47.260. CONTRACT ADMINISTRATION. When a contract is made
23 under AS 44.47.250(b)(2) between the department and a municipality, or
24 under AS 44.47.250(b)(4) between the department and an organization,
25 the department shall pay to that municipality or organization the
26 greater of:

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28 care benefits paid to day care facilities in the geographic area admin-
29 istered by that municipality or organization; or

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6 or to seek work or to attend school. In no event shall benefits be
7 paid for the care of children of a family where one parent or guardian
8 is not working, actively seeking work, or attending school and is
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14 facilities. The department shall provide grants for the operation of
15 child care facilities, including private nonprofit child care facil-
16 ities. Participation in the program is optional.

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

19 (1) be currently licensed under AS 47.35.010 - 47.35.080 and
20 any applicable municipal licensing requirements;

21 (2) participate in the day care assistance program under
22 AS 44.47.250 - 44.47.310;

23 (3) provide care under a payment system as provided in (g)
24 of this section.

25 (c) A grant under this section may not exceed ~~\$150~~ ^{\$150} per month for
26 each child the child care facility cares for, or for each full-time
27 equivalent, as determined by the department. The grant shall be
28 adjusted on a geographic basis by the same percentages as instructional
29 unit allotments are adjusted under AS 14.17.051.

1 (d) In addition to the grants provided in (c) of this section,
2 the department may, subject to appropriations for that purpose, provide
3 by grant or contract for the education and training of child care
4 employees or administrators. To receive a grant or contract under this
5 subsection or to participate in a training program under this subsec-
6 tion, the child care facility must meet all the requirements of (b) of
7 this section.

8 (e) Application for grants under this section shall be made in
9 the form established by the department.

10 (f) A grant under (c) of this section shall be made monthly and
11 shall be based on the average daily full-time equivalent enrollment in
12 the child care facility during the calendar month preceding the date on
13 which application for a grant is made.

14 (g) Each child care facility receiving a grant under this section
15 shall assure that a specified number of child care positions are avail-
16 able to children eligible for day care assistance under AS 44.47.250 -
17 44.47.310, whose parents or guardians wish to pay for care based on the
18 number of full-time equivalent days the child attends the facility.
19 All child care positions not made available under a payment schedule
20 based on enrollment shall be made available under a payment schedule
21 based on attendance and at least one full-time equivalent position
22 shall be made available based on attendance rather than enrollment.
23 The maximum number of child care positions in each facility which may
24 be made available under a payment schedule based on enrollment shall be
25 determined each month under the following formula:

26 $M = (T+E) - (A+B)$ where

27 $M =$ maximum number of positions available under an enrollment-
28 based fee schedule;

29 $T =$ the total number of full-time equivalent child care positions

1 in the facility

2 E = number of full-time equivalent positions during the month
3 before computation with an enrollment-based fee schedule;

4 A = average daily full-time equivalent attendance during the
5 month before computation in positions with an enrollment-
6 based fee schedule;

7 B = maximum daily full-time equivalent attendance during the
8 month before computation in positions with an attendance-
9 based fee schedule.

10 (h) The commissioner shall, in consultation with interested child
11 care providers and parents, adopt regulations to carry out the purposes
12 of this section.

13 * Sec. ⁸~~7~~. AS 44.47.310 is amended by adding a new paragraph to read:

14 (6) "child care facility" means an establishment licensed
15 under AS 47.35.010 - 47.35.080, including but not limited to day care
16 centers, family day care homes, and schools for preschool age children,
17 which provides care for children not related by blood, marriage, or
18 legal adoption to the owner, operator, or manager of the facility.

19 * Sec. ⁹~~8~~. AS 44.33.250 and 44.33.260(2) are repealed.

20 * Sec. ¹⁰~~8~~. This Act takes effect July 1, 1981.

29

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SS HB 43 (Finance)

Title An Act relating to day care.

Requested by House Finance Committee

Date May 19, 1981

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs

Program Category Affected Community Development

BRU, Program, or Subprogram(s) Affected Day Care Assistance Program

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		37.5	41.5	45.6	50.2	55.2
200 TRAVEL		4.0	4.4	4.8	5.3	5.8
300 CONTRACTUAL		4.3	4.7	5.2	5.7	6.3
400 COMMODITIES		.2	.2	.2	.3	.3
500 EQUIPMENT		2.0	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.		1,750.2	1,812.7	1,903.1	1,998.4	2,098.3
TOTAL		1,798.2	1,863.5	1,958.9	2,059.9	2,165.9

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		1,798.2	1,863.5	1,958.9	2,059.9	2,165.9
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)		-0-	-0-	-0-	-0-	-0-

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		1	1	1	1	1
PART TIME		-0-	-0-	-0-	-0-	-0-
TEMPORARY						

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

The grant costs indicated (Line 700) include the cost of the child care grants, the proposed raise in the subsidy scale level and the costs of local municipal administration, using 5,251 child care slots as a base figure (5,746 existing slots minus 495 military slots).

The grants cost is arrived at by multiplying the base figure (5,251) times \$25 a month times twelve months times an 80% slot occupancy rate (1,260.2). It is not anticipated that the geographic adjustment called for in Section 6(c) will be funded in connection with this bill.

\$466.0 is added to the above figure to allow for administrative fees paid to municipalities and subsidy. In addition, it is estimated that \$24,000 per year (plus 10% per year for inflation) will be needed to fund the training grants provided for in Section 6 (44.47.301d).

IV. DATE May 19, 1981

PREPARED BY McKie Campbell

AGENCY Department of Community & Regional Affairs

PHONE 465-4735

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Fiscal Note CS SS HB 43 (Finance) - (cont'd)

Projected grant costs for future years assume 5% growth of existing programs but do not make allowances for annual revisions of the scale, increased costs per child, or an increase in the number of child care contractors.

Administrative costs (Lines 100-500) are based on the need for one additional Field Training Officer to monitor grant and program activities. Projected administrative costs assume 10% inflation.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SS HB 43 (HESS) (Fin)
Title "An Act relating to day care"
Requested by Senate Community & Regional Affairs Date May 14, 1981

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs
Program Category Affected Community Development
BRU, Program, or Subprogram(s) Affected Day Care Assistance Program
(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		37.5	41.5	45.6	50.2	55.2
200 TRAVEL		4.0	4.4	4.8	5.3	5.8
300 CONTRACTUAL		4.3	4.7	5.2	5.7	6.3
400 COMMODITIES		.2	.2	.2	.3	.3
500 EQUIPMENT		2.0	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
700 GRANTS CLAIMS, ETC.		7,464.8	8,476.4	8,926.0	9,402.6	9,902.0
	-0-					

TOTAL

1,750.0

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	-0-	7,512.8	8,527.2	8,981.8	9,464.1	9,969.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	0	1	1	1	1	1
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

These figures include the day care grant funds as a result of the raise in subsidy scale level, local municipal administration cost for the program, and the child care grants, using as a base 5746 child care slots. This also includes the need to employ an additional Field Training Officer to monitor grant and program activities.

This does not include revising the scale annually, recognition that median income families may use the program on a more constant level, thus increasing the child care costs, more municipalities (organizations or day care centers, outside municipalities) may choose to contract with the department, or that more child care facilities will become licensed.

Future costs are projected assuming 10% inflation and program growth at 5% annually. It is assumed that the average level of funding distributed under section 6 will be \$100 per month per child.

IV. DATE May 14, 1981 PREPARED BY [Signature]
AGENCY Department of Community & Regional Affairs

Original: Legislative Finance PHONE 264-2201

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Original sponsors: Buchholdt, Fuller,
and Zharoff

Offered: 5/13/81
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 43 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to child care facilities and child
7 care assistance."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 44.33.245(a)(1) is amended to read:

10 (1) make loans for the construction, renovation, and equip-
11 ping of child care facilities, including private nonprofit child care
12 facilities;

13 * Sec. 2. AS 44.33.255(a) is amended to read:

14 (a) A loan to a child care facility under AS 44.33.240 - 44.33.-
15 275 may not exceed \$50,000 [\$30,000, AND NO MORE THAN ONE LOAN MAY BE
16 MADE TO A SINGLE CHILD CARE FACILITY UNDER AS 44.33.240 - 44.33.275].

17 * Sec. 3. AS 44.47.250(a)(1) is amended to read:

18 (1) implement and administer a program to assist in providing
19 day care for the children of low and moderate income [LOW-INCOME]
20 families according to the requirements of AS 44.47.250 - 44.47.310;

21 * Sec. 4. AS 44.47.260 is repealed and reenacted to read:

22 Sec. 44.47.260. CONTRACT ADMINISTRATION. When a contract is made
23 under AS 44.47.250(b)(2) between the department and a municipality, or
24 under AS 44.47.250(b)(4) between the department and an organization,
25 the department shall pay to that municipality or organization the
26 greater of:

27 (1) an amount equal to 10 percent of the total annual day
28 care benefits paid to day care facilities in the geographic area admin-
29 istered by that municipality or organization; or

1 (2) \$1,000 per year.

2 * Sec. 5. AS 44.47.270 is amended to read:

3 Sec. 44.47.270. CONDITIONS OF RECEIPT OF BENEFITS. Benefits may
4 be paid for the care of children of a low or moderate income family
5 only if a parent or guardian, because of the day care, is freed to work
6 or to seek work or to attend school. In no event shall benefits be
7 paid for the care of children of a family where one parent or guardian
8 is not working or attending school and is physically and mentally
9 capable of caring for the children.

10 * Sec. 6. AS 44.47 is amended by adding a new section to read:

11 Sec. 44.47.301. CHILD CARE GRANT PROGRAM. (a) A child care grant
12 program is established in the Department of Community and Regional
13 Affairs to provide state assistance in the operation of child care
14 facilities. The department shall provide grants for the operation of
15 child care facilities, including private nonprofit child care facil-
16 ities. Participation in the program is optional.

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

19 (1) be currently licensed under AS 47.35.010 - 47.35.080 and
20 any applicable municipal licensing requirements;

21 (2) participate in the day care assistance program under
22 AS 44.47.250 - 44.47.310;

23 (3) provide a specified level of care under a payment system
24 based on the attendance of the child as provided in (g) of this section.

25 (c) A grant under this section may not exceed \$150 per month for
26 each child the child care facility cares for, or for each full-time
27 equivalent, as determined by the department. The grant shall be
28 adjusted on a geographic basis by the same percentages as instructional
29 unit allotments are adjusted under AS 14.17.051.

1 (d) In addition to the grants provided in (c) of this section,
2 the department may, subject to appropriations for that purpose, provide
3 by grant or contract for the education and training of child care
4 employees or administrators. To receive a grant or contract under this
5 subsection or to participate in a training program under this subsec-
6 tion, the child care facility must meet all the requirements of (b) of
7 this section.

8 (e) Application for grants under this section shall be made in
9 the form established by the department.

10 (f) A grant under (c) of this section shall be made monthly or
11 quarterly and shall be based on the average daily enrollment in the
12 child care facility during the calendar month or quarter preceding the
13 date on which application for a grant is made.

14 (g) Each child care facility receiving a grant under this section
15 shall assure that a specified number of child care positions are avail-
16 able to children eligible for day care assistance under AS 44.47.250 -
17 44.47.310, whose parents or guardians wish to pay for care based on the
18 number of days the child attends the facility. The number of child
19 care positions to be made available under a payment schedule based on
20 attendance rather than enrollment shall be determined under a formula
21 established by the department by regulation, which shall take into
22 consideration the demand for an attendance-based fee schedule and the
23 economic impact of attendance-based fees on the child care facility.

24 (h) The commissioner shall, in consultation with interested child
25 care providers and parents, adopt regulations to carry out the purposes
26 of this section.

27 * Sec. 7. AS 44.47.310 is amended by adding a new paragraph to read:

28 (6) "child care facility" means an establishment licensed
29 under AS 47.35.010 - 47.35.080, including but not limited to day care

1 centers, family day care homes, and schools for preschool age children,
2 which provides care for children not related by blood, marriage, or
3 legal adoption to the owner, operator, or manager of the facility.

4 * Sec. 8. AS 44.33.250 and 44.33.260(2) are repealed.
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Introduced: 2/20/81
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY BUCHHOLDT, FULLER AND ZHAROFF

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 43

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to day care assistance."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 44.47.250(a)(1) is amended to read:

9 (1) implement and administer a program to assist in providing
10 day care for the children of low and moderate income [LOW-INCOME]
11 families according to the requirements of AS 44.47.250 - 44.47.310;

12 * Sec. 2. AS 44.47.260 is amended to read:

13 Sec. 44.47.260. CONTRACT ADMINISTRATION [LOCAL PARTICIPATION].

14 (a) When a contract is made under AS 44.47.250(b)(2) between the depart-
15 ment and a municipality, the department [MUNICIPALITY] shall pay half
16 of the following costs of administering the contractual duties within
17 the municipality: [ITS JURISDICTION]

18 (1) salaries of eligibility workers;

19 (2) accounting and bookkeeping expense;

20 (3) clerical expense directly attributable to administration
21 of the program;

22 (4) cost of monitoring the eligibility of persons receiving
23 benefits under the program;

24 (5) public information advising of the availability of the
25 program; and

26 (6) cost of reports required by the department.

27 (b) In addition to payments under (a) of this section, the de-
28 partment shall pay to a municipality employing a program manager an
29 amount equal to 10 percent of the amount paid under (a)(1) of this sec-

1 tion to be allocated to the program manager's salary.

2 * Sec. 3. AS 44.47.270 is amended to read:

3 Sec. 44.47.270. CONDITIONS OF RECEIPT OF BENEFITS. Benefits may
4 be paid for the care of children of a low or moderate income family
5 only if a parent or guardian, because of the day care, is freed to work
6 or to attend school. In no event shall benefits be paid for the care
7 of children of a family where one parent or guardian is not working or
8 attending school and is physically and mentally capable of caring for
9 the children.

10 * Sec. 4. AS 44.47.300(b) is amended to read:

11 (b) Benefits shall be paid by the department directly to the
12 municipality contracting with the day care facility or, outside of a
13 municipality, to the facility upon receipt of a billing from a munici-
14 pality or facility. The payment of benefits shall be based on the
15 number of days that a child is enrolled at the facility or the number
16 of days that the child attends the facility, as elected by the parent
17 or guardian each month and specified to the facility.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE (revised 3/4/81)

I. REQUEST

Bill/Resolution No. SSHB 43
Title "An Act relating to day care"
Requested by House Health & Social Services Date 2/27/1981

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs
Program Category Affected Community Development
BRU, Program, or Subprogram(s) Affected Day Care Assistance Program
(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	-0-	466.2	503.5	543.8	587.3	634.3
TOTAL	-0-	466.2	503.5	543.8	587.3	634.3

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	466.2	503.5	543.8	587.3	634.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

These figures include the day care grant funds as a result of the raise in subsidy scale level, local municipal administration cost for the program, with a constant eight percent inflation figure.

In FY 82 this includes \$66.0 for a raise in subsidy scale and \$400.2 in municipal administrative grants. (This does not include grants to military installations.)

This does not include any new programs, revising the scale annually, or recognition that median income families may use the program on a more constant level, thus increasing the child per care costs.

IV. DATE February 27, 1981 PREPARED BY Lare'
AGENCY Dept. of Community & Regional Affairs
PHONE 264-2201

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

POSITION PAPER

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 43

"An Act relating to day care assistance."

This Bill would amend the Day Care Assistance statute to add provisions to expand the eligible families to include those of moderate income, to require Department of Community and Regional Affairs payment to a municipality to help defray the expenses of administering the Day Care Assistance Program, and to provide for parent option in determining whether the payment of services would be based on child enrollment or actual attendance.

While the Department of Community and Regional Affairs has major responsibility for purchase of day care services in the State, the Department of Health and Social Services maintains responsibility for purchase of day care in child protective cases and for WIN registrants. The protective services and WIN day care programs are not named in this Bill, however, the Department of Health and Social Services has adhered to a policy of administering its day care programs in a manner consistent with the Day Care Assistance Program and plans to continue that policy to the maximum extent feasible. From a licensing perspective, the Department has an interest in the financial viability and stability of day care facilities. It is for these reasons that the Department of Health and Social Services is commenting on this Bill.

The Department has no objection to expanding the group of program eligibles provided that a priority system is established to ensure the ready availability of services to those most economically in need. Consideration may be given to amending section 280 of the statute to provide for prioritizing low income families.

The Department endorses the concept of financial assistance to municipalities to help defray the costs of administering the Day Care Assistance Program. Some communities have opted not to participate in the Day Care Assistance Program because of the administrative costs involved, and in some instances a local day care center has absorbed these costs and acted as the administrator in order to have the Day Care Assistance Program in their community. This amendment would offset many of the current financial hardships being experienced by communities. It may result in several additional communities choosing to participate in the Day Care Assistance Program. Furthermore, the monies would allow the funding of a part-time position in a municipal office, thereby permitting local day care operators to withdraw from a situation of potential conflict of interest, both in terms of determining eligibility for parents enrolling children in their program and determining eligibility for parents interested in a competitor's program.

The second provision of this Bill would provide payment of benefits based on days enrolled or attended "each month" as elected by the parent. The Department recommends that the words "each month" be removed, since it has been our experience that enrollment policies of day care providers vary greatly; many providers permitting children to enroll for a day or two while others require a three to nine month commitment.

There are also several issues which should be addressed related to the diversity of provider payment policies. Some day care facilities charge based on enrollment, others charge based on attendance, while others use an excused absence and/or a required two week notice system. Day care providers being private businesses have a right to select the payment system which best addresses their management requirements. It would appear to be more appropriate for the State funded program to honor admission and payment policies established by a day care facility provided that the established policies are applied to the general public, as well as to the State funded child.

Consideration should also be given to establishing a maximum length of time for payment to continue for periods of non-attendance or following withdrawal from the program. We would suggest some committee deliberation and discussion on this issue.

For your information, the Department of Health and Social Services initiated a policy of payment on an enrollment basis on July 1, 1980 following receipt of funding from the Legislature for that purpose. The following paragraph, taken from our letter to day care providers, explains the way this Department decided to administer the policy for the first year:

Since the Department's protective service and WIN day care programs serve different client needs than the Day Care Assistance Program, there are frequently reasons for authorizing day care services for periods of time substantially less than a full month. WIN clients may need short term day care for their children during job interviews, vocational counseling, testing sessions, or employment related medical sessions. Occasionally, one unit of day care is needed. Families may need protective services day care support for only one week of respite from the stresses of parenting during a family crisis. Most day care center enrollment policies and some care home policies allow enrollment on a drop-in basis and also for periods of less than a full month. We are assuming that these enrollment options will remain available for WIN and protective services eligible children. We believe that it is appropriate to pay for the number of units authorized, recognizing that a day care facility must hold space open for the child. There are times when a day care center or home receives notice that a child will no longer be attending, but the enrollment (authorized period) has not ended. The Department will allow payment unless another child is enrolled for that space. The units billed to the Department should cease with the enrollment of a new child or the end of the authorized period, whichever comes first.

POSITION PAPER/Department of Health & Social Services

We hope this information is useful to you in committee deliberations.

The Department supports the concept of expanding the Day Care Assistance program to moderate income families, supports the concept of financial assistance to municipalities for administering the Day Care Assistance Program, and supports allowing payment based on enrollment. We suggest that modifications be made based on Department comments and information obtained in committee hearings.

RECOMMENDED BY:

John R. Pugh
John R. Pugh, Director
Division of Family and
Youth Services

DATE:

3/2/81

RECOMMENDED BY:

Elizabeth Muktarian
Elizabeth Muktarian
Director, Division of
Adult and Aging
Services

DATE:

3/2/81

APPROVED BY:

Helen D. Beirne
Helen D. Beirne
Commissioner

DATE:

3/2/81

