

DAY CARE  
CORRESPOND-  
ENCE

**DEPT. OF COMMUNITY & REGIONAL AFFAIRS**

OFFICE OF THE COMMISSIONER

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

March 13, 1981

Representative Don Clocksin, Chairman,  
House H & SS Committee  
House of Representatives  
Pouch V  
Juneau, Alaska 99801

Dear Representative *Don* Clocksin:

RE: DAY CARE FUNDING STUDY

Enclosed with this letter is a revised Day Care Funding Study dated February 20, 1981 prepared by Moebius Corporation of Anchorage. As I indicated when we testified on Representative Buchholdt's House Bill 43 last week before the House H & SS Committee, this revised study is intended to replace that which was transmitted to the Speaker of the House and President of the Senate on February 2, 1981. I presume that by now those reports have been transmitted to the respective Health and Social Services Committees.

Although I have not personally had an opportunity to read this report I did ask that Deputy Director Pat Poland and Child Care Coordinator Lare, review it. Mr. Poland indicated that, although there was room for some improvement in its presentation, the basic research data and recommendations are there and that this report is much more readable than the earlier report.

When I spoke with Mr. Poland earlier this week, he indicated that, pursuant to your request, copies of the current Day Care Regulations, policy statements, and other documents which might be of interest to Committee members concerning the administration of the Day Care Program have been transmitted to Juneau. As soon as those documents are received, I will transmit them to you, so that the Committee might hopefully have better background information prior to further deliberations on House Bill 43 and any other discussions relating to the Day Care Assistance Program.


We very much look forward to further Committee actions on Representative Buchholdt's House Bill 43 and would like to reiterate our strong support for passage of that Legislation, hopefully, incorporating the minor amendments which we suggested in the Department's position paper transmitted to you last week.

By copy of this letter I am forwarding copies of this Day Care Funding study to other Legislators who have expressed an interest in having a copy of this report.

If we can provide you or Committee members with other information concerning the various social services programs administered by this Division, please advise.

Sincerely,

LEE McANERNEY  
COMMISSIONER

  
By Palmer McCarter  
Director

cc: ~~Senator~~ Charles Parr, Chairman  
Senate H & SS Committee w/attachment

Representative Jim Duncan w/attachment

Representative Thelma Buchholdt w/attachmnt

Representative Brian Rogers w/attachment

Keith Specking, Legislative Assistant  
Office of the Governor w/attachment

# CHARLIE PARR

ALASKA LEGISLATURE

S.R. Box 50599  
Fairbanks, Alaska 99701  
(907) 456-5029

Pouch V  
Juneau, Alaska 99811  
(907) 465-4907

April 23, 1981

Ms. Patty Meritt  
Director  
Play 'N Learn  
Seventh and Cushman  
Fairbanks, Alaska 99701

Dear Ms. Meritt:

This is in response to your letter of April 14 concerning HB 43.

You should be aware that we will be introducing a Senate bill in the next few days for increased day care funding. Essentially, the bill will call for funding Centers at \$100 per child, per month. It also calls for some additional funding.

It is difficult to say at this time what success this bill or HB 43 will have. We may be able to get some increases this year.

Sincerely,

Charles H. Parr

CHP:vc

# Play 'N Learn

Seventh and Cushman  
Fairbanks, AK 99701  
907-452-5997

April 14, 1981

Dear Fairbanks Legislators,

In a recent discussion with other professionals regarding the proposed CS5511B43 "Commitment Related to Day Care Assistance" someone said they thought the legislators didn't know how much money the centers really needed. With that comment in mind, I am writing the following letter.

I am the director for Play 'N Learn Inc, a non-profit corporation which operates 2 children's centers providing care and enrichment programs to approximately 140 families each month. Our children range from 6 weeks to 12 years of age. Their attendance ranges from a 1 hour drop-in paying \$3.00 to a 55 hour week of care paying up to \$170.00 per month.

We utilize USDA child care food program funds, CETA grants, and Alaska State Sr. Citizen grants. We also provide a



training ground for students in order to decrease the child-to-teacher ratio and to improve training in the field of Early Childhood. (Students are in several programs including: RSVP, Hutchinson Casie Center, TVCC, U of A and the State Dept. of Education - Vocational Rehabilitation.) Play N Learn has been operating year round since November 1974.

I believe the State of Alaska should provide financial assistance to licensed child development programs much as it does to school districts. Does the State believe young children and their development is less important than 6-18 year olds? I doubt it, particularly in view of the massive research showing the vital significance of the early childhood years. If the State believes that children from birth to 5 years are as important as older ones, CS554343 is a good vehicle for proving it.

As an elected officer I agree with the Fairbanks Association for Young Children's position regarding this bill. I strongly support and believe the quality controls and open eligibility are vital.

Speaking from my role as director I can say if we had the money the first month I would buy 2 new vans (desperately needed!) then I'd take the following actions to improve our service to families and programs for children:

① I would drastically increase Teacher salaries. I'd like to be able to raise them to \$6<sup>04</sup> or \$7<sup>04</sup> per hour to start. I currently start teachers about \$4.50 per hour. At the \$6<sup>04</sup> rate our teachers would be earning about 1/2 of what a 1<sup>st</sup> year public school teacher in our district earns per hour.\*

② I'd also increase aides salaries to a minimum of \$5.00 per hour.... \$6<sup>04</sup> would be nice and they are worth it if we only had the money.\*

③ I'd establish a savings account for a building fund in order to purchase facilities where we could assume quality programs permanently in the community.

④ I'd budget an extra \$1,000 per month for equipment really needed. Most programs, ones included, have to routinely make choices between one or another or a slide for the playground when we really need both!

③ I'd put money into employee benefits - such as an expansion of our health insurance program... and into training workshops, courses, and consultants.

My calculations indicate, at the present suggested level of \$150<sup>00</sup> per child per month, I could accomplish those 5 objectives. If our programs could qualify for additional \$100 per month I could accomplish some of the following goals:

- ① Consulting Child Psychologist
- ② Consulting Speech Therapist
- ③ Consulting Play Therapist
- ④ Curriculum Resource Teachers
- ⑤ fulltime office help
- ⑥ still higher teacher salaries\*
- ⑦ increase custodian hours and pay\*
- ⑧ hire a handyman 1 day per week\*
- ⑨ raise director salary (although I am salaried I make approximately \$7.10 per hour based on what I actually work Monday through Friday, not counting weekends. The Board of Directors sets my salary so, there wouldn't be an abuse of funds)
- ⑩ install battery operated emergency lighting
- ⑪ repair, repair, replaced cracked windshield
- ⑫ Buy a chest freezer
- ⑬ purchase or rent a copy machine
- ⑭ install a burglar alarm
- ⑮ Buy a new vacuum cleaner

- ① increase staff benefits to include both sick days and vacation time annually
- ② install commercial lighting
- ③ buy a thermofax machine
- ④ buy a spirit duplicator
- ⑤ build an indoor gym area for wintertime
- ⑥ increase field trip budget
- ⑦ replace plumbing with commercial variety

These needs are considered basic in school districts - I believe children under 6 deserve the same benefits.

Additionally I believe this proposal might eliminate a lot of other requests. Currently I have been involved in requests for \$40,000 for vans, \$30,000 for training and \$200,000 for RT interest loans. I feel the ESSHB43 funds could meet many of these needs.

Once again, I strongly urge you to support this bill and smooth its way through the legislature. If I can be of any other help by providing statistics, testimony, or other information, please call me!

Sincerely,

Patty Meritt  
Director  
home - 479-5761

# MEMORANDUM


# State of Alaska

TO: Helen D. Beirne  
Commissioner  
Dept. of Health &  
Social Services

DATE: March 18, 1981

FILE NO:

TELEPHONE NO:

FROM:   
Allen Korhonen  
Deputy Commissioner  
Department of Health &  
Social Services

SUBJECT: Alaska Developmental  
Center Status Report

The Alaska Developmental Center, Inc. (ADC) operates three programs for handicapped children and their families in the Anchorage area. Two of these are assisted by grants and contracts of the Department of Health and Social Services.

1) Infant Learning Program is funded by a grant from the Section of Family Health of the Division of Public Health. The grant award for FY-1981 is \$162,000 of which \$121,500 has been awarded to date.

2) The Respite Care Program is funded through a contract administered by the DD Section of the Division of Mental Health and Developmental Disabilities. The contract award for FY-1981 is \$249,369 of which \$165,160.44 has been paid to date.

3) The Day Care Program for non-handicapped as well as handicapped children is privately financed, with DCRA reporting that only two of the individuals and families using the day care program are eligible to receive day care subsidy.

The following points summarize the current status of ADC:

1. The most reliable information indicates that losses in the Day Care Program coupled with lack of information and timely action on the part of the previous Executive Director and Board of Directors are largely responsible for present difficulties.

2. ADC claims to need \$65,000 in addition to current revenue to meet obligations until June 30, 1981. Also, ADC claims a need of \$250,000 in addition to anticipated revenue to continue operations in the three areas listed above for FY-1982, and to meet past obligations.

3. Meetings with officials of the Municipality of Anchorage have led to a grant of \$25,000 by the municipality. Mr. Lee Reynolds, ADC Board Chairperson, indicates that this grant will enable continued operations only through March 31, 1981.

Re: Alaska Developmental  
Center Status Report

4. State funds for the Infant Learning Program and the Respite Programs are adequate to meet the services needed and should not be increased.

5. In the event that ADC ceases operation on March 31:

- a. The Infant Learning Program and the Respite Care Program can continue by means of contracts with other private providers. Administrative steps have been taken to develop alternate contractors for the Infant Learning and Respite Programs. An ATN has been signed by the Department of Administration to allow contracting with alternate private organizations.
- b. The continuity of the specialized Day Care Program for families with handicapped children is unlikely. Specialized day care for severely handicapped children is non-existent in the State, except for the St. Jude Center in Juneau.

The Municipality of Anchorage does have a Day Care Assistance Program at 325 East 3rd Avenue. Parents can contact this office for information on 136 day care centers and homes in the Anchorage area.

Basically it will be up to parents to arrange for their own day care needs.

It may be that a private provider may enter into the specialized day care business if demand is sufficient.

Recommendation:

Because the State's responsibilities can be fulfilled by contracting with other agencies, it is recommended that the Department not try to assist ADC in paying past debts or to continue operation. Past experience has shown that we have no legal authority to use current money to pay for prior debts. Given the indebtedness of ADC, it is unlikely that we can be assured any additional funds would result in continued delivery of infant learning or respite care services. Our most wise course of action is to develop other contractors so that we can assure continuity in service to those families and children who are now receiving service through the ADC. Reprogramming funds will give us enough money to assure continued

P. 3

Re: Alaska Developmental  
Center Status Report

service for the balance of the fiscal year.

I also recommend that Dr. Gragovich go to Anchorage next week to personally supervise the transition in services to new contractors. He will also coordinate with the Municipality and the ADC to assure a smooth transition.

If necessary individual families using the infant learning and respite care services can be contacted and informed of the service alternatives that will be available to them.

As we develop new contractors, every effort will be made for the continuity in employment for the current employees of the ADC.



# Alaska State Legislature

## House of Representatives

Committee on

Health, Education & Social Services

Rep. Don Clocksin, Chairman  
465-3797

Pouch V  
State Capitol  
Juneau, Alaska 99811

TO: House HESS Committee Members  
FROM: Rep. Don Clocksin, Chair  
RE: Additional Amendments to CS for SSHB 43  
DATE: April 8, 1981

### Proposed Amendments to CS for SSHB 43 (Conceptual language)

1. Page 2, line 8 (d)  
amended to reflect the following concept:

Grants in addition to those in (c) of this section may be provided to day care centers for the sole purpose of training administrators and day care teachers.

The amount of grants will be determined according to availability of training services or types of potential contractual arrangements.

2. Page 2, line 28, insert words and parents after providers.
3. Page 4, lines 4 - 10 delete.
4. Page 4, line 15, after part-time enrollment, insert:

In addition, each day care facility receiving a grant under AS 44.47.250 - 44.47.310 - shall make at least 20% of its slots available for children eligible for day care assistance who may wish to pay based on the attendance policy.

DC:sp

Original sponsors: Buchholdt, Fuller,  
and Zharoff

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

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; and providing for an effective date."

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 is amended by adding a new section to read:

18 Sec. 44.47.301. EARLY CHILDHOOD DEVELOPMENT GRANT PROGRAM. (a)  
19 An early childhood development grant program is established in the  
20 Department of Community and Regional Affairs to provide state assistance  
21 in the operation of child care facilities. The department shall provide  
22 grants for the operation of day care centers, including private nonpro-  
23 fit child care facilities. Participation in the program is optional.

24 (b) To qualify for a grant under this section, the day care  
25 facility must meet the following requirements:

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

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

1 (3) provide care under both enrollment and attendance  
2 policies as provided in AS 44.47.300(b).

3 (c) The ~~minimum~~<sup>maximum</sup> grant under this section is \$150 per month for  
4 each child the day care center is authorized to care for as determined  
5 by the Department of Health and Social Services. The ~~minimum~~ grant  
6 shall be increased on a geographic basis by the percentages as instruc-  
7 tional unit allotments are increased under AS 14.17.051.

8 (d) Grants in addition to those in (c) of this section may be  
9 provided to day care centers which provide a quality of care in excess  
10 of that required by the licensing requirements of AS 47.35.010 -  
11 47.35.080. To receive the supplemental grant, the center must meet all  
12 the requirements of (b) of this section, and in addition, the center  
13 shall meet or exceed criteria established by the Department of Health  
14 and Social Services. Those criteria will include personnel training,  
15 education and experience, staff-child ratio, establishment of programs  
16 designed for early childhood development, improved nutrition, equipment  
17 and space. A center meeting the requirements of this subsection will  
18 receive at least an additional \$50 per child per month. Grants shall  
19 vary based on the geographic region by the same method as provided in  
20 (c) of this section.

21 (e) Application for a grant under this section shall be made in  
22 the form established by the commissioner.

23 (f) A grant under this section shall be made monthly and shall be  
24 based on the average daily enrollment in the child care facility during  
25 the calendar month preceding the date on which application for a grant  
26 is made.

27 (g) The commissioner shall, in consultation with interested day  
28 care providers, <sup>and parents</sup> adopt regulations to carry out the purposes of this  
29 section.

1 \* Sec. 4. AS 44.47.250(a)(1) is amended to read:

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

5 \* Sec. 5. AS 44.47.260 is amended to read:

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

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

11 (1) salaries of eligibility workers;

12 (2) accounting and bookkeeping expense;

13 (3) clerical expense directly attributable to administration  
14 of the program;

15 (4) cost of monitoring the eligibility of persons receiving  
16 benefits under the program;

17 (5) public information advising of the availability of the  
18 program; and

19 (6) cost of report required by the department.

20 (b) In addition to payments under (a) of this section, the de-  
21 partment shall pay to a municipality employing a program manager an  
22 amount equal to 10 percent of the amount paid under (a)(1) of this sec-  
23 tion to be allocated to the program manager's salary.

24 \* Sec. 6. AS 44.47.270 is amended to read:

25 Sec. 44.47.270. CONDITIONS OF RECEIPT OF BENEFITS. Benefits may  
26 be paid for the care of children of a low or moderate income family  
27 only if a parent or guardian, because of the day care, is freed to work  
28 or to seek work or to attend school. In no event shall benefits be  
29 paid for the care of children of a family where one parent or guardian

1 is not working or attending school and is physically and mentally  
2 capable of caring for the children.

3 \* Sec. 7. AS 44.47.300(b) is amended to read:

4 (b) Benefits shall be paid by the department directly to the  
5 municipality contracting with the day care facility or, outside of a  
6 municipality, to the facility upon receipt of a billing from a municipi-  
7 pality or facility. The payment of benefits shall be based on the  
8 number of days that a child is enrolled at the facility or the number  
9 of days that the child attends the facility, as elected by the parent  
10 or guardian each month and specified to the facility.

11 \* Sec. 8. AS 44.47.300 is amended by adding a new subsection to read:

12 (c) Each day care facility receiving a grant under AS 44.47.250 -  
13 44.47.310, shall, when payment of benefits is based on the number of  
14 days a child is enrolled at the facility, provide for full-time and  
15 part-time enrollment, and provide for payment of benefits based on the  
16 ~~number of days a child attends the facility. The number of children~~  
17 ~~who may use the attendance payment policy shall be as determined by the~~  
18 ~~department, based on the need for that policy and the economic impact~~  
19 ~~on the facility.~~  
20 *In addition, each day care facility -- shall*  
21 *at least 20% of its slots available for children eligible for day care assist*  
22 *based on the attendance policy.*  
23 *showing to pay*

24 \* Sec. 9. AS 44.47.310 is amended by adding a new paragraph to read:

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

30 \* Sec. 10. AS 44.33.250 and 44.33.260(2) are repealed.

31 \* Sec. 11. This Act takes effect immediately in accordance with AS 01.-  
32 10.070(c).

From: Nancy

Re: Day Care

Day Care Centers and Family homes in Alaska are having difficulty maintaining the level of service currently provided with little hope of expanding the quality of care. Some factors:

- 1) high staff turnover because of low salaries
- 2) lack of training for administrators and staff
- 3) inflation
- 4) loss of CEBA positions
- 5) loss of USDA money for lunches, snacks, and nutritional training
- 6) cutback in Medicaid funds for health and dental screening

The Department of Labor projections for the 80's estimates 9.9% (third highest) of the population will be in the 0 to 4 age group. At present 19% of the work force in Alaska are single parents, and the demand for day care is high. The business is not a sound financial investment, in fact, most of the centers are solidly in debt while providing the most minimal care.

The pre-school child is at a crucial time in his development, the personality is developed by the age of three, as well as the basis for socialization skills and personal responsibility. Women now make up over half of the work force, and coupled with the youth of our population base, the demand for day care will continue to rise (Alaska has the highest birth rate per capita in the country).

For these reasons, I've written up some ideas on making Day Care both available/affordable and of a better quality.

Establish a Day Care Grant Program to provide to all licensed day care centers and homes \$100/month/child enrolled to be administered through the Department of Community and Regional Affairs.

Regulations for the distribution of funds should specify the percentage of funds to be used for a specific purpose. Recommended are:

- 1) staff salaries
- 2) staff training/ inservice
- 3) nutritional assistance
- 4) equipment purchasing
- 5) debt retirement (this is a real need but I'm unsure about providing state funding for this purpose)

Establish Day Care Step Grants to encourage quality of care in day care centers and family homes. Extra money above the \$100 grant to be appropriated per child enrolled by a point system considering the following topics:

- 1) staff training/in-service
- 2) parent involvement
  - a) policy making
  - b) school programs
- 3) curriculum development/planning/philosophy
- 4) holistic approach
- 5) Nutritional development
  - a) based on menus: food variety, sugarless snacks etc.
- 6) health screening
- 7) staff/child ratio
- 8) space available per child
- 9) outdoor activities/field trips
- 10) age-appropriate activities/learning center concept
- 11) fund raising activities

Grant subsidy for the establishment of an intensive training workshop to be offered regionally as inservice training. (possible use of the U of A, H & S S training, or possibly lock into the Head Start training)

1. Administrative/Social Work

- a) planning/budgeting
- b) grant preparation
- c) information, referral for family support services
- d) group dynamics

2) Staff

- a) establishing a learning environment
- b) classroom dynamics/activities
- c) language development
- d) gross and fine motor skills
- e) socialization/self concept
- f) planning

Day Care Assistance Program(DCAP)

- 1) raise income level guidelines to provide DCAP on a sliding scale for moderate income families
- 2) provide 50% administrative costs to the municipalities through C&RA
- 3) if municipality has a Program Manager, provide 10% of that salary.

Expand the Revolving Loan Fund to include non-profit organizations

# MEMORANDUM

# State of Alaska

TO: Patrick K. Poland  
Deputy Director

FROM: Lare'  
Child Care Coordinator

DATE: February 19, 1981

FILE NO:

TELEPHONE NO:

SUBJECT: A Comparative Look  
at Day Care

On average, the Day Care Assistance Program is serving 200 more children this year than last. This growth appears to be due to the increased funding this year. There are no longer any waiting lists in any municipalities. Two new programs have been added this year, Delta Junction and Kenai, but the small number of children served (19) does not account for the increase.

Some programs, especially Fairbanks and Sitka, have shown dramatic increases, almost double last year's service.

Other municipalities, such as Anchorage, Cordova, Juneau, Nome and Petersburg, show the same or nearly the same level of service as last year.

Only two municipalities, Anderson and Kotzebue, show a decrease this year.

Figures have been developed for FY 1979, but because of the waiting lists experienced by several municipalities, this comparison has not been made, although it appears the average number of children served was approximately 100 more in FY 1980 than in FY 1979.

Table I listed below shows the average number of children served by each municipality in FY 1981 (through December) and FY 1980 (total year).

TABLE I

Average Number of Children Served by Municipality

<u>Municipality</u>	<u>FY '81</u>	<u>FY '80</u>
Anchorage	626	606
Anderson	2	4
Bethel	22	15
Cordova	9	9
Delta Junction	14	(1)
Fairbanks	242	129
Fort Greely	49	34
Juneau	121	120
Kenai	5	(1)
Ketchikan	37	32
Kodiak	48	44
Kotzebue	5	6
None	9	9
Petersburg	14	14
Sitka	29	14
Wasilla	19	16
Total	1,251	1,052

(1) New program, FY '81

L/sr

**TABLE II**

**Average Number of Children Served by Municipality**

<u>Municipality</u>	<u>FY '81</u>	<u>FY '80</u>	<u>Difference FY '81-'80</u>
Anchorage	626	606	+20
Anderson	2	4	- 2
Bethel	22	15	+ 7
Cordova	9	9	0
Delta Junction	14	(1)	(1)
Fairbanks	242	129	+113
Fort Greely	49	34	+ 15
Juneau	121	120	+ 1
Kenai	5	(1)	(1)
Ketchikan	37	32	+ 5
Kodiak	48	44	+ 4
Kotzebue	5	6	- 1
Nome	9	9	0
Petersburg	14	14	0
Sitka	29	14	+ 15
Wasilla	<u>19</u>	<u>16</u>	<u>3</u>
<b>Total</b>	<b>1,251</b>	<b>1,052</b>	<b>180</b>
			<u>19</u> New program
			<b>199</b>

(1) New program, FY '81

L/sr

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907.465.3810

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 10, 1981

SUBJECT:           Constitutionality of state grants to church  
                    owned and operated day care providers

TO:                Representative Donald E. Clocksin

FROM:             Billy G. Berrier *BGB*  
                    Director  
                    Division of Legal Services

BY:                Valerie Tehan *VT*  
                    Legislative Legal Extern

You have asked if a direct grant to day care providers would violate the establishment clause of the First Amendment to the United States Constitution if some of the day care centers are church owned and operated and perform sectarian as well as secular functions.

Under your proposal, all licensed day care providers in the state would be eligible for a direct grant of a certain amount of money per certified enrollment slot in their center. The centers would apply for the grant through the Department of Community and Regional Affairs in the same manner as parents who receive day care assistance.

The United States Supreme Court announced a three-part test for determining whether governmental activity is permissible under the establishment clause in Committee for Public Education v. Nyquist, 413 U.S. 756 (1973). The action must have a clearly secular legislative purpose, its primary effect must be one that neither advances nor inhibits religion, and the action must not foster excessive governmental entanglement with religion. Applying this test to your proposal, I do not believe that the United States Supreme Court or the Alaska Supreme Court would find that it violates the establishment clause. The legislative purpose is clearly secular. It is intended to provide aid to both

April 10, 1981

church and non-church owned organizations providing needed day care services for working parents. Its primary effect, adequate day care services in the state, neither advances nor inhibits religion and distribution of grant money on a per capita basis through the Department of Community and Regional Affairs would not lead to excessive administrative entanglements with religion.

The provision of the Alaska Constitution prohibiting payments from public funds for the direct benefit of religious or other private educational institutions does not apply because day care centers are not educational institutions and are outside the intent of Article VII, section 1.

Sheldon Jackson College v. State, 599 P.2d 127, 129 (1979), after citing from the Proceedings of the Alaska Constitutional Convention concluded that "Article VII, section 1 was thus designed to commit Alaska to the pursuit of public, not private education, without requiring absolute governmental indifference to any student choosing to be educated outside the public school system". As such, day care centers that incidentally teach some religious doctrine as well as reciting prayers do not appear to be the type of "educational institution" that Article VII, section 1 is directed at. They do not, in any way, offer an alternative to the public school system.

In any event, under the analysis used in Sheldon Jackson College v. State I believe this proposal would stand.

If you would like me to pursue this further, I would be happy to.

VT:BGB:ljb

To: Charlie  
From: Nancy  
Re: Day Care

Attached is the first draft I've been working on for the Day Care bill. Please let me know what you think. One thing I have included that we did not discuss is including job seeking in coverage through DCAP.

Another problem that I have come across which is vital to the financial problems of facilities is that DCAP has not raised the daily rate since 1977. The rate is \$12.00/day which is really not in line with the actual cost of day care or the rate of inflation. The document put out by House Research on day care cited a monthly loss for centers in Alaska of \$200 to \$2000, and I have verified that to be accurate through contact with local centers:

\$15.00/day - Wee Cottage Day Care Center

\$15.60/day - Children's Community Center

\$315.00/month - St. Ann's Day Care

Pat Marlin, of Juneau Day Care Providers, has been working with legislators for four years on the subject of day care, and has several times petitioned C&RA for a rate change, but when I spoke with the Anchorage office of DCAP on the subject I was told that no one had ever recommended a rate change and no public input had ever been received.

C&RA is in charge of setting rates, and it would seem unrealistic to me that no changes have been made in four years when the other fixed costs are so heavily affected by inflation.

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 486-4700

March 26, 1981

The Honorable Charles Parr, Chairman  
Senate Health & Social Services Committee  
Alaska Senate  
Pouch V  
Juneau, Alaska 99811

Dear Senator Parr:

RE: DAY CARE AND HEAD START PROGRAMS

Enclosed is a packet of information that should provide the data you have requested.

Our most current projections are as follows:

Day Care - State general fund

FY 81, the \$3,352,900 appropriation will serve approximately 1,300 children on a monthly average.

FY 82, the requested \$4,242,500 will serve approximately 2,350 children on a monthly average.

Municipalities contracting for day care funds provide local administrative costs. CETA cutbacks may impact local programs. This, and other issues, are discussed in the enclosed Research Report by the House Research Agency.

Head Start - State general fund

FY 81, the \$1,136,000 will benefit approximately 1,200 children.

FY 82, the requested \$1,226,900 is anticipated to benefit 1,200 children.


The Honorable Charles Ferr, Chairman  
RE: Day Care and Head Start Programs  
March 25, 1981  
Page 2

There are several funding sources in support of the Head Start Program. These are analyzed in the Alaska Head Start Directors Association presentation which is enclosed.

We hope this information is useful. If you require more information or have any questions, please do not hesitate to contact me at 465-4700.

Sincerely,

LEE MCANEMEY  
COMMISSIONER

  
by: Palmer McCarter  
Director

- Attachments:
- 1) Copy of March 11, 1981 letter to Rep. Don Clocksin discussing number of communities operating (or interested in) Day Care Program. Day Care regulations (filed in D pt. of Law) and seven policy memos are attached to this letter.
  - 2) Copy of February 19, 1981 memo to Pat Poland entitled "A Comparative Look at Day Care", attaching a list, by contractor, of children served by community.
  - 3) Copy of March 13, 1981 letter from John Pugh to Rep. Clocksin about licensed facilities not participating in DCARA program.
  - 4) Copy of CARA position paper on SSMB 43.
  - 5) House Research Agency report on Day Care Assistance - Alternatives for Legislative Action (Research Request 980).
  - 6) Copy of March 13, 1981 letter to Rep. Jim Cotton discussing Head Start Program with Dept. justification for Head Start Directors' increased funding request (attached to letter).

cc: Keith Spackling, Legislative Assistant  
Office of the Governor (w/o attachments)

Pat Poland/Lare - Anchorage LEAD (w/o attachments)

March 11, 1981

The Honorable Don Clocksin  
Alaska State House of Representatives  
Pouch V  
Juneau, Alaska 99811

RE: Day Care Assistance Program

Dear Representative Clocksin:

As you requested on March 4, we are enclosing a copy of the Day Care Assistance Program's regulations, as submitted to the Department of Law, and Policy Memorandums 1-7.

Currently there are 27 municipalities or communities that have licensed day care facilities. The Day Care Assistance Program has contracts with 16 of those municipalities. They are: The Municipality of Anchorage (including Eagle River, Girdwood and Chugiak), Anderson, Bethel, Cordova, Delta Junction, Fairbanks North Star Borough (including North Pole, Eielson, Mainwright and Ester), Fort Greely, Juneau, Kenai (where the City is also working with centers in Soldotna), Ketchikan Gateway Borough, Kodiak Island Borough, Ketchikan, Homer, Petersburg, Sitka (also includes Mt. Edgcombe) and Wasilla.

Communities that have licensed facilities and where we do not have a contract are: Dillingham, Haines, Homer, Palmer, Seward, Soldotna, Talkeetna, Tyonek, Unalaska, Valdez and Wrangell. However, we have been working with Seward and representatives from the Matanuska-Susitna Borough and are hopeful that a contract will be forthcoming from these municipalities.

In addition we have been working with Aniak, Hooper Bay, McGrath, Selawik and Whittier. These communities do not have licensed day care facilities and therefore the development work is more long range.

We hope this information is helpful to you. Should you have any questions, please do not hesitate to contact Ms. Lare', Child Care Programs Coordinator at 264-2201.

Sincerely,

Palmer McCarter  
Director

PMcC:L:SP

Register

1980, COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.010  
19 AAC 50.010

CHAPTER 50  
DAY CARE ASSISTANCE PROGRAM

Article

1. Introductory Provisions (19 AAC 50.10 -- 19 AAC 50.40)
2. Conditions of Contracting (19 AAC 50.50 -- 19 AAC 50.90)
3. Contractor's Administrative Responsibilities (19 AAC 50.100 -- 19 AAC 50.140)
4. Standards for Determining Family Eligibility (19 AAC 50.150 -- 19 AAC 50.190)
5. Family's and Facility Operator's Responsibilities (19 AAC 50.200 -- 19 AAC 50.210)
6. General Provisions (19 AAC 50.220 -- 19 AAC 50.260)

ARTICLE I. INTRODUCTORY PROVISIONS

Section

10. Introduction
20. Delegation of Authority
30. Program Operation
40. Allocation of Funds

19 AAC 50.010. INTRODUCTION. The purpose of the Day Care Assistance Program is to provide financial assistance for the cost of licensed day care to enable low income parents or guardians to work, or participate in educational or training programs. The assistance helps eliminate licensed day care costs as a factor which may prevent a parent from becoming self-supporting and makes licensed day care available to children who might otherwise be left unattended or without adequate supervision while their parent works or trains. (Effective / / , Register )

Authority: AS 44.47.250

Register , 1980, COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.020  
19 AAC 50.040

CHAPTER 50  
DAY CARE ASSISTANCE PROGRAM

19 AAC 50.020. DELEGATION OF AUTHORITY. The authority of the department under AS 44.47.250-310 is delegated by the Commissioner of the Department of Community and Regional Affairs to the division of local government assistance. (Effective / / ,  
Register )

Authority: AS 44.47.250

19 AAC 50.030. PROGRAM OPERATION. (a) The division operates the day care assistance program through contracts with municipalities, with community based organizations within unincorporated communities, with organizations which serve regions within which two or more unincorporated communities are located, and directly with day care facilities located outside municipalities.

(b) If both a borough and a city within the borough apply for a day care assistance contract, the contract shall be awarded to the borough. This section does not preclude the city and borough from entering into an agreement to jointly administer the contract nor may it be construed to preclude the borough from subcontracting portions of its administrative responsibilities to one or more cities located within it. (Effective / / ,  
Register )

Authority: AS 44.47.250

19 AAC 50.040. ALLOCATION OF FUNDS. (a) Each contractor eligible under section 30 of this chapter which applies for a contract shall be entitled to at least that percentage of day care assistance program funds determined by computing the following formula on June 15 each year:

the dollar amount appropriated to the program for the fiscal year  
divided by

Register , 1900, COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.040  
19 AAC 50.050

CHAPTER 50  
DAY CARE ASSISTANCE PROGRAM

the total number of current licensed day care slots within the political jurisdiction of all the contractors eligible under sections 30 and 50(c) of this chapter

multiplied by

the number of licensed day care slots within a particular eligible contractor's jurisdiction

equals

that contractor's allocation of program funds during the next fiscal year.

(b) Program funds are subject to reallocation during the fiscal year, subject to their utilization by the contractor and by mutual agreement between the contractor and the division. (Effective / / , Register )

Authority: AS 44.47.250

ARTICLE 2. CONDITIONS OF CONTRACTING

Section

- 50. Application
- 60. Administration
- 70. Separate Accounting
- 80. Provision of Program Data
- 90. Use of Program Funds

19 AAC 50.050. APPLICATION. (a) Application for a contract for day care assistance program funds under AS 44.47.250-310 shall be made on forms prescribed by the director.

Register , 1980, COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.050  
19 AAC 50.060

CHAPTER 50  
DAY CARE ASSISTANCE PROGRAM

(b) Not later than May 1 of each year the division will forward application forms to each municipality which has licensed day care facilities within its boundaries and to other non-municipal organizations participating in the program during the previous fiscal year. Applications for regional and/or community based organizations serving unincorporated communities are available upon request.

(c) As a condition to receiving a contract for day care assistance, an applicant must return the application to the division post marked no later than June 15. (Effective / / ,  
Register )

Authority: AS 44.47.250

19 AAC 50.060. ADMINISTRATION. (a) In submitting an application for a day care assistance program contract, the applicant shall certify that personnel assigned responsibility for administration of the program have training or experience totalling at least two years in accounting, bookkeeping, records management, managing state or federal programs or related fields.

(b) A municipality may subcontract for the administration of a day care assistance program contract if:

- 1) It has the written permission of the division to do so;
- 2) It has advertised for a subcontract in such a fashion as to ensure that all interested parties are made aware that proposals for subcontracts are being accepted; and
- 3) The subcontractor meets the qualifications set forth in (a) of this section.

Register , 1980, COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.060  
19 AAC 50.090

CHAPTER 50  
DAY CARE ASSISTANCE PROGRAM

(c) All costs incurred by a municipality or other organization in administering a day care assistance program contract shall be borne by the contractor. The municipality or other organization shall certify at the time the application is submitted its willingness to pay for all administrative costs incurred. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.070. SEPARATE ACCOUNTING. Every municipality or other organization receiving a contract shall ensure that its accounting system establishes a separate fund and accounting codes for receipt and disbursement of day care assistance program funds. The contractor shall furnish the division with a copy of its annual audit or statement of income and expenditures. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.080. PROVISION OF PROGRAM DATA. The contractor will provide the division, upon written request, with program statistics, financial records or client case files, within 30 days of the date of receipt of the request or as otherwise required in the contract. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.090. USE OF PROGRAM FUNDS. Funds received by a contractor under the day care assistance program may be used only for subsidy payments to licensed day care facilities on behalf of eligible families. Violation of this section is cause for immediate termination of a contract. (Effective / / , Register )

Authority: AS 44.47.250

CHAPTER 50  
DAY CARE ASSISTANCE PROGRAM

ARTICLE 3. CONTRACTOR'S ADMINISTRATIVE RESPONSIBILITIES

Section

- 100. Appointment of Administrator
- 105. Applying for Day Care Assistance
- 110. Eligibility Determination
- 120. Processing of Billing Statements
- 130. Maintenance of Records
- 140. Use of Division Forms

19 AAC 50.100. APPOINTMENT OF ADMINISTRATOR. Each contractor or subcontractor shall have a person meeting the qualifications set forth in sections 60(a) of this chapter as the day care assistance program administrator. The day care assistance program administrator is responsible for day-to-day administration of the program, including, but not limited to:

- (1) maintenance of the program's financial and client records;
  - (2) preparation of statistical reports requested by the division;
  - (3) determination of family eligibility according to the standards set forth in Article 4 of this chapter;
  - (4) maintenance of a file of all licensed day care facilities, including the expiration date of each facility's license and the rates it charges for day care services;
  - (5) processing of facility billing statements; and
  - (6) other duties specifically set forth in this chapter.
- (Effective / / , Register )

Authority: AS 44.47.250

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19 AAC 50.105. APPLYING FOR DAY CARE ASSISTANCE. A parent or guardian or any other person who has the actual care and custody of a child may apply for day care assistance. In applying for day care assistance, the parent shall specify the members of the family group and the income available for the support of the eligible child. The local administrator shall consider income received from all sources for the support of the eligible child, whether from a legally responsible relative or any other person or source. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.110. ELIGIBILITY DETERMINATION. (a) Within fifteen days of receipt of a properly completed application for day care assistance, including all necessary documentation, the administrator shall, by applying the standards set forth in Article 4 of this chapter, determine if the applicant family is eligible. If the family does not meet the eligibility standards, the application shall be denied.

(b) If the administrator determines that a family is eligible, the administrator shall issue a day care authorization form stating the number of days and hours for which assistance will be provided, the amount of assistance the family will receive, and the facility at which day care will be provided.

(c) If the administrator determines that a family is eligible but that money is insufficient to pay for day care assistance for the family or that there is lack of space in a licensed facility, the administrator shall place the family's name on a waiting list.

(d) Wait listed families shall, within income groups, receive priority ranking as follows:

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- (1) displaced homemaker or victim of domestic violence with a job or job opportunity;
- (2) other single parent with a job or job opportunity;
- (3) two parent family with a job or job opportunity;
- (4) displaced homemaker or victim of domestic violence in a training program or with a training opportunity;
- (5) other single parent in a training program or with a training opportunity;
- (6) two-parent family in a training program or with a training opportunity. (Effective / / ,  
Register )

Authority: AS 44.47.160

19 AAC 50.120. PROCESSING OF BILLING STATEMENTS. (a) Within 15 working days of receipt of a facility's monthly attendance forms and billing statement, the administrator shall review the forms and statement and determine if they are accurate and complete; if they are, the administrator shall authorize payment and forward them to the division. If there are errors or deficiencies in the billing statement and monthly attendance forms, the administrator shall correct the errors or deficiencies and forward the forms and statement to the division.

(b) Within 30 working days of receipt of properly completed monthly attendance forms and billing statements, the division shall process the statements and return payment to the contractor.

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1980, COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.120  
19 AAC 50.130

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(c) Payment to a facility shall be made in accordance with service authorized for an eligible child and the schedules set forth in sections 170(a) and 190(c) of this chapter. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.130. MAINTENANCE OF RECORDS. (a) The administrator shall open and maintain a case file on each family in the program and shall keep in the family's case file current documents or verification forms addressing all aspects of eligibility including, but not limited to:

- (1) birth certificates of all dependent children;
  - (2) divorce decrees and all modifications;
  - (3) a notarized statement of guardianship, separation or non-child support;
  - (4) income records;
  - (5) class schedule for an educational or training program;
- and
- (6) other documents the administrator decides are appropriate.

(b) The contents of a case file are confidential and may be released or disclosed only with the written consent of the head of the family as shown by the file, by court order, or at the request of a duly authorized government official in the course of an official investigation. (Effective / / , Register )

Authority: AS 44.47.250

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19 AAC 50.140. USE OF DIVISION FORMS. Unless specifically authorized to the contrary, all forms used in administration of the day care assistance program shall be those prescribed by the division. (Effective / / , Register )

Authority: AS 44.47.250

ARTICLE 4. STANDARDS FOR DETERMINING FAMILY ELIGIBILITY

Section

- 150. Eligibility
- 160. Determining Monthly Adjusted Net Income
- 170. Subsidy
- 180. Review of Eligibility
- 190. Authorized Hours and Rate Schedule

19 AAC 50.150. ELIGIBILITY. (a) A family in which the parent is employed or participating in an educational or training program that is likely to enable the family to become self-supporting and whose adjusted net income does not exceed the maximum amount set forth in section 170(a) of this chapter is eligible for day care assistance.

(b) Notwithstanding the provisions of (a) of this section,

(1) If one of the parents in an eligible two-parent family is mentally or physically incapable of caring for a child, the employment or training requirement for the incapacitated parent is waived.

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(2) If the single parent in an eligible family is temporarily mentally or physically incapable of caring for a child, the employment or training requirement for that parent is temporarily waived, so long as that parent continues to be employed or enrolled in the education or training program.

(3) Determination that a parent is physically or mentally incapable of caring for a child shall be made by the administrator based on information obtained from a physician or psychologist licensed to practice under AS 08.64 or AS 08.86. Day care assistance may be authorized only for the period of time that the physician or psychologist estimates will be necessary for recovery to the point where the incapacitated parent can care for a child or return to employment or training. In no case may subsidy payments be authorized beyond 90 days without a redetermination of eligibility.

(c) In cases of an eligible family with a temporarily absent or incapacitated parent where a temporary caretaker assumes care and custody of a child, day care assistance may be authorized

(1) In a two-parent family, according to the provisions in section 190(a) of this chapter;

(2) In a single parent family, according to the unavailability of the temporary caretaker due to his/her verified work or training, or stated unwillingness to provide day care services;

(3) In cases where a temporary caretaker is unwilling to provide day care services, for no more than 10 hours a day.  
(Effective / / , Register )

Authority: AS 44.47.250

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19 AAC 50.160. DETERMINING NET INCOME. (a) A family's monthly adjusted net income is all the gross assets it received during the month from any and all sources, less the following:

- (1) federal income tax, according to the maximum deduction allowable under Internal Revenue Service tax tables;
- (2) state income tax;
- (3) social security tax (FICA) or Alaska State Benefit contributions;
- (4) mandatory benefit and retirement contributions;
- (5) unemployment insurance (ESC) contributions;
- (6) union dues or agency fees;
- (7) \$100 for each dependent child;
- (8) essential medical or dental expenses not covered by public or private insurance, including those costs directly incurred in the provision of medical or dental services that a licensed physician or dentist has determined must be performed for the person to function without significant impairment to his health or well-being. This does not include costs incidental to the provision of the essential medical or dental services, such as travel, lodging or meals; and
- (9) court-ordered payments which are actually being made.

(b) The base period for determining eligibility is the month preceding the month in which the application or redetermination of eligibility is made. (Effective / / Register )

Authority: AS 44.47.250

19 AAC 50.170 SUBSIDY. (a) The subsidy that an eligible family is entitled to is based on the following schedule:

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1980, COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.170  
19 AAC 50.170

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DAY CARE ASSISTANCE PROGRAM

SUBSIDY SCHEDULE - BASE SCALE

<u>MAXIMUM ADJUSTED NET INCOME</u>	<u>STATE SUBSIDY OF DAY CARE COSTS</u>
\$533	100%
633	90%
733	80%
833	70%
933	60%
1033	50%
1133	40%
1233	30%
1333	20%

(b) The maximum family adjusted monthly net income is subject to the same percentage of geographic differential as that specified for basic salary schedules by AS 39.27.020.

(c) The division will distribute to each contractor a copy of the schedule adjusted to its locality, prior to entering into a new contract or upon request.

(d) The schedule shall be reviewed and may be revised annually by the division in consideration of changes in statewide median income and cost of living. (Effective / / )  
Register )

Authority: AS 44.47.250

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19 AAC 50.180. REVIEW OF ELIGIBILITY. (a) If a family's income, as determined under sec. 160 of this chapter, is regular and recurring the administrator shall review the family's eligibility criteria once every three months and determine if the family continues to qualify, no longer qualifies, or needs to have its subsidy level, as determined under sec. 170 of this chapter, adjusted.

(b) If a family's income is not regular and recurring the administrator shall review the family's eligibility criteria on a monthly basis and enter a determination according to (a) of this section.

(c) At the time of each eligibility review, the administrator shall review the facility's billing records with the parent. The parent shall either attest to the validity of the billing records for the day care services provided for each eligible child in the family during the preceding eligibility period or dispute the facility's billing records. If the parent agrees that the billing records are accurate, he/she will sign a statement to that effect which shall be maintained in the family's case file.

(d) If the parent disputes the facility's billing records, the administrator shall attempt to determine the cause of the dispute between the facility and the parent, make necessary adjustments and advise the director of the situation. (Effective / / ,  
Register )

Authority: AS 44.47.250

19 AAC 50.190. AUTHORIZED HOURS AND RATE SCHEDULE. (a) Day care assistance subsidy payments may only be made for day care authorized for an eligible child in conjunction with the specific activities set forth in this section:

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(1) when the parent is working or training.

(2) when the parent is traveling to or from working or training; this activity is limited to one hour per day except where local transportation systems require a greater amount of time, the administrator may allow additional travel time;

(3) when the parent is sleeping on days when he/she has worked the night shift;

(4) when a parent is doing library or laboratory work, attending workshops or tutoring sessions, or similar activities required to satisfactorily complete an education or training program.

(b) In no case shall subsidy payments be made when one or both parents is able to take care of a child.

(c) Subsidy payment to a licensed facility shall be made on the basis of the family's authorized day care services, the family's subsidy level and the licensed facility's rate schedule, but not to exceed the following maximum rates:

MAXIMUM RATE SCHEDULE

<u>UNIT OF CARE</u>	<u>NUMBER OF HOURS</u>	<u>INFANT RATE</u>	<u>CHILD RATE</u>
part time	up to & including 5 a day	\$9 a day	\$7 a day
full time	more than 5 and up to & including 10 a day	\$11 a day	\$12 a day

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1980, COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.150  
19 AAC 50.200

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overtime	more than 10 but not more than 16 a day	\$15 plus \$1.40 an hour a day	\$12 plus \$1.40 an hour a day
hourly	more than one but not more than 16 a day	not to exceed the part time, full time or over- time rate for the same number of hours	

(d) In the event that a facility's rate for the day care services provided to an eligible family exceeds the maximum rate payable under section(c) of this chapter, the facility and the parent shall determine whether or not the parent will be surcharged any differential in payment.

(e) The rate schedule shall be reviewed and may be revised annually by the division when considering statewide changes in the cost of providing day care services. (Effective / / , Register )

Authority: AS 44.47.250

ARTICLE 5. FAMILY'S AND FACILITY OPERATOR'S RESPONSIBILITIES

Section

- 200. Family's Responsibilities
- 210. Facility Operator's Responsibilities

19 AAC 50.200. FAMILY'S RESPONSIBILITIES. It is the family's responsibility to:

Register , 1980, COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.200  
19 AAC 50.210

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(1) provide the administrator with documentation for all items necessary to determine eligibility;

(2) notify the administrator, within five working days, of all changes affecting eligibility;

(3) select the facility for care of its children;

(4) pay the unsubsidized portion of the cost of day care services;

(5) notify the administrator of any suspected fraud as defined in sec. 230 of this chapter. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.210. FACILITY OPERATOR'S RESPONSIBILITIES. It is the responsibility of the facility operator to:

(a) keep monthly attendance records for each eligible child and to submit a copy of that record together with a billing statement to the day care program administrator within 10 working days of the end of each month;

(b) notify the day care program administrator of any change in the status of its license;

(c) notify the day care program administrator of any suspected fraud as defined in sec. 230 of this chapter. (Effective / / , Register )

Authority: AS 44.47.250

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19 AAC 50.220

19 AAC 50.230

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DAY CARE ASSISTANCE PROGRAM

ARTICLE 6. GENERAL PROVISIONS

Section

- 220. Confidentiality
- 230. Fraud
- 240. Appeals
- 250. Technical Assistance
- 260. Definitions

19 AAC 50.220. CONFIDENTIALITY. (a) All persons working with and having access to information related to a family's receipt of program benefits shall hold that information confidential to the extent a prudent person considers necessary to protect the privacy of all family members.

(b) The day care program administrator may share with other public and private agencies any information related to a family's receipt of program benefits to the extent necessary to determine the kind and amount of assistance to be granted in any kind of public benefit program, or to conduct an investigation of fraud as defined in sec. 230 of this chapter. (Effective / / ,  
Register )

Authority: AS 44.47.250

19 AAC 50.230. FRAUD. (a) It is a fraud to deliberately misrepresent material facts in order to receive program monies, whether by a parent applying for or receiving program benefits, a licensed facility billing for program services, or any other person involved with the program's monies.

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(b) In cases where the possibility of fraud has arisen, the administrator shall contact all persons with pertinent information, assemble all relevant facts, and report conclusions to the division. Upon receipt the division shall review this information, and take further action as needed. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.240. APPEALS. (a) Any person who is aggrieved by a decision on day care assistance affecting his/her program eligibility, percentage of subsidy, or hours for which child care is authorized, may appeal the decision to the director. An appeal must be made within ten working days of the date of the decision. The director will enter a decision in response to the appeal within 20 days of receipt of it. Within 30 days of receipt of a letter advising the family that the director has denied the appeal the family may appeal the denial to the commissioner. The appeal must be in writing and must identify the part or parts of the letter of denial to which the family takes exception.

(b) Upon receipt of a proper appeal, the commissioner will review the record and enter a final determination. The commissioner may affirm, reverse, or modify the director's decision. The family shall be notified in writing, within thirty days of the commissioner's decision. Notification shall include an explanation of the decision.

(c) Upon failure to file an appeal within the time set forth in (a) of the section, the director's decision constitutes the final determination of the department.

(d) The commissioner's decision is final. (Effective / / , Register )

Authority: AS 44.47.250

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19 AAC 50.250. TECHNICAL ASSISTANCE. The division shall make every reasonable effort to respond to a request by a potential or actual day care program contractor for technical assistance in preparing a contract application and in all aspects of program planning, administration, and implementation. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.260. DEFINITIONS. In this chapter the following terms are defined as follows:

(1) "administrator" means the directly or indirectly (by a subcontract) delegated agent of a contractor, authorized to perform local administrative functions.

(2) "commissioner:" means the Commissioner of the Department of Community and Regional Affairs.

(3) "community" means a place of 25 or more permanent inhabitants who constitute a social unit and have not incorporated their community as a municipal corporation under the laws of the state.

(4) "contract" means a reimbursable services agreement between the department and a municipality or other organization which specifies services to be provided, geographical area served, and beginning and ending dates of service.

(5) "contractor" means a municipality or other organization which has entered into a contract with the department to assume responsibility for and pay local administrative costs of local operation of a Day Care Assistance Program.

Register , 1980, COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.260  
19 AAC 50.260

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(7) "day care" means the care, supervision, and guidance of a child or children unaccompanied by a parent or legal guardian on a regular basis for periods of less than 24 hours a day.

(8) "department" means the Department of Community and Regional Affairs.

(9) "dependent child" means a person who has not reached his nineteenth birthday and is a member of the applicant family.

(10) "director" means the Director of the Division of Local Government Assistance.

(11) "displaced homemaker" means an individual who has not worked in the labor force for two or more years but has, during those years, worked in the home providing unpaid services for family members and is otherwise eligible for the program.

(12) "division" means the Division of Local Government Assistance in the Department of Community and Regional Affairs.

(13) "document" means to keep in the client's case file a copy of an official document or notarized affidavit, or a copy of an original, official or legal form.

(14) "eligibility" means qualification to receive program benefits.

(15) "eligible child" means a person who has not reached the age of 11 and whom the administrator has determined is qualified for program benefits.

(16) "facility" means a center or home licensed in accordance with the provisions of AS 47.35.010-47.35.080 or recognized by the federal government for the care of children.

(17) "family" means a living arrangement of a parent and child where the parent resides with and assumes responsibility for the care and support of the child, in accordance with the provisions of AS 25.20.030.

CHAPTER 50  
DAY CARE ASSISTANCE PROGRAM

(18) "municipality" includes a home rule, general law and unified municipality, as defined in AS 29 .

(19) "parent" includes a guardian and any other person who has the actual care and custody of a child.

(20) "program" means the Day Care Assistance Program.

(21) "program benefits" means a full or partial subsidy for the cost of licensed day care for an eligible child.

(22) "self-employed" means possessing a business license to do business in the State of Alaska and filing a regular statement of profits and losses with the Internal Revenue Service.

(23) "subsidy" means a full or partial payment by the Day Care Assistance Program of the costs of licensed day care services for an eligible child.

(24) "unit of care" means an amount of time during which day care service is provided and a specified rate is charged; this may be hourly, partime or fulltime.

(25) "verify" means to keep in the client's case file a statement that the administrator has seen an official document.

(26) "victim of domestic violence" means a person who has been physically assaulted or threatened with physical harm by a member of their household, and is otherwise eligible for the program. (Effective / / , Register )

Authority: AS 44.47.250

## Day Care Assistance Program

Policy Memorandum Number 1

Subject: Enrollment Policy

The following will, until superceded or replaced by formal administrative regulations, serve as the Department of Community and Regional Affairs policy governing administration of the Day Care Assistance Program on an enrollment basis. This policy memorandum supplements the regulations governing the program, 19AAC 50.010 - 260 (proposed).

**ELIGIBILITY** - All families who otherwise meet DCAP eligibility standards may participate in the program on an enrollment basis if:

- 1) the family desires to do so; and
- 2) the parent's work schedule is predictable.

**AUTHORIZATION** - The units of subsidized day care a family is authorized shall be the same for enrollment as for attendance, as determined by 19AAC 50.190.

**RATES** - The maximum amount that will be paid on an enrollment basis is equal to the appropriate daily rate multiplied by the number of days in the month for which attendance is authorized.

**EXCUSED ABSENCES** - Each family receiving day care services of more than three units of care per week shall be allowed five units of absence per month. Absences not exceeding five units of care shall be considered excused and payment shall be paid to the facility as if the child were actually in attendance.

Each family receiving day care services of three or fewer units of care per week shall be allowed three units of absence per month. Absences not exceeding the three units of care shall be considered excused and payment shall be made to the facility as if the child were in actual attendance.

**CHANGE IN FACILITY** - If a parent participating in the enrollment option desires to change facilities he/she may do so only after providing both the facility operator and the local administrator with at least ten working days' written notice of the intended change. No payment shall be made to a facility from which the child is leaving following the expiration of the ten day period. Likewise no payment shall be made to the new facility until the expiration of the ten day period.

If all three parties involved (i.e. parent, administrator, facility operator) agree, the provision of this section may be waived.

**ABSENCES EXCEEDING THE EXCUSED LEVEL -**


On the day that a family exceeds the excused number of absences, either three or five units of care, the facility operator shall notify the local administrator. At that point the facility operator is authorized to receive five additional units of care - whether or not the parent returns the child to the facility.

If the parent does return the child to the facility, day care services shall be paid for, following the utilization of the additional five units of care, on the basis of actual attendance for the remainder of the authorization period set forth in the current day care authorization form.

If the parent does not return the child to the facility no payment shall be made to the facility for services past the additional five units of care.

If a child's absences during an authorization period exceed the excused level for that period, the local day care administrator may deny the parent the enrollment option at the time of redetermination of eligibility pursuant to 19 AAC 50.180.

Effective August 1, 1980.

21:   
Patrick K. Polano  
Deputy Director  
Community and Regional Affairs  
Division of Local Government Assistance

Day Care Assistance Program  
Policy Memorandum Number 2  
Subject: Enrollment Policy

The following replaces those provisions relating to enrollment rates stated in Day Care Policy Memorandum Number 1.

RATES - The maximum monthly amount that will be paid on an enrollment basis is as follows:

1) for families receiving day care services of five full time units of care per week, an amount not to exceed \$265 per month per child, or \$330 per month per infant.

2) for all other families an amount equal to the appropriate daily rate multiplied by the number of days in the authorization period for which attendance at a day care facility is authorized, divided by the number of months in the authorization period.

Example:

A child has care authorized for 3 days each week on Monday, Wednesday and Friday. The Day Care Authorization is written for the months of August, September and October, 1980.

The enrollment rate is calculated at \$12 per day x 39 days of authorized care = \$468 ÷ 3 months = an enrollment rate of \$156 per month.

\*Monthly rates should be rounded to the nearest dollar.

By:



Patrick K. Poland  
Deputy Director  
Division of Local Government  
Assistance  
Department of Community and  
Regional Affairs


Effective Date August 1, 1980

Day Care Assistance Program  
Policy Memorandum Number 3  
Subject: Day Care Rates for Handicapped Children

The following policy will be in effect with respect to parents and providers for handicapped children.

Parents of handicapped children may apply for special consideration under the Day Care Assistance Program. The application for special consideration shall consist of an appeal directed to the Director of Local Government Assistance through the Day Care Assistance Program Coordinator requesting special consideration and stating the reasons why. The Director will enter a decision based on the facts contained in the letter of appeal. If the appeal is approved the parent and provider will be entitled to receive up to double the maximum daily rate for care of a handicapped child. No adjustments to income or subsidy level will be made under any circumstances. If the appeal is denied, the Director's decision is appealable to the Commissioner of Community and Regional Affairs under normal procedures.

By:



Patrick K. Poland  
Deputy Director  
Division of Local Government Assistance  
Department of Community and Regional  
Affairs

Effective Date: July 1, 1980


DAY CARE ASSISTANCE PROGRAM

POLICY MEMORANDUM NUMBER 4

SUBJECT: ENROLLMENT

(This policy was originally written as clarification for Policy #1: Enrollment. However, following comments from local administrators, parents and providers, it was decided that this policy must be rewritten.)

Effective:

By:   
Lare'  
Child Care Program Coordinator  
Department of Community and  
Regional Affairs  
Division of Local Government  
Assistance

DAY CARE ASSISTANCE PROGRAM

POLICY MEMORANDUM NUMBER 5

SUBJECT: RATES

Every licensed or federally approved Day Care facility must have presented the local administrator with a rate sheet which specifies its actual rates for day care before the local administrator may sign an authorization for Day Care Assistance Program (DCAP) subsidy. If there are rate differences between DCAP subsidized and non-DCAP subsidized children, the differing rates must appear on the rate sheet.

A parent subsidized by DCAP cannot be charged more than other parents for child care, whether on a full time, part time or hourly basis, or if payment is made on a attendance or enrollment basis. However, if parents not subsidized by DCAP receive a reduced rate for prepayment, this paragraph does not apply.

Effective December 1, 1960

BY: \_\_\_\_\_

*Lare'*  
Lare'  
Child Care Program Coordinator  
Community and Regional Affairs  
Division of Local Government Assistance

DAY CARE ASSISTANCE PROGRAM

POLICY MEMORANDUM NUMBER 6

SUBJECT: SUBSIDY SCALE

The subsidy scale for the Day Care Assistance Program is being revised to include median income families, thus moving the lowest income families further up the state share scale for payment of day care.


The process of implementation may begin immediately as parents come in for reauthorization. For those administrators currently working at maximum capacity, waiting lists should be developed which will allow those parents at the highest subsidy scale to be reviewed first. Information for wait-listed parents will include parent name, level of subsidy, number of children and number of units of care required.

The new subsidy scale should be fully implemented by June 1, 1981.

Effective March 2, 1981

Full implementation June 1, 1981

By: \_\_\_\_\_

  
Lare'  
Child Care Program Coordinator  
Department of Community and  
Regional Affairs  
Division of Local Government  
Assistance

Attached: local subsidy scale

DAY CARE ASSISTANCE PROGRAM

POLICY MEMORANDUM NUMBER 7

SUBJECT: INFANT RATES

The following replaces the provision relating to infant rates stated in Day Care Policy Memorandum Number 2. In addition, this Policy sets rates for infants who are authorized on an attendance basis.

These rates are effective May 1, 1981.

Rates

The maximum monthly amount that will be paid on an enrollment basis is as follows:

1) for families receiving day care services of five full time units of care per week, an amount not to exceed \$350 per month per infant.

For infants authorized on an attendance basis the rate will be:

\$16.00 per full day  
\$ 9.50 per half day  
\$ 1.60 per hour

Parents on the Day Care Assistance Program who have infants in care should be reauthorized before the new infant rates go into effect.

Effective May 1, 1981

BY:



Lare  
Child Care Program Coordinator  
Department of Community and  
Regional Affairs  
Division of Local Government  
Assistance



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

Pouch Y, State Capitol  
Juneau, Alaska 99811  
(907) 465-3991

February 18, 1982

MEMORANDUM

TO: Representative Brian Rogers

FROM: Susan Brody, Cecily Stern and Felicity Wact  
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.

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF FAMILY AND YOUTH SERVICES

POUCH H-05  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3170

April 30, 1981

Document# 116-81

Honorable Donald E. Gilman  
Chairman SCRAC  
Alaska State Legislature  
Alaska State Senate  
Pouch v  
Juneau, Alaska 99811

Dear Senator Gilman:

The intent of this letter is to share the Division's views regarding Senate Bill No. 517 and Senate Bill No. 518 scheduled for hearings by your Committee on Thursday of this week.

These Bills would amend the Day Care Assistance Statute by adding provisions to expand the eligible families to those of moderate income and those seeking work, to require payment to municipalities for administering the Day Care Assistance Program, to establish a child care grant program, and to make special appropriations for child care assistance.

While the Department of Community and Regional Affairs has major responsibility for purchase of day care, this Division maintains responsibility for purchase of day care in child protective cases and for WII registrants. These programs are not named in this Bill, however, we have adhered to a policy of administering our day care programs in a manner consistent with Day Care Assistance. From a licensing perspective, the Division has an interest in the financial viability and stability of day care facilities.

The Division has no objection to expanding the group of eligible families to include the moderate income group if a priority system is established to ensure the availability of services to those most economically in need. 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.

Financial assistance to municipalities to defray the costs of administering the Day Care Assistance Program is helpful. 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 financial hardships experienced by communities. It may result in additional communities choosing to participate in the Program.

April 30, 1981

Day care providers are experiencing financial hardships due to inflation, as well as to the 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. We are especially appreciative of the language of subsection (e). Targeting the grant funds for staff salaries, training, nutrition, and equipment will result in definite quality improvements.

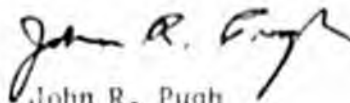
Family day care providers serving five or six unrelated children frequently clear no more than \$300 to \$500 per month after expenses. The grant program will have a major financial impact on these homes. No more than an estimated 10% of the homes providing day care in Alaska are licensed. There is potential under the grant program for hundreds of unlicensed homes to seek licensing to increase their financial benefits. If this occurs, the Division of Family and Youth Services will need additional licensing staff to perform the licensing reviews.

We have conferred with the Department of Community and Regional Affairs on the special appropriations Bill. They will be commenting on fiscal impact.

I hope that sharing our views is useful to the Committee. I wish to reiterate that there is definite need to provide stability and quality improvement in the day care field, and we are pleased that the Senate is considering measures to meet that need.

I and members of my staff would be most happy to provide further information at your request.

Sincerely,

  
John R. Pugh  
Director

JRP:PM:kk

## 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 \$3,123,499 in FY 81 to \$4,142,400 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 CEYA 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 5

- Funds allocated to the Child Care Grant Program in FY 82 totalled about \$1.3 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
Soledotna	1	43	--	--	43
Tyonek	1	10	--	--	10
Valdez	1	24	--	--	24
Wasilla	3	107	6	29	136
Wrangell	2	95	1	N/A	95
<b>TOTAL</b>	<b>110</b>	<b>4,905</b>	<b>344</b>	<b>1,602</b>	<b>6,507</b>

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>Community</u>	<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	--	
Bethel	Tanaina Child Care Center	--	200	
	Wesleyan Church Child Care	--	*	
	Fairbanks	Bethel Day Care Center	--	*
		Discovery Center	--	*
		Eneput 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
Juneau		Children's Community	--	*
		Gingerbread House	--	*
	Noah's Ark Day Care	10-12	--	
	St. Ann Day Care & Nursery	--	20	
Kenai	Wee Cottage	5-6	--	
	Aurora Heights Kiddie Korner	15	--	
Ketchikan	Rainbow Connection	5	--	
	The Nest	5	--	
Kodiak	Small World Toddler Center	2	--	
	Small World Inc.	--	3	
Nome	Nome Child Care Inc.	--	2-5	
Sitka	Sitka Day Care Annex	--	15	
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(a) 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 money, 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

<u>Community</u>	Families served as of Dec'81	Children served as of Dec'81	<u>Total Allocations</u>	
			<u>FY 82</u>	<u>FY 81</u>
Anchorage	504	703	\$2,085,827	\$1,755,138
Anderson	1	1	17,053	14,616
Bethel	21	29	49,737	42,630
Cordova	15	1	29,132	21,315
Delta Junction	12	19	36,948	24,969
Fairbanks	164	249	602,529	453,705
Fort Greely	--	--	31,964	27,405
Juneau	133	188	402,871	332,514
Kenai	28	30	87,395	78,561
Ketchikan	39	57	148,501	80,997
Kodiak	51	71	149,992	132,762
Kotzebue	8	7	24,158	15,225
McGrath	--	--	9,533	--
Metlakatla	14	17	21,316	--
Nome	18	24	24,869	18,270
Petersburg	13	20	35,527	30,450
Seward	12	17	21,316	--
Sitka	29	38	105,158	60,291
Soldotna	5	7	30,553	--
Tyonek	--	--	7,105	--
Wasilla	16	25	67,500	54,651
Wrangell	17	32	65,369	--
<b>TOTALS</b>	<b>1,090</b>	<b>1,551</b>	<b>\$4,055,320</b>	<b>\$3,123,449</b>

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 \$4,142,400 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, Homer 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 50 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 Home'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	3	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	20	2	3	2	1	1	--	--	--	--	29
Soldotna	5	--	--	--	--	--	--	--	--	--	5
Tyonek	N/A										
Wasilla	11	2	1	2	--	--	--	--	--	--	16
Wrangell	8	1	1	4	1	--	--	3	--	--	18
<b>TOTAL</b>	<b>827</b>	<b>88</b>	<b>59</b>	<b>44</b>	<b>39</b>	<b>19</b>	<b>19</b>	<b>9</b>	<b>8</b>	<b>1</b>	<b>1,113</b>

\*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 all 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 eleven 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 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	---
	Eneput 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
	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

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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 eleven 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's 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 and home providers 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 \$1,252,560. 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
Fairbanks	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.

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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.

Signed by Governor Hammond July 28, 1981

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 508 (Rules)

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; and providing for an effective date."

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

9 OTHER PORTIONS OF THIS LAW PERTAIN TO THE CHILD CARE FACILITY LOAN FUND AND TO OTHER PORTIONS  
10 OF THE DAY CARE ASSISTANCE PROGRAM.

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

25 (c) A grant under (a) of this section may not exceed \$50 per  
26 month for each child the child care facility cares for, or for each  
27 full-time equivalent, as determined by the department. The grant shall  
28 be adjusted on a geographic basis by the same percentages as instruc-  
29 tional unit allotments are adjusted under AS 14.17.051.

30 (d) In addition to the grants provided in (a) of this section,  
31 the department may, subject to appropriations for that purpose, provide  
32 by grant or contract for the education and training of child care  
33 employees or administrators. To receive a grant or contract under this  
34 subsection or to participate in a training program under this subsec-  
35 tion, the child care facility must meet all the requirements of (b) of  
36 this section.

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

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

43 (g) Each child care facility receiving a grant under (a) or (d)  
44 of this section shall assure that a specified number of child care  
45 positions are available to children eligible for day care assistance  
46 under AS 44.47.250 - 44.47.310, whose parents or guardians wish to pay

25 for care based on the number of full-time equivalent days the child  
26 attends the facility. All child care positions not made available  
27 under a payment schedule based on enrollment shall be made available  
28 under a payment schedule based on attendance and at least one full-time  
29 equivalent position shall be made available based on attendance rather  
1 than enrollment. The maximum number of child care positions in each  
2 facility that may be made available under a payment schedule based on  
3 enrollment shall be determined each month under the following formula:

$$4 \quad M = (T+E) - (A+B)$$

5 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-based  
17 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 \* S.c. 10. This Act takes effect July 1, 1981.

# STATE OF ALASKA

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

### DIVISION OF LOCAL GOVERNMENT ASSISTANCE

1981

JAY S. HAMMOND, GOVERNOR

REPLY TO:

POUCH 8H  
JUNEAU, ALASKA 99811  
(907) 465-4707

225 CORDOVA STREET, BLDG. B  
ANCHORAGE, ALASKA 99501  
(907) 264-2201

P.O. BOX 348  
BETHEL, ALASKA 99559  
(907) 543-3475

P.O. BOX 41  
NOME, ALASKA 99762  
(907) 443-5457

RE: Child Care Grant Program

Dear Child Care Provider:

On July 28, we learned that Governor Hammond signed into law SCS CSHB 508 (old CSSS HB 43). This law provides for a Child Care Grant Program to assist in the operation of child care facilities. An amended version of the legislation is enclosed.

We are filing emergency regulations with the Lieutenant Governor's office to allow for payment of public money for this new program. (Draft copy enclosed.) We will be drafting permanent regulations and taking these to public hearing in mid-September and October.

The law allows up to \$50 per month for each full-time equivalent child care position. However, the money will only provide for \$25 per month, geographically adjusted.

#### HOW DO YOU GET THE MONEY

1. Read the instruction sheet.
2. Fill out the application and sign.
3. Mail the completed, signed application to us in the envelope provided. You will need to stamp the envelope.
4. After the application is approved, the Division will send you:
  - (a) A contract to sign.
  - (b) Instructions on completing the monthly forms.
  - (c) The monthly forms.
5. You will:
  - (a) Sign the contract.
  - (b) Send the forms to the Division by the 15th of each month.

Proposed Regulations  
November 16, 1981  
Page Two

Additional copies of the proposed regulations may be obtained at our Anchorage, Bethel, Fairbanks, Juneau, Kotzebue and Nome offices.

If you have any questions about the proposed regulations or have suggested changes, please call or write.

Cordially,

  
f Palmer McCarter  
Director

Enclosures

PMc/L/dm

INSTRUCTIONS  
CHILD CARE GRANT PROGRAM

The Child Care Grant Program is established by Alaska Statute 44.47.301 in the Department of Community and Regional Affairs. The intent of the grant is to improve the operations of a child care facility, through financial assistance.

To qualify for the grant funds a facility must

- (A) have a current license with Health and Social Services, or be licensed under A.S. 47.35.010 - 47.35.080.
- (B) possess a current local municipal permit (Anchorage only)
- (C) be within a geographic region where the Day Care Assistance Program is offered.
- (D) maintain a current Alaska business license.
- (E) enter into a contract with the department to provide day care services.
- (F) provide day care under attendance or enrollment.

The grantee must maintain a separate account or account code showing payments from the state and expenditures of the money.

Child Care Grant funds may only be used only for the following purposes:

- (1) Increase facility staff salaries, wages and/or fringe benefits
- (2) Increase the number of staff employed
- (3) Meet the health and nutritional requirements of children
- (4) Purchase equipment for use by the children attending/enrolled at the facility.
- (5) Facility staff training
- (6) Parent training and/or involvement.

The grants will be adjusted for (1) geographic location and (2) the amount of money appropriated by the legislature for the fiscal year.

Periodic monitoring (checking of records at the facility) will be completed by the Department.

To be paid, the facility must submit a monthly report on forms provided by the Department.

# STATE OF ALASKA

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

### DIVISION OF LOCAL GOVERNMENT ASSISTANCE

1981

JAY S. HAMMOND, GOVERNOR

REPLY TO:

POUCH BOX  
JUNEAU, ALASKA 99811  
(907) 465-4707

725 CORDOVA STREET, BLDG. B  
ANCHORAGE, ALASKA 99501  
(907) 264-2201

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5. You will:
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Child Care Providers  
July 30, 1981  
Page Two

6 A state warrant (check) will be sent to you each month.  
If you have questions, please feel free to contact us by letter  
or telephone (264-2201).

Cordially,



Ms. Lare'  
Child Care Coordinator

L'/ls

Enclosures: Child Care Grant Application  
Instructions  
Draft, emergency regulations  
Amended version of SCS CSHB 508  
An envelope

# STATE OF ALASKA

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

### DIVISION OF LOCAL GOVERNMENT ASSISTANCE

November 13, 1981

Re: Proposed Regulations:

Day Care Assistance Program  
Child Care Grant Program  
Education and Training Grant

Dear Legislators, Municipal Officials and other interested citizens:

Enclosed are copies of the notice of adoption of proposed regulations for the Day Care Assistance Program, Child Care Grant Program and the Education and Training Grant Program, and the regulations for each.

Our purpose in submitting the proposed regulations is:

- 1) to make clear how applicants apply and qualify for the Day Care Assistance Program and the local administrative dollars; the Child Care Grant Program for operational assistance; and the Education and Training Grant Program for child caregivers and administrators.
- 2) to clarify existing statutory language and procedures.

The Day Care Assistance Program regulations cover new statutory language, as well as clarify existing procedures.

The Child Care Grant Program has operated under emergency regulations which have been rewritten to allow municipalities or other local organizations to administer the program.

The Education and Training Grant regulations are new.

You may submit oral or written statements or arguments at the hearings, or mail written statements directly to the Department as suggested in the attached notice. Closing date for comments will be February 1, 1982, 4:30 p.m., Alaska Standard Time.

(over)

JAY S. HAMMOND, GOVERNOR

REPLY TO:

POUCH 8H  
JUNEAU, ALASKA 99811  
(907) 465-4707

225 CORDOVA STREET, BLDG. B  
ANCHORAGE, ALASKA 99501  
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Proposed Regulations  
November 16, 1981  
Page Two

Additional copies of the proposed regulations may be obtained at our Anchorage, Bethel, Fairbanks, Juneau, Kotzebue and Nome offices.

If you have any questions about the proposed regulations or have suggested changes, please call or write.

Cordially,

  
f Palmer McCarter  
Director

Enclosures

PMc/L/dm

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- (B) possess a current local municipal permit (Anchorage only)
- (C) be within a geographic region where the Day Care Assistance Program is offered.
- (D) maintain a current Alaska business license.
- (E) enter into a contract with the department to provide day care services.
- (F) provide day care under attendance or enrollment.

The grantee must maintain a separate account or account code showing payments from the state and expenditures of the money.

Child Care Grant funds may only be used only for the following purposes:

- (1) Increase facility staff salaries, wages and/or fringe benefits.
- (2) Increase the number of staff employed
- (3) Meet the health and nutritional requirements of children
- (4) Purchase equipment for use by the children attending/enrolled at the facility.
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- (6) Parent training and/or involvement.

The grants will be adjusted for (1) geographic location and (2) the amount of money appropriated by the legislature for the fiscal year.

Periodic monitoring (checking of records at the facility) will be completed by the Department.

To be paid, the facility must submit a monthly report on forms provided by the Department.

State of Alaska  
Department of Community and Regional Affairs  
Division of Local Government Assistance  
225 Cordova, Building B  
Anchorage, Alaska 99501  
Phone 264-2201

CHILD CARE GRANT PROGRAM  
GRANT APPLICATION  
FY '82

I. Grantee's Information:

A. Name and address of the child care facility

Name \_\_\_\_\_

Street Address \_\_\_\_\_

Mailing Address \_\_\_\_\_

Telephone number \_\_\_\_\_

B. Contracting official \_\_\_\_\_  
Name Title

C. Individual to whom reimbursement warrants should be sent

\_\_\_\_\_ Name Title

Address \_\_\_\_\_  
\_\_\_\_\_

II. Eligibility for Participation:

A. H & SS license number \_\_\_\_\_

B. Licensed capacity \_\_\_\_\_

C. Hours of operation \_\_\_\_\_

D. Municipal permit number \_\_\_\_\_

E. Name of the local Day Care Assistance Program Contractor \_\_\_\_\_

F. Current Alaska Business License Number \_\_\_\_\_

G. I have contacted the Local Administrator of the Day Care Assistance Program and assure that I will serve children in the Day Care Assistance Program.

III. By completing and signing this page, you indicate that you have also read the instruction page. Only one application in a fiscal year is required. However, if you change your licensed capacity please let us know.

For your application to be considered for funding, you must return this page to the Department of Community and Regional Affairs (address above).

Authorized signature \_\_\_\_\_ Date \_\_\_\_\_

Office use Only
Date _____
Fund _____ Deny _____
Estimated Grants _____
Signature _____

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF  
THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

Notice is hereby given that the Department of Community and Regional Affairs, under authority vested in AS 44.47.250 and AS 44.47.301 proposes to amend regulations, amended emergency regulations, and adopt new regulations in Title 19 of the Alaska Administrative Code to implement AS 44.47. 250-310 (concerning day care assistance, child care grants, and education and training grants) as provided below.

19 AAC 50.010-260, received public hearings in 1980. These regulations are hereby amended as follows:

- . . . . minor changes are made in wording of sections
- . . . . several sections reorganized
- . . . . 19 AAC 50.020 allows the Department to contract with organization as well as municipalities or day care facilities.
- . . . . 19 AAC 50.050 is a new section on application and contract
- . . . . 19 AAC 50.090 is expanded to include local administrative costs which are reimbursed by the state and how that money can be used.
- . . . . 19AAC 50.115 changes the procedure and classification for those parents who must be put on a waiting list because of lack of funds or space
- . . . . 19 AAC 50.170 changes the subsidy level for parents adjusted net income
- . . . . 19 AAC 50.190 increases the maximum assistance for infant rates
- . . . . 19 AAC 50.260 adds definitions, changes others, deletes others

19 AAC 55.010-200 regulations for the child care grant program were filed as emergency regulations and are now being taken to public hearings for the first time.

19 AAC 55.010 describes the purpose of regulations for the child care grant program.

19 AAC 55.020 delegates the authority for administering the program to the Local Government Assistance Division.

19 AAC 55.030 provides for municipalities, organizations, or day care facilities outside of municipalities, to administer the program; the application and contracting process, subcontracting, accounting, division, review, and local administrative requirements are described.

19 AAC 55.040 describes how funds are allocated by taking the total appropriation, divided by the number of licensed child care spaces, and allocating the money on a municipal or geographic basis.

19 AAC 55.050 describes the eligible applicant as those child care facilities which are licensed, have a business license, provide for payment of fees on an attendant basis, are in an area where the Department has a Day Care Assistance contract, and are willing to participate in this program for the care of these children.

19 AAC 55.060 describes the application process.

19 AAC 55.070 describes how the money from these grants can be used for staff salaries and fringe benefits, increase staff, meet the health and nutritional requirements of young children, purchase of child equipment, staff and parent education and training.

19 AAC 55.080 defines the limitation of money and provides for prorating of money.

19 AAC 55.090 describes the application review.

19 AAC 55.100 describes the application and contract decision process

19 AAC 55.110 defines how money is received through monthly billing by the provider.

19 AAC 55.120 provides for a separate accounting of the money.

19 AAC 55.130 provides for information to the division.

19 AAC 55.140 provides for division forms for reporting.

19 AAC 55.150 describes how the grants will be monitored.

19 AAC 55.160 provides for revocation of grants and contracts.

19 AAC 55.170 describes the process if fraud is suspected.

19 AAC 55.180 provides for an appeal process for both the contractor and the grantee.

19 AAC 55.190 provides for technical assistance by division staff to both contractors and grantees.

19 AAC 55.200 provides for definition of words which may have multiple meanings.

19 AAC 56.010-180 the Education and Training Grant program are new regulations governing this new program.

19 AAC 56.010 describes the purpose of regulations for the education and training grant program.

19 AAC 56.020 delegates the authority for administering the program to the Local Government Assistance Division.

19 AAC 56.030 provides for not more than two child care facilities in any municipality to contract with the division for local administration of this money, provides for child care facilities outside of municipalities to contract directly with the division or with a municipality, and provides for two or more municipalities to join together in joint administration.

19 AAC 56.040 describes how funds are allocated by taking the total appropriation, divided by the number of licensed child care spaces, and allocation the money on a municipal or geographic basis.

19 AAC 56.050 describes the application process.

19 AAC 56.060 provides the criteria for establishing application review and contract process.

19 AAC 56.070 provides for subcontractors.

19 AAC 56.080 describes how funds are to be accounted for.

19 AAC 56.090 provides for information to the division.

19 AAC 56.100 provides for the use of the money for education and training grants to child caregivers and administrators.

19 AAC 56.110 provides for administration of the contract.

19 AAC 56.120 describes the eligible grantees as those child caregivers or administrators whose employers have state licensed facilities, participate in the day care assistance program and provide for payment of child care fees on an attendance basis.

19 AAC 56.130 describes how the contract will be monitored.

19 AAC 56.140 provides for revocation of the contract.

19 AAC 56.150 describes the process if fraud is suspected.

19 AAC 56.160 provides for appeals.

19 AAC 56.170 provides for technical assistance by division staff for the contractors.

19 AAC 56.180 provides for definition of words which may have multiple meanings.

Notice is also given that any person interested may present oral or written statements or arguments relevant to the actions proposed at hearings held as provided below:

Legislative Affairs Conference Room, 1016 W. 6th. Ave., 2nd floor, Suite 202 Anchorage, at 10:00 a.m. on December 5, 1981.

Legislative Affairs Conference Room, 1016 W. 6th. Ave., 2nd floor, Suite 202 Anchorage, at 7:30 p.m. on December 9, 1981.

Legislative Affairs Information Office, Suite 101, 312 Burnette Street, Fairbanks at 1:00 p.m. and 6:30 p.m. December 8, 1981.

Juneau City and Borough Chamber, 155 S. Seward Street, Juneau at 6:30 p.m. on January 4, 1982.

Kodiak Island Borough Assembly Chamber, 700 Upper Mill Bay Road, Kodiak at 7:30 p.m. on January 4, 1982.

Legislative Affairs Information Office, 415 Main Street, Room 301 Ketchikan at 6:30 p.m. on January 7, 1982.

City Council Chamber, Bethel at 7:30 p.m. on January 18, 1982.

Kenai Peninsula Borough Administration Building, Soldotna at 6:30 p.m. on January 25, 1982.

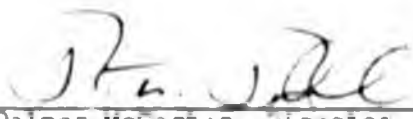
City Council Chamber, Front and Division Streets, Nome at 7:30 p.m. on January 27, 1982.

Written comments will also be accepted at the Department's Anchorage office until February 1, 1982, 4:30 local time.

Copies of the proposed regulations may be obtained by writing or calling in person at the Division of Local Government Assistance, Department of Community and Regional Affairs, 225 Cordova Street, Building B, Anchorage Alaska, 99501 or calling 264-2201.

The Department of Community and Regional Affairs, upon its own motion or at the instance of any interest person, may at hearing or after it, adopt the proposals substantially as described above without further notice or may decide to take no action on them.

November 13, 1981

  
to Palmer McCarter, Director  
Local Government Assistance Division  
Department of Community and Regional Affairs.

Register , , COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.010  
19 AAC 50.020

CHAPTER 50  
DAY CARE ASSISTANCE PROGRAM

Article

1. Introductory Provisions (19 AAC 50.020 -- 19 AAC 50.030)
2. Conditions of Contracting (19 AAC 50.040 -- 19 AAC 50.090)
3. Contractor's Administrative Responsibilities (19 AAC 50.100 -- 19 AAC 50.140)
4. Standards for Determining Family Eligibility (19 AAC 50.150 -- 19 AAC 50.190)
5. Family's and Facility Operator's Responsibilities (19 AAC 50.200 -- 19 AAC 50.210)
6. General Provisions (19 AAC 50.220 -- 19 AAC 50.260)

ARTICLE I. INTRODUCTORY PROVISIONS

Section

10. Delegation of authority
20. Program operation
30. Allocation of money

19 AAC 50.010. DELEGATION OF AUTHORITY. The authority of the department under AS 44.47.250-44.47.310 is delegated to the division of local government assistance. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.020. PROGRAM OPERATION. (a) The division operates the day care assistance program and local administrative costs for the program through contracts with municipalities, with organizations within communities, with organizations which serve regions within which two or more communities are located, and directly with day care facilities located outside municipalities.

(b) If a borough, a city and an organization within the borough or city apply for a day care assistance contract, the division will award the contract, if at all, to the borough. This section does not preclude the city, the organization and borough from entering into an agreement to jointly administer the contract nor may it be construed to preclude the borough from subcontracting portions of its administrative responsibilities to one or more cities or organizations located within it. (Effective / / , Register )

Authority: AS 44.47.250

Register , , COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.  
TITLE 19.  
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

- Part 1. Local Boundary Commission  
(19 AAC 05 - 19 AAC 20)
- Part 2. Municipal Services Revenue Sharing Program  
(19 AAC 30)
- Part 3. Division of Local Government Assistance  
(19 AAC 35 - 19 AAC 70)
- Part 4. Division of Rural Development Assistance  
(no regulations filed)
- Part 5. Rural Affairs Commission (no regulations filed)
- Part 6. Division of Community Planning  
(19 AAC 85 - 19 AAC 90)

PART 3.  
DIVISION OF LOCAL GOVERNMENT ASSISTANCE

Chapter

- 35. Senior Citizen Property Tax Exemption  
(19 AAC 35.010 - 19 AAC 35.120)
- 38. Farm and Agricultural Land  
(19 AAC 38.010 - 19 AAC 38.060)
- 40. Legal Assistance Grant Program  
(19 AAC 40.010 - 19 AAC 40.100)
- 42. Coastal Energy Impact Program  
(19 AAC 42.010 - 19 AAC 42.330)
- 50. Day Care Assistance Program  
(19 AAC 50.010 - 19 AAC 50.260)
- 55. Child Care Grant Program  
(19 AAC 55.010 - 19 AAC 55.200)
- 56. Education and Training Grant Program  
(19 AAC 56.010 - 19 AAC 56.180)
- 60. Rural Development Assistance Grant Program  
(19 AAC 60.010 - 19 AAC 60.200)
- 70. Bulk Fuel Storage Facilities Grant Program  
(19 AAC 70.010 - 19 AAC 70.200)

19 AAC 50.030. ALLOCATION OF FUNDS. (a) Each state fiscal year three percent of the appropriated funds for this program will be set aside for those municipalities or organizations meeting the requirements of 19 AAC 50.020 but which did not contract with the division in the previous fiscal year. If these funds are not allocated by December 31 of the fiscal year for which appropriated, this money will be allocated as provided for in (b) (1) through (4) and (c) of this subsection.

(b) The division will allocate to a contractor a share of the money appropriated to the program for the fiscal year to which the contract applies. The division will determine the contractor's share by June 15 of the preceeding fiscal year or within 20 days after the enactment of the state operating budget for the fiscal year to which the contract applies, whichever is later. The division will determine the contractor's share of day care assistance by

(1) using the current division of family and youth services printout of child day care licensed or federally approved facilities in Alaska, add all the licensed child care positions by geographic area and total; and

(2) subtract from the sum of (1), of this subsection those child day care positions from the geographic areas where an application has not been received; and

(3) divide the amount of money appropriated to the program for the fiscal year to which the contract applies by the difference obtained through (2) of this subsection.

(4) using the quotient of (3) of this subsection, multiply by the number of child day care positions as described in (a) (1) of this subsection for each contractor. This product is the allocation to each contractor for money appropriated for day care assistance to families.

(c) Local administrative money is allocated by multiplying 10 percent of the product of (b) (4) of this subsection or \$1,000 whichever is greater.

(d) To receive all or part of the money allocated to it under (b) and (c) of this section, a contractor must submit to the division evidence which shows, to the satisfaction of the division, that the contractor will use the money in accordance with 19 AAC 50.090.

(e) Program funds are subject to reallocation during the fiscal year, subject to the utilization by the contractor.

(1) reallocation will be made to contractors based on need, as established by waiting lists described in 19 AAC 50.115 of this chapter; and

(2) determining reallocation will be by January 1, March 1, May 1 and June 1 of the fiscal year to which the contract applies; and

(3) the contractor will be notified in writing that the Division intends to reallocate under utilized money and an amendment to the existing contract will be sent for the contractor's signature; and

(4) if there are insufficient local administrative funds meeting the requirements of (c) of this subsection, the funds will be prorated. Each contractor will receive at least \$1,000 for the fiscal year, provided the day care assistance program is administered for a fiscal year, by the contractor.

(f) In this section,

(1) "contractor's day care positions" means

(A) the number of licensed or federally approved day care positions within the municipality if the contractor is a municipality;

(B) the number of licensed or federally approved day care positions within the community or region if the contractor is an organization which serves a community or region

(C) the number of licensed or federally approved day care positions within the day care facility if the contractor is a day care facility;

(2) "day care position" means a place in a day care facility for a child for whom the day care facility provides or will provide day care; and

(3) "total number of day care positions in the program" means the sum of (b)(1)-(2) of this subsection. (Effective / / , Register )

ARTICLE 2. CONDITIONS OF CONTRACTING

Section

- 40. Application
- 50. Decision on Application and Contract
- 60. Subcontracts
- 70. Separate accounting
- 80. Release of information
- 90. Use of money

19 AAC 50.040. APPLICATION. (a) An application for a contract under this chapter must be made on a form prescribed by the director.

(b) By April 1 of each state fiscal year the division will send application forms to each municipality which has a day care facility within its boundaries and to other organizations which participated in the program during the previous state fiscal year. Applications for organizations serving unincorporated communities are available upon request.

(c) As a condition to receiving a contract under this chapter for a state fiscal year, an applicant must return the application to the division postmarked no later than May 15 of the preceding state fiscal year. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.050. DECISION OF APPLICATION AND CONTRACT. (a) A decision to provide a contract will be made by the director. The decision will be based upon the following criteria:

(1) the applicant meets the eligibility criteria described in 19 AAC 50.020; and

(2) the proposed expenditure of money is in accordance with eligible use of money as described in 19 AAC 50.090.

(b) In making a decision to approve an application, the director or contractor may, in his/her discretion make the contract contingent upon additional stipulations not contained in the application.

(c) Upon approval or denial of an application, the applicant will be notified in writing.

Register , , COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.050  
19 AAC 50.070

(d) A contract will be awarded when the application has been approved and when the applicant and the director have signed a contract specifying, among other items, the purpose of the contract, the contract allocation of money and the period of performance. (Effective / / Register ).

Authority: AS 44.47.250.

19 AAC 50.060. SUBCONTRACTS. A contractor, which is a municipality may enter into a subcontract with an organization within the municipality and where eligible parents will have easy access to that organization, for the performance of administrative duties under the contract if

(1) the contractor has the written permission of the division;

(2) the contractor has published notice of its intent to enter into the subcontract in a manner which reasonably ensures that interested parties are aware that the contractor is accepting proposals for the subcontract; and

(3) the subcontractor meets the qualifications established in 19 AAC 50.100(a).

(4) a copy of a fully executed subcontract will be sent to the division within 30 days of execution. (Effective / / , Register )

Authority: AS 44.47.250  
AS 44.47.260

19 AAC 50.070. SEPARATE ACCOUNTING. A contractor must establish a separate fund and separate accounting codes within its accounting system for the receipt and disbursement of money under this chapter. The contractor must furnish the division with a copy of its annual audit or its annual statement of income and expenditures. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.080. RELEASE OF INFORMATION. A contractor must provide the division with statistics, financial records, and client records relating to the program, within 30 days after the date of receipt of a written request from the division or as otherwise required in the contract. (Effective / / ,  
Register )

Authority: AS 44.47.250

19 AAC 50.090. USE OF MONEY. (a) A contractor may use money it receives under 19 AAC 50.030 (b) (1 through 4) of this chapter only for subsidy payments in accordance with 19 AAC 50.170 and 19 AAC 50.190 to day care facilities on behalf of families which are determined under 19 AAC 50.110 to be eligible for day care assistance. A violation of this section is cause for immediate termination of a contract.

(b) Local administrative money a contractor receives under 19 AAC 50.030 (c) will be used to pay

(1) salaries of local administrator(s) and eligibility workers who work directly with eligible families as described in 19 AAC 50.105 - 190; and

(2) accounting and/or bookkeeping expenses for the program described in this chapter; and

(3) clerical expense directly attributable to administration of the program described in this chapter; and

(4) cost of monitoring the eligibility of persons receiving benefits under the program described in this chapter; and

(5) public information advising of the availability of the program described in this chapter; and

(6) cost of reports required by the division; and

(7) travel and per diem to workshops conducted for local administrators by the division; and

(8) travel and per diem to conferences or seminars relating to the education of young children. (Effective / / ,  
Register )

Authority: AS 44.47.250  
AS 44.47.260

ARTICLE 3. CONTRACTOR'S ADMINISTRATIVE RESPONSIBILITIES

Section

- 100. Administrator
- 105. Applying for Day Care Assistance
- 110. Eligibility Determination
- 115. Waiting list
- 120. Monthly attendance form and monthly billing statement
- 130. Case files
- 140. Use of division forms

19 AAC 50.100. ADMINISTRATOR. (a) A contractor shall appoint an administrator. If the contractor has entered into a subcontract under 19 AAC 50.060, the subcontractor shall appoint the administrator. An administrator must have training or experience in accounting, bookkeeping, records management, management of a state or federal program regardless of whether the state or federal program relates to day care assistance, or a related field.

(b) A contractor or subcontractor shall assign to the administrator appointed under (a) of this section responsibility for the administration of the contractor's or subcontractor's duties under the contract. The administrator's responsibilities under this subsection must include, but are not limited to, the following:

(1) maintenance of the contractor's or subcontractor's financial records and client records relating to the program;

(2) preparation of statistical reports requested by the division;

(3) maintenance of a file for each day care facility located within the contractor's boundaries, if the contractor is a municipality, or located within the contractor's or subcontractor's region or community, if the contractor or subcontractor is an organization described in 19 AAC 50.030 or in 19 AAC 50.060;

(4) other responsibilities established in this chapter.

(c) The files maintained under this section must include the expiration dates of the day care facilities' licenses and rates the day care facilities charge for day care services. (Effective / / , Register )

Authority: A, 44.47.250

19 AAC 50.105. APPLYING FOR DAY CARE ASSISTANCE. A parent may apply for day care assistance. In applying for day care assistance, the parent shall specify the members of the parent's family and the income available for the support of the children in the family.

An application under this section must be made on a form provided by the division. The person must submit the application to

(1) the local administrator appointed by a municipality or organization or by a subcontractor under 19 AAC 50.100 if the person seeks assistance for day care services within the municipality;

(2) the administrator appointed under 19 AAC 50.100 by an organization if the person seeks assistance for day care services outside of a municipality but within the region or community served by the organization; or

(3) the administrator appointed by a day care facility if the person seeks assistance for day care services from the day care facility and if the day care facility is located outside a municipality and outside a region or community served by an organization described in 19 AAC 50.030. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.110. ELIGIBILITY DETERMINATION. (a) Within fifteen days after receipt of a properly completed application under 19 AAC 50.105, including necessary documentation, an administrator shall, by applying the eligibility standards established in 19 AAC 50.150, determine if the applicant's family is eligible for the day care assistance. If the applicant's family does not meet the eligibility standards, the administrator shall deny the application.

b) If the administrator determines that the applicant's family is eligible for day care assistance, the administrator determines the amount of day care assistance for which the family is eligible in accordance with 19 AAC 50.160 - 19 AAC 50.190 and shall issue a day care contract form stating the number of days and hours for which assistance will be provided, the amount of assistance for which the family is eligible and the facility at which day care would be provided. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.115. WAITING LIST. (a) If the administrator determines that money is not available to pay for day care assistance for a family or that there is insufficient space in the day care facility selected by the applicant, the administrator shall place the family's name on a waiting list.

(b) The administrator shall provide day care assistance to families whose names have been placed on a waiting list under (a) of this section in accordance with this subsection. The administrator must offer day care assistance to the families whose names have been placed on the waiting list before she/he may offer day care assistance to another family. However, the administrator is not required to offer day care assistance to a family whose name has been placed on the waiting list if, as a result of a review under 19 AAC 50.180, the administrator determines the family is no longer eligible for the assistance. Among the families whose names have been placed on the waiting list, the administrator must offer day care assistance first to the families whose monthly adjusted net income, as determined under 19 AAC 50.160, is in the lowest category established in 19 AAC 50.170(a), and then to the families whose monthly adjusted net incomes are in the next higher categories until all of the families have been offered day care assistance. Among the families whose names have been placed on the waiting list and whose monthly adjusted net incomes are within the same category, the administrator must offer day care assistance

(1) first, to a family in which there is only one parent and in which the parent has a job or a job opportunity; and

(2) next, to a family in which there are two parents and in which both parents have jobs or job opportunities; and

(3) next, to a family in which there is only one parent and in which the parent is in an employment training program or has an opportunity to participate in employment training; and

(4) next, to a family in which there are two parents and in which;

(A) one parent has a job or job opportunity and the other parent is in an employment training program or has an opportunity to participate in an employment training program; or

(B) both parents are in employment training program or have an opportunity to participate in an employment training program; and

(5) next, to a family in which there is only one parent and in which the parent is seeking work; and

(6) next, to a family in which there are two parents and in which

(A) one parent has a job or job opportunity and the other parent is seeking work; or

(B) one parent is in employment training program or has an opportunity to participate in an employment training program and the other parent is seeking work; or

(C) both parents are seeking work;

(7) last, to other families. (Effective / / ,  
Register )

Authority: AS .47.250  
AS 44.47.270

**19 AAC 50.120. MONTHLY ATTENDANCE FORM AND BILLING STATEMENT.**

(a) To receive a payment on behalf of a family under this chapter, a day care facility must submit a monthly attendance form and billing statement to the administrator to whom the family applied for day care assistance or to that administrator's successor.

(b) Within 15 working days after receipt of a monthly attendance form and billing statement under (a) of this section, the administrator shall review the attendance form and the billing statement and determine if they are accurate and complete. If the administrator determines that the attendance form and billing statement are accurate and complete, the administrator shall so certify and forward them to the division. If there are errors or deficiencies in the billing statement or in the monthly attendance form, the administrator shall correct the errors or deficiencies and forward the attendance form and billing statement to the division.

(b) Within 30 working days after receipt of a monthly attendance form and billing statement, the division will process the billing statement and return the payment to the municipality in which the day care facility is located or, if the day care facility is not located within a municipality to the organization or day care facility having a contract as described in 19 AAC 50.050.

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19 AAC 50.130

(c) The division will determine the amount of a payment under this section on the basis of the day care services provided to a child who is a member of a family which has been determined eligible under 19 AAC 50.110(a) and whose name is not on a waiting list under 19 AAC 50.115 and in accordance with the provisions of 19 AAC 50.170(a) and 19 AAC 50.190(c). (Effective / / , Register )

Authority: AS 44.47.250  
AS 44.47.300

19 AAC 50.130. CASE FILES. (a) An administrator shall open and maintain a case file on each family the administrator determines to be eligible for day care assistance under 19 AAC 50.110. The administrator shall keep in the family's case file current documents or verification forms relating to the family's eligibility including, but not limited to:

- (1) copies of birth certificates of dependent children;
- (2) copies of divorce decrees and modifications of the divorce decrees;
- (3) notarized statements of guardianship of the children in the family, separation, and non-support of the children in the family;
- (4) income records;
- (5) the parent's work or school schedule and address and phone number of employer or school;
- (6) class schedules for educational or training program; and
- (7) other documents the administrator decides are appropriate. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.140. USE OF DIVISION FORMS. Unless specifically authorized to the contrary, the forms used in the administration of the program must be those prescribed by the division. (Effective / / , Register )

Authority: AS 44.47.250

## ARTICLE 4. STANDARDS FOR DETERMINING FAMILY ELIGIBILITY

## Section

- 150. Eligibility
- 160. Monthly adjusted net income
- 170. Day care assistance
- 180. Review of eligibility
- 190. Authorized hours and maximum assistance amounts

19 AAC 50.150. ELIGIBILITY. (a) A family is eligible to receive day care assistance if

(1) each parent in the family is employed or is participating in an educational or training program which is likely to enable the family to become self-supporting; and

(2) the family's adjusted monthly net income, as determined under 19 AAC 50.160, does not exceed \$1,975, as adjusted under 19 AAC 50 170(b).

(b) The division will waive the requirement of (a)(1) of this section for a parent for the period of time described in (c) of this section if

(1) the parent is mentally or physically incapable of caring for the children in the parent's family; and

(2) there is another parent in the family who meets the requirement of (a)(1) of this section.

(c) an administrator may authorize day care assistance for a family in which a parent is temporarily absent or incapacitated and in which a person who is not the parent of the children in the family cares for the children during the absence or incapacity of the parents. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.160. MONTHLY ADJUSTED NET INCOME. (a) A family's monthly adjusted net income is the gross assets it receives during a month regardless of the source of the gross assets, less:

(1) amounts withheld from the members of the family during the month for federal income tax;

(2) amounts withheld from the members of the family during the month for state income tax;

(3) amounts withheld from the members of the family during the month for social security tax or for the employee benefit program established in AS 34.30.150 - 34.30.180;

(4) mandatory benefit and retirement contributions made by or withheld from the members of the family during the month;

(5) unemployment insurance (ESC) contributions made by or withheld from the members of the family during the month;

(6) union dues or agency fees paid by a member of the family during the month;

(7) \$100 for each dependent child;

(8) amounts paid by a member of the family during the month for medical or dental expenses not covered by insurance including the cost of necessary travel, lodging, and meals and

(9) court-ordered payments made by a member of the family during the month.

(b) In determining a family's eligibility for day care assistance and the amount of day care assistance for which the family is eligible under 19 AAC 50.110 or 19 AAC 50.180, the administrator shall use the family's monthly adjusted net income for the month preceding the month in which the application or reauthorization of eligibility is made.

(c) In this section, "dependent child" means a person who is less than 19 years old. (Effective / / Register )

Authority: AS 44.47.250

19 AAC 50.170 DAY CARE ASSISTANCE. (a) Subject to 19 AAC 50.190, the amount of day care assistance which an administrator may authorize for a family is

(1) 100 percent of the family's day care costs if the family's monthly adjusted net income is \$1075 or less;

(2) 90 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1075 but not more than \$1175;

(3) 80 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1175 but not more than \$1275;

(4) 70 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1275 but not more than \$1375;

(5) 60 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1375 but not more than \$1475;

(6) 50 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1475 but not more than \$1575;

(7) 40 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1575 but not more than \$1675;

(8) 30 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1675 but not more than \$1775; or

(9) 20 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1775 but not more than \$1875.

(10) 10 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1875 but not more than \$1975.

(b) An administrator shall increase the monthly adjusted net income, described in (a)(1) - (9) of this section for his/her locality by 3.5 percent for each pay step differential applicable to his locality under AS 39.27.020.

(c) The division will distribute to a contractor a copy of the provisions of (a) of this section, adjusted to locality in accordance with (b) of this section, before entering into a contract with the contractor and upon the request of the contractor.

(d) The division will annually review and, in its discretion, amend this provisions of (a) of this section after considering the changes in statewide median income and cost of living.

(e) In this section, "day care costs" means the cost of day care services or the maximum amount for which an administrator may authorize day care payments under 19 AAC 50.190(c), whichever is less. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.180. REVIEW OF ELIGIBILITY. (a) If a family's adjusted net income, as determined under 19 AAC 50.160 is regular and recurring, the administrator will review the family's eligibility once every three months with the family and shall determine whether the family remains eligible for day care assistance. If the family remains eligible for day care assistance, the administrator shall revise the day care authorization contract issued to the family under 19 AAC 50.110 (b), as necessary. At least one parent must meet with the administrator. If the family is no longer eligible, there will be no authorization contract.

(b) If a family's adjusted net income, as determined under 19 AAC 50.160, is not regular and recurring, the administrator shall review the family's eligibility and take the other actions described in (a) of this section once a month.

(c) At the time of an eligibility review, under (a) or (b) of this section the administrator shall review with the parents in the family the billing records of the day care facility which received day care assistance payments on behalf of the family under this chapter. If the parents affirm the accuracy of the billing records, the parents shall sign a statement to that effect which the administrator shall maintain in the family's case file. If the parents dispute the accuracy of the billing records, the administrator shall attempt to determine the cause of the dispute between the facility and the parents, make necessary adjustments, and advise the director of the situation. (Effective / / , Register ).

Authority: AS 44.47.250  
AS 44.47.280

19 AAC 50.190. AUTHORIZED HOURS AND MAXIMUM ASSISTANCE AMOUNTS. (a) An administrator may authorize day care assistance payments for a family only for day care services provided to a child in the family during the time that each parent in the family, other than a parent described in 19 AAC 50.150(b)(1), is engaged in one of the following:

- (1) working or training.
- (2) traveling to or from work or training;
- (3) between 8:00 a.m. and 5:00 p.m. on the day before and the day after the parent works a night shift; or
- (4) engaging in library or laboratory work, workshops or tutoring sessions, or similar activities required to satisfactorily complete an educational or training program.

(b) The activity described in (a)(2) of this section may not exceed one hour per day unless the administrator determines that additional time is justified because of the local public transportation system.

(c) The maximum amount of money an administrator may authorize under (a) of this section is

(1) \$9.50 per day for day care services provided to an infant and \$7 per day for day care services provided to a child if the day care services are provided for not more than five hours per day.

(2) \$16 per day for day care services provided to an infant and \$12 per day for day care services provided to a child if the day care services are provided for more than five hours but not more than 10 hours per day;

(3) In addition to the amount established in (2) of this subsection, \$1.60 per hour of day care services provided for an infant or \$1.40 to a child beyond 10 hours if the day care services are provided for more than 10 hours but not more than 16 hours per day.

(d) An administrator may not authorize a payment under (a) of this section for day care services provided in excess of 16 hours per day. The provisions of this section may not be construed to prohibit billing by a day care facility on an hourly basis. However, the total amount billed on an hourly basis is subject to the limitations established in (c) of this section.

(e) The rate schedule shall be reviewed and may be revised annually by the division when considering statewide changes in the cost of providing day care services.

(f) In this section,

(1) "child" means an individual who is less than 11 years old and more than 2 years old;

(2) "infant" means an individual who has been born and who is less than 24 months old;

(3) "night shift" means a work shift which begins between 8:00 p.m. and 4:00 a.m. (Effective / / ,  
Register )

Authority: AS 44.47.250

ARTICLE 5. FAMILY AND FACILITY OPERATOR'S RESPONSIBILITIES

Section

- 200. Family's duties
- 210. Facility operator's duties

19 AAC 50.200. FAMILY'S DUTIES. To qualify and continue to qualify for day care assistance under this chapter, a family must:

- (1) provide the administrator with documentation necessary to determine eligibility for day care assistance under this chapter;
- (2) notify the administrator within five working days of a change affecting the family eligibility for day care assistance under this chapter;
- (3) select the day care facility to provide day care services for its children;
- (4) pay the portion of its day care costs not paid on its behalf under this chapter; and
- (5) notify the administrator of fraud, as defined in 19 AAC 50.260, suspected by a member of the family. (Effective / / , Register )

Authority: AS 44.47.250  
AS 44.47.300

19 AAC 50.210. FACILITY OPERATOR'S DUTIES. To qualify and continue to qualify to receive day care assistance payments made on behalf of a family under this chapter, the operator of a day care facility must:

- (1) keep monthly attendance records for each child and submit a copy of that record, together with a billing statement, to the administrator within 10 working days after the end of each month;
- (2) notify the administrator of a change in the status of the day care facility's license;

(3) provide the administrator with a current rate sheet which, among other things will detail the price of care, the hours of care, surcharges, and fees charged beyond the hourly, daily or monthly rate. Failure to provide a current rate sheet may be the basis for revoking authorization contracts with the facility for day care assistance.

(4) notify the administrator of suspected fraud, as defined in 19 AAC 50.260. (Effective / / , Register )

Authority: AS 44.47.250

ARTICLE 5. GENERAL PROVISIONS

Section

- 220. Confidentiality
- 230. Fraud
- 240. Appeals
- 250. Technical Assistance
- 260. Definitions

19 AAC 50.220. CONFIDENTIALITY. (a) A person who works with or has access to information relating to a family's receipt of assistance under this chapter shall maintain the confidentiality of that information.

(b) Notwithstanding the provisions of (a) of this section, an administrator may release to a public or private agency information relating to a family's receipt of assistance under this chapter to the extent necessary to determine the kind and amount of assistance to be granted to the family under a program administered by a state, federal, or municipal agency or to conduct an investigation of fraud, under 19 AAC 50.230. (Effective / / , Register )

Authority: AS 44.47.250

CHAPTER 50  
DAY CARE ASSISTANCE PROGRAM

19 AAC 50.230. FRAUD. (a) If an administrator suspects that fraud has been or is being committed, the administrator shall obtain the information relating to the act of fraud, assemble the information, and report these conclusions to the division. Upon receipt of the administrator's conclusions and the information the division will review the information.

(b) If the division determines, on the basis of the information received under (a) of this section, that a person has committed or is committing fraud, the division will notify the person in writing and by certified mail of its determination and of the reasons for its determination. The notice must include the action the division will take under (c) of this section, if any, and a statement of the person's right to an appeal under 19 AAC 50.240.

(c) No sooner than 10 days after the person received the notice described in (b) of this section or, if the person appeals the division's determination under 19 AAC 50.240, at the conclusion of the appeals under 19 AAC 50.240, the division will, in its discretion, cease making payments under this chapter to or on behalf of the person or the person's family or day care facility for a period of up to two years. (Effective / / ,  
Register )

Authority: AS 44.47.250

19 AAC 50.240. APPEALS. (a) a person may appeal to the director:

(1) a decision made under this chapter by an administrator or by the division which affects the eligibility for or the amount of day care assistance to be paid on behalf of the person's family; and

(2) a determination under 19 AAC 50.230 that the person has committed or is committing fraud.

(b) An appeal under (a) of this section must be made in writing within ten working days after the persons receives notice of the decision or determinations. The director will decide the appeal and will notify the applicant in writing of his decision within 20 days after the appeal is made. Within 30 days after receipt of notice under this subsection of the director's decision, the applicant may appeal the decision to the commissioner. The appeal must be in writing and must identify the part of the director's decision which is appealed. The commission will decide the appeal and will notify the applicant in writing of his decision within 30 days after the appeal is made.

(c) During an appeal to the director and an appeal to the commissioner under (b) of this section, an applicant may request a hearing. At a hearing, the applicant may present evidence, examine witnesses, be represented by counsel, and testify on his own behalf. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.250. TECHNICAL ASSISTANCE. The division will make reasonable efforts to respond to a request by a potential or actual contractor for technical assistance in preparing a contract application and in aspects of program planning, administration, and implementation. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 50.260. DEFINITIONS. In this chapter,

(1) "administrator" means a person appointed under 19 AAC 50.100;

(2) "child" means a person who is less than 11 years old;

(3) "commissioner" means the commissioner of community and regional affairs;

(4) "community" means a place which has 25 or more permanent inhabitants who constitute a social unit and which is not incorporated as a municipal corporation under the laws of the state;

(5) "contractor" means a municipality or other organization which has entered into a contract with the department under this chapter;

(6) "day care" means the care, supervision, and guidance of a child or children unaccompanied by a parent on a regular basis for periods of less than 24 hours a day;

(7) "department" means the Department of Community and Regional Affairs;

(8) "director" means the director of the division of local government assistance;

(9) "division" means the division of local government assistance in the Department of Community and Regional Affairs;

(10) "family" means a living arrangement of a parent and child in which the parent resides with and assumes responsibility for the care and support of the child;

(11) "fraud" means the deliberate misrepresentation of a material fact to obtain assistance under this chapter or to receive a payment under this chapter;

(12) "municipality" includes a home rule, general law, or unified municipality, as defined in AS 29;

(13) "organization" means a local, nonprofit organization which has organized under state law, adopted bylaws and elects its governing body in a manner that ensures equal representation of the people residing in the community;

(14) "parent" includes a guardian or other person who has the actual care and custody of a child;

(15) "position" means a space in a child care facility, sometimes referred to as slot;

(16) "program" means the day care assistance program;

(17) "seek work" means a person who is actively seeking a job including receiving counseling, skills to seek a job, interviewing with potential employers, developing skills that will enhance employability. Seeking work is short term, generally not exceeding two weeks nor more than five hours per day;

(19) "self-employed" means possessing a business license to do business in the State of Alaska and filing a regular statement of profits and losses with the Internal Revenue Service.  
(Effective / / , Register )

Authority: AS 44.47.250





Register

EMERGENCY REGULATIONS  
COMMUNITY AND REGIONAL AFFAIRS

19 AAC 55.080  
19 AAC 55.090

19 AAC 55.070. REVIEW OF APPLICATION. (a) Within 10 working days of receipt of a grant application the division will review it and determine if it contains the information required by this chapter. If the application is determined to be complete, the application will be evaluated in accordance with the criteria established in 19 AAC 55.080 and a written recommendation for or against funding made to the director.

(b) If an application is found to be incomplete, it will be returned to the applicant together with comments, an explanation of the deficiencies and a request for additional information necessary to correct the deficiencies.

(c) The director will deny funding if the application is not eligible under section 19 AAC 55.080. (Effective / / Register ).

Authority: AS 44.47.301.

19 AAC 55.080. DECISION OF APPLICATION. (a) A decision to provide a child care grant will be made by the director. The director's decision will be based upon the following criteria:

(1) the applicant meets the eligibility criteria described in 19 AAC 55.030; and

(2) the proposed expenditure of money is in accordance with eligible use of money as described in 19 AAC 55.050.

(b) In making a decision to approve a grant application, the director will, in his discretion make the grant contingent upon additional stipulations contained in the grant application.

(c) Upon approval or denial of a grant application, the applicant will be notified in writing.

(d) A grant will be awarded when the application has been approved and when the applicant and the director have signed a letter of agreement specifying, among other items, the purpose of the grant, the grant amount and the period of performance. (Effective / / Register ).

Authority: AS 44.47.301.

19 AAC 55.090. MONTHLY BILLING FORMS. (a) To receive a grant payment under this chapter, the grantee must submit a monthly attendance formula form, a copy of the monthly attendance form, and a monthly billing form to the division.

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EMERGENCY REGULATIONS  
COMMUNITY AND REGIONAL AFFAIRS

19 AAC 55.100  
19 AAC 55.110

(b) Within 15 working days after receipt of the monthly forms under (a) of this section, the division will review the forms and determine if these are accurate and complete. If the division determines that the forms are accurate and complete, the division will authorize payment and forward the billings for payment to the facility. If there are errors or deficiencies in the monthly forms, the division will correct the errors or deficiencies and then forward the forms for payment.

Billings for less than a \$1,000 will be paid by a state field warrant from the division of administrative services, Anchorage and mailed directly to the grantee.

Billings over \$1,000 will be paid by a state warrant from the Department of Administration, Juneau, and mailed directly to the grantee.

(c) The division will determine the amount of payment in accordance with the provisions of 19 AAC 55.060. (Effective / / Register ).

Authority: AS 44.47.301.

19 AAC 55.100. SEPARATE ACCOUNTING. A grantee must establish a separate fund or accounting code within its accounting system for the receipt and disbursement of money under this chapter. The grantee must furnish the division with a copy of its annual audit or its annual statement of income and expenditures. (Effective / / Register ).

Authority: AS 44.47.250.  
AS 44.47.301.

19 AAC 55.110. RELEASE OF INFORMATION. A grantee must provide the division with statistics, financial records, and client records relating to the grant program, within 30 days after the day of receipt of a written request from the division or as otherwise required in the contract. (Effective / / Register ).

Authority: AS 44.47.250.  
AS 44.47.301.

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EMERGENCY REGULATIONS  
COMMUNITY AND REGIONAL AFFAIRS

19 AAC 55.120  
19 AAC 55.150

19 AAC 55.120. USE OF DIVISION FORMS. Unless specifically authorized to the contrary, the forms used in the grant program must be those prescribed by the division. (Effective / / , Register )

Authority: AS 44.47.301

19 AAC 55.130. MONITORING OF A GRANT. (a) The grantee shall, upon request of the division, at any time during normal business hours, make available to the division all records of administration of the grant.

(b) The grantee shall retain grant records for seven state fiscal years or if there is a state audit, until the audit is complete. (Effective / / , Register )

Authority: AS 44.47.301

19 AAC 55.140. REVOCATION OF GRANT. (a) If the grantee fails to comply with the grant letter of agreement or any other grant stipulations, the division will, in its discretion give written notice by certified mail to the grantee, describing the failure and stating the action needed to correct the problem. The grantee shall take corrective action within 10 working days of receipt of such written notice. The division will, in its discretion withhold payment of grant money until there is compliance by the grantee.

(b) If the grantee fails to comply with (a) of this section, the division, after giving at least 15 days written notice, may,

(1) notify the grantee that the grant has been revoked, stating the cause, and stating that this closure will be considered in the evaluation of any future application; and

(2) require the grantee to repay all or part of the grant money received. (Effective / / , Register )

Authority: AS 44.47.301

19 AAC 55.150. FRAUD. (a) If the division suspects that fraud has been or is being committed, the division will obtain the information relating to the act of fraud, assemble the information, and report this conclusion to the director. Upon the director's report, the director will review all information received.

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EMERGENCY REGULATIONS 19 AAC 55.150  
COMMUNITY AND REGIONAL AFFAIRS 19 AAC 55.160

(b) If the director determines, on the basis of the information received under (a) of this section, that a person has committed or is committing fraud, the director will notify the person in writing, by certified mail of his determination and of the reasons for his determination. The notice must include the action the director will take under (c) of this section, if any, and a statement of the person's right to an appeal under 19 AAC 55.160.

(c) No sooner than 10 days after the person receives the notice described in (b) of this section or, if the person appeals the division's determination under 19 AAC 55.160, at the conclusion of the appeals under 19 AAC 55.160, the division will, in its discretion, cease making payments under this chapter to the child care facility for a period of up to two years. (Effective / / , Register )

Authority: AS 44.47.301

19 AAC 55.160. APPEALS. (a) Within 30 days of receipt of a letter advising an applicant or grantee that the director has denied a grant application or revoked a grant, the applicant or grantee may appeal that decision to the commissioner. The appeal must be in writing and must identify the part or parts of the decision to which the applicant objects.

(b) Within 30 days of receipt of an appeal of a decision, the commissioner will review the facts and any relevant supplemental material and will notify the applicant or grantee of the final determination affirming, reversing, or modifying the decision, and of the reasons for the final determination.

(c) During an appeal to the commissioner under (b) of this section, an applicant or grantee may request a hearing. At a hearing, the applicant or grantee may present evidence, examine witnesses, be represented by counsel and testify on his own behalf.

(d) If the applicant fails to file an appeal within the time set forth in (a) of this section, the director's decision constitutes the final determination of the department. (Effective / / , Register )

Authority: AS 44.47.301

Draft

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EMERGENCY REGULATIONS  
COMMUNITY AND REGIONAL AFFAIRS

19 AAC 55.170  
19 AAC 55.180

19 AAC 55.170. TECHNICAL ASSISTANCE. The division will make reasonable efforts to respond to a request by a potential or actual grantee for technical assistance in preparing a grant application and in aspects of program planning, administration, and implementation. (Effective / / ,  
Register )

Authority: AS 44.47.301

19 AAC 55.180. DEFINITIONS. In this chapter,

(1) "commissioner" means the commissioner of community and regional affairs;

(2) "contractor" means a municipality or other organization which has entered into a contract with the department under this chapter;

(3) "day care" means the care, supervision, and guidance of a child or children unaccompanied by a parent on a regular basis for periods of less than 24 hours a day;

(4) "department" means the Department of Community and Regional Affairs;

(5) "director" means the director of the division of local government assistance;

(6) "division" means the division of local government assistance in the Department of Community and Regional Affairs;

(7) "fraud" means the deliberate misrepresentation of a material fact to obtain assistance under this chapter or to receive a payment under this chapter;

(8) "full time equivalent" means currently licensed capacity under AS 47.35.010 - 47.35.080;

(9) "grant" means a child care grant;

(10) "grantee" means an entity which has received a child care grant and has signed a letter of agreement with the department;

(11) "letter of agreement" means a contract between the grantee and the department which specifies the terms of the grant;

(12) "license" includes AS 47.35.010-47.35.080 and any permit or other supplemental requirement of a municipality;

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EMERGENCY REGULATIONS  
COMMUNITY AND REGIONAL AFFAIRS

19 AAC 55.180  
19 AAC 55.180

(13) "municipality" includes a home rule, general law, or unified municipality, as defined in AS 29;

(14) "organization" means a local, nonprofit organization which has organized under state law, adopted by-laws and elects its governing body in a manner that insures equal representation of the people residing in the community.  
(Effective / / , Register )

Authority: AS 44.47.250  
AS 44.47.301

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TITLE 19.  
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

- Part 1. Local Boundary Commission  
(19 AAC 05 - 19 AAC 20)
- Part 2. Municipal Services Revenue Sharing Program  
(19 AAC 30)
- Part 3. Division of Local Government Assistance  
(19 AAC 35 - 19 AAC 70)
- Part 4. Division of Rural Development Assistance
- Part 5. Rural Affairs Commission (no regulations filed)
- Part 6. Division of Community Planning  
(19 AAC 85 - 19 AAC 90)

PART 3.  
DIVISION OF LOCAL GOVERNMENT ASSISTANCE

Chapter

- 35. Senior Citizen Property Tax Exemption  
(19 AAC 35.010 - 19 AAC 35.120)
- 38. Farm and Agricultural Land  
(19 AAC 38.010 - 19 AAC 38.060)
- 40. Legal Assistance Grant Program  
(19 AAC 40.010 - 19 AAC 40.100)
- 42. Coastal Energy Impact Program  
(19 AAC 42.010 - 19 AAC 42.330)
- 50. Day Care Assistance Program  
(19 AAC 50.010 - 19 AAC 50.260)
- 55. Child Care Grant Program  
(19 AAC 55.010 - 19 AAC 55.200)
- 56. Education and Training Grant Program  
(19 AAC 56.010 - 19 AAC 56.180)
- 60. Rural Development Assistance Grant Program  
(19 AAC 60.010 - 19 AAC 60.200)
- 61. Bulk Fuel Storage Facilities Grant Program  
(19 AAC 70.010 - 19 AAC 70.200)

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COMMUNITY AND REGIONAL AFFAIRS 19 AAC 55.010  
Chapter 55 19 AAC 55.030  
Department of Community and Regional Affairs

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2. Delegation of Authority
3. Program Operation
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5. Eligible Grantee Applicant
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7. Use of Money
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14. Use of Div'sion Forms
15. Monitoring of a Grant
16. Revocation of Grant or Contract
17. Fraud
18. Appeals
19. Technical Assistance
20. Definitions

19 AAC 55.010. PURPOSE OF REGULATIONS. The regulations in this chapter are intended to implement, interpret, and make specific the act providing state assistance in the operation of child care facilities under AS 44.47.301. (Effective / / Register ).

Authority: AS 44 47.301

19 AAC 55.020. DELEGATION OF AUTHORITY. The authority of the department under AS 44.47.250 - 44.47.310 is delegated to the division of local government assistance. (Effective / / Register ).

Authority: AS 44.47.250

19 AAC 55.030. PROGRAM OPERATION. (a) The division may contract with a municipality, with day care facilities within a municipality or with an organization to perform the administrative duties of this chapter.

(b) An application for a contract under this chapter will be made on a form prescribed by the director.

(c) By March 1 of each state fiscal year the division will send application forms to each municipality which has a day care facility within its boundaries, to day care facilities outside a municipality and to other organizations which participated in the program during the previous state fiscal year. Applications for organizations serving unincorporated communities are available upon request.

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COMMUNITY AND REGIONAL AFFAIRS

19 AAC 55.030

19 AAC 55.035

(d) If a borough, a city and an organization within the borough or city apply for a contract to administer the child care grant program, the division will award the contract, if at all, to the borough. This section does not preclude the city and borough from entering into an agreement to jointly administer the contract nor may it be construed to preclude the borough from subcontracting portions of its administrative responsibilities to one or more cities or organizations located within it.

(e) As a condition to receiving a contract for administration of this program under this chapter for a state fiscal year, an applicant must return the application to the division postmarked no later than April 15 of the preceding state fiscal year. (Effective / / , Register ).

Authority: AS 44.47.250  
AS 44.47.301

19 AAC 55.031. DECISION ON APPLICATION AND CONTRACT. (a) A decision to provide a contract will be made by the director. The director's decision will be based upon the following criterion: the applicant meets the eligibility criteria described in 19 AAC 55.030.

(b) In making a decision to approve an application, the director may, in his discretion make the contract contingent upon additional stipulations not contained in the application.

(c) Upon approval or denial of an application, the applicant will be notified in writing.

(d) A contract will be awarded when the application has been approved and when the applicant and the director have signed a contract specifying, among other items, the purpose of the contract, the contract allocation of money and the period of performance. (Effective / / , Register ).

Authority: AS 44.47.250  
AS 44.47.301

19 AAC 55.035. SUBCONTRACTS. A contractor which is a municipality may enter into a subcontract with an organization within the municipality for the performance of administrative duties under the contract if

(1) the contractor has the written permission of the division;

(2) the contractor has published notice of its intent to enter into the subcontract in a manner which reasonably ensures that interested parties are aware that the contractor is accepting proposals for the subcontract, and

(3) the subcontractor meets the qualifications established in 19 AAC 55.038(a).

(4) a copy of the subcontract is sent to the division within 30 days of the execution of the subcontract with the subcontractor. (Effective / / , Register ).

Authority: AS 44.47.250  
AS 44.47.301

19 AAC 55.036. SEPARATE ACCOUNTING. A contractor must establish a separate fund or separate accounting codes within its accounting system for the receipt and disbursement of money under this chapter. The contractor must furnish the division with a copy of its annual audit or its annual statement of income and expenditures. (Effective / / , Register ).

Authority: AS 44.47.250  
AS 44.47.301

19 AAC 55.037. RELEASE OF INFORMATION. A contractor must provide the division with statistics, financial records, and grantee records relating to the program, within 30 days after the date of receipt of a written request from the division or as otherwise required in the contract. (Effective / / , Register ).

Authority: AS 44.47.250  
AS 44.47.301

19 AAC 55.038. ADMINISTRATOR. (a) A contractor shall appoint an administrator. If the contractor has entered into a subcontract under 19 AAC 55.035, the subcontractor shall appoint the administrator. An administrator must have training or experience in accounting, bookkeeping, records management, and management of a state or federal program regardless of whether the state or federal program relates to day care assistance, or a related field.

(b) A contractor or subcontractor shall assign to the administrator appointed under (a) of this section responsibility for the administration of the contractor's or subcontractor's duties under the contract. The administrator's responsibilities under this subsection must include, but are not limited to, the following:

(1) maintenance of the contractor's or subcontractor's financial records and grantee records relating to the program;

(2) preparation of statistical reports requested by the division;

(3) maintenance of a file for each day care facility located within the contractor's boundaries, if the contractor is a municipality, or located within the contractor's or subcontractor's region or community, if the contractor or subcontractor is an organization described in 19 AAC 55.030 or in 19 AAC 55.200;

(4) other responsibilities established in this chapter.

(C) The files maintained under (b)(3) of this section must include the expiration dates of the day care facilities' licenses. (Effective / / , Register ).

Authority: AS 44.47.250  
AS 44.47.301

19 AAC 55.040. ALLOCATION OF FUNDS. (a) Each state fiscal year, three percent of the appropriated funds for this program will be set aside for those child care facilities which meet the eligibility as described in 19 AAC 55.050 but which did not contract with the division, municipality or organization in the previous fiscal year. If this money is not allocated by December 31 of the state fiscal year for which it was appropriated, this money will be reallocated as provided for in (b) 1 through (4) and (c) of this subsection.

(b) The division will allocate to a contractor a share of the money appropriated to the program for the fiscal year to which the contract applies. The division will determine the contractor's share by June 15 of the preceeding fiscal year or within 20 days after the enactment of the state operating budget for the fiscal year to which the contract applies, whichever is later. The division will determine the contractor's share of the child care grant program money by;

(1) using the current division of family and youth services printout of child day care licensed facilities in Alaska, add all licensed child care positions by geographic area; and

(2) subtract from the sum of (1) above of this subsection those child day care positions from the geographic areas where an application to contract for administration of this program has not been received and subtract those military facilities which are not licensed by the state; and

(3) divide the amount of money appropriated to the program for the fiscal year to which the contract applies by the difference obtained through (2) of this subsection.

(4) using the quotient of (3) of this subsection, multiply by the number of child day care positions as described in (b) 1 of this subsection for each contractor. This product is the allocation to each contractor for money appropriated for the child care grant program.

(c) To receive all or part of the money allocated to it under (b) of this section, a contractor must submit to the division evidence which shows, to the satisfaction of the division that the contractor will use the money in accordance with 19 AAC 55.070.

(d) Program funds are subject to reallocation during the fiscal year, subject to the utilization by the contractor.

(1) reallocation will be made to contractors based on need, as established by waiting lists described in 19 AAC 50.115; and

(2) determining reallocation will be by January 1, March 1, and May 1 of the fiscal year to which the contract applies; and

(3) the contractor will be notified in writing that the division intends to reallocate under-utilized money and an amendment to the existing contract will be sent for the contractor's signature. (Effective / / , Register ).

Authority: AS 44 47.250  
AS 44.47.301

19 AAC 55.050. ELIGIBLE GRANTEE APPLICANT. A child care facility may apply for a child care grant if

(1) the facility has a current license under AS 47.35.010 - 47.35.080; and

(2) the facility has a current municipal permit, if the municipality where child care is provided requires a municipal permit; and

(3) the facility has a current Alaska business license; and

(4) the facility is geographically located where a contractor has a current contract with the division to administer the day care assistance program as provided for in 19 AAC 50.020; and

(5) the facility agrees to participate in the day care assistance program and follow the facility operator's duties as provided for in 19 AAC 50.210; and

(6) the facility agrees to provide care under a payment system as provided in AS 44.47.301(g)

(7) the facility will enter into a contract with the division a municipality, or an organization if the division has contracted its administration of this program to a municipality or an organization. (Effective / / Register ).

Authority: AS 44.47.301.

19 AAC 55.060. GRANTEE APPLICATION. (a) An application for a grant under this chapter must be made on forms prescribed by the director.

(b) By May 1 of each year, the division or contractor will mail application forms to each licensed child care facility whose name appears on the current social services facilities index prepared by the division of family and youth services, Department of Health and Social Services.

(c) As a condition to receiving a grant contract under this chapter for a state fiscal year, an applicant must return the application to the division, or contractor postmarked no later than June 15 of the preceding state fiscal year.

(d) Beginning July 1 of each year and each month thereafter, the division or the contractor will forward application forms to each new child care facility, whose name appears on the current month's social services facilities index or who receives from the division of family and youth services, Department of Health and Social Services, a letter stating the facility is now currently licensed. A copy of that letter or the Department of Health and Social Services form N159 06 3345 must also be received by the division or the contractor. The completed application must be returned to the division or the contractor, within 45 days of the application being postmarked.

(e) Application forms are available, upon request, from the division. (Effective / / Register ).

Authority: AS 44.47.301.

19 AAC 55.070. USE OF MONEY. Child care grants are to be used for the operation of a child care facility for the following purposes:

- (1) facility staff salaries and fringe benefits;
- (2) increase facility staff;
- (3) meet the health and nutritional requirements of children attending/enrolled at the facility;
- (4) purchase equipment for use by the children attending/enrolled at the facility;

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19 AAC 55.100

(5) facility staff training;  
(6) parent education and involvement. (Effective /  
/ Register ).

Authority: AS 44.47.301.

19 AAC 55.080. GRANT LIMITATIONS. (a) A child care grant to a facility will be made if the conditions in 19 AAC 55.050 of this chapter are in effect for each month the facility requests the grant.

(b) The base grant is \$50 a month for each full time equivalent child at the facility. Geographic adjustments of the base grant will be made in accordance with AS 14.17.051.

(c) If, for a state fiscal year, the legislature fails to appropriate an amount sufficient to allow full payments under 19 AAC 55.080(b), the division or contractor will reduce the payment to each grantee under 19 AAC 55.080 by a proportionate amount. (Effective / / Register ).

Authority: AS 44.47.301.

19 AAC 55.090. REVIEW OF GRANTEE APPLICATIONS. (a) Within 10 working days of receipt of a grant application the division or contractor will review it and determine if it contains the information required by this chapter. If the application is determined to be complete, the application will be evaluated in accordance with the criteria established in 19 AAC 55.100 and a written recommendation for or against funding will be made to the director. When a municipality or an organization is administering this program, the contractor for this program will make the decision for or against funding, using the criteria in 19 AAC 55.100.

(b) If an application is found to be incomplete, it will be returned to the applicant together with comments, an explanation of the deficiencies and a request for additional information necessary to correct the deficiencies.

(c) The director or contractor will deny funding if the application is not eligible under 19 AAC 55.100. (Effective / / Register ).

Authority: AS 44.47.301.

19 AAC 55.100. DECISION OF GRANTEE APPLICATION. (a) A decision to provide a child care grant will be made by the director or contractor. The decision will be based upon the following criteria:

(1) the applicant meets the eligibility criteria described in 19 AAC 55.050; and

(2) the proposed expenditure of money is in accordance with eligible use of money as described in 19 AAC 55.070.

(t) In making a decision to approve a grant application, the director or contractor may, in his/her discretion make the grant contingent upon additional stipulations not contained in the grant application.

(c) Upon approval or denial of a grant application, the applicant will be notified in writing.

(d) A grant will be awarded when the application has been approved and when the applicant and the director or contractor have signed a contract specifying, among other items, the purpose of the grant, the grant amount and the period of performance. (Effective / / Register ).

Authority: AS 44.47.301.

19 AAC 55.110. MONTHLY BILLING FORMS. (a) To receive a grant payment under this chapter, the grantee must submit a monthly attendance formula form, a monthly enrollment formula form, and a monthly billing form to the division or the contractor.

(b) Within 15 working days after receipt of the monthly forms under (a) of this section, the division or contractor will review the forms and determine if these are accurate and complete. If the division determines that the forms are accurate and complete, the division or contractor will authorize payment and forward the billings for payment to the facility. If there are errors or deficiencies in the monthly forms, the division or contractor will correct the errors or deficiencies and then forward the forms for payment.

(1) Billings for less than a \$1,000 will be paid by a state field warrant from the Department's division of administrative services, Anchorage and mailed directly to the grantee.

(2) Billings \$1,000 and over will be paid by a state warrant from the Department of Administration, Juneau, and mailed directly to the grantee.

(c) The division will determine the amount of payment in accordance with the provisions of 19 AAC 55.080. (Effective / / Register ).

Authority: AS 44.47.301.

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COMMUNITY AND REGIONAL AFFAIRS 19 AAC 55.120

19 AAC 55.160

19 AAC 55.120. SEPARATE ACCOUNTING. A grantee must establish a separate fund or accounting code within its accounting system for the receipt and disbursement of money under this chapter. The grantee must furnish the division or contractor with a copy of its annual audit or its annual statement of income and expenditures. (Effective / / Register ).

Authority: AS 44.47.250.  
AS 44.47.301.

19 AAC 55.130. RELEASE OF INFORMATION. A grantee must provide the division or contractor with statistics, financial records, and client records relating to the grant program, within 30 days after the day of receipt of a written request from the division or contractor or as otherwise required in the contract. (Effective / / Register ).

Authority: AS 44.47.250.  
AS 44.47.301.

19 AAC 55.140. USE OF DIVISION FORMS. Unless specifically authorized to the contrary, the forms used in the grant program must be those prescribed by the division. (Effective / / Register )

Authority: AS 44.47.301

19 AAC 55.150. MONITORING OF A GRANT. (a) The grantee or contractor shall, upon request of the division or contractor, at any time during normal business hours, make available to the division or contractor all records of administration of the grant.

(b) The grantee or contractor shall retain grant records for three state fiscal years or if there is a state audit, until the audit is complete. (Effective / / Register )

Authority: AS 44.47.301

19 AAC 55.160. REVOCATION OF GRANT OR CONTRACT. (a) If the grantee or contractor fails to comply with the contract or any other grant or contract stipulations, the division or contractor will, in its discretion give written notice by certified mail to the grantee, describing the failure and stating the action needed to correct the problem. The grantee or contractor shall take corrective action within 10 working days of receipt of such written notice. The division or contractor will, in its discretion withhold payment of grant money until there is compliance by the grantee or contractor.

(b) If the grantee or contractor fails to comply with (a) of this section, the division or contractor, after giving at least 15 days written notice, may;

(1) notify the grantee or contractor that the grant or contract has been revoked, stating the cause, and stating that this closure will be considered in the evaluation of any future application; and

(2) require the grantee or contractor to repay all or part of the grant money received. (Effective / / , Register )

Authority: AS 44.47.301

19 AAC 55.170. FRAUD. (a) If the division or contractor suspects that fraud has been or is being committed, the division or contractor will obtain the information relating to the suspected act of fraud, assemble the information, and report its conclusion to the director. Upon receipt of the division's or contractor's report, the director will review all pertinent information.

(b) If the director determines, on the basis of the information received under (a) of this section, that a person has committed or is committing fraud, the director will notify the person in writing, by certified mail of his determination and of the reasons for his determination. The notice must include the action the director will take under (c) of this section, if any, and a statement of the person's right to an appeal under 19 AAC 55.180.

(c) No sooner than 1 days after the person receives the notice described in (b) of this section or, if the person unsuccessfully appeals the division's determination under 19 AAC 55.180, at the conclusion of the appeals under 19 AAC 55.180, the division will, in its discretion, cease making payments under this chapter to the child care facility or contractor for a period of up to two years. (Effective / / , Register )

Authority: AS 44.47.301

19 AAC 55.180. APPEALS. (a) Within 30 days of receipt of a letter advising an applicant, grantee or contractor that the director or contractor has denied a grant application or contract or the director has revoked a grant or contract, the applicant or grantee may appeal that decision to the commissioner. The appeal must be in writing and must identify the part or parts of the decision to which the appellant objects.

(b) Within 30 days of receipt of an appeal of a decision, the commissioner will review the facts and any relevant supplemental material and will notify the applicant, grantee, or contractor of the final determination affirming, reversing, or modifying the decision, and of the reasons for the final determination.

(c) During an appeal to the commissioner under (b) of this section, an applicant, grantee or contractor may request a hearing. At a hearing, the applicant, grantee or contractor may present evidence, examine witnesses, be represented by counsel and testify on his own behalf.

(d) If the applicant, grantee or contractor fails to file an appeal within the time set forth in (a) of this section, the director's decision constitutes the final determination of the department. (Effective / / , Register )

Authority: AS 44.47.301

19 AAC 55.190. TECHNICAL ASSISTANCE. The division will make reasonable efforts to respond to a request by a potential or actual grantee or contractor for technical assistance in preparing a grant application and in aspects of program planning, administration, and implementation. (Effective / / , Register )

Authority: AS 44.47.301

19 AAC 55.200. DEFINITIONS. In this chapter,

(1) "commissioner" means the commissioner of community and regional affairs;

(2) "contractor" means a municipality or other organization which has entered into a contract with the department under this chapter;

(3) "day care" means the care, supervision, and guidance of a child or children unaccompanied by a parent on a regular basis for periods of less than 24 hours a day;

(4) "department" means the Department of Community and Regional Affairs;

(5) "director" means the director of the division of local government assistance;

(6) "division" means the division of local government assistance in the Department of Community and Regional Affairs;

(7) "fraud" means the deliberate misrepresentation of a material fact to obtain assistance under this chapter or to receive a payment under this chapter;

(8) "full time equivalent" means a child care position that is filled more than five hours per day, but less than ten hours; Monday through Friday, every week of a given month.

(9) "grant" means a child care grant;

(10) "grantee" means an entity which has received a child care grant and has signed a contract with the division or contractor;

(11) "contract" means a written document between the grantee and the division or contractor which specifies the terms of the grant;

(12) "license" includes AS 47.35.010-47.35.080 and any permit or other supplemental requirement of a municipality;

(13) "municipality" includes a home rule, general law, or unified municipality, as defined in AS 29;

(14) "participate" means notifying the local administrator of the day care assistance program that the child care facility will care for children whose parents qualify and are receiving assistance under 44.47.250-310, and then carrying for those children, if requested and positions are available.

(15) "organization" means a local, nonprofit corporation which has organized under state law, adopted by-laws and elects its governing body in a manner that insures equal representation of the people residing in the community.  
(Effective / / , Register )

Authority: AS 44.47.250  
AS 44.47.301

Register , , COMMUNITY AND REGIONAL AFFAIRS 19 AAC 56.  
TITLE 19.  
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

- Part 1. Local Boundary Commission  
(19 AAC 05 - 19 AAC 20)
- Part 2. Municipal Services Revenue Sharing Program  
(19 AAC 30)
- Part 3. Division of Local Government Assistance  
(19 AAC 35 - 19 AAC 70)
- Part 4. Division of Rural Development Assistance  
(no regulations filed)
- Part 5. Rural Affairs Commission (no regulations filed)
- Part 6. Division of Community Planning  
(19 AAC 85 - 19 AAC 90)

PART 3.  
DIVISION OF LOCAL GOVERNMENT ASSISTANCE

Chapter

- 35. Senior Citizen Property Tax Exemption  
(19 AAC 35.010 - 19 AAC 35.120)
- 38. Farm and Agricultural Land  
(19 AAC 38.010 - 19 AAC 38.060)
- 40. Legal Assistance Grant Program  
(19 AAC 40.010 - 19 AAC 40.100)
- 42. Coastal Energy Impact Program  
(19 AAC 42.010 - 19 AAC 42.330)
- 50. Day Care Assistance Program  
(19 AAC 50.010 - 19 AAC 50.260)
- 55. Child Care Grant Program  
(19 AAC 55.010 - 19 AAC 55.200)
- 56. Education and Training Grant Program  
(19 AAC 56.010 - 19 AAC 56.180)
- 60. Rural Development Assistance Grant Program  
(19 AAC 60.010 - 19 AAC 60.200)
- 70. Bulk Fuel Storage Facilities Grant Program  
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1. Purpose of Regulations
2. Delegation of Authority
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5. Application
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7. Subcontractors
8. Separate Accounting
9. Release of Information
10. Use of the Money
11. Administrator
12. Eligible Applicant Grantee
13. Monitoring of a Contract
14. Revocation of a Contract
15. Fraud
16. Appeals
17. Technical Assistance
18. Definitions

19 AAC 56.010. PURPOSE OF REGULATIONS. The regulations in this chapter are intended to implement, interpret, and make specific the act providing state assistance in the education and training grants for child care employees and administrators under AS 44.47.301(d). (Effective / / Register ).

Authority: AS 44.47.301

19 AAC 56.020. DELEGATION OF AUTHORITY. The authority of the department under AS 44.47.250 - 44.47.310 is delegated to the division of local government assistance. (Effective / / Register ).

Authority: AS 44.47.301

19 AAC 56.030. PROGRAM OPERATION. (a) The division will contract with not more than two child care facilities within any municipality to administer the education and training grants for eligible applicants within the municipality.

(b) Child care facilities outside a municipality may contract with a child care facility within a municipality to administer the education and training grant for it, or may directly contract with the division.

(c) Child care facilities within two or more municipalities may join together to administer the education and training grant for eligible applicants within the municipalities.

(d) In those municipalities where there is an affiliate of the Association for the Education of Young Children, child care facilities are encouraged to work with, or subcontract to, the affiliate to carry out the administration of the program in this chapter. (Effective / / Register ).

Authority: AS 44.47.301

19 AAC 56.040. ALLOCATION OF FUNDS. (a) Each state fiscal year, three percent of the appropriated funds for this program will be set aside for those child care meeting the requirements of 19 AAC 56.120 but which did not contract with the division in the previous fiscal year. If this money is not allocated by December 31 of the state fiscal year for which appropriated, this money will be allocated as provided for in (b) (1) through (4) of this subsection.

(b) The division will allocate to a contractor a share of the money appropriated to the program for the fiscal year to which the contract applies. The division will determine the contractor's share by June 15 of the preceeding fiscal year or within 20 days after the enactment of the state operating budget for the fiscal year to which the contract applies, whichever is later. The division will determine the contractor's share of the education and training grants money by:

(1) using the current division of family and youth services printout of child day care licensed facilities in Alaska, add all the licensed child care positions by geographic area and total; and

(2) subtract from the sum of (1) of this subsection those child day care positions from the geographic areas where an application to contract for administration of this program has not been received; and

(3) divide the amount of money appropriated to the program for the fiscal year to which the contract applies by the difference obtained through (2) of this subsection.

(4) using the product of (3) of this subsection, multiply by the number of child day care positions for family day care homes, as described in (a) (1) of this subsection for each contractor applying to administer the money on behalf of the family day care homes. The product is the allocation to each contractor for money for family day care homes.

(5) using the quotient of (3) of this subsection, multiply by the number of child daycare positions for day care centers, as described in (a) (1) of this subsection for each contractor applying to administer the money on behalf of day care centers. The product is the allocation to each contractor for money appropriated for the education and training grant money for day care centers. (Effective / / Register ).

Authority: AS 44.47.301

19 AAC 56.050. APPLICATION. (a) An application for a contract under this chapter will be made on a form prescribed by the director.

(b) By May 1 of each state fiscal year the division will send application forms to each licensed facility. Family day care homes within a municipality are encouraged to select one facility to make the contract application on behalf of all the family day care homes within the municipality. Day care centers within a municipality are encouraged to select one facility to make the contract application on behalf of all the day care centers within the municipality.

(c) As a condition to receiving contract under this chapter for a state fiscal year, an applicant must return the contract application to the division postmarked no later than June 15 of the preceding state fiscal year for which funds are appropriated. (Effective / / Register ).

Authority: AS 44.47.301

19 AAC 56.060. DECISION ON APPLICATION AND CONTRACT. (a) A decision to provide a contract will be made by the director. The director's decision will be based upon the following criteria:

(1) The application demonstrates that over 50 percent of the licensed childcare capacity of facilities within the geographic area for which the application is made, concurs that the applicant administer this program on its behalf;

(2) The applicant meets the eligibility criteria described in 19 AAC 56.120; and

(3) the proposed expenditure of money is in accordance with eligible use of money as described in 19 AAC 56.100.

(b) In making a decision to approve a contract application, the director may, in his/her discretion make the contract contingent upon additional stipulations not contained in the application.

(c) Upon approval or denial of a contract application, the applicant will be notified in writing.

(d) A contract will be awarded when the application has been approved and when the applicant and the director have signed a contract specifying among other items, the purpose of the contract, the contract allocation of money and the period of performance. (Effective / / Register ).

Authority: AS 44.47.301

19 AAC 56.070. SUBCONTRACTORS. A contractor may enter into a subcontract with an organization for the performance of administrative duties under the contract if:

(1) the contractor has the written permission of the division;

(2) the contractor has published notice of its intent to enter into the subcontract in a manner which reasonably ensures that interested parties are aware that the contractor is accepting proposals for the subcontract; and

(3) the subcontractor meets the qualification established in 19 AAC 56.110 (a).

(4) a copy of the contract between the contractor and subcontractor is sent to the division within 30 days of a fully executed subcontract. (Effective / / Register ).

Authority: AS 44.47.301

19 AAC 56.080. SEPARATE ACCOUNTING. A contractor must establish a separate fund or separate accounting code within its accounting system for the receipt and disbursement of money under this chapter. The contractor must furnish the division with a copy of its annual audit or its annual statement of income and expenditures. (Effective / / Register )

Authority: AS 44.47.301

Register , 1982, COMMUNITY AND REGIONAL AFFAIRS 19 AAC 56.090  
19 AAC 56.110

19 AAC 56.090. RELEASE OF INFORMATION. A contractor must provide the division with statistics, financial records, and grantee records relating to the program, within 30 days after the date of receipt of a written request from the division or as otherwise required in the contract. (Effective / / , Register )

Authority: AS 44.47.301

19 AAC 56.100. USE OF THE MONEY. A contractor may use money it receives under this chapter only for education and training of eligible applicants in accordance with 19 AAC 56.120. A violation of this section is cause for immediate termination of a contract. (Effective / / , Register )

Authority: AS 44.47.301

19 AAC 56.110. ADMINISTRATOR. (a) A contractor shall appoint an administrator. If the contractor has entered into a subcontract under 19 AAC 56.070, the subcontractor shall appoint the administrator. An administrator must have training or experience in accounting, bookkeeping, records management and management of a state or federal program regardless of whether the state or federal program relates to child care facilities, or a related field.

(b) A contractor or subcontractor shall assign to the administrator appointed under (a) of this section responsibility for the administration of the contractor's or subcontractor's duties under the contract. The administrator's responsibilities under this subsection must include, but are not limited to, the following:

(1) maintenance of the contractor's or subcontractor's financial records and grantee records relating to the program;

(2) preparation of statistical reports requested by the division;

(3) maintenance of a file for each day care facility or family day care home, or both, located within the contractor's boundaries, if the contractor is a municipality, or located within the contractor's or subcontractor's region or community, if the contractor or subcontractor is an organization described in 19 AAC 56.030 or in 19 AAC 56.080;

(4) other responsibilities established in this chapter.

(c) The files maintained under this section must include the expiration dates of the day care facilities' licenses. (Effective / / , Register )

Authority: AS 44.47.250

19 AAC 56.120. ELIGIBLE APPLICANT GRANTEES. (a) Child care employees or administrators may apply for education and training if the facility where the applicant grantee is employed;

(1) has a current license under AS 44.35.010-47.35.080; and

(2) has a current municipal permit, if the municipality where child care is provided requires a municipal permit; and

(3) is geographically located where a contractor has a current contract with the division to administer the day care assistance program as provided for in 19 AAC 50.020; and

(4) agrees to participate in the day care assistance program and follow the facility operator's duties as provided for in 19 AAC 50.210; and

(5) agrees to provide payment of child care as provided in AS 44.47.301(g)

(b) The applicant grantee agrees to enter into an education and training program as provided for by the contractor in this chapter. (Effective / / , Register )

Authority: AS 44.47.301

19 AAC 56.130. MONITORING OF A CONTRACT. (a) The contractor shall, upon request of the division, at any time during normal business hours, make available to the division all records of administration of the grant.

(b) The contractor shall retain grant records for three state fiscal years or if there is a state audit, until the audit is complete. (Effective / / , Register )

Authority: AS 44.47.301

19 AAC 56.140. REVOCATION OF A CONTRACT. (a) If the contractor fails to comply with the contract or any other contract stipulations, the division will, in its discretion give written notice by certified mail to the contractor, describing the failure and stating the action needed to correct the problem. The contractor shall take corrective action within 10 working days of receipt of such written notice. The division will, in its discretion, withhold payment of contract money until there is compliance by the contractor.

(b) If the contractor fails to comply with (a) of this section, the division, after giving at least 15 days written notice, may:

(1) notify the contractor that the contract has been revoked, stating the cause, and stating that this closure will be considered in the evaluation of any future application; and

(2) require the contractor to repay all or part of the contract money received. (Effective / / ,  
Register )

Authority: AS 44.47.301

19 AAC 56.150. FRAUD. (a) If the division suspects that fraud has been or is being committed, the division will obtain the information relating to the suspected act of fraud, assemble the information, and report this conclusion to the director. Upon receipt of the division's report, the director will review all pertinent information.

(b) If the director determines, on the basis of the information received under (a) of this section, that a person has committed or is committing fraud, the director will notify the person in writing, by certified mail of his determination and of the reasons for his determination. The notice must include the action the director will take under (c) of this section, if any, and a statement of the person's right to an appeal under 19 AAC 56.160.

(c) No sooner than 10 days after the person receives the notice described in (b) of this section or, if the person appeals the division's determination under 19 AAC 56.160, unsuccessfully at the conclusion of the appeals under 19 AAC 56.160, the division will, in its discretion cease making payments under this chapter to the contractor for a period of up to two years. (Effective / / ,  
Register )

Authority: AS 44.47.301

Register , 1982, COMMUNITY AND REGIONAL AFFAIRS 19 AAC 56.160  
19 AAC 56.180

19 AAC 56.160. APPEALS. (a) Within 30 days of receipt of a letter advising an applicant or contractor that the director has denied an application or revoked a contract, the applicant or contractor may appeal that decision to the commissioner. The appeal must be in writing and must identify the part or parts of the decision to which the appellant objects.

(b) Within 30 days of receipt of an appeal of a decision, the commissioner will review the facts and any relevant supplemental material and will notify the applicant or contractor of the final determination affirming, reversing, or modifying the decision, and of the reasons for the final determination.

(c) During an appeal to the commissioner under (b) of this section, an applicant or contractor may request a hearing. At a hearing, the applicant or contractor may present evidence, examine witnesses, be represented by counsel and testify on his/her own behalf.

(d) If the applicant fails to file an appeal within the time set forth in (a) of this section, the director's decision constitutes the final determination of the Department.  
(Effective / / , Register )

Authority: AS 44.47.301

19 AAC 56.170. TECHNICAL ASSISTANCE. The division will make reasonable efforts to respond to a request by a potential or actual contractor for technical assistance in preparing an application and in aspects of program planning, administration, and implementation of the contract. (Effective / / , Register )

Authority: AS 44.47.301

19 AAC 56.180. DEFINITIONS. In this chapter,

(1) "commissioner" means the commissioner of community and regional affairs;

(2) "contractor" means a state licensed child care facility, who participates in the day care assistance program and provides for payment of child care as required in AS 44.47.301 (g);

Register , 1982, COMMUNITY AND REGIONAL AFFAIRS 19 AAC 56.180  
19 AAC 56.180

(3) "department" means the Department of Community and Regional Affairs;

(4) "director" means the director of the division of local government assistance;

(5) "division" means the division of local government assistance in the Department of Community and Regional Affairs;

(6) "fraud" means the deliberate misrepresentation of a material fact to obtain assistance under this chapter or to receive a payment under this chapter;

(7) "grant" means an education and training grant;

(8) "grantee" means a person who is eligible to participate in the education and training grant program and who agrees to take such training or education;

(9) "license" includes AS 47.35.010-47.35.080;

(10) "municipality" includes a home rule, general law, or unified municipality, as defined in AS 29;

(11) "permit" means stipulations which a municipality has for day care facilities;

(12) "organization" means a local, nonprofit corporation which has organized under state law, adopted by-laws and elects its governing body in a manner that insures equal representation of the people residing in the community. (Effective / / , Register )

Authority: AS 44.47.250  
AS 44.47.301

THE FOLLOWING DOCUMENT(S) MAY NOT FILM  
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65.

March 13, 1981

Honorable Donald L. Cloekin  
Alaska State Legislature  
House of Representatives  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Cloekin:

During the recent evening hearing on House Bill No. 43 relating to Day Care Assistance, you asked if I could indicate how many communities may be interested in participating in the Day Care Assistance Program if local administrative costs are covered. I responded that I didn't know, but it was my opinion additional communities would be attracted to participate if administrative costs are allowed.

Since I believe that expansion of the Day Care Assistance Program to non-participating communities is important to funding stability for providers of care and to parents needing subsidized care, I asked for a computer run of licensed facilities. The enclosed chart indicates communities where there are licensed day care facilities, but there is no participation in the Day Care Assistance Program. Obviously, this chart does not mean that all these communities would be interested, but does indicate where the expansion might be.

I hope this information is useful.

Sincerely,

John P. Pugh  
Director

Enclosure

cc: Walter L. Carter  
Dept. of Community and  
Regional Affairs

JRP: [Signature]

ALASKAN COMMUNITIES HAVING LICENSED  
 DAY CARE FACILITIES WITH NO PARTICIPATION  
 IN THE DAY CARE ASSISTANCE PROGRAM

<u>Community</u>	<u>Day Care Center</u>	<u>Center Capacity</u>	<u>Day Care Hours</u>	<u>Home Capacity</u>	<u>Facility Total</u>	<u>Capacity Total</u>
Dillingham	-0-	-0-	1	6	1	8
Homer	1	20	1	4	2	24
Palmer	1	44	4	21	5	67
Seward	1	30	-0-	-0-	1	30
Soldotna	1	43	-0-	-0-	1	43
Tyonek	1	10	-0-	-0-	1	10
Valdez	1	24	1	1	2	25
Wainas	1	20	-0-	-0-	1	20
Wrangell	1	45	-0-	-0-	1	45
Barrow	One Planned		-0-	-0-		
TOTALS					15	268

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LEGIBLY BECAUSE OF POOR QUALITY OF THE  
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# Alaska State Legislature

## House of Representatives

### Committee on

### Health, Education & Social Services

Rep. Don Clocksin, Chairman  
465-3797

Pouch V  
State Capitol  
Juneau, Alaska 99811

TO: House HESS Committee Members  
FROM: Rep. Don Clocksin, Chair  
RE: Additional Amendments to CS for SSHB 43  
DATE: April 8, 1981

#### Proposed Amendments to CS for SSHB 43 (Conceptual language)

1. Page 2, line 8 (d)  
amended to reflect the following concept:

Grants in addition to those in (c) of this section may be provided to day care centers for the sole purpose of training administrators and day care teachers.

The amount of grants will be determined according to availability of training services or types of potential contractual arrangements.

2. Page 2, line 28, insert words and parents after providers.

3. Page 4, lines 4 - 10 delete.

4. Page 4, line 15. after part-time enrollment, insert:

In addition, each day care facility receiving a grant under AS 44.47.250 - 44.47.310 - shall make at least 20% of its slots available for children eligible for day care assistance who may wish to pay based on the attendance policy.

DC:sp

*Accepted w/ a condition # 5*

*OK*

*3*

### Legislative Requests

1. That the amount presently placed in the state HESS budget for respite care be raised to \$364,223 from the current figure of \$264,000.
2. That the language of the grant be changed from "in-home" respite to "in-home and center-based" respite care; and that the 19 year age limit be deleted.
3. That the sum of \$336,199 be placed in the state HESS 81/82 budget to fund a subsidized specialized day care to be located in the Anchorage area.
4. That the sum of \$700,422 (specialized day care and respite total cost) be placed in the State HESS budget with the directive that the money be sent to the municipality of Anchorage who will administer the bidding procedure and supervise the execution of the grants.
5. That 1.9 million dollars be appropriated so as the municipality can purchase the Carriage House.
6. That the age restriction placed on day care placement be changed from 12 to 21 for handicapped children, same as Anchorage School District Special Education program.

ANCHORAGE SCHOOL DISTRICT  
SPECIAL EDUCATION

SUMMARY BY HANDICAPPING CONDITION  
January 12, 1981

Mentally Retarded	247
Learning Disabled	1,998
Emotionally Disturbed	88
Orthopedically Handicapped	59
Speech Impaired	977
Visually Impaired	10
Health Impaired	38
Hard of Hearing	57
Deaf	41
Gifted & Talented	1,490
TOTAL	5,005

*Senator Tom Kelly*

W H A T   A R E   W E   A S K I N G ?

1. That the State Legislature fund two programs: .

Center - based respite	\$364,223.00
Subsidized specialized day care	\$336,199.00

2. That the sum of \$700,422.00 be put into the State Department of HSS budget for the two programs; and that the Municipality of Anchorage receive the funds and administer the programs utilizing the legally prescribed bidding process.

3. *That.* Municipality of Anchorage *should receive* recipient of these bids in finding a temporary building for these programs until such time as a permanent structure can be completed.

**A PROPOSAL FOR FUNDING SUPPORT  
FOR DAYCARE CENTER FOR EXCEPTIONAL  
CHILDREN AND A CENTER-BASED RESPITE PROGRAM**

Attached are copies of proposals for funding that if approved by the legislature and funded through the Department of Health and Social Services or the Municipality of Anchorage will aid the many families needing these services. As a further attempt to reduce expenses, a proposed budget for both proposals to be managed together in one location by one management unit is also attached.

A PROPOSAL FOR FUNDING SUPPORT  
FOR DAY CARE FACILITIES  
FOR EXCEPTIONAL CHILDREN  
AGES INFANT THROUGH TWELVE AND  
FOR NON-EXCEPTIONAL CHILDREN  
AGES INFANT THROUGH NINE

Background

A Daycare center for handicapped and exceptional children has been a need required by parents of multi-handicapped children in the urban Anchorage area for many years. Services of this nature were provided in the earlier years by ARCA (Association for Retarded Citizens of Anchorage) and for the last 18 months by ADC (Alaska Developmental Center for Exceptional Childrer. Inc.). Both of these fine organizations have ceased operations for daycare centers because of financial difficulties experienced by the high cost of operations due to the high ratio of children to teachers/aids needed to provide care to handicapped children. There are several daycare centers located in Anchorage to service "normal" children. They are profit motivated and as a result it is not practical for them to accept handicapped children as clients since the student/teacher ratio is about two-thirds higher for normal children than for handicapped children. For example, one teacher can be responsible for five handicapped children or ten "normal" children.

If the cost to the parent is \$200 per month per child, the daycare center will receive \$1,000 of revenue per teacher for handicapped children and \$2500 per teacher for "normal" children.

The Problem

Since past history has shown that services for handicapped children are substantially higher than normal children, that the personnel caring for these children must have special aptitudes and feeling to dedicate themselves to handicapped children, and that parents of handicapped children already experience higher expenses in the raising of a handicapped child, there is a disparity against parents of handicapped children because they are not able to place their children in daycare centers or find employment to supplement their family incomes. Further, because of financial difficulties experienced by previous providers of this service, the parents and children have been displaced and uprooted every two years or so because the service is discontinued causing major trauma to parents, children and employers of parents since new arrangements must be made to care for the handicapped children.

Therefore, a solution to this problem would be a subsidized daycare center. By subsidizing a daycare center, continuity of programs can be established allowing parents and children to become confident in their setting without the trauma of discontinued service nor the additional financial obligation of paying the true costs associated with a daycare center for handicapped children.

Purpose of Proposal

The purpose of this proposal is to provide funding for the required staff, contractual services, commodities and equipment for a daycare center for handicapped and mainstream children that can be competitive for the paying parents with "normal" daycare centers. Currently, the representative group has requested ARCA to build an appropriate building and Catholic Social Services is considering administering the program. The following is a proposed budget for a subsidized daycare center for handicapped and mainstreamed children located in the Municipality of Anchorage:

100

Personnel Services

1. Business manager/coordinator	\$ 35,000
2. Personnel/staff trainer	20,000
3. Daycare center staff	
3 ea. daycare supervisor	
at \$1,000 per mo. x 12 x 3	36,000
8 ea. daycare aide @ \$800	
per mo. x 12 x 8	76,800
Overtime at 1', x 4.62/hrs.	
x 300 hrs. per year to cover	
sick, annual leave and replacement	
of staff	2,070
4. Secretary/receptionist @ \$800	
per mo. \$800 x 12 x 1	9,600
5. Full charge bookkeeper @ \$2600 per	
mo. \$2600 x 12 x 1	31,200
6. Fringe benefits (20% of salary	
without overtime \$208,600 x 20%)	<u>41,720</u>
Total Personnel Services	<u>\$252,399</u>

200

Travel Expense

30 cents per mile for use of	
employee vehicles during	
business - 1,500 miles	<u>450</u>
Total Travel	<u>450</u>

300

Contractual Services

1. Insurance (building, fire	
liability)	3,000
2. Utilities:	
Gas \$100 per mo.     \$1,200	
Electrical \$50/mo.     600	
Telephone \$100/mo.    1,200	
Long distance tele-	
phone \$50/mo.         600	
Garbage/sewer \$50/mo.  600	6,600
3. Independent Quarterly Audit	5,000
4. Building Rent/Lease \$4000/mo.	48,000
5. Janitoria: \$200/mo.	2,400
6. Postage \$50/mo.	600
Equipment rental	
Copying equipment 150/mo.	1,800
Mag Card           150/mo.	1,800
Maint. of equip. 400/yr.	<u>400</u>
Total Contractual Services	<u>\$ 66,600</u>

400	<u>Commodities</u>		
	Paper supplies, housekeeping supplies		<u>8,000</u>
	Total Commodities		<u>8,000</u>

500	<u>Equipment - one time expense only</u>		
	7 desks @ \$400	\$2,100	
	3 executive chairs @\$200	600	
	4 secretarial chairs @ \$150	600	
	8 reception chairs (side chairs) @ \$80	640	
	3 file drawer legal size file cabinets @ \$150	450	
	3 standard typewriters @\$800 ea.	2,400	
	Toys, training aids, special use educational aids	<u>2,000</u>	<u>8,790</u>
	Total Equipment		<u>8,790</u>

100	Personnel services	252,399	
200	Travel	450	
300	Contractual services	66,600	
400	Commodities	8,000	
500	Equipment	<u>8,790</u>	

\$336,199

Estimated Revenue

Fee Schedule

Part time (up to five hours per day) \$175/mo.  
Full time (over five hours per day plus lunch)  
\$265/mo.

20 students (part time x 9 mos. (school year) x \$175 per mo.)	\$ 31,500
35 full time students x 9 mos. (school year) x \$265 per mo.	83,475
55 full time students x 3 mos. (summer months) x \$265 per mo.	<u>43,725</u>
Total Estimated Revenue	<u>\$158,700</u>

Notes

Personnel services based on average of seven students per aide and five students per supervisor for a total of 71 students. Aides and supervisors would only be hired as the population of clientele demanded.

Revenue based on 35 full time and 20 part time students to start. If the program does not exceed revenue estimates, approximately \$63,360 in personnel services would lapse and return to the State at the end of the fiscal year.

Funds requested for rent of a building would lapse if ARCA is successful in its attempt to acquire funds to build a unit designed especially for a daycare center. Building rent would only be an interim expense until the new building would be occupied.

A PROPOSAL FOR FUNDING SUPPORT  
FOR CENTER BASED RESPITE FACILITIES  
FOR EXCEPTIONAL CHILDREN

Background

Parents of handicapped children have accepted their responsibilities by providing home care for these children, rather than making them wards of the State. Besides the higher expense associated with the rearing of these children, there is a basic need to get relief from the responsibilities of these children for short periods of time by the parents.

For the past 18 months a successful center based respite program has been operated by Alaska Development Center for the exceptional children. On April 1, 1981, they ceased operations and closed their doors because of financial difficulties with other programs offered by A. D. C.

Problem

With the loss of center-based respite care, the cost of providing the service goes up substantially to the State, and the parents are greatly inconvenienced and reluctant to use the in-home respite care that is now being offered on an interim basis. With center-based respite, two aides can care for five to seven children at a time in a location that is equipped to handle the problems associated with multi-handicapped children. With in-home respite the aide must go to the children, work in unfamiliar surroundings, "invade" the privacy of the family and increase the cost and reduce the efficiency of the service.

Purpose of Proposal

The purpose of this proposal is to provide funding for the required staff, contractual services, commodities and equipment for a center-based respite program for handicapped children. With the closing of the A. D. C. program the continuity of program has caused emotional trauma for the parents, teachers and children serviced by the program. Right now, if an emergency came up with any one of the families formerly serviced by center-based respite care, they could not get immediate care for their handicapped children so that they could take care of the emergency. The Anchorage School District has identified 483 multi-handicapped children who would be potential clients of center-based respite services. The following is a proposed budget for center-based respite care.

**BUDGET PROPOSAL**  
**CENTER-BASED RESPITE CARE**

<b>100 Personnel services</b>		
1. Business manager/coordinator		\$ 30,000
2. 15 each aides @ \$1,100 per mo.	\$198,120	
Mid-shift differential @ 3.75%	2,477	
Grave shift differential @ 7.5%	4,954	
Overtime for holiday coverage	<u>6,858</u>	
		212,409
3. Fringe benefits (20% of salary without overtime)		<u>45,624</u>
<b>Total personnel services</b>		<u><b>288,033</b></u>
<b>200 Travel expense</b>		<u>-</u>
<b>Total travel expense</b>		<u>-</u>
<b>300 Contractual Services</b>		
1. Insurance (building, fire, liability)		3,000
2. Utilities		
Gas @ \$100 per mo.	1,200	
Electrical @ \$50 per mo.	600	
Telephone @ \$50 per mo.	600	
Garbage, sewer @ \$50 per mo.	<u>600</u>	
		3,000
3. Independent quarterly audit		5,000
4. Building rent/lease @ \$4,000 per mo.		48,000
5. Janitorial @ \$200 per mo.		2,400
6. Postage @ \$20 per mo.		<u>240</u>
<b>Total contractual services</b>		<u><b>58,640</b></u>
<b>400 Commodities</b>		
Paper supplies, housekeeping supplies		<u>8,000</u>
<b>Total commodities</b>		<u><b>8,000</b></u>

500	Equipment - one time only expense		
	2 standard typewriters @ \$800 ea.	\$ 1,600	
	3 desks @ \$400 ea.	1,200	
	3 executive chairs @ \$20 ea.	<u>600</u>	\$ 3,400
	Respite care furniture		4,000
	1 five-drawer, legal size file cabinet @ \$150	150	
	Toys, training aids, special use educational aids	<u>2,000</u>	<u>2,150</u>
			<u>\$ 9,550</u>

100	Personnel services	\$288,033	
200	Travel	0	
300	Contractual services	58,640	
400	Commodities	8,000	
500	Equipment	<u>9,550</u>	
	Total Proposed Budget		<u>\$364,223</u>

**BUDGET PROPOSAL  
CENTER-BASED RESPITE  
DAY CARE CENTER FOR EXCEPTIONAL  
AND NON-EXCEPTIONAL CHILDREN**

<b>100</b>	<b><u>Personnel Services</u></b>		
	1. Business manager/coordinator @ \$3000/mo.		\$ 36,000
	2. Full-charge bookkeeper @\$2,600 per mo.		31,200
	3. Personnel/staff trainer @\$1,660 per mo.		19,920
	4. 15 each respite aides @ \$1,100 per mo.	\$198,120	
	Mid-shift differential @ 3.75%	2,477	
	Graveyard shift differential @ 7.5%	4,954	
	Overtime for holiday coverage	<u>6,858</u>	212,409
	5. 3 each day care supervisor @ \$1,000 per mo.	36,000	
	8 each day care aides @\$800 per mo.	76,800	
	Overtime @ 1½ x \$4.62 hr. estimated 300 hrs. per yd. to cover annual leave, sick leave and replacement of staff	<u>2,079</u>	114,879
	6. Secretary/receptionist @\$800 per mo.		9,600
	7. Fringe benefits (20% of salary without overtime \$415,071 x 20%)		<u>83,104</u>
	<b>Total Personnel Services</b>		<b><u>\$507,022</u></b>

<b>200</b>	<b><u>Travel Expense</u></b>		
	30 cents per mile for use of employee vehicle during business - 1,500 miles		450

<b>300</b>	<b><u>Contractual Services</u></b>		
	1. Insurance (building, fire, liability)		3,000
	2. Utilities		
	Gas @ \$120 per mo.	1,440	
	Electrical @ \$60 per mo.	720	
	Telephone @ \$100 per mo.	1,200	
	Long distance telephone @\$50 per mo.	600	
	Garbage, sewer @ \$50 per mo.	<u>600</u>	4,560
	3. Independent quarterly audit		5,000
	4. Building rent/lease @ \$6,000 per mo.		72,000
	5. Janitorial services @ \$300 per mo.		3,600
	6. Postage @ \$50 per mo.		600
	7. Equipment rental		
	Copier equipment @ \$150 per mo.		1,800
	Mag Card typewriter @ \$150 per mo.		1,800
	Equipment Maintenance		<u>400</u>
	<b>Total Contractual Services</b>		<b><u>\$ 93,660</u></b>

400 Commodities  
Paper supplies, housekeeping supplies,  
office supplies \$ 10,000

500 Equipment - one time expense only

8 desks @ \$400 ea.	\$3,200	
4 executive chairs @ \$200 ea.	800	
4 secretarial chairs @ \$150 ea.	600	
8 reception/side chairs @ \$80 ea.	640	
3 standard typewriters @ \$800 ea.	2,400	
4 five-drawer legal-size file cabinets @ \$150 ea.	600	
respite care furniture	4,000	
toys, training aids, special use education toys	<u>2,500</u>	<u>14,740</u>
 Total Equipment		 \$ <u>14,740</u>

**Budget Recap**

100 Personnel Services	\$ 507,022	
200 Travel	450	
300 Contractual Services	93,660	
400 Commodities	10,000	
500 Equipment	<u>14,740</u>	
 Total Proposed Budget		 \$ <u>625,872</u>

### Legislative Requests

1. That the amount presently placed in the state HESS budget for respite care be raised to \$364,223 from the current figure of \$264,000.   
 \ 2/ disabled
2. That the language of the grant be changed from "in-home" respite to "in-home and center-based" respite care; and that the 19 year age limit be deleted.
3. That the sum of \$336,199 be placed in the state HESS program 81/82 budget to fund a subsidized specialized day care to be located in the Anchorage area. handicapped to age 21
4. That the sum of \$700,422 (specialized day care and respite total cost) be placed in the State HESS budget with the directive that the money be sent to the municipality of Anchorage who will administer the bidding procedure and supervise the execution of the grants.
5. That 1.9 million dollars be appropriated so as the municipality can purchase the Carriage House. now vacant - for #1 + #3
6. That the age restriction placed on day care placement be changed from 12 to 21 for handicapped children, same as Anchorage school district special Education program.

DHSS - Allen Korhonen  
Admin - Dick Smith  
Anch - Jewell Jones

**POSITION PAPER SB 517 and 518**  
**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 the four major concepts of these bills (SB 517-518) that relate to the day care assistance program.

1. raising the day care subsidy scale to include moderate income.
2. administrative relief for local municipalities, or in the absence of a local municipality a local group, who administers the day care assistance program.
3. provision for child care assistance while parent(s) seek work.
4. child care grant program.

The cost of implementing these four concepts is estimated to be \$7,464,800 in FY 1982. This is \$7,464,800 over the Governor's budget request for the coming fiscal year.

Alaska's children are a vital resource to this young and growing state and need the developmental assistance just as fishing, timber, farming, tourism and other resource development has secured assistance. One method of assisting children is by providing quality of child care.

Nationally, over 50 percent of the women who have children under 16 years are in the labor force. Alaska women participate in the labor force at about the national rate. And

this rate is growing. The participation rate of both parents in the labor force, who have children under six years of age, is also growing and is predicted to be 50 percent by 1990.

Studies of young children point to the need of nurturing and trained caregivers, good nutrition and age appropriate equipment and supplies if the child is to grow and meet her/his potential and the expectations of the larger society.

The Department believes SB 517 begins to address this quality of care.

#### Section 1. Findings and Purposes

The Department supports the concepts and statements in the findings and purpose.

We believe the proposed federal cuts in the child nutrition and CETA programs will have a devastating impact on child care facilities. In a brief survey the Department conducted in the fall of 1980, most of the responding facility operators were using the child nutrition program and a majority of the child care centers were using CETA as a means of augmenting staff.

Alaska and child care providers are faced with the same dilemma as other states and industrial nations. How to provide a nurturing and developmental environment for children at a price parents can afford to pay.

The Department believes the child care grant program will lessen the impact of the federal cuts and begin to address the dilemma of affordable care.

Section 2. AS 44.47.250(a)(1)

The Department supports the inclusion of moderate income families. We project, with this inclusion, that the Day Care Assistance Program will serve a monthly average of 1542 families. The families are projected to have 2317 children who will participate in the program.

However, a limitation on both the projected dollars and people served is the straight line projection we have used based on current parent useage. Our current parents are low income wage earners and are frequently the most volatile in the labor market. That is, they are the last to be hired, work irregular hours, and are the first to be dismissed. These employment characteristics are generally not held to be true of moderate income wage earners. We may find that the new group of families to be served are more stable in the work force and thus the per child cost may be dramatically understated.

Section 3. 44.47.260 CONTRACT ADMINISTRATION

The Department supports this concept.

As the Day Care Assistance Program has expanded to include more and more families, and with the advent of the enrollment policy, the demand on local administrators' time has also increased.

We are concerned, however, that grants to municipalities for administration not come from program dollars for child care.

Therefore, we suggest that the language be amended to include:

"A separate grant award will be made to the department to pay this portion of the contractor's cost, but in no circumstance is this payment to come from grants appropriated for family child care."

The current day care assistance statute provides in 44.47.250 that outside of municipalities, the Department may contract with day care facilities and in the unorganized borough may contract with an organization to administer the program.

The proposed language in this section appears to prohibit administrative funds to these other entities. The Department would hope that all contractors could participate in receiving payment for a portion of the cost of administering the Day Care Assistance Program.

Section 44.47.270

The Department supports child care assistance to parents while seeking work.

Currently, many parents without the support of an extended family or friends to care for their young children are in a "Catch 22". They do not have funds to pay for the care of their children until they have work, but they cannot seek employment because they have no one to care for the children.

Many other states and the federal Title XX day care provide assistance while parents seek work. The local administrators of the Day Care Assistance Program have also identified a need for parents who are seeking work to have this type of assistance.

Section 44.47.305.

The Department supports the Child Care Grant Program.

The purpose of the grant program is to help licensed day care facilities meet the rapidly rising costs of providing quality child care without imposing an inordinate financial burden on parents using child care facilities. To this end, the program permits the award of grants to licensed day care facilities, adjusted for geographic regions, based on the average daily

enrollment of the facility for the month preceding the application.

Further, the current language states "may not exceed \$100 per child per month" end

(c) "application is made monthly."

The Department supports the concept of subsidizing child care costs by making direct grants of funds to child care facilities. However, the Department would like to see two changes made to the bill and clarifying language.

First, we would recommend that language in the bill requiring monthly grants be deleted or amended so as to allow the Department discretion in determining for what period grants are made. For example, we see no reason why the grants could not be made on a quarterly basis, thereby significantly reducing the administrative work load.

Second, we recommend that "not to exceed \$100 per child per month" be amended to read "not to exceed \$100 per full time equivalent child per month." It is possible for one licensed slot to be filled by as many as five children in a day. On the other hand, there are child care facilities who provide care 24 hours a day, seven days a week. We believe by amending this language both conditions can be met.

(d) We would recommend adding (line 25) "and any applicable municipal licensing requirements."

The Department also contracts with military bases for child care. The Department has no recommendation on whether this group should be included in the grant program.

(e) The Department supports the purposes for which this grant shall be used.

Salaries for child care givers have historically, and are currently, abysmally low. Most frequently they are minimum wage, long hours, and provide few, if any, benefits. This causes massive staff turnover and is disruptive to the child's sense of well being when constantly faced with new caregivers. Concurrently, it is a management nightmare to center operators and adds undo stress to parents when a child care home provider says "\$400 a month, for 12 hour days is not just compensation. I'm quitting."

There are currently about 1254 child care givers in licensed facilities in Alaska. SB 516 provides \$4 million for the total grant program or \$3 million for caregiver salaries. This translates into a yearly increase of \$2,392, a monthly increase of \$199 or an hourly increase of about 90¢. Thus, it would bring the child care home providers wage up to about \$600 per month, and the center staff up to \$836 per month. Again, few if any fringe benefits are provided for these caregivers.

The figures cited above are for current staff in licensed facilities. We believe these figures will not translate into this level of increased staff salaries. Nationally, 90 percent of the home childcare givers are not licensed. We believe this grant program will be an incentive for those homes not currently licensed to do so and will improve care. In addition, even with the poor return on the time and money expended for child caregivers, the demand for child care has caused more centers and homes to open. The Department is also getting more inquiries from rural areas where there are no licensed facilities reflecting changing community needs. Currently, Selawik, Hooper Bay, Aniak, McGrath, Nenana and Talkeetna are asking for assistance to develop childcare programs. Therefore, it appears that the increasing demand, coupled with this program, will in fact provide for less increases for staff salaries as projected above.

The Department works closely with the licensing staff of the Division of Family and Youth, Department of Health and Social Services. We understand that staff is working at capacity. To monitor already licensed facilities and to license new providers may be beyond the current staff capacity.

The remaining \$1 million in the child care grant program will be used for nutrition, equipment or staff training. All three components are essential for the developing child.

Alaska has lagged behind many states in providing training for child care providers. It appears that both programmatic and management training are needed by facility operators and caregivers.

The Department believes these types of training will not only add to the quality of child care but will strengthen the financial ability of providers.

### SB 518

#### Section 2

The Department believes the figure of \$50,000 for administrative costs to contractors may be in error. The Governor's budget for FY '82 for grants to families for child care is \$4,072,400. Ten percent of this figure would be \$407,240. The proposed language in Section 44.47 260 (SB 517) provides that the Department will pay ten percent of the billing figure. For instance, in March the 16 local contractors billed the state for \$262,560 for family child care. If the proposed language were in effect, the Department would have paid administrative costs to the local contractors of \$26,256. At that rate of expenditure, it would take less than two months to use \$50,000.

Again, the Department believes this administrative appropriation should be a separately funded grant and should not be comingled with the grants for family child care.

**THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE**

FISCAL NOTE

**I. REQUEST**

Bill/Resolution No. SB 517 and 518  
 Title "An Act relating to day care"  
 Requested by Senate Community & Regional Affairs Date April 28, 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**

**FUNDING (Thousands of Dollars)**

GENERAL FUND	-0-	7,512.8	8,527.2	8,931.8	9,464.1	9,969.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

**POSITIONS**

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 per 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.

IV: DATE April 28, 1981 PREPARED BY *Pro*  
 AGENCY Department of Community & Regional Affairs  
 PHONE 264-2201  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

# What Is the Day Care Assistance Program?

The **Day Care Assistance Program** is to provide financial assistance for the cost of licensed day care to enable low-income parents or guardians to work or participate in a certified educational or training program.

# Who Is Eligible for the Program?

If you are a parent who is: working or going to school or, participating in a training program and need assistance to pay for day care costs.

Assistance is based on a sliding scale which uses your adjusted net income as its guidelines. The adjusted net income is the gross income minus the mandatory deductions for taxes, social security and a deduction for each child under the age of 18 living in the home.

# Where Do You Apply?

Call your local **Day Care Assistance Program Administrator** at...

# Who Chooses the Day Care Facility?

The parent or guardian chooses the day care facility. This home or center must be licensed. Check with your local Day Care Assistance Program Administrator

# What Do You Bring?

(What documents do you need)

1. Birth records of your children or other proof that you are the responsible parent or guardian.
2. Verification of employment and a work schedule or registration and participation in school or any other training program.
3. Divorce decrees, separation papers, or child support information if applicable.
4. Verification of income: income records, pay stubs, social security or pension award letters, child support information.



# The Juneau Day Care Assistance Program

IF YOU DON'T ALREADY KNOW ABOUT THE DAY CARE ASSISTANCE PROGRAM, PERHAPS YOU SHOULD. DAY CARE IS A BIG EXPENSE, IT PROBABLY COSTS YOU AT LEAST \$210.00 A MONTH FOR ONE CHILD. BECAUSE OF THE CURRENT TREND IN THE ECONOMY YOU CAN EXPECT DAY CARE COSTS TO INCREASE OVER THE NEXT YEAR.

WHAT DO YOU DO? GET HELP! THE CITY AND BOROUGH'S DAY CARE ASSISTANCE PROGRAM IS DESIGNED TO BRING THE COST OF DAY CARE WITHIN REACH. WORK AND DAY CARE GO HAND IN HAND. IF A PARENT IS UNABLE TO PAY FOR DAY CARE THEY ARE UNABLE TO WORK. THE DAY CARE ASSISTANCE PROGRAM MAY BE ABLE TO HELP YOU. IT WORKS ON A SLIDING SCALE BASIS THE GREATER YOUR NEED THE LESS YOU MUST PAY FOR DAY CARE.

THERE IS A GOOD CHANCE YOU ARE ELIGIBLE IF YOU: 1) ARE WORKING, GOING TO SCHOOL, OR IN A TRAINING PROGRAM. IN A TWO-PARENT FAMILY BOTH YOU AND YOUR SPOUSE MUST BE WORKING GOING TO SCHOOL, OR IN A TRAINING PROGRAM. IF ONE PARENT IS HOME WHILE THE OTHER PARENT IS GONE DUE TO EMPLOYMENT OR SCHOOL, YOU WOULD NOT BE ELIGIBLE UNLESS THE PARENT AT HOME IS NOT CAPABLE OF CARING FOR THE CHILDREN DUE TO MENTAL FOR PHYSICAL REASONS. 2) IF YOUR CHILD IS UNDER 11 YEARS OLD; 3) IF HE OR SHE GOES TO A LICENSED DAY CARE HOME OR CENTER; 4) IF YOUR MONTHLY NET (TAKE HOME) INCOME OR COMBINED NET INCOME FOR TWO-PARENT FAMILIES MINUS \$100.00 FOR EACH DEPENDENT CHILD IS ~~\$1,975.00~~ 1,975.00 OR LESS. YOU ARE ALSO ALLOWED A DEDUCTION FOR MAJOR MEDICAL EXPENSES NOT COVERED BY INSURANCE AND COURT-ORDERED PAYMENTS.

IF YOU THINK YOU MAY BE ELIGIBLE FOR THE DAY CARE ASSISTANCE PROGRAM, OR WOULD LIKE TO HAVE FURTHER INFORMATION, PLEASE CONTACT: MIKE STANLEY AT 586-3300 EXT. 52 OR, COME BY ROOM 203 OF THE MUNICIPAL BUILDING AT 155 SOUTH SEWARD STREET, JUNEAU

HOUSE RESEARCH AGENCY  
Pouch Y - State Capitol  
Juneau, Alaska 99811  
465-3991

MEMORANDUM

TO: Representative Jim Duncan

FROM: Susan Brody and Jack Fagnoli  
Issues Analysts

RE: Day Care Assistance--Alternatives for Legislative  
Action  
Research Request No. 50

This memorandum is in response to your request for an evaluation of possible changes in the present Day Care Assistance Program, for purposes of improving the long term financial stability of day care facilities. Our evaluation is based on interviews with 25 day care center operators throughout the state, and discussions with Lianne Wesley, administrator of the State day care program, and municipal program directors in Anchorage, Fairbanks, Juneau and elsewhere. Our interview findings are summarized in the Appendix to this memorandum and in our two earlier memoranda to you on the day care issue (February 11 and March 5, 1980).

The following alternatives for legislative action are discussed below:

- . amendments to the existing day care assistance statute;
- . supplemental subsidies to day care centers;
- . a State grant program to provide funds to day care centers for equipment acquisition, capital improve and staff training; and,
- . a State revenue sharing program for day care services.

The grant program could be initiated in conjunction with either of the first two alternatives. We have not had an opportunity to estimate the budget implications of these alternatives but will do so in another memorandum to be completed by mid-April.

AMENDMENTS TO THE DAY CARE ASSISTANCE STATUTE

Our interviews indicate that three of the primary problems in the operation of the current State program are: (1) escalating operating costs of day care centers; (2) the present State method of reimbursing day care centers for services provided; and, (3) the increasing financial burden of day care costs on families who receive little or no subsidy from the State.

Several amendments to the existing day care assistance statute (AS 44.47.250-310) are suggested below as a means of alleviating these problems.

1. Require the Department of Community and Regional Affairs to establish rates of payment which reflect the full cost of services provided by day care facilities, and review and revise those rates annually.

Our interviews indicate that the current rates paid by the Department of Community & Regional Affairs for day care services do not reflect the actual costs of providing services in many centers. Even in those centers where the rates "appear" adequate to cover costs, this may be the case only because staff salaries are extremely low (\$3-\$4/hour), or because rents or other basic expenses are subsidized. If rates are to keep pace with likely increases in operating costs, some formal mechanism of rate setting and review should be established. It may be especially important to review the current rates paid for infant care, as our interviews indicate that the lack of adequate rates has discouraged many centers from providing services for infants.

The Department of Health and Social Services currently operates under statutory provisions which establish a fairly concrete method for determining and reimbursing

the full cost of certain services under its jurisdiction. AS 47.40.040 states that the "full cost of services shall be determined by the per person, per day cost in the preceding fiscal year plus a proportionate share of anticipated cost of living and staff salary increment increases for the fiscal year for which the full cost of services... is being determined" (statute attached). Certain expenses are specifically excluded from the determination, such as major capital expenditures, religious training or education, and services which exceed the requirements of the department.

This method of determining costs of care could also be used in the present Day Care Assistance Program. It would eliminate the lag which now occurs between actual increases in the costs of care and the decision to adjust rates to reflect those increases. It would also allow day care facilities to offer adequate salaries, and, thus, decrease the extremely high rate of staff turnover which now exists.

A requirement for rate setting and review could be added to AS 44.47.250 (attached), which defines the powers and duties of the Department of Community and Regional Affairs in regard to the Day Care Assistance Program.

2. Require the State to reimburse day care providers, for services rendered to eligible families, on the basis of monthly enrollment rather than actual daily attendance.

At present, the State reimburses day care centers only for those days on which the children of subsidized families actually attend. This method of reimbursement is practiced by both the Department of Community and Regional Affairs and the Department of Health and Social Services, and results in centers not being able to recapture a significant portion of fixed costs which do not disappear simply because children are not in attendance on a particular day, or for a number of days each month. Day care centers are free to bill families not receiving subsidies, however, on an enrollment

basis (a practice many centers have adopted).

The number of subsidized children served as a proportion of total enrollment varies from center to center. For nine of the centers we interviewed, less than 25 per cent of their enrollment consisted of children receiving subsidies either through the Community and Regional Affairs program or through the Department of Health and Social Services. For an equal number of centers interviewed, however, 50 per cent or more of their enrollment was comprised of children receiving subsidies. An extreme example is the Childrens' Community Center in Juneau, where all but one of the children in their care receive State subsidies.

As the number of subsidized children enrolled in a center increases, the larger becomes the percentage of operating costs reimbursed on an attendance basis only. When this is coupled with a low rate of attendance, day care centers are likely to suffer financially. In fact, our calculations suggest that this may be the most important component of the monthly operating deficits which many centers are currently experiencing.

The difference between enrollment and actual attendance at centers seems clear among the centers we contacted. Of the twenty-five day care centers surveyed, almost all had actual attendance levels that fell below the number of children enrolled in the center. The majority estimated that, on most days, attendance averaged around 80-90 per cent of enrollment, while several centers indicated that their attendance was as low as 65-75 per cent of enrollment. Absences are often the result of sickness, but may also increase dramatically at certain times of the year. Day care centers typically experience significant declines in attendance during the summer months, and during December and January when families take vacations.

To understand the financial implications of reimbursing centers for costs on an attendance basis

only, we calculated the monthly operating costs for two hypothetical centers which have characteristics typical of many of the centers interviewed:

Consider one center with an enrollment of 75 children (all 2 years and over), of which 40 (53%) are receiving subsidies from the State, and where attendance averages about 80 per cent of enrollment. \$18,900 represents the total monthly operating costs for the center. (75 full time children X \$12/day X 21 days/month = \$18,900). This assumes that most of the standard operating costs (salaries, rent, insurance, maintenance, etc.) are fixed costs which must be paid regardless of whether all the children attend. Since 40 children out of 75 are receiving subsidies, 53 per cent of these costs are subject to reimbursement on an attendance basis only (53% X \$18,900 = \$10,017). If the subsidized children are absent from the center approximately 20 per cent of the time, then \$2,003 (\$10,017 X 20%) of the center's fixed operating costs will not be reimbursed by the State. In other words, the center might expect to run an operating cost deficit as high as \$2,000 per month.

Even for a center with fewer subsidized children and a better attendance record, monthly operating cost losses could be substantial. Consider a second center with 50 children, where 12 of the children (25%) receive subsidies. If these children are absent 10 per cent of the time, the monthly deficit would be \$315 per month, as indicated below:

- 50 children X \$12/day X 21 days = \$12,600  
monthly operating costs
- \$12,600 X 25% = \$3,150 X 10% = \$315 per month loss.

A provision requiring the Department of Community and Regional Affairs to reimburse costs (through municipalities) on an enrollment rather than an attendance basis could be added to AS 44.47.300, which establishes how benefits shall be paid. A similar change in the reimbursement policies of the Department of Health and Social Services might be made to insure that centers are not penalized

for offering day care services to children participating in those programs. In the past, the Division of Social Services has followed the lead of the Department of Community and Regional Affairs in the method of reimbursement used and the rate paid.

3. Require that the income levels which qualify a family for day care assistance be reviewed and adjusted annually to reflect increases in the statewide median income.

Currently, AS 44.47.280 requires the Department of Community and Regional Affairs to determine the eligibility of families for day care assistance based on the net income of the family, the number of children in the family, and whether there is one parent responsible for the care of the family. No mechanism is established, however, for periodically adjusting the qualifying net income levels as incomes rise.

If the desired goal is to identify a population in need of assistance (i.e., "low income" as stated in the statute), it may be helpful to define "need" in terms of how a family's income relates to the median income within the state or a particular region. Then, as the statewide or regional median income rises, the income level qualifying a family for assistance would also rise. Without such an adjustment, fewer and fewer families would qualify for assistance as salaries increase to conform with cost of living increases.

The median family income for Alaska is estimated annually by the U. S. Bureau of the Census (with a 1-2 year time lag), and provides a relatively simple mechanical basis for making this kind of annual adjustment. Other measures exist, such as the mean family income of families and the mean level of personal disposable income; but the median family income would appear to be the soundest basis for distinguishing between "low" and "middle" income families, and thus the most straightforward measure for adjusting family income eligibility levels.

The ratio of family income eligibility levels to the statewide median family income could be established for a base year, and that ratio could then be maintained as the statewide median income rises. For example, the qualifying net income for day care assistance is currently \$16,000, or 58 per cent of the statewide median income (\$27,572 in 1978). Under the proposed method, if the median family income increased by 8 per cent, the income level qualifying a family for day care assistance would also rise by 8 per cent, to \$17,280.

We discussed this possible means of adjusting family income eligibility levels with Jim Sullivan, economist with the Division of Economic Enterprise. He believes it to be a satisfactory method, but also noted that the method would be somewhat more accurate if movement (up or down) in the statewide median income level were also adjusted for movement in the statewide consumer price index, as salary levels often lag behind increases in the cost of living.

A provision requiring this kind of annual adjustment of family income eligibility levels could be added to AS 44.47.280, which establishes the eligibility of families for day care benefits.

The three statutory adjustments described above probably would do much to alleviate the most pressing financial difficulties of day care centers and, to some degree (through annual adjustment of eligibility income levels), ease the burden of rising day care costs on families currently not qualified to receive subsidies. In the following three sections of the memorandum, several additional approaches are discussed which go farther in these respects, and which might be a basis for more comprehensive revision of the State day care statute (and program) in the future.

#### SUPPLEMENTAL SUBSIDIES TO DAY CARE CENTERS

In discussing any plan for increasing the current State subsidy rates, it seems necessary to consider the effects of such an action on non-subsidized families. The logic for

this is straightforward: if the current per-child subsidy is considered insufficient to cover the actual costs of providing care, then it is also likely that the present fees charged for non-subsidized families (which generally are keyed to State per-child subsidy amounts) are also inadequate. A reasonable expectation, therefore, is that any increase in the State subsidy amount would probably be accompanied by a rise in charges to non-subsidized families. Particularly in the long term, then, as day care costs (and subsidies) continued to rise, the accompanying increases in cost for non-subsidized families could become a significant burden.

One possible approach to mitigating this effect could be an additional subsidy to day care centers, per licensed slot, for both subsidized and non-subsidized children. This would be in addition to the current State subsidy for qualifying children, but would be in lieu of any anticipated increase in that subsidy. In effect, then, the additional subsidy would achieve the same effect as a rate increase, but would mitigate any increased financial burden on non-subsidized families. The chief drawback to this approach, of course, is that the ultimate cost to the State would be somewhat higher than simply raising the per cent per-child subsidy rate. Another consideration is that such an action would constitute a direct subsidy of families which are not "low income", and thus could blur the distinction achieved by eligibility criteria.

A more direct means of accomplishing the same purpose would be to consider increasing (as distinct from annually adjusting) the income levels currently used to determine subsidy eligibility. This would allow more families to qualify for a State subsidy, and thus alleviate for them the burden of a straightforward increase in subsidy rate levels. A further adjustment might be to consider revising the current statutory language of AS 44.47.250, to identify "middle income" as well as "low income" families as qualified for day care assistance. While the implications of an approach such as this have not been investigated in detail, some combination of these two options presumably could be found which would significantly reduce the burden of increasing day care costs on the majority of families.

### STATE GRANTS TO DAY CARE CENTERS

While much of the preceding discussion has focused on possibilities for increasing State day care assistance, it is important to note that the emphasis consistently has been on minimal increases (income level and rate adjustments, billing procedures, etc.). Apart from these remedies, however, which attempt only to make day care operations economically feasible on a day-to-day basis, a number of other important needs remain largely unaddressed. The most important of these, as evidenced by most of the day care centers contacted, include (1) the need for major capital improvements, (2) training of staff, and (3) the acquisition of necessary equipment.

The most obvious source of relief is for day care centers to obtain loans which would satisfy some of these needs. Most day care centers, however, are in no shape financially to undertake any kind of debt repayment, and thus it is unlikely that a loan mechanism would afford any realistic possibility for relief. Furthermore, the only existing loan program specifically for day care centers (the Childcare Facility Revolving Loan Fund, administered through the Department of Commerce & Economic Development) limits loans to a maximum of \$30,000, has very strict collateral requirements, and provides only for loans necessary to meet licensing or certification requirements.

Creation of a grant mechanism, therefore, would seem the most viable approach for assisting day care centers in obtaining needed capital improvements, training for staff, and equipment necessary for their daily operations. While determining the amount of funding for such a grant program would require more detailed information than has been collected to date, it seems clear that the administrative apparatus required is already at least minimally in place: specifically, the present Day Care Assistance Program within the Department of Community & Regional Affairs, and its established linkages with participating municipalities. Thus, the major concern would appear not to be the mechanical feasibility of such a grant program, but rather a matter of the ultimate costs involved and whether grants for such purposes (capital improvements, staff training, equipment) are considered part of a State responsibility to provide day care services.

Implementing such a grant program, however, would almost certainly require amending the current day care statute (AS 44.33.240-275) to provide for the expansion in authority. The only potential obstacle immediately apparent, as with all the day care adjustments discussed, might be the granting of public monies to those day care centers which are profit-making. (This topic has been discussed in an earlier memorandum; however, a legal opinion may be necessary which focuses on the distinction between providing public monies for day care services as a public purpose, as opposed to day care center improvements as a public purpose.)

#### REVENUE SHARING FOR DAY CARE SERVICES

A possible alternative to the existing State Day Care Assistance Program would be to incorporate day care services within the present State revenue sharing program. The possibility is a novel one, and has not been investigated in depth, but at face value at least appears to pose no legal or mechanical problems. A major advantage of this approach would be that a predictable amount of funding would be guaranteed for statewide day care services. The pro rata format for distributing shared revenues would also assure that funding for day care services would be distributed equitably among all Alaska communities with qualifying (i.e., licensed) day care centers. Yet an additional advantage would be that, as part of the total annual revenue sharing entitlement, day care funds would pass through municipalities, which at present already are the administrative nexus for State day care funding. Thus, although adjustments might be necessary, in general, no new administrative burden would be created for municipal governments.

One potential problem with this approach, however, is that the shared revenue entitlement each year is fixed, and therefore any inclusion of day care uses might result in a decrease in shared revenues currently allocated for other purposes. The total annual entitlement could be increased to compensate for the inclusion of day care services, by an amount equivalent to the expanded funding needs discussed in this memorandum, but it is unclear at this point what obstacles such an action might encounter. A corollary problem is that at present there is no statutory guarantee or requirement that municipalities must use shared revenues for the purposes identified in computing the allocation. Department of Community

6 Regional Affairs regulations currently require only that a minimum of 20% of shared revenues, or the equivalent, be allocated by municipalities for specific purposes. Thus, statutory language similar to that currently provided for hospitals (e.g., "Funds received under this paragraph may be used only for day care centers (sic) and shall be apportioned among qualifying day care centers (sic) as the municipality may determine") probably would be required.

A further consideration is that the trend in shared revenue legislation may be away from specific per capita entitlements, and towards the combining of intended uses within general and miscellaneous shared revenue accounts (although specific exceptions may be possible). Part of the intent, for example, of proposed legislation such as CSRB 192 appears to be to permit municipalities more discretion in allocating shared revenues. This also raises the possibility that monies originally intended for day care services might ultimately be diverted at the municipal level to other purposes. (The converse possibility, of course, is that such a general account mechanism could also allow municipalities to allocate extra shared revenues for day care services, if they so desired.)

Overall, however, it may be too soon to be considering the inclusion of day care services in the revenue sharing program. Unlike police services, hospitals, roads, etc., the overall contours of the statewide need for day care services are fairly indeterminate at present, and probably will not emerge with any definiteness until the State program has been in operation (as is, or expanded) for a longer period of time than it has been to date. Until specific day care needs and basic operating problems are better identified, therefore, it may not be wise to artificially fix concepts (and, in effect, funding levels) by including day care services within the revenue sharing model. Such action could be premature if undertaken at this time, and possibly might arrest or make difficult the emergence of a developing public service.

A final consideration worth noting, however, is that, in the long term, inclusion of day care services within the State revenue sharing program (if feasible) probably would address

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the two most central concerns of day care advocates: guaranteed annual funding, and recognition of day care as an acknowledged public responsibility.

APPENDIX

A. Day Care Problems (Findings From Interviews)

B. Relevant Statutes

## APPENDIX A

### Day Care Problems: Findings From Interviews

#### Interview Sample

The issues and problems presented in this discussion are based on telephone interviews conducted recently with 25 day care center administrators throughout the state. Our sample represents 32 per cent of the 70 day care centers currently funded by the State, and a regional representation proportionate to population. The selection criteria for the centers contacted included enrollment capacity, regional representation, and participation in the Day Care Assistance Program. In our initial selection process, we attempted to identify those centers having financial problems, but also included centers operating in good financial health. Our sample is as follows:

<u>City</u>	<u>Number of Centers</u>	<u>Number Interviewed</u>
Anchorage	32	9
Fairbanks	19	2
Juneau	9	4
Ketchikan	2	1
Petersburg	1	0*
Sitka	2	2
Cordova	1	1
Bethel	2	2
Wasilla	3	1
Ft. Greely	1	0
Nome	1	1
Kotzebue	1	1
Kodiak	2	1
Anderson	1	0
Total:	70	25

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\*Although we did not conduct an interview with Petersburg, we are in receipt of a letter from the Center's Director that will be referenced throughout this report. The letter, submitted to the Juneau Association of Child Care Providers, details child care concerns in Petersburg.

Specific areas identified by administrators during our interviews are as follows:

- . escalating operating costs
- . attendance vs. enrollment
- . capital acquisitions and improvements
- . staffing costs
- . insufficient salaries
- . staff/child ratios
- . decrease in CETA funding
- . high cost of infant care
- . need for additional infant care providers.

These, as well as other problems and issues identified, are discussed in the pages following.

#### Escalating Operating Costs

Fifty-two per cent of the providers interviewed are experiencing program deficits. The extent of deficit ranges in severity from slight to extreme. However, several of the administrators undergoing slight financial shortfalls have projected a trend of increasing deficits. No administrator interviewed perceived a means for recovery beyond programmatic reduction or rate increases.

A major factor contributing to the current deficits of day care centers is increasing operating costs. The rise in costs is especially apparent in the areas of salaries, supplies and other commodities. For example, center operators reported increases ranging anywhere from 25 per cent to 158 per cent in food costs between FY 77 and FY 79.

#### Attendance vs. Enrollment

Throughout their fiscal year, day care administrators find themselves frustrated by efforts to meet fixed costs with an undependable and fluctuating income. A chief cause of this frustration, according to administrators, is the fact that the

operating policies established by the Department of Community and Regional Affairs for the Day Care Assistance Program establish a payment structure based on attendance rather than enrollment.

In the course of our interviews, administrators complained that their operating costs cannot be adjusted to the daily fluctuations in attendance, which is the current basis for payment. Several managers mentioned this has weakened the organizational structure of their centers. Paula Fridgen, Supervisor of St. Joseph Child Care in Cordova, added:

"Because the employment situation has been very poor here all winter, our child care volume has decreased 40 to 50 per cent. Because of this, trying to balance out workers and salaries is a real strain. Some of our workers don't know from day to day or hour to hour when they will be working. It's a real strain for the Director."

Day care center operators in communities experiencing seasonal economic downturns, such as Cordova, expressed special concern about the attendance method of reimbursement. In Fairbanks, one administrator stated her second largest cause for absence, beyond children's illness, to be parents' finances. Economic decline in the community results in parents' inability to pay for child care.

#### Capital Acquisitions and Improvements

The effects of inflation on operating budgets have caused many providers to neglect capital expansion and maintenance. In some instances, centers developed deficits when operators were forced to make emergency capital repairs and no funds were available for this purpose. In addition, several center operators noted the need for play equipment as an important component of quality care. Patti Meritt, Director of Play n' Learn in Fairbanks, stressed the statewide need for indoor/outdoor large-muscle equipment as essential for preventing developmental learning disabilities such as dyslexia, and added that day care centers do not have the funds necessary for equipment purchases of this magnitude.

### Staffing Costs

A major concern of the day care operators surveyed is the large percentage of program budgets committed to staff salaries. Funds obligated toward salaries and benefits range somewhere between 75-85 per cent of a center's operating budget. Since FY 77, however, some centers have been experiencing salary cost increases which have surpassed the rate of inflation. Between FY 77 and FY 79, St. Ann's Nursery had a 51 per cent increase in salaries with only a 17 per cent enrollment increase. In other centers salary increases have not kept pace with inflation. One Anchorage center showed only a 13 per cent salary increase over a two-year period. Another Anchorage provider lowered salaries to prevent an impending deficit.

### Insufficient Salaries

Most center administrators indicated that current salaries are not competitive with other similar job classifications in their communities. One indication of the effects of low pay scales is the high turnover rate among staff. The average length of employment in centers can be as low as three to six months, as is the case in Petersburg. Lee M. Robertson, Director of Carousel Child Care Center in Anchorage, stated a need she believes to be shared by all providers - funding to "pay our staff an attractive and fair wage," thereby providing an incentive "to remain in this dedicated field, when the children we care for is our America of Tomorrow." Some center administrators expressed apprehension about their ability to attract quality staff with substandard pay scales. Vicki Malone, Director of Bethel Social Services, stated that neither of the community's two day care center administrators is drawing a salary commensurate with her skills and training.

### Staff/Child Ratios

State regulations for licensed child care establish staff/child ratios, a requirement which all respondents agreed places demands on staffing volumes and costs.

Day care supervisors in Anchorage and Kodiak noted correlations between their programs' financial problems and the 1977 State regulatory amendment requiring more stringent staff/child

ratios. In Kodiak, both the manager and administrator of the U. S. Coast Guard Base Day Care Center stated that they periodically have considered removing the center from State affiliation in order to abandon the current ratio requirements. They have chosen not to exercise this option because they believe the ratios to be necessary, and because they do not want to sacrifice quality of care. They view the problem not to be the ratios, but rather the lack of income necessary to support the costs which required staff/child ratios entail.

Other day care managers viewed the currently required staff/child ratios as minimum guidelines, in contrast to their own centers' quality standards. The centers in Bethel, for example, offer comprehensive programs in child development, which require a more strict ratio of 1:6 for children and 1:3.5 for infants. Several providers added that competent staff, rather than ratios, is the truer measure of quality care.

#### Decrease in CETA Funding

Voluntary or subsidized employment assistance is the most often mentioned means of coping with the high cost of staffing. Fifty-six per cent of the centers contacted are relying on CETA or some form of employment assistance. Administrators expressed concern to us about the transitory nature of these funds, particularly CETA funds. Directors indicated that they would have no means of absorbing losses without CETA positions. Vicki Malone of Bethel projected a combined deficit of \$75,000 annually for the community's two centers. Administrators in Petersburg and Nome both stated that their centers "would fold without CETA." Excluding one administrative staff position, Kotzebue's child care center is staffed solely through 5 CETA positions.

Federal funding modifications of CETA during FY 90 have resulted in a decline in the total number of jobs per collar. The effect of this on day care centers receiving CETA funds from the State will be a 47 per cent decrease in total positions by 9/30/90. This does not include any additional decreases projected by Indian Prime Sponsor funding sources.

#### High Cost of Infant Care

Currently, 72 per cent of the day care centers contacted provide infant care. Of these, 27 per cent consider the cost of

care for infants to be significantly greater than the care costs for children.\* The Day Care Assistance Program's present rate schedule pays providers \$15.00 per day for full-time infant care, or an additional 25% above the rate established for children. However, 38 per cent of the providers interviewed believe the cost of infant care to exceed child care costs by as much as two or three times.

The primary reason cited for the disproportionate costs of infant care is a mandatory staff/child ratio (1 care giver for every five infants) which is double that for child care. Most operators regarded the staff/infant ratios to be necessary, however, and in fact many considered them to be substandard. The issue raised, in short, was not the validity of the ratios, but the financial burden which they create.

Another problem cited with regard to infant ratios concerned their inflexibility. Several operators cited problems in increasing their enrollment of infants beyond five, since the addition of a sixth or seventh infant would require a second full-time staff person.

Operators also questioned the accuracy of the age breakdowns in the ratios. A home administrator found that infant care required a 1:3 staff ratio, and discontinued the service. An administrator in Bethel noted a similar disparity and extended her thoughts to the rate structure, stating that the adequacy of the infant care rate depends on the number of toddlers enrolled because toddler care is less expensive than younger infant care. In light of these concerns about staff ratios, it is interesting to note that the new federal standards proposed for adoption include the following divisions:

<u>Age of Child</u>	<u>Staff/Child Ratio (Attendance)</u>	<u>Staff/Child Ratio (Enrollment)</u>
0-2 years	1:3	1:3
2-3 years	1:4	1:4
3-5 years	1:5	1:9

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\*Four centers were not polled on this question; the percentage could be higher.

### Need for Additional Infant Care Providers

The final issue raised in the interviews concerned the need for additional infant care providers. Six of the centers interviewed currently maintain infant waiting lists, while two centers have considered establishing an infant care service, but all are apprehensive about the added expense. Marion Estelle, Director for Petersburg Day Care Center, cited an "extremely urgent need for more licensed care in Petersburg, especially to care for infants and school-aged children." The future of existing infant care programs is being questioned in some other centers. Ricki Govaars, Supervisor of The Nest in Ketchikan, has found infant care to be an overwhelming expense which is draining the financial health of the center. She may need to terminate her infant care program, she said, but is exploring other options because the center is the sole source for this service in Ketchikan.

### Other Issues

Several approaches to other issues emerged during the course of our interviews which, while exceeding the boundaries of the current project, are noted below for future consideration:

An examination of the ramifications of the State's renewed participation in (federal) Title XX (Alaska is the only state not participating at present in the federal program).

A formalized mechanism for communication and resource coordination between day care centers and public schools.

A modification of the Department of Health and Social Services Child Protection Day Care Program, to provide less transitory placement of children needing assistance.

An exploration of the staff training needs of child care providers, for consideration in development of a statewide in-service program.

Expansion of Day Care Assistance staff to upgrade monitoring capabilities and to add training functions.

APPENDIX B

RELEVANT STATUTES

**Section**

270. Conditions of receipt of benefits  
 280. Eligibility of families for benefits  
 290. Contributions by parent or guardian

**Section**

300. Child care facilities  
 310. Definitions

**Editor's note.** — Section 1, ch. 66, SLA 1975, provides: "Findings of fact purpose. The legislature finds that a need exists in the state for the provision of adequate day care facilities for families with low income. Adequate child care facilities allow the parent or guardian to work outside the home and in many cases to avoid the need

for welfare and other forms of public assistance. The purpose of this Act is to establish in the Department of Community and Regional Affairs a program to aid low income families in urban and rural areas of the state in providing adequate care for their children."

\*

**Sec. 44.47.250. Powers and duties.** (a) The department shall

(1) implement and administer a program to assist in providing day care for the children of low-income families according to the requirements of §§ 250—310 of this chapter;

(2) establish standards of eligibility for day care benefits;

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

(4) establish procedures to periodically review the needs of families receiving day care benefits;

(5) provide notification to the local government body of the request for a contract with a day care facility.

(b) The department may

(1) adopt regulations necessary for the performance of its duties under §§ 250—310 of this chapter.

(2) contract with municipalities to perform its duties under §§ 250—310 of this chapter within that municipality; with the approval of the department, the municipality may subcontract with another organization in the community to perform administrative duties;

(3) [deleted]

(4) contract with day care facilities outside of municipalities to provide more effective administration of programs in the unorganized borough; the department may contract with another organization in the community or with an organization serving the region in which the community is located to perform administrative duties. († 2 ch 66 SLA 1975; am § 1 ch 272 SLA 1975)

**Effect of amendment.** — The 1976 amendment deleted "with day care facilities" following "contract" in paragraph (2) of subsection (a), and in subsection (b) substituted "municipalities" for "local agencies" in paragraph (2), added the language beginning "within that municipality" in the end of paragraph (2), changed paragraph (3), which read "select

recommendations from local governing bodies regarding local agencies which may provide contractual services under this section," and added paragraph (4).

**Legislative committee report.** — For report on ch 66 SLA 1975 (HCS CSSB 120), see 1975 Senate Journal, p. 237, 1975 House Journal, p. 674.

Sec. 44.47.260. Local participation. When a contract is made under § 250(b)(2) of this chapter between the department and a municipality, the municipality shall pay the costs of administering the contractual duties within its jurisdiction. (§ 2 ch 66 SLA 1976; am § 2 ch 272 SLA 1976)

Effect of amendment. — The 1976 borough or city of the state" and for amendment substituted "municipality" for "incorporated borough or city." "local agency within an incorporated

Sec. 44.47.270. Conditions of receipt of benefits. Benefits may be paid for the care of children of a low income family only if a parent or guardian, because of the day care, is freed to work or to attend school. In no event shall benefits be paid for the care of children of a family where one parent or guardian is not working or attending school and is physically and mentally capable of caring for the children. (§ 2 ch 66 SLA 1975)

Sec. 44.47.280. Eligibility of families for benefits. The department shall determine the eligibility of families for day care benefits on the basis of the following factors:

- (1) net income of the family including salary, alimony, child support, retirement benefits, social security, and any other source of income;
- (2) number of children in the family;
- (3) whether there is one parent or guardian solely responsible for the care of the family;
- (4) whether the family receives aid to families with dependent children and is eligible for day care service under aid to families with dependent children;
- (5) other factors found relevant by the department. (§ 2 ch 66 SLA 1973)

Sec. 44.47.290. Contributions by parent or guardian. The department shall develop a sliding fee scale based on the factors listed in § 280 of this chapter for purposes of determining the amount to be contributed by the parent or guardian for child care. The contribution of the parent or guardian shall be paid to the day care facility. (§ 2 ch 66 SLA 1973)

Sec. 44.47.300. Child care facilities. (a) Parents or guardians shall select the day care facility for the care of their children.

(b) Benefits shall be paid by the department directly to the municipality contracting with the day care facility or, outside of a municipality, to the facility upon receipt of a billing from a municipality or facility. (§ 2 ch 66 SLA 1973, am § 3 ch 272 SLA 1976)

Effect of amendment. — The 1976 amendment reworded the section.

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Sec. 44.47.310. Definitions. In §§ 250—310 of this chapter

(1) "day care facility" means a center or home licensed in accordance with the provisions of AS 47.35.010—47.35.080 or recognized by the federal government for the care of children;

(2) "department" means the Department of Community and Regional Affairs;

(3) "child" means a person who has not reached the age of 7;

(4) "day care" means the care, supervision, and guidance of a child or children unaccompanied by a parent or legal guardian on a regular basis for periods of less than 24 hours a day.

(5) "municipality" includes a home rule, general law and unified municipality, as defined in AS 29. (§ 2 ch 66 SLA 1975; am §§ 6—8 ch 253 SLA 1976; am §§ 4, 5 ch 272 SLA 1976)

Revisor's note (1976). — Paragraph (2) of AS 44.47.310 was amended by both § 7, ch. 253, SLA 1976, and § 4, ch. 272, SLA 1976. Since the two amendments appear to be inconsistent, and ch. 253 is superseded by ch. 272, only the later enactment has been given effect here.

Effect of amendments. — The first 1976 amendment retroc paragraphs (1) and (2) and added paragraph (4).

The second 1976 amendment substituted "who has not reached the age of 7" for "up to the mandatory school age" in paragraph (3) and added paragraph (5).

### Part 3. Administrative Officers.

#### Chapter

50. Notaries Public ( §§ 44.50.010 — 44.50.190)

53. Foreign Commissioners for Acknowledgments ( §§ 44.53.010 — 44.53.020)

Cross reference. — As to public administrator, see AS §§ 13.310 — AS §§ 13.350

### Chapter 50. Notaries Public.

6	Appointment and commission	110	Application of Administrative Procedure Act to revocation of notary commission
20	Qualifications	120	Bond
30	Term of office	120	Filing oath and bond
36	Fees	140	Disposition of bond
40	Chapter not a limitation on postmasters	140	Copy of bond as evidence
60	Duties	160	Misconduct or neglect
70	Presence and identification required	170	State employees as notaries
80	Seal	180	Postmasters as notaries
90	Preprint of bill or note	190	Savings clause
100	Return of papers to incumbent governor		

(10) "intoxicated person" means a person whose mental or physical functioning is substantially impaired as a result of the use of alcohol;

(11) "office" means the office of alcoholism within the Department of Health and Social Services;

(12) "treatment" means the broad range of emergency, outpatient, intermediate, and inpatient services and care which may be extended to alcoholics and intoxicated persons, including diagnostic evaluation, medical, psychiatric, psychological, and social service care, vocational rehabilitation and career counseling. (§ 1 ch 207 SLA 1972; am § 4 ch 116 SLA 1978)

Effect of amendment. — The 1978 amendment inserted "or through a grant awarded under AS 47.40.475" in paragraph (3).

Quoted in *Peter v. State*, Sup. Ct. Op. No. 1112 (File No. 2185), 531 P.2d 1263 (1975).

Chapter 40. Purchase of Services.

Section	Section
10 Purchase of services	50 Services
20 Licensing and supervision	60 — 70 [Repealed]
30 Required accounting procedures	80 Definitions
60 Determination of full cost of services	

Sec. 47.40.010. Purchase of services. (a) When the department purchases services for persons for whom the state has assumed responsibility under the laws of the state, the department shall

- (1) adopt regulations establishing the levels of care to be provided;
- (2) determine the rates of payment for the full cost of services required;
- (3) pay all expenses related directly to the full cost of services at the levels of care required;
- (4) make the placement of persons in accordance with the levels of care provided for in the regulations.

(b) Services of jails and other penal institutions may not be included in services purchased by the state in this chapter. (§ 1 ch 136 SLA 1970)

Sec. 47.40.020. Licensing and supervision. Anyone providing services which are purchased by the department under this chapter shall, if required by the department, be licensed and supervised in the same manner as boarding homes, foster homes and other institutions as provided for in AS 47.35.010 — 47.35.080 (§ 1 ch 136 SLA 1970)

Sec. 47.40.030. Required accounting procedures. Anyone who solicits or receives funds from the department for the cost of services provided under this chapter shall

- (1) meet accepted standards of fiscal accountability for public funds and shall, upon request, submit a complete financial statement by an independent, certified public accountant to the department and to the division of legislative audit.

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§ 47.40.040 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.40.080

(2) upon request before the meetings provided for in AS 47.05.010 (14), demonstrate the actual cost of services offered using cost accounting procedures as provided for by the department;

(3) upon request, furnish the division of legislative audit all fiscal information, books, records, and accounts pertaining to services paid for under this chapter. (§ 1 ch 136 SLA 1970)

\* **Sec. 47.40.040. Determination of full cost of services.** (a) In this chapter, "full cost" of services shall be determined by the per person, per day cost in the preceding fiscal year plus a proportionate share of anticipated cost of living and staff salary increment increases for the fiscal year for which the full cost of services, determined to be necessary by the department, is being determined. Child care costs for foster homes shall be computed in the same manner as for child care and nursing home institutions except that no salary costs may be considered.

(b) Full cost of services does not include the following:

(1) expenses, including salaries and fees, incurred in raising funds;

(2) funds expended for construction, major equipment and other capital expenditures;

(3) depreciation and replacement costs of, and costs of additions to, major property and equipment;

(4) religious training and education; and

(5) services provided which are substandard to, or exceed, the requirements of the department. (§ 1 ch 136 SLA 1970)

**Sec. 47.40.050. Services.** When determining the levels of service to be required the department shall consider program services as outlined within the Catalogue of Functional or Program Service Categories published by the United Funds and Councils of America, September 1967. (§ 1 ch 136 SLA 1970)

**Sec. 47.40.060. Temporary placement.**

Repealed by § 1 ch 210 SLA 1970

Editor's note — The repealed section derived from § 1, ch. 136, SLA 1970.

**Sec. 47.40.070. Permanent placement.**

Repealed by § 1 ch 210 SLA 1970

Editor's note — The repealed section derived from § 1, ch. 136, SLA 1970.

**Sec. 47.40.080. Definitions.** In this chapter

(1) "agency" means any person, city, organized borough and private or voluntary institution or agency;

(2) "services" means family, child welfare and non-profit nursing home services but does not include health, religious, profit making nursing homes or medical services.

(3) "department" means the Department of Health and Social Services. (§ 1 ch 136 SLA 1970; am § 2 ch 210 SLA 1970; am § 55 ch 71 SLA 1972)

Legislative history report. — For report on ch. 71, SLA 1972 (HCS SB 383 am H), see 1972 House Journal, p. 595.

Chapter 45. Alaska Longevity Bonus.

Section	Section
10. Persons who may qualify for longevity bonus	110. Custody of funds
20. Continuous eligibility procedures	120. Exemption from taxation and process
30. Absence from the state	130. Death, or cessation of residency
40. Disqualification	140. Penalty for false statements
50. Department hearing	150. Definitions
60. Legal remedy	160. Applicability of Administrative Procedure Act
70. Unqualified persons	170. Purpose
80. Accrual of bonuses	
90. Alaska longevity bonus fund	
100. Powers and duties of the administrator	

Editor's note — Section 2, ch. 205, SLA 1972, provides: "AS 01.10.030 does not apply to this Act. If any provision of this Act, or the application of a provision of this Act to any person or circumstance is held invalid,

this entire Act shall be considered invalid." Legislative history report. — For report on ch. 205, SLA 1972 (FCS CSSE 211), see 1972 House Journal, p. 751.

Sec. 47.45.010. Persons who may qualify for longevity bonus. — A person who is 65 years of age or over, who was domiciled in the territory on or before January 3, 1959 and who has maintained a continuous domicile in the territory or state for 25 years may apply to the commissioner of administration for qualification to receive a monthly bonus of \$150.

(b) When the commissioner of administration determines that an applicant qualifies under this chapter he shall immediately begin payment of the bonus.

(c) A person who otherwise qualifies to receive a bonus provided for in this chapter may continue to do so only as long as he continuously retains a domicile in the state. (§ 1 ch 205 SLA 1972; am § 1 ch 38 SLA 1970; am § 1 ch 59 SLA 1970)

Effect of amendments. — The 1970 amendment increased the monthly bonus in subsection (a) from \$100 to \$125 (H).

The 1972 amendment increased the monthly bonus in subsection (a) from \$125 to \$150 (H).

Legislative history report. — For report on ch. 105, SLA 1970 (SB 476 am), see 1970 Senate Journal, p. 160.

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MEMORANDUM

March 5, 1980

TO: Representative Jim Duncan

FROM: Susan Brody and Jack Fagnoli *SB*

RE: Supplemental Appropriation for the State Day Care Assistance Program (Research Request No. 50)

The following purposes could be the basis for a supplemental appropriation to the FY 80 day care assistance program budget:

- (1) to allow additional eligible families to receive day care subsidies between now and the end of the fiscal year;
- (2) to provide emergency financial assistance to day care centers which are in danger of closing or severely reducing their program services.

A possible amount for each of these supplemental appropriation purposes is identified below with a brief discussion of the factors used to derive the budget estimates. The total amount would be about \$525,000. We have also indicated possible ways to administer the funds.

Subsidies for Families

Lianne Wesley, the State day care program administrator, contacted municipalities participating in the day care assistance program to determine whether they are experiencing any shortfalls in funding which prevent them from offering day care subsidies to all the eligible families within their jurisdiction. Three municipalities--Fairbanks, Anchorage and Juneau--indicated that additional funding for the remainder of the fiscal year would allow them to serve an increased number of eligible families. The total amount which would be required for these municipalities is \$227,000, as indicated below:

Fairbanks has a waiting list of 75 families. Dottie Englund, the municipal program administrator, believes that a number of other families qualify for assistance as well, but have not entered their names on the waiting list. She estimates that \$142,000 would be adequate to provide

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subsidies for the remainder of the fiscal year in Fairbanks. The Municipality of Anchorage has just begun to compile a waiting list for day care subsidies, and the program administrator estimates that they could use approximately \$75,000 between now and the end of the fiscal year. The only other community indicating a need for additional funding was Juneau, where they anticipate a need for an additional \$10,000. The remaining eleven communities participating in the State day care assistance program appear to have adequate entitlements to last them through the fiscal year.

#### Emergency Financial Aid for Day Care Centers

To date, we have interviewed the directors of 25 day care centers throughout the state to determine the factors affecting their financial stability. This represents 35 percent of the total number of day care centers participating in the Community and Regional Affairs day care assistance program. Thirteen of the centers we interviewed (52 percent) are sustaining operating deficits which range from \$200 to \$1,000 a month. These deficits average about \$2,200 a month (the median is \$2,340). In addition, two of these centers are apparently in danger of closing—one in Ketchikan, and one in Anchorage. A third center, the Children's Community Center in Juneau, was also on the verge of closing until it received an emergency grant from the City and Borough of Juneau. Our data indicate, then, that there may be a need for emergency aid to those centers experiencing financial difficulties until more permanent solutions can be instituted. Our upcoming memorandum on March 7 will identify a number of alternatives for possible legislative action to address these long-term needs.

To estimate the possible amount needed for emergency financial aid, we assumed that the centers we interviewed and their deficit levels were representative of all 70 State-funded day care centers currently operating. If this assumption is correct, it is possible that as many as 40 centers statewide may be sustaining operating deficits of about \$2,200 a month, while some 6 centers may be in danger of closing within the near future. If the State were to subsidize this level of monthly operating deficit for 40 centers over the next 3 months, the total cost would range from \$250,000 to \$300,000, with the actual amount probably closer to the higher figure.

As it is not likely that all day care centers experiencing a deficit would be in danger of closing or seriously reducing their childcare services, an emergency appropriation based on these estimates would probably overcompensate for the likely real degree of emergency need. One way of dealing with this would be make an appropriation subject to

allocation criteria which give first priority to those centers facing imminent closure, and second priority to centers whose operating deficits are likely to require a significant reduction in their child care services (for example, reduction in the number of children served because of inability to meet State required staff-to-child ratios), with unused monies returned to the General Fund.

The emergency financial aid could be administered either through the State Department of Community and Regional Affairs office or through the municipal day care program administrators. In any event, it may be difficult to get an emergency aid program underway in a short period of time. The State and/or municipalities will need to examine the financial records of the applicants and make a determination as to the severity of their financial difficulties. If the administration occurs at the State level, time will be needed for the State to finalize allocation criteria. If administered at the local level, the municipality will need to determine the amount required and request these funds from the State.

Some possible criteria for the State or municipalities to use in allocating funds to centers are listed below.

1. The amount of the center's deficit. Documentation should probably be required.
2. The effect of the deficit on the center's operations (e.g., whether it will require the center to close or significantly reduce the number of children it serves).
3. Evidence of a major cutback in CETA-funded staff positions (this potential problem will be discussed in our next memorandum).
4. Inability to meet major loan repayments.
5. The number of State-subsidized children receiving care through the center.

There are probably additional criteria which could be used and we offer these only as suggestions that should be refined further.

While an emergency appropriation appears to pose no legal problems with regard to non-profit day care centers, there may be a legal question involved in extending the appropriation to include profit-making centers. Specifically, the Alaska Constitution provision that no appropriation of public money shall be made except for public purpose (Article IX, Section 6) probably will have to be satisfied prior to acting on any appropriation which includes profit-making centers.

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Satisfying the public purpose requirement probably will not be difficult, but will require some advance preparation prior to legislative action on any appropriation. Essentially, this preparation will include compilation of a fact sheet which both specifies the particulars of the appropriation contemplated, and identifies specifically how the public purpose will be served by the appropriation (public purpose principles are spelled out in statutory annotations, attached). This fact sheet should then be given to the Legal Services Division of Legislative Affairs if an appropriation bill is drafted, so drafters may ensure that public purpose doctrine requirements are addressed in the proposed legislation.

SB:JF/dp

HOUSE RESEARCH AGENCY  
Pouch - Y, State Capitol  
Juneau, Alaska 99811  
465-3991

MEMORANDUM

February 11, 1980

TO: Representative Jim Duncan

FROM: Susan Brody, Issues Analyst *SB*

RE: State Day Care Assistance Program  
Research Request #50

This memorandum presents our research to date on the State day care assistance program. As per our agreement with Dale Staley, we are providing these preliminary findings now so that you will have time to consider possible legislation by the personal bill deadline. We will be completing a more thorough analysis by the beginning of March to supplement the information contained here.

The information we have obtained is presented in three sections. The first section contains a brief description of the principal features of the existing day care program. The second section discusses some of the major issues and problems, especially regarding the State subsidy rates. The third section suggests alternatives for State legislative action.

Our research has been conducted within a short time frame and we have not been able to collect all of the necessary data yet. However, we were able to contact several day care providers in both Juneau and Anchorage and the administrators of municipal day care assistance programs in Ketchikan, Juneau, Anchorage and Fairbanks, and we therefore believe our preliminary research findings reflect conditions in many parts of the State.

PROGRAM DESCRIPTION

Purpose

The State day care assistance program was established in 1975 to provide day care services to low income parents who are either working or attending school. The program attempts to help defer costs of day care when these may be a factor which prevents parents or guardians from becoming self-supporting. State statute (AS 14.17.010) specifically states that "in no event shall benefits be paid for the care of children of a family where one parent or guardian is not working or attending school and is physically and mentally capable of caring for the children."

### Administration

The day care assistance program is administered by the Local Government Assistance Division of the Department of Community and Regional Affairs. The State contracts with municipalities who administer the program at the local level. In some cases, municipalities subcontract their administrative functions to private nonprofit organizations or to individuals. For example, in Nome, the program is administered by the United Methodist Church.

Subsidy grants are awarded to communities who then allocate the money to day care providers. The grant funds can only be awarded to day care facilities that are licensed by the State Department of Health and Social Services. All local costs of program administration, including office space, equipment and staff time, must be borne by the local communities and are not reimbursable.

The day care assistance program is operated under the statutory provisions of AS 44.47.250-310 and a set of "operating policies." No administrative regulations have been adopted, but the new director of the program, Lianne Wesley, is drafting regulations that will incorporate many of the current operating policies. She hopes to have the regulations ready for public hearings in May.

### Licensing

Two kinds of day care facilities are licensed by the Division of Social Services, Department of Health and Social Services--homes and centers. Day care homes are neighborhood family dwellings that serve no more than six children between the ages of 3 and 14, or no more than five children when the age range includes infants. Day care centers serve groups of seven or more children.

In licensing day care facilities, the Division of Social Services requires that a number of specific standards be met, including staff-to-child ratios, insurance coverage, and fire protection (AS 44.47.250-255). The licensing procedure includes an inspection of the home or center and all licenses must be renewed annually. The following staff-to-child ratios are currently required in day care centers.

- 1 caregiver for every five infants (six weeks to two years)
- 1 caregiver for every ten children between the ages of two to six
- 1 caregiver for every 15 children aged six to ten years
- 1 caregiver for every 10 children aged ten to 14 years

### Allocation of Funds

Program funds are allocated to municipalities based on the number of licensed day care spaces within the community as a percentage of the

total number of day care spaces statewide. For example, in FY 80 Anchorage had 2,680 licensed spaces or 54 percent of the 4,956 spaces in the State. The total FY 80 budget for subsidy grants was \$1,758,500. Therefore, Anchorage was entitled to 54 percent of this statewide budget or \$951,300.

Table A shows the 1980 allocation to communities. Actual community use of the entitlement is monitored during the fiscal year and funds may be reassigned in mid-year if there is more demand for subsidies in one community and less than expected in another. It is important to note that, in the past, no attention was paid in the allocation process to the number of low income families in the community, past use of subsidy grants, or other indicators of need.

Families qualify for subsidy grants based on their net income. For the purposes of the program, net income is determined by first taking the family's gross yearly income and subtracting taxes, retirement and social security payments. A family is then allowed to further deduct \$1,200 for each child under the age of 18, not including the first child, to arrive at the "adjusted annual net family income". For example, a family with two working parents and three children might calculate their adjusted net income as follows:

Yearly Salary and Benefits	\$19,000
(minus) Taxes, FICA, etc.	4,000
	<hr/>
	\$15,000
(minus) Family Size Adjustment	2,400
	<hr/>
ADJUSTED ANNUAL NET INCOME	\$12,600

The amount of State assistance is determined on a sliding fee scale. Table B shows the percentage of total day care costs covered by the State program as a function of net income and area of residence in the State. If our example family lives in Fairbanks, their net income would fall within Income Group III and the State would pay 60-80 percent of their day care costs. The actual percentage that the State will pay within this range is determined by the local program administrator based on any special family circumstances. For example, if this family had incurred significant medical expenses over the last year, the State might pay close to the maximum 80 percent allowed for the income group. At the end of each month, a day care center operator bills the program contractor (i.e., the State) for their percentage of the costs and bills the parents for their percentage.

The maximum net income that qualifies a family for a State subsidy ranges from \$16,000 in Juneau, Anchorage and Ketchikan to \$21,000 in Healy, Tanana and Anderson (see Table B). Once a family has been de-

terminated eligible for a subsidy grant, day care payments are made to providers for authorized hours and on an attendance basis only. Thus, the State does not pay the daily rate if the child is absent. Attendance is calculated on the basis of five hour blocks of time. Part time care is defined as care for up to five hours in a 24-hour period; full time care is for 5-10 hours in a 24 hour period; and for any period exceeding 10 hours, payment is calculated per hour. The maximum rates that the State can pay to a day care center are listed below.

<u>Type of care</u>	<u>Part time</u>	<u>Full time</u>	<u>Full Time -</u>
Infant (up to two years)	\$9.00	\$15.00	\$19.00
Child (tw years and over)	7.00	12.00	19.00

The last increase in the daily payments occurred in FY 77 when payments were raised to the current \$12 and \$15 rate. The base net income level that qualifies a family for a subsidy was raised by \$1,000 in FY 1979, a 5 percent increase.

#### Federal Funding

The State day care assistance program is funded solely by the State. Federal funds are available through the Title 20 program, but the State has chosen not to utilize this funding because of the restrictive regulations and "red tape." Some individual day care centers do take advantage of the federal supplemental food program. The amount of food available to a center is calculated based on the type of meal (hot or cold) and the income of each participating child's family.

#### Loan Programs

One State loan program is available to day care facilities to assist with construction, renovation and equipment costs. Loans of up to \$30,000 are offered through the Department of Commerce and Economic Development. Loan interest rates are seven percent with a 5-10 year pay back period, depending on the purpose of the loan. A total of ten loans were awarded between FY 77 and FY 80--seven went to facilities in the Anchorage area, one in the Mat-Su Borough, one in Ketchikan, and one in the Bethel area.

#### ISSUES AND CONCERNS

This discussion of issues and concerns is based on our conversations with day care administrators and providers in several areas of the State. Our primary sources of information on day care operating costs were Sister Elaine of St. Ann's Day Care and Nursery and Pat Martin of Wee Cottage, both in Juneau. We also conducted a series of telephone interviews with municipal day care administrators in Ketchikan, Juneau,

Anchorage and Fairbanks to obtain a general overview of the issues and problems faced by day care providers in those four cities.

#### Operating Costs

Rising operating costs are a major problem for many day care facilities; a number of day care providers have indicated that the State's day care assistance rate is insufficient to cover these operating costs. Rita Jacobs, acting program manager of the Municipality of Anchorage day care program, believes that several centers are running deficits in Anchorage. One of the major day care providers in Anchorage, Lee Robertson, indicated that two of her centers (Infant Inn and Gingerbread House) have monthly deficits of \$1,500-3,000. In Juneau, four of the seven centers--Children's Community Center, St. Ann's Day Care, St. Ann's Nursery, and Wee Cottage--are running monthly deficits of between \$2,000 and \$5,000. The Salvation Army day care center in Ketchikan also has a deficit of about \$2,000. In Fairbanks apparently no centers are currently running operating deficits. However, according to the Fairbanks day care administrator, several of the centers do not pay rent or utilities which, of course, decreases their total operating costs.

The operating costs of day care centers consist of salaries, food, rent, utilities, maintenance, insurance, and supplies. We have requested operating cost data from three day care centers in Juneau, and one in Anchorage to determine how much costs have risen from 1977 to 1980. As noted earlier, 1977 was the last year the State increased its daily subsidy rate for the day care assistance program. To date, we have only received data from two of the Juneau centers--St. Ann's Nursery and St. Ann's Day care. At St. Ann's Nursery, total operating costs increased by about 60 percent from 1977 to 1979, while income was up by only 12 percent. Salaries increased by 50 percent, and rent was up 78 percent. At St. Ann's Day care, total operating costs increased by about 50 percent, while income increased by 7 percent. Salaries were up 13 percent, rent was up 13 percent, and food was up 40 percent. If the increases in operating costs experienced by St. Ann's are indicative of increases at other day care centers, then day care providers will need to consider rate increases or other alternatives to alleviate growing deficits. Although we have not obtained data from other centers as yet, our initial interviews suggest that operating costs have also increased substantially for centers in Ketchikan, Fairbanks and Anchorage.

#### Reimbursement by Attendance vs. Enrollment

One of the major concerns of the day care providers is the method used by the State to reimburse them for services provided to children in the

day care assistance program. The State reimburses centers only for the days that a child actually attends the day care center. Yet, the day care providers argue that their expenditures for rent, utilities, insurance, and so forth are fixed costs that must be paid regardless of whether the children attend. Staffing a day care center is also problematic under these conditions. Several day care providers indicated that it is extremely difficult to send staff home for the day if not all of the children who are enrolled actually attend. In effect, the center must hire and pay staff based on their enrollment and anticipated attendance to ensure that they meet the required staff-child ratios. Under the present system, many staff costs must be wholly absorbed by the day care center operators.

The Anchorage municipal day care program administrator voiced some concern about reimbursing costs strictly on an enrollment basis. She indicated that the available State money can be used to serve more children when centers are paid only for those days that a child attends. For example, if a child is enrolled in a center, but then attends only 10 days during the month, the State, through the municipality, would still be reimbursing the center for the entire monthly cost. The Juneau day care administrator, Pat Audap, suggested that if the State switches to an enrollment system, it might be possible to reimburse day care centers only if the child attends at least 75 percent of the time during the month. In conjunction with this, the day care center would be responsible for contacting parents to determine why children are not attending on a regular basis and then change their enrollment status if necessary.

#### Income Subsidy Limitation

The current operating policies of the Department of Community and Regional Affairs specify that the rate that a center charges for children receiving State assistance must correspond to the rate charged to those families who do not receive a subsidy.

We asked day administrators and providers whether they felt an increase in the daily rate for subsidized children would affect those families who are not currently receiving day care assistance. There was considerable agreement that increasing the daily rates could place a major burden on the non-subsidized family.

The possible impact of a daily rate increase is demonstrated in the following example. If the daily rates established in 1977 were increased by 15 percent in 1980, this would represent about a 3 percent annual increase, probably a bit less than day care center operating costs have actually increased. Full time rates would increase from \$12 per day to \$13.80 per day for children over two years old and would increase from \$15 to \$17.25 per day for infants (children under two years). Consider a family with two children--one infant and one pre-school child, aged four. Under the current day care rates, this family would pay about \$315 dollars per month in day care costs for the infant

and \$250 for the four year old, for a total monthly cost of \$565. If rates increase by 15 percent, the family would pay about \$360 for the infant and \$290 for the pre-school child, for a total of \$650.

Many families receiving State assistance would also face increased monthly payments because the State is often only reimbursing a portion of the costs. Consider a family identical to the one described above who is paying 30 percent of its day care costs while the State pays the other 70 percent. Under the current rates, the family is paying about \$170 for day care services. With a 15 percent rate increase, the family would pay about \$195, or an increase of about \$25 dollars per month.

Some of the increased financial burden on the non-subsidized family resulting from rate increases might be alleviated to some extent by increasing the number of families who are eligible for day care assistance. In FY 79, the income limit for a State subsidy was increased by \$1,000. Several of the day care administrators and providers that we interviewed indicated that another increase in the eligible family net income level would be desirable to relieve some of the additional burden on non-subsidized families if the daily rate per child were increased. We plan to interview several non-subsidized families in Juneau to determine what problems they face in financing day care costs.

#### ALTERNATIVES FOR STATE ACTION

Our preliminary research suggests that any legislative action on the day care issue should attempt to relieve the operating deficits of day care centers while, at the same time, minimizing any increases in day care costs for families. The following alternatives are presented with these objectives in mind. None of these alternatives would necessarily require that changes be made in existing State statutes. It is important to note that most of the alternatives presented here would require an increase in the FY 81 program budget. To implement the alternatives without a budget increase would result in few families being served by the program.

#### Increase the Daily Subsidy Rate

Because our data on day care center operating costs is incomplete, it is difficult to recommend an exact percentage increase in the subsidy rate. Our preliminary research suggests that a 15 to 30 percent increase over the 1977 rate may be appropriate to cover the increases in operating costs that many day care centers have experienced. This would be equivalent to a 5 to 10 percent annual increase for the years 1977 to 1980.

The FY 81 budget request for the day care assistance program is \$1,850,000. The budget assumes that the day care subsidy will remain at its current rate. A 15 percent increase in the rate would require that an additional \$278,000 be added to the FY 81 budget, for a total of about \$2,128,000. If day care centers require immediate assistance prior to the beginning of the new fiscal year, then a supplemental appropriation to this year's budget might also be desirable.

To ensure that the State day care assistance rates continue to reflect increases in day care center operating costs, it may be advantageous to include a provision in State statute requiring annual review and adjustment of the rate.

#### Reimburse Program Costs on the Basis of Enrollment

Several day care providers indicated that they would prefer to avoid any dramatic increases in the rate for day care assistance. They suggested that by basing State payments on enrollment rather than attendance, their financial situation would be significantly improved, thus requiring less of an increase in the daily rate per child.

The current method of reimbursement on the basis of attendance is not a statutory requirement. It is established in the Department of Community and Regional Affairs "operating policies" for the day care assistance program. The Department is currently in the process of drafting regulations that will become part of the Alaska Administrative Code and, according to the day care assistance program director, these regulations will probably continue to require reimbursement on the basis of attendance.

A change to reimbursement based on enrollment could be accomplished in several ways: It could be required by statute; it might be stipulated as a footnote to the budget appropriation; or it might be changed by the Department, if sufficient opposition to the existing method is voiced at the public hearings on the proposed regulations.

#### Increase the Income Eligibility Level

As discussed earlier, any increase in the rate per child will increase the financial burden on the non-subsidized parent. A possible counter-measure would be to increase the number of families that qualify for day care assistance. Without further research, we hesitate to suggest a new subsidy income level. An increase in the income limit by the same percentage as the increase in the rate per child (i.e., 5-10 percent per year) might be considered. However, the actual increased burden of the new rate on the non-subsidized family depends on the extent to which the family income has kept pace with inflation. The true measure of financial hardship would be the extent to which day care costs have increased as a percentage of total household income, if any. We will continue to do research in this area to determine what changes in the income limit should be considered.

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Other Options

In the course of our research, we have identified a number of other options that may be worth exploring. Please let us know which, if any, of the following alternatives you would like us to investigate.

1. State day care payments directly to families rather than to Centers.
2. State reimbursement of certain day care center operating costs, such as rent or insurance.
3. State grants to day care centers for major capital improvements, equipment acquisition, etc.
4. An in depth study of family day care needs, day care center capital and operating costs, and municipal day care administration.

This last item was identified as a priority by Lianne Wesley, the director of the State day care assistance program. She indicated that comprehensive background data would be extremely helpful to them in determining what kinds of changes should be made in the day care program. This might be an appropriate research project for the House Research Agency after adjournment of the current legislative session, subject to the approval of the governing committee.

Beverly Macleay 204-6703

Day Care Assistance

213 517

— provisions for reimbursing municipal costs. #43  
parents have option between attendance & enrollment

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1) \$57,000 -

5,000,000

(29) Vicki Malone - Bethel - C&RA 517-518  
only infant center in the Bush  
45-day care (\$315/month)  
Direct Grants - Indirect

parent voucher system - parents  
could choose services/eliminate

much early childhood involvement  
because of ECTA. It's all single parents.  
Centers are not in debt because of CETA.



## THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA

155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

April 30, 1981

Senator Gilman and members of the Senate Community and Regional Affairs Committee:

The purpose of this letter is to provide evidence of the need for additional funding for day care centers based on studies performed by the City and Borough of Juneau.

In response to citizen requests to the Assembly concerning the serious financial plight of local day care centers, the Assembly directed that a financial study of all local day care centers be implemented. Subsequently the revenue and expenses of all local centers were examined.

The study, presented to the Assembly in January, 1980 concluded:

1. All local day care centers examined had similar costs and operations.
2. Each center examined paid extremely low salaries. For example, a full time day care teacher was found to earn approximately 25 percent of the salary and benefits of a regular teacher in the school system.
3. Each center reported operating losses of \$3,000 to \$5,000 per month and only centers with additional support from a charitable organization, such as a church, or another supporting business, could afford to provide day care services.
4. The only local day care center which did not have the ability to at least temporarily absorb operating losses was the Children's Community Center, which had no parent or supporting organization.

Based on this study, the Assembly awarded \$4,000 each to two centers and since November, 1979, has awarded \$26,000 in emergency support to the Children's Community Center. In addition the Children's Community Center also leases its building from the City and Borough for well under market value.

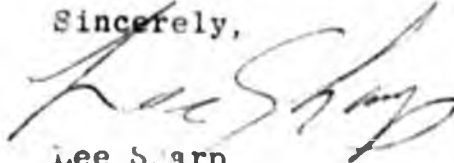
In conclusion, day care centers, at least locally, are literally hanging on by a thread financially while possibly

*St. Anne's  
Catholic*

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not being able to provide the level of day care services desired due to low staff salaries and lack of funds for equipment, etc. The Assembly urges the State to provide additional continuing assistance to day care centers.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lee S. Sharp".

Lee S. Sharp  
City/Borough Attorney

OPERATIONAL COSTS - escalating  
many faced with cutting quality care  
or raising rates.

CAPITAL IMPROVEMENTS - neglected.

Day Care Revolving Loan  
Emergency repairs cause debt.

STAFFING COSTS - not competitive salaries  
length of employ - 3-4 mos.  
LOW SALARIES

High Cost Infant Care

Increase CETA - 46 positions  
Bethel Day Care

DCAP RATES -  
enrollment vs attendance

## St. Ann's Day Care

\* 20,000 less USDA funds.

rule 2 - \$265 mo/rate. avo. 3 day abs. per month. losing \$49/mo per child - project \$42,432 potential loss of income.

80% budget - wages. would be higher but 7 full time volunteers. \$5.00/hr. starting wage. Administrator making some salary would qualify for 80% DCAP

### Administrators:

2 masters

1 BA

1 assoc. degree in Early Childhood

6 staff have BAs. Others have some yrs. more years of exp. in childcare field. (\$38,000 of debt)

full cost \$400/mo.

## Petersburg Day Care

- Cost - employees for training eligible have not seen the best of character.
- illegal to charge parents for food. if they go off USDA program there will be no food.
- DCAP Good, progressive but will not assist centers to stay open.

No training or info exchange between daycare providers. No actions to train, must be working for minimum wages.

Pat Martin - The Cottage

Wt. pre-school & kindergarten. Cannot pay staff enough for worthwhile profession.

attendance/enrollment for DASH.  
50% budget staff salaries. Inflation/no rate change in DASH. \$1200/day/15% actual cost.  
NASS good yrb in licensing.

monthly enrollment basis as approved for reg. daily enrollment.

Cruckorage: weekly \$62.50 infant \$77.50

funding for 24 hr. facility / charges for slots for these facilities?

50 slots lic. / care for 120-130 daily.

\$9.85/hr starting salary. \$15,000 in back rent owed. 26 staff. 34 part-time

Infant department - 1-5 / Staff  
24 mo - 3yr - 1-7 / ratio.

Karen Kastner - The Cottage - non profit.

reg daily enrollment → monthly enrollments.  
not enough money for salaries - 13 staff  
of teachers & other part time. 75-80% payroll.  
Turnover high. 400-500/hr salary. 35 staff  
less yr. need to stabilize staff.

Kindergarten - max. class size of 16.  
daily rate \$12.50/day going to \$275/mo. flat rate  
\$14.20/day rate for 20 kids mo.

Moderate income - definition added

fiscal rate - 518

\$1.4 million CIRA in addition to Gov  
Budget. 800 additional children

Separate fund for Admin. & Grants

" per full time equivalent " for \$100 per child.

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\$400,000 Admin. monies to municipalities

Bessie Massey - Arch. - DCAP admin. for Munic. of Arch.

approve of mod. income / admin. money.

suggested interim committee study re Day Care

other concerns

After school care / handicapped care.

abused children (Intermission Program)

\$160,000 - 180,000 / admin. of DCAP in Arch. 3 staff (CETA)

\$1,755,000 - grant DCAP to Centers. could use eligibility workers.

Kevin P. O'Neil - Junesau City Manager Admin. Asst.

Each center in Junesau operating at a loss. gave \$4,000 to 2 centers and \$24,000 to Ch. Comm. Center in emerg. support.

poor management no blame for failure

Pat Thomas Dep. of HHS

supports Bill

POSITION PAPER SB 517 and 518  
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS  
LOCAL GOVERNMENT ASSISTANCE DIVISION

Palmer McCarter  
Director  
465-4707

Lare'  
Child Care Program Manager  
264-7201

"An Act relating to day care assistance."

The Department supports the four major concepts of these bills (SB 517-518) that relate to the day care assistance program.

1. raising the day care subsidy scale to include moderate income.
2. administrative relief for local municipalities, or in the absence of a local municipality a local group, who administers the day care assistance program.
3. provision for child care assistance while parent(s) seek work.
4. child care grant program.

The cost of implementing these four concepts is estimated to be \$7,464,800 in FY 1982. This is \$7,464,800 over the Governor's budget request for the coming fiscal year.

Alaska's children are a vital resource to this young and growing state and need the developmental assistance just as fishing, timber, farming, tourism and other resource development has secured assistance. One method of assisting children is by providing quality of child care.

Nationally, over 50 percent of the women who have children under 18 years are in the labor force. Alaska women participate in the labor force at about the national rate. And

this rate is growing. The participation rate of both parents in the labor force, who have children under six years of age, is also growing and is predicted to be 50 percent by 1990.

Studies of young children point to the need of nurturing and trained caregivers, good nutrition and age appropriate equipment and supplies if the child is to grow and meet her/his potential and the expectations of the larger society.

The Department believes SB 517 begins to address this quality of care.

#### Section 1. Findings and Purposes

The Department supports the concepts and statements in the findings and purpose.

We believe the proposed federal cuts in the child nutrition and CEIA programs will have a devastating impact on child care facilities. In a brief survey the Department conducted in the fall of 1980, most of the responding facility operators were using the child nutrition program and a majority of the child care centers were using CEIA as a means of augmenting staff.

Alaska and child care providers are faced with the same dilemma as other states and industrial nations. How to provide a nurturing and developmental environment for children at a price parents can afford to pay.

The Department believes the child care grant program will lessen the impact of the federal cuts and begin to address the dilemma of affordable care.

Section 2. AS 44.47.250(a)(1)

The Department supports the inclusion of moderate income families. We project, with this inclusion, that the Day Care Assistance Program will serve a monthly average of 1542 families. The families are projected to have 2317 children who will participate in the program.

However, a limitation on both the projected dollars and people served is the straight line projection we have used based on current parent useage. Our current parents are low income wage earners and are frequently the most volatile in the labor market. That is, they are the last to be hired, work irregular hours, and are the first to be dismissed. These employment characteristics are generally not held to be true of moderate income wage earners. We may find that the new group of families to be served are more stable in the work force and thus the per child cost may be dramatically understated.

Section 3. 44.47.260 CONTRACT ADMINISTRATION

The Department supports this concept.

As the Day Care Assistance Program has expanded to include more and more families, and with the advent of the enrollment policy, the demand on local administrators' time has also increased.

We are concerned, however, that grants to municipalities for administration not come from program dollars for child care.

Therefore, we suggest that the language be amended to include:

"A separate grant award will be made to the department to pay this portion of the contractor's cost, but in no circumstance is this payment to come from grants appropriated for family child care."

The current day care assistance statute provides in 44.47.250 that outside of municipalities, the Department may contract with day care facilities and in the unorganized borough may contract with an organization to administer the program.

The proposed language in this section appears to prohibit administrative funds to these other entities. The Department would hope that all contractors could participate in receiving payment for a portion of the cost of administering the Day Care Assistance Program.

Section 44.47.270

The Department supports child care assistance to parents while seeking work.

Currently, many parents without the support of an extended family or friends to care for their young children are in a "Catch 22". They do not have funds to pay for the care of their children until they have work, but they cannot seek employment because they have no one to care for the children.

Many other states and the federal title XX day care provide assistance while parents seek work. The local administrators of the Day Care Assistance Program have also identified a need for parents who are seeking work to have this type of assistance.

Section 44.47.305.

The Department supports the Child Care Grant Program.

The purpose of the grant program is to help licensed day care facilities meet the rapidly rising costs of providing quality child care without imposing an inordinate financial burden on parents using child care facilities. To this end, the program permits the award of grants to licensed day care facilities, adjusted for geographic regions, based on the average daily

enrollment of the facility for the month preceding the application.

Further, the current language states "may not exceed \$100 per child per month" and

(c) "application is made monthly."

The Department supports the concept of subsidizing child care costs by making direct grants of funds to child care facilities. However, the Department would like to see two changes made to the bill and clarifying language.

First, we would recommend that language in the bill requiring monthly grants be deleted or amended so as to allow the Department discretion in determining for what period grants will be made. For example, we see no reason why the grants could not be made on a quarterly basis, thereby significantly reducing the administrative work load.

Second, we recommend that "not to exceed \$100 per child per month" be amended to read "not to exceed \$100 per full time equivalent child per month." It is possible for one licensed slot to be filled by as many as five children in a day. On the other hand, there are child care facilities who provide care 24 hours a day, seven days a week. We believe by amending this language both conditions can be met.

(d) We would recommend adding (line 25) "and any applicable municipal licensing requirements."

The Department also contracts with military bases for child care. The Department has no recommendation on whether this group should be included in the grant program.

(e) The Department supports the purposes for which this grant shall be used.

Salaries for child care givers have historically, and are currently, abysmally low. Most frequently they are minimum wage, long hours, and provide few, if any, benefits. This causes massive staff turnover and is disruptive to the child's sense of well being when constantly faced with new caregivers. Concurrently, it is a management nightmare to center operators and adds undo stress to parents when a child care home provider says "\$400 a month, for 12 hour days is not just compensation. I'm quitting."

There are currently about 1254 child care givers in licensed facilities in Alaska. SB 518 provides \$4 million for the total grant program or \$3 million for caregiver salaries. This translates into a yearly increase of \$2,392, a monthly increase of \$199 or an hourly increase of about 90¢. Thus, it would bring the child care home providers wage up to about \$600 per month, and the center staff up to \$836 per month. Again, few if any fringe benefits are provided for these caregivers.

The figures cited above are for current staff in licensed facilities. We believe these figures will not translate into this level of increased staff salaries. Nationally, 90 percent of the home childcare givers are not licensed. We believe this grant program will be an incentive for those homes not currently licensed to do so and will improve care. In addition, even with the poor return on the time and money expended for child caregivers, the demand for child care has caused more centers and homes to open. The Department is also getting more inquiries from rural areas where there are no licensed facilities reflecting changing community needs. Currently, Selawik, Hooper Bay, Aniak, McGrath, Nenana and Talkeetna are asking for assistance to develop childcare programs. Therefore, it appears that the increasing demand, coupled with this program, will in fact provide for less increases for staff salaries as projected above.

The Department works closely with the licensing staff of the Division of Family and Youth, Department of Health and Social Services. We understand that staff is working at capacity. To monitor already licensed facilities and to license new providers may be beyond the current staff capacity.

The remaining \$1 million in the child care grant program will be used for nutrition, equipment or staff training. All three components are essential for the developing child.

Alaska has lagged behind many states in providing training for child care providers. It appears that both programmatic and management training are needed by facility operators and caregivers.

The Department believes these types of training will not only add to the quality of child care but will strengthen the financial ability of providers.

#### SB 518

#### Section 2

The Department believes the figure of \$50,000 for administrative costs to contractors may be in error. The Governor's budget for FY '82 for grants to families for child care is \$4,072,400. Ten percent of this figure would be \$407,240. The proposed language in Section 44.47 260 (SB 517) provides that the Department will pay ten percent of the billing figure. For instance, in March the 16 local contractors billed the state for \$262,580 for family child care. If the proposed language were in effect, the Department would have paid administrative costs to the local contractors of \$26,258. At that rate of expenditure, it would take less than two months to use \$50,000.

Again, the Department believes this administrative appropriation should be a separately funded grant and should not be comingled with the grants for family child care.

**THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE**

**FISCAL NOTE**

**I. REQUEST**  
 Bill/Resolution No. SB 517 and 518  
 Title "An Act relating to day care"  
 Requested by Senate Community & Regional Affairs Date April 28, 1981

**II. FISCAL DETAIL**  
 Agency Affected Department of Community and Regional Affairs  
 Program Category Affected Community Development  
 BRU, Program, or Subprogram(s) Affected Dare 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	8,176.4	8,926.0	9,402.6	9,902.0
	-0-					

**TOTAL**

FUNDING (Thousands of Dollars)

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

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 per 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.

**IV. DATE** April 28, 1981 **PREPARED BY** *P. [Signature]*  
**AGENCY** Department of Community & Regional Affairs  
**PHONE** 264-2301  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

LOCATION	DCAP CHILDREN	CENTERS		HOMES	
		DCAP	LICENSED	DCAP	LICENSED
Anchorage	789	32	38	126	128
Anderson	4	1	1	0	0
Bethel	25	2	2	0	0
Cordova	11	1	1	0	0
Delta	14	1	1	0	0
Fairbanks	261	15	15	37	70
Ft. Greeley	55	1	1	0	0
Juneau	123	8	8	13	32
Kenai	11	2	4	0	1
Ketchikan	48	3	3	11	18
Kotzebue	7	1	1	0	0
Nome	16	1	1	0	0
Petersburg	20	1	1	0	3
Sitka	29	3	4	1	8
Wasilla	20	3	3	1	8
Wrangell		1	1	1	0
Haines		1	1	1	0
Valdez		1	1	1	1
Tvonek		1	1	1	0
Dillingham		1	0	1	1
HOMER		1	1	1	1
DALMEI		1	1	4	4
SEWARD		1	1	0	0
TOTAL	1656	77	91	197	288
<i>Eddo,na</i>			1		

KODIAK  
43

Capacity

94 Centers - 4,449  
278 Homes - 1,290

BRIEF TITLE OF POLICY SUBJECT PROGRAM DECISION INCREMENT OF WHICH THIS IS PART.

Day Care Grants

PLAIN WHICH POLICY SUBJECT PROGRAM OBJECTIVE AFFECTED, AND HOW.

One of the greatest problems faced by low income families is the cost of child care. Often this is so great a problem that one parent must stay home to care for the children, and in the case of many single parent families, the cost is so great that they are forced to remain on welfare. When the cost of child care is reduced, based on ability to pay, many families are able to work or to train for employment. Increasing payments for day care and helping more people under this program will help meet the Governor's policy to provide "public services which are genuinely needed by Alaskans and which cannot be provided by the public sector".

BRIEFLY DESCRIBE WHAT THIS INCREMENT PURCHASES

An increase in one-third over the FY 81 grant level is added to increase the day care subsidy from an average rate of \$12 per day to \$16 per day. The additional increase will allow upward adjustment, to account for inflation, of the median income for eligibility under this program. The \$12 per day figure has not changed for several years, but Day Care costs have increased rapidly due to inflation. The sliding fee scale, used to determine the percentage of day care cost that is subsidized, is also out-of-date due to increased costs and salaries.

CODE	EXPENDITURES BY OBJECT	AMOUNT
100	PERSONAL SERVICES	
200	TRAVEL	
300	CONTRACTUAL SERVICES	
400	COMMODITIES	
500	EQUIPMENT	
600	LANDS, BUILDINGS, ETC.	
700	LIABILITIES CLAIMS, ETC.	100.0
800	MISCELLANEOUS	
	TOTAL	100.0
	1-A TRANS. (non-aid)	

FED. RECEIPTS - CODE 1	
IF MATCH	
GEN. FUND	
1-A RCPTS.	
FROM RCPTS.	
OTHER	

S	PER	PER/	OTHER	TOTAL
NO POSITIONS				
NO STAFF MONTHS				

0	PRIORITIES	
This increment is part of a Policy Budget increment which was classified as:		GOVERNMENT
<input checked="" type="checkbox"/> Check Only	LEVEL I	ALLOTMENT
<input type="checkbox"/> Other	LEVEL II	REVENUE

THIS INCREMENT REQUESTS FUNDS FOR	CURRENTLY EXISTING SERVICE	X
	NEW SERVICE	

AGENCY Community & Regional Affairs

PROGRAM Social Services

and Child Assistance Program

COMPONENT Day Care

FY 82

6 COMPONENT DECISION INCREMENT

01567

CATEGORY: SOCIAL SERVICES  
 AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: CHILD ASSISTANCE  
 SUB-PROGRAM: DAY CARE

\*\*\* GOVERNOR ANALYSIS \*\*\*

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS BI AUTH
PERS. SERV.	14.9	15.8%	PERS. SERV. ADJUSTMENT, 14.9
LEVEL	2.8	11.9%	INFLATION 2.8
TRACTUAL	-5.3	-15.5%	INFLATION 2.7. CONSOLIDATION OF LEASE PAYMENTS INTO DOA, <8.0>
MODITIES	0.1	10.0%	INFLATION .1
EQUIPMENT	0.1	50.0%	ONE-TIME EQUIPMENT REDUCTION, <.2>. FY82 REPLACEMENT EQUIPMENT, .3
GRANTS, CLMS	877.0	27.4%	GRANT INCREASE, 800.0. SEE NOTE 1
			INFLATION 77.0
TOTAL	889.6	26.5%	

NOTE 1: THE 800.0 ADD-ON OVER THE FY81 GRANT LEVEL IS ADDED TO INCREASE THE DAY CARE SUBSIDY FROM AN AVERAGE RATE OF \$12.00 PER DAY TO \$16.00 PER DAY. THE \$12 PER DAY FIGURE HAS NOT CHANGED FOR SEVERAL YEARS AND IS NO LONGER REALISTIC DUE TO INFLATION. THE SLIDING FEE SCALE USED TO DETERMINE THE PERCENTAGE OF SUBSIDIZED DAY CARE IS ALSO OUT OF DATE AND WILL BE READJUSTED FOR FY82.

03-18-03-01-00 (21-21-9-17-01-00)

## STATE OF ALASKA -- COMPONENT\_BUDGET\_SUMMARY

1985

7/05/81

CATEGORY: SOCIAL SERVICES

PROGRAM: CHILD ASSISTANCE

AGENCY: DEPARTMENT OF COMMUNITY &amp; REGIONAL AFFAIRS

SUB-PROGRAM: DAY CARE

EXPENDITURES & FUNDING	FISCAL YEAR 1982												
	(01) FY80 ACT	(02) FY81 ATH	(03) FY81 AP	(04) FY81 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) P.C.C.	(12) BILLS	(13) LEG REC.
01 PERS. SERV.	105.1	94.9			109.4	100.4		109.4	109.4	109.4	109.4	37.5	
02 TRAVEL	17.2	23.9			26.3	26.3		26.3	26.3	26.3	26.3	4.0	
03 CONTRACTUAL	22.1	34.3			37.0	37.0		29.0	29.0	29.0	20.0	4.3	
04 COMMODITIES	.8	1.0			1.1	1.1		1.1	1.1	1.1	1.1	.2	
05 EQUIPMENT	.4	.2			.3	.3		.3	.3	.3	.3	2.0	
06 LANDS/BLOODS													
07 GRANTS, CLMS	2358.6	3199.4			3276.4	4076.4		4076.4	4076.4	4076.4	4076.4	1750.2	
08 MISC.													
04 TOTAL EXPEND	2904.2	3352.9			3450.5	4250.5		4242.5	4242.5	4242.5	4242.5	1798.2	
09 I-A TRANSFER		4.4			4.4	4.4		4.4	4.4	4.4	4.4		
10 FED. RECEIPT													
11 O. F. MATCH													
12 GENERAL FUND	2904.2	3352.9			3450.5	4250.5		4242.5	4242.5	4242.5	4242.5	1798.2	
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME		3.0			3.0	3.0		3.0	3.0	3.0	3.0		
16 PART TIME													
17 TEMPORARY													
18 STAFF-MONTHS		36.0			36.0	36.0		36.0	36.0	36.0	36.0		

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL &amp; SPECIAL APPROPRIATIONS AND FISCAL NOTES...

SPECIAL APPROPRIATIONS: MO 297 01798.2.

To: Nancy Dietrich  
Senate Health, Education & Soc. Ser.  
(Phone: 465-4907)

From: WARE - CIRA

As you requested, here is the

Department's statement on:

**Sec. 44.47.260 CONTRACT ADMINISTRATION:**

The Department supports this concept.

As the day care assistance program has expanded to include more and more families, and with the advent of the enrollment policy, the demand on local administrators' time has also increased.

We are ~~also~~ concerned that grants to municipalities for administration not come from program dollars for child care.

We suggest

Further, a separate grant award ~~will~~ be made to the department to pay this portion of the contractor's cost, but in no circumstances is this payment to come from grants appropriated for family child care.\*



Official Business

Donald Gilman, Chairman  
Robert H. Ziegler, Sr., Vice-Chairman  
Mike Colletta  
Arliss Sturgulewski  
Frank Ferguson

# Alaska State Legislature

Senate  
Committee on  
Community & Regional Affairs

465-4934  
465-4935

Pouch V  
State Capitol  
Juneau, Alaska 99811

SENATE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

Thursday, April 30, 3:00 p.m.

SB 517 - Relating to child care assistance

SB 518 - Making special appropriations to the  
Department of Community and Regional  
Affairs for child care assistance

*next  
stuff*

JUNE 1981



# NEWSLETTER

VOLUME IX

NO. 5

## FAMILIES, WORK AND DAY CARE ✓

## GENERAL MILLS SURVEY SAYS WOMEN IN THE WORK FORCE TO STAY ✓

"Some people say that as it becomes more and more common for both parents to work, or for single parents to work, child care in this country is bound to change. Do you feel it would be a good or bad thing for families if:

- Employers made it easier for working parents to arrange their jobs and careers around their children
- Children were expected to take on more responsibility themselves
- Government tax deductions helped people pay to have someone care for their children in their own homes or in neighborhood homes
- Schools provided more child care before and after school hours

A new national survey sponsored by General Mills, Inc. and conducted by the research firm of Louis Harris and Associates, Inc., New York revealed that women are in the work force to stay. Not only are they there to help support their families, but also to achieve personal satisfaction. When asked, 58% of the women as compared to 28% stated that in the absence of economic necessity, they would work outside the home. They stated however, that the work would be part-time. Men in the survey preferred full-time employment.

The survey, called "The General Mills American Family Report 1980-81 - Families at Work: Strengths and Strains" is the company's fourth study of the American family. It comes during a period of continuing influence of major socio-economic changes on American family life. As a sample, 1503 adult and teenage family members from groups classified as human resource officers, labor leaders, family traditionalists, and feminists were used.

Continued on page 2)

(Continued on page 2)

## FAMILIES, WORK AND DAY CARE (cont.)

- Grandparents and other family members besides the parents took over child care
- Day care centers and other child care services outside the home became more and more common?"

The above questions were asked as a part of the General Mills survey on "Families at Work: Strengths and Strains." The responses were grouped as teenagers 13-18, adults 18-39, and adults 40-over in male and female groupings. On the question of day care centers and other child care services outside the home all groups agreed almost 2:1, that these arrangements are a good thing. The majority of adult males 40 and over agreed that it was a good thing but almost an equal number 42% thought that it was a bad thing. Teenage males (38%) and adult males 14-39 (34%) agreed with this opinion. But, female adults 18-39, the largest group of the survey and the group most likely to use this service, thought by 78% that day care centers and other arrangements were a good thing. Only 19% of this group thought that it was a bad thing.

What do these findings mean for day care? What can be gathered from the opinion of many males in all age groups that day care arrangements are a bad thing? What can this mean to groups like the day care campaign? 4C for Central Florida, Inc.?

In the opinion of this writer, it means that since the policy makers and leaders of business, the people with the money and power in most cases are men, day care must approach this group. It must convince them that it is not necessary to fear what ever it is that they fear concerning day care and their working wives and families. Public awareness events like our recent tours of child care centers, the Children's festivals, and their inclusion, encouragement, and exposure as participants in child care centers are most beneficial. People in day care need

## GENERAL MILLS SURVEY (cont.)

To present the survey to the nation, Harris and Associates chose a live news conference which was carried by satellite teleconference to 18 communities across the country simultaneously. Orlando was chosen as one of the communities and Phoebe Carpenter, Administrator of 4C for Central Florida was chosen as a panelist.

The last ten years has established a pattern for the future of families at work. Of women living in families, 5 out of 10 are employed outside the home, while 3 out of 10 are full-time homemakers. Most are married with children under eighteen years of age. Of the 50% that work, 10% are the sole support of their family. As a result, attitudes about women working and the job of homemaking have undergone profound changes.

The General Mills' survey showed that working mothers bare particular burdens and pressures which affect their ability to build and sustain careers and to discharge parental responsibilities satisfactorily. According to most family members surveyed, the trend toward both parents working outside the home has good and bad affects on families. The overall affect of both parents working was seen to have been negative. It was thought that children needed stronger parental guidance, supervision and discipline than can be given when both parents work. This view was offset by those who expressed that the fulfillment for women working outside the home, the added financial security, improved family communications, and independence for children outweigh the negative effects. They cited as benefits that when both parents worked, children had to become more self-reliant and independent. Teenagers interviewed supported by a large margin this latter opinion.

All groups agreed in strong majorities that even if women had families they should be given opportunities equal to men to work and have careers outside the home. There was agreement also from family members that the work place should consider ways to

## FAMILIES, WORK AND DAY CARE (cont.)

to assure them that because the nation has the forethought to support regulations that protect their children and grandchildren who are in care and will be in care while their wives and daughters are working, there is no threat nor challenge in this to their masculinity or dominance as a group. They, too, have a responsibility to lay aside their biases and investigate locations where their children are being nurtured.

The Day Care Campaign is another vehicle for communication. It is a point of unity, another solution to the problem of education of the public to the benefits of day care to the family. It needs to be taken to men in all areas; business, government, and pop stores, everywhere. It seems that no matter what the age of the male in this survey, day care as a service to families conjured up some negative "vibes" from many in the group, a sizeable number, one too large and powerful or potentially powerful to overlook. And right now, today, this is where the power to change and accommodate resides; with the men in government and business.

To approach this group effectively, the various factions will have to align on those things they can agree upon, stick to these, put aside old antagonisms, present a unified front, make sure there's an acceptable standard of child care, maybe not a Cadillac but a Volkswagen, a good Volkswagen, acknowledge that there are a lot of "eggheads" and that what one said could not be done is being done somewhere else, successfully in some cases and unsuccessfully in others. Also make sure that the services offered are reliable, professional, and of acceptable quality by a means other than some mystical standard in some one's psyche that says this is the only way, etc.

Women are going to continue to work. Day care has been around for a long time and I think that we can count on it being here awhile longer as more women work and must find suitable alternative child care

situations. Changes in working schedules, and leave time by industry can only accommodate a few in the labor force. Child care related legislation is being presented to provide "tax breaks" for the payment of the child care of working families. Schools are already immersed in controversies over the quality of educational programs and need to continue to give their primary attention to educating our children. Grandparents, because of the mobility of families and their more vital lifestyles can not be expected, or may not want, to give their waning years in care to grandchildren. I wouldn't.

The responsibility for the alternate care of children reverts back to the parents, it should. But where are they to go? An article in the most recent Central Florida Scene magazine entitled "The Nightmare of Day Care" gives the following choices:

- Leave the children alone at home.
- Seek "special" child care arrangements which are sometimes dangerous.
- Seek welfare instead of work.
- Send the children to live with a relative till they reach school age or in extreme cases, put them up for adoption.
- Keep older children out of school to tend the young children.
- Receive subsidy child care funds from an organization such as "4C".

Of course, parents can pay the full cost of care and go broke. Other alternatives being pursued by this 4C and many employers are for:

- Employers to operate child care centers for employees.

(Continued on page 4)

**FAMILIES, WORK AND DAY CARE (Cont.)**

- Employers to participate in the 4C Child Care Assurance Plan which would provide for their workers' child care assistance in the amount of their need, in the center of their choice with the employer picking up the difference of what the center charges and what the employee pays without the employer having the responsibility of diversifying in a business such as child care. Using this plan the employer may provide child care benefits, insure that their employees are available for work and continue to concentrate on the company's primary industry.

Women are in the labor force to stay. Day care is in the right place at the right time. Centers, prepare your services and be ready for the customers that must surely come. Where else is there for them to go?

\*\*\*\*\*

**ORIENTATION WORKSHOP**

An orientation workshop for directors of centers new to 4C contracting will be given at the 4C Resource Center on Wednesday, June 3rd from 9:00 a.m. to 11:30 a.m. The workshop will give participants an opportunity to meet with the 4C Administrator, Department Directors and Board Members and have their questions about the 4C Organization and funding programs answered in a small group setting. Others are invited as space permits. Please call Ms. Anne Elliott at 425-0509 for reservations.

**GENERAL MILLS SURVEY (cont.)**

accommodate family needs, just as families consider ways to meet the terms laid down by the work place.

The future will tell. During the next ten years, the impact of working women on the work place and family will be determined. It is already evident that this will be a time of experimentation by employers and families with new kinds of work and career patterns and with new roles and responsibilities for children. This is already being shown by the interest being paid by employers to the provision of day care for workers as a benefit akin to other benefit's in the company's benefits package.

For single copies of the report write General Mills, Box 6, Department 760, Minneapolis, Minnesota 55460.

*Write for this  
6/3/81  
C*

\*\*\*\*\*

**IMPORTANT DATES**

**JUNE**

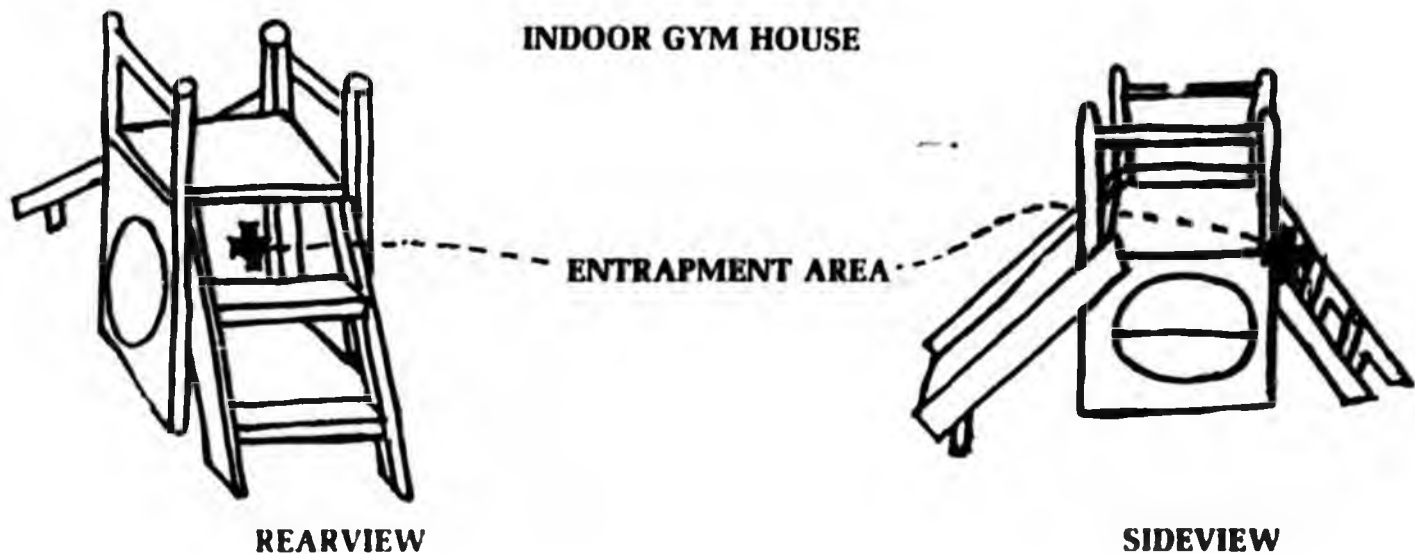
- 14-19 Perkins School for the Blind International symposium on visually handicapped infants & young children: birth to seven. "In the Beginning..." Tel Aviv, Israel. Contact: E. Chigler, Secretariat, International Symposium on Blind Infants and Children, P. O. Box 394, Tel Aviv, Israel.
- 17-19 American Montessori Society, 21st Annual Seminar: "Fantasy and Creativity in the Life of the Child", Anaheim, Ca. Contact: J. Weiss, National Director AMA, 750 5th Ave., New York, New York 10011.
- 18-20 Institute for Early Childhood Education, Needs of the 90's: A Research Conference on Young Children and Their Families, Anaheim, Ca. Contact: S. Hill or H. Frey, Institute of ECE, California State University-Fullerton, Fullerton, Ca. 92634.

## POTENTIALLY DANGEROUS GYM SET RECALLED

Approximately 400,000 "indoor gym houses" are being recalled, voluntarily by Creative Playthings, because of a possible strangulation hazard to young children.

The sets, manufactured between 1962 and 1979, consist of a hollow, masonite and wood box 30 inches high which supports a two-step wooden ladder on one side and a short slide on the opposite side. The top of the box or platform serves as a bridge between the ladder and the slide and is protected on two sides by wooden railings.

The gym is intended for use by children 18 months through 3 years old. The potentially harmful area is a space between the upper rung of the ladder and the platform which is small enough to enable children to trap their heads and strangle or asphyxiate.



The U.S. Consumer Products Safety Commission staff reports that it had been informed of two incidents since October 1979 of young children getting their heads caught in the space as they sat facing the platform on the bottom rung of the ladder. One child died and the other suffered brain damage.

Models manufactured during other years do not contain the potential entrapment area of the models manufactured between 1962 and 1979. Models manufactured in 1980 have been redesigned to include an expanded area of 7.5 inches between the platform and the upper rung of the ladder, greatly reducing the likelihood of head entrapment.

Consumers should contact the company immediately to exchange their gym houses for a newly designed model, free-of-charge, or to request a free repair kit which includes a new ladder and installation instructions.

To exchange the product for a new unit, write: Creative Playthings, 3500 Industrial Road, Harrisburg, Pennsylvania, 17105.

To request the ladder replacement kit, write: Creative Playthings, P. O. Box 306, Route 147, Herndon, Pennsylvania, 17830.

Consumers, who require additional information about this recall, should contact CPSC's toll-free hotline at 800-638-8326; in Maryland, 800-492-8363; and in Alaska, Hawaii, Puerto Rico and the Virgin Islands, 800-638-8333.

# IN THIS ISSUE

**GENERAL MILLS SURVEY SAYS  
WOMEN IN THE WORK FORCE TO STAY**

**FAMILIES, WORK AND DAY CARE**

**POTENTIALLY DANGEROUS GYM SET RECALLED**



**WHAT IS 4C?** Community Coordinated Child Care for Central Florida is a private non-profit corporation, a United Way Agency which provides service and information to families of young children, and contracts with Fla. Dept. of H.R.S. to administer child care assistance in three counties.

Main Office: 4C HOUSE - 816 Broadway, Orlando, Florida 32803  
PHONE: 425-0509 (Orange), 628-3020 (Seminole) or 847-8623 (Osceola)

4C Resource Center and Toy Library: 219 Fasadena Place, Orlando, Florida 32803  
PHONE: 425-6711 (Orange & Osceola) or 628-3181 (Seminole)

Seminole Child Development Center: Seminole Community College  
PHONE: 323-1450 Ext. 314

4C Newsletter - Monthly to 4C members 4C Teacher - Quarterly to child care workers



Another United  
Way Agency

Community Coordinated Child Care for Central Florida, Inc.

816 Broadway Orlando Florida 32803

Non profit Organization  
U.S. Postage  
PAID  
Permit No. 307  
Orlando Florida 32803

Ms. Lare  
Child Care Coordinator  
Alaska Dept. of Comm. & Regional  
Affairs  
225 Cordova, Building B  
Anchorage, Alaska 99501



# NEWSLETTER

ABSTRACT OF BUDGETARY INFORMATIONPresident's Budget Request  
United States Department of Agriculture  
Food and Nutrition Service

<u>Program No.</u>	<u>Program Title/Change</u>
10.550	Food Distribution - Financial Assistance No significant change.
10.553	School Breakfast Program These tables reflect the proposal to extend the temporary provisions of the Omnibus Reconciliation Act of 1980 (PL 96-499) through fiscal year 1982. <u>Additional proposed legislation which would reduce the available funds by 16 percent is not included.</u>
10.554	Equipment Asst. for School Food Service Program <u>No funds are requested for this program in fiscal year 1982.</u>
10.555	National School Lunch Program These tables reflect the proposal to extend the temporary provisions of PL 96-499 through fiscal year 1982. <u>Additional proposed legislation which would reduce the available funds by 37 percent is not included.</u>
10.556	Special Milk Program for Children These tables reflect the permanent provisions of PL 96-499 which reduced the reimbursement rate to 5 cents for milk served to paying students in schools with another federally subsidized meal program. <u>Proposed legislation which would reduce the available funds by 76 percent is not included.</u>
10.558	Child Care Food Program These tables reflect the proposal to extend the temporary provisions of PL 96-499 through fiscal year 1982. <u>Additional proposed legislation which would reduce the available funds by 30 percent is not included.</u>

BUDGETARY INFORMATION SYSTEM - STATE TABLE

As of March 10, 1981

UNITED STATES DEPARTMENT OF AGRICULTURE

FOR STATE OF ALASKA

SUBJECT OF REPORT: President's Budget Request

CAUTIONS/

RESTRICTIONS ON USE: Totals for the performance based programs in fiscal years 1981 and 1982 should be used for estimating purposes only. The actual grants for 1981 and 1982 will depend on the levels of program activity during the year. These levels do not show the impact of proposed legislation. In addition, State totals do not include obligations for programs directly administered by Food and Nutrition Service.

(OBLIGATIONS-DOLLARS IN THOUSANDS)

Program Number	Program Title	National (N) or State (S) Data	Past Year: FY 1980 Actual	Current Year: FY 1981 Estimate	Current Year: FY 1982 Estimate
10.560	State Administrative Expenses for Child Nutrition	N S	33,781 194	38,226 225	44,538 261
10.561	State Administrative Matching Grants for Food Stamp Program	N S	388,114 1,242	451,950 1,569	491,600 1,707
10.564	Nutrition Education and Training Program	N S	20,000 75	15,000 75	-- --
10.565	Commodity Supplemental Food Program	N S	2,811 --	3,527 --	2,817 --
Total, FNS			6,007	6,852	7,591

UNITED STATES DEPARTMENT OF AGRICULTURE

FOR STATE OF ALASKA

TITLE OF REPORT: President's Budget Request

CAUTION: TOTALS FOR THE PERFORMANCE BASED PROGRAMS IN FISCAL YEARS 1981 AND 1982 SHOULD BE USED FOR ESTIMATING PURPOSES ONLY. THE ACTUAL GRANTS FOR 1981 AND 1982 WILL DEPEND ON THE LEVELS OF PROGRAM ACTIVITY DURING THE YEAR. THESE LEVELS DO NOT SHOW THE IMPACT OF PROPOSED LEGISLATION. IN ADDITION, STATE TOTALS DO NOT INCLUDE OBLIGATIONS FOR PROGRAMS DIRECTLY ADMINISTERED BY FOOD AND NUTRITION SERVICE.

(OBLIGATIONS-DOLLARS IN THOUSANDS)

Program Number	Program Title	National (N) or State (S) Data	Past Year: FY 1980 Actual	Current Year: FY 1981 Estimate	Current Year: FY 1982 Estimate
10.550	Food Distribution Financial Assist.	N	6,304	10,110	10,900
		S	--	--	--
10.553	School Breakfast Program	N	246,985	319,100	356,000
		S	230	293	328
10.554	Equipment Assist. for School Food Service Program	N	20,000	15,000	--
		S	43	40	--
10.555	National School Lunch Program	N	2,103,836	2,298,000	2,529,400
		S	3,280	3,546	3,903
10.556	Special Milk Program for Children	N	155,797	118,800	124,800
		S	160	125	132
10.558	Child Care Food Program	N	215,774	269,800	347,000
		S	783	979	1,262
10.559	Summer Food Service Program for Children	N	120,578	121,700	134,500
		R	--	--	--

ABSTRACT OF BUDGETARY INFORMATIONPresident's Budget Request  
United States Department of Agriculture  
Food and Nutrition Service

<u>Program No.</u>	<u>Program Title/Change</u>
10.559	Summer Food Service Program for Children These tables reflect the permanent provision of PL 96-499 which limited meal service in the summer program. Additional proposed legislation would eliminate the program altogether.
10.560	State Administrative Expenses for Child Nutrition No significant change.
10.561	State Administrative Matching Grants for Food Stamp Program No significant change.
10.564	Nutrition Education and Training Program No funds are requested for this program in fiscal year 1982.
10.565	Commodity Supplemental Food Program These tables reflect a reduction of 20 percent in funding for this program in fiscal year 1982.

## Lifetime Impact of Pre-school Education

The Ypsilanti Perry Preschool Project conducted by the High/Scope Educational Research Foundation of Michigan has followed the lives of 123 disadvantaged children from preschool age to the present. The study has shown that by age 15, children who attended quality preschool significantly out-performed children who had not. Some major findings are:

..Children who had attended preschool scored higher on reading, arithmetic and language achievement tests at all grade levels than children who had not. By age 15, children who had attended preschool tested 3% higher, or the equivalent of more than one full grade better than the children who had not attended preschool.

..By the end of high school, 2% of the children who had attended preschool had been placed in special education classes, as against 39% of those who had not. This constitutes a 50% reduction in the need for such services.

..Children who attended preschool showed less tendency to display antisocial or delinquent behavior in or outside of school. Thirty-six percent of the 15 year olds who had attended preschool admitted to five or more offenses, as against 52% of those who had not.

..Children who had attended preschool were more likely to hold jobs after school, a hopeful sign that the effects of preschool will extend to employment and other kinds of success beyond the classroom.

..The long-term benefits of preschool outweigh the costs. The study demonstrates that a public school which invests approximately \$3,000 for one year of preschool per child begins to recoup its investment immediately, in savings on special education and other special services. A year of preschool is substantially paid for, with interest, by the end of a child's school career. This return on investment does not include savings to society in lower delinquency rates.

..Although the data are incomplete, early indications are that children who had attended preschool, now ages 18 to 22, will show a higher high school completion rate, a greater likelihood of attending college, less tendency to use welfare, higher employment, and lower arrest rates than those who had not.

The characteristics that have been identified as requirements for a quality program are:

- 1) it must be well managed and monitored;
- 2) parents should have substantial involvement in the child's education;
- 3) at least two adults should be in the classroom to provide overall classroom support and individual attention to the children (class size is not as important);
- 4) there should be a high degree of teacher-child interaction, with the child initiating much of the activity;
- 5) the program should be organized around a specific curriculum to provide a consistent basis for learning;
- 6) teachers must be trained in the

curriculum and should learn to work together as a team and under supervision; 7) the program must have an evaluation component where the emphasis is on maintaining quality on a day-to-day basis. Sources consulted: 12/14/81, Press Release, Carnegie Corporation, "Study Finds A Lasting Benefit to Children & Society".



## Resources & Assistance

- 1) Resource & Evaluation Center Three (Washington, Oregon, Idaho, Alaska) provides assistance to any Title IV eligible applicant in Title IV needs assessment, project design, evaluation grant compliance, information about Indian education projects and materials, etc. Day-break Star Cultural Center, Box 99253, Seattle, WA 98199. (206) 285-4425.

- 2) Bilingual Service Education Center for Alaska and The Northwest (BESCAN) provides training and technical services to bilingual education programs through workshops, institutes and inservice/consultation. BESCAN, University of Washington, JD-46, 1107 N.E. 45th Street, #515, Seattle, WA 98105. (206) 543-9474. Source consulted: TA Newsletter, October, 1981.





Logo by:  
Larry Larson

A NEWSLETTER FOR ALASKANS  
CONCERNED ABOUT YOUNG  
CHILDREN AND THEIR FAMILIES

DECEMBER, 1981

VOL. 1 NO. 2



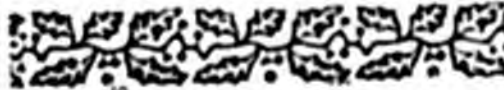
### New Publications

Two new booklets have been published by the Alaska State Dept. of Education.

"Early Childhood Education in Alaska" provides information regarding the services provided through the department's early childhood staff. The laws and regulations governing early childhood education in Alaska; suggestions for starting an early childhood program; sample forms; a directory of agencies and organizations related to early childhood plus listings of publications, films and associations in early childhood are included.

"Kindergarten in Alaska" provides practical ideas on such areas as involving the parent, the facilities, the curriculum, the exceptional child, and the bilingual-bicultural child. Supplementary resource publications are provided for each area, plus listings of general films, publications and associations in early childhood. Sample rating scales, progress reports, tests,

etc., for kindergarten children are provided along with the laws governing kindergarten in Alaska. Copies of both of these books may be obtained from the Division of Education Program Support, Dept. of Education, Pouch F, Early Childhood Education, Juneau, AK 99811, 465-2841. Sources consulted: "Early Childhood Education in Alaska", DOE, 1981 and "Kindergarten in Alaska" DOE, 1981.



### State Early Childhood Association

Ballots have been sent to all NAEYC affiliate members to elect officers of the Alaska State Association for The Education of Young Children. Nominees are: Chairperson - Mary Asper (NAEYC-SEA), Patty Merritt (FAVC), Wendy Peterson (DAEYC); Information - Joann Contini (AAEYC), Nancy Johnson (B-7C), Public Awareness - Nancy Smith Earle (AAEYC), Margie Fields (NAEYC-SEA); Advocacy - Meredith Nino-Egbert (NAEYC-SEA) Helen Saxton (AAEYC), Eligio White (AAEYC); Funding - Kay Greenough (NAEYC-SEA), Eligio White (AAEYC).

Ballots will be tallied during the first week of January and offices will be announced to the membership



### Delta Association for the Education of Young Children

The Delta Association now has 25 members. Newly elected officers are: Co-Chairpersons, Wendy Peterson & Sharon Hodgins; Secretary, Barbara Williams; Treasurer, Robin Bailey.

Recent activities include a regular column in the Tundra Drums newspaper called "Parentline". (It is different from the one appearing in the Anchorage Times by AAEYC).

In conjunction with their objective to increase awareness of child abuse and neglect DAEYC has assisted in bringing Region 7 Child Abuse & Neglect Resource Center Staff to Bethel. Their visit will be Jan. 27-28 and will include activities for both parents and professionals. The next DAEYC is scheduled for January 18. Main contacts are Wendy Peterson at 543-2621 and Sharon Hodgins at 543-3401.

## National News

The Dept. of Health & Human Services has announced the availability of funds and requested pre-applications for approximately \$34.7 million of social service grants.

Some of the grants concern Head Start, child care alternatives employer based child care, family support networks and other grants that would benefit young children.

The closing date for receipt of pre-application materials is January 15th. The actual notice may be found in the November 16 Federal Register, Vol. 46, Number 220.

Changes in the USDA child care food program were proposed in the November 27th Federal Register. Changes are proposed in meal reimbursements, special milk program, reduced price meal eligibility and snack reimbursements. Public comments on these proposed changes are due January 26th.

Sources consulted: Report on Pre-school Education, 12/1/81.



## Anchorage AEYC

Debby Ward, an Early Childhood educator from Seattle, was hired as Coordinator for the state legislative training grant. (See following article) Membership is up to a total of 60 and the next membership meeting is scheduled for January 12th from 7-9 P.M. at the Resource Center. Plans are under way for the annual Creative Activities Fun Fair being held this year at Tudor Elementary School. This is hosted by AEYC every February and provides a day of art, music, language, large muscle, and other creative activities for parents and their young children. Guidance in the creative activities is provided by local members. The fun fair is free, and open to all area residents with young children.

### AEYC Training Grant News

The Resource Center funded through the state appropriations to AEYC is ready for business. They will have an open house on January 12th and Anchorage area child care workers are welcome to come and browse. The resource center includes early childhood books, films, audio-visual materials, toy lending library and other materials. It is located at 700 1st Street, Suite 1 (downstairs) Anchorage. Plans are for the center to be open evenings and week-ends and a schedule will be posted at the open house.

The first workshop of the training grant will be on January 19th at the Resource Center. It is a hands-on make-it, take-it session on "Teacher Made Materials". It is open to child care workers and individuals in the Anchorage area. Please notify of your intent to attend by January 15th. The contact for all of these activities is Debby Ward, Training Grant Coordinator, 279-5024.



### Birth Defects and Genetic Clinic

On January 13 & 14, The March of Dimes is conducting a birth defect and genetic clinic at Providence Hospital in Anchorage. These clinics are provided every other month and are available to families of children with birth defects or development delays. They are also available for families who are considering having children and who have a history of genetic disease and a potential for at-risk children. The clinic provides information, conducts some lab tests and make suggestions and arrangements for other tests. There is no fee except for the cost of lab tests. For further information and to make an appointment, contact Christ LeBlond at 344-5841.

## TV Resources-Primary

Instructional television through Public Broadcasting provides a number of programs aimed at the primary (grade 1-3) age range. "The Art Chest" is an innovative series in arts and crafts and emphasizes building children's confidence and enjoyment in simple art projects. It is broadcast Thursday from 10:15 to 10:30 A.M. and Friday from 4:45-5:00 P.M. "Get It Together" is for children 6-12 years of age and encourages creativity in making crafts out of every day items and common materials. Broadcasts are Mondays from 9:00-9:10 A.M. with repeats at 11:35-11:45 A.M. "Let's All Sing" presents a variety of songs and instruments, largely selected from folk heritage.

Concepts of tone, rhythm, pitch and form are introduced. Broadcasts are Monday from 10:45-11:00 A.M., repeated on Friday from 4:40-4:45 P.M. "Room Rastics" demonstrates exercises for primary level students to join in to improve coordination and physical fitness. Broadcasts are Friday from 7:40-7:45 A.M. A complete list of these primary programs and others, plus their schedules can be obtained from Learn/Alaska Magazine, Alaska Dept. of Education, Pouch 1, Juneau, AK 99811. Sources Consulted: Learn/Alaska Telecommunication Network Magazine, Alaska DOE and University of AK.



This newsletter is published with funds from the State of Alaska through the Department of Community and Regional Affairs. The contents do not necessarily reflect the opinions or views of the Department or any of its divisions or offices.

Comments, questions or items for publication can be submitted to: Joann Contini, Early Childhood Coordination Project, 1345 W. 9th Ave. Suite 202, Anchorage, Alaska 99501, 274-1665.



### State-Wide Conference??

The Anchorage AEYC has some funds for an Anchorage Early Childhood Conference, and would like to expand to a state-wide conference if possible. They are currently looking for cosponsors, in other words, individuals and organizations who could assist by providing funds or services. If you would like to be a part of this effort, contact Debby Ward, AEYC Training Grant Coordinator at 279-5074.

## NAEYC-SOUTH EAST ALASKA

Members of the South East affiliate are preparing for a presentation at the January 27-28 State Board of Education meeting in Anchorage.

They will be discussing the unique aspects of Early Childhood Education and will be requesting additional support from the Board for Early Childhood. The need for specially trained individuals to work in early childhood will be emphasized and the concept of a career ladder approach to certification of early childhood educators will be presented.

Copies of the career ladder approach that is being considered by NAEYC SEA have been distributed to the presidents of all the local affiliate groups, the community college task force and other interested people. Comments are requested on the idea so that the presentation will represent much of the early childhood community. If you have ideas or comment on this, please contact Margie Fields, University of Alaska, Juneau, 11120 Glacier Highway, Juneau 99801. For copies of the career ladder, contact your local affiliate president. Please provide your input by Jan 14.

NAEYC-SEA has also developed a telephoneroot so that members can be contacted quickly and so the burden of contact is shared evenly among members. At the last meeting, a slide/tape presentation on the Child Development Associate (CDA) program was viewed.

The next meeting is scheduled for Tuesday, Jan. 12.

Advocacy is nothing more than educating people who have responsible positions to take responsible positions on issues of concern and importance. Public policy makers are real people who need information in order to operate effectively as decision-makers.



#### Fairbanks AYC

The members of FAYC are getting prepared for the upcoming legislative session. They are developing grant proposals for a local early childhood office/resource center/information service, a child care training grant and requests for necessary materials for child care facilities.

Things are really rolling as two of the three vans have already been purchased with this year's state monies. The busses are transporting children to and from specific child care facilities. The next two meetings are scheduled for January 5 and February 2nd. For further information, contact Patty Merritt at 452-5997.

### DCRA Proposed Regulations

Proposed regulations have been submitted for three early childhood programs housed within the Department of Community & Regional Affairs. The Day Care Assistance Program (19 AAC 50.010-19 AAC 50.260) provides subsidy payments to day care facilities on behalf of families which are eligible for day care assistance. Proposed regulations for this program amend existing regulations. The proposed regulations increase the maximum assistance for infant rates, change the subsidy level for parents adjusted net income, change the procedure and classification for those parents who must be put on the waiting list because of lack of funds, allows the department to contract with organizations as well as municipalities for day care facilities as well as several other changes in wording, re-organization of sections, etc.

The Child Care Grant Program (19 AAC 55.010-19 AAC 55.200) provides funds for the operation of a child care facility for facility staff, salaries, fringe benefits, health and nutritional requirements, equipment for use by the children, staff training, parent education and involvement.

The proposed regulations amend the existing emergency regulations and establish the administrative procedures, eligibility requirements, application procedures, etc.

The Education & Training Grant Program (19 AAC 56.010-19 AAC 56.180) provides funds for the education and training of child care employees or administrators. The proposed regulations are new and establish the entire program, the application procedures, eligibility requirements, administrative procedures, use of funds, etc.

Input on these proposed regulations is requested by DCRA. Copies for review may be requested from Dept. of Community & Regional Affairs, 225 Cordova, Building B, Anchorage, AK 99501, 264-2201. Written statements may be submitted to the department and the closing date for comments is February 1, 1982.

Public hearings on the proposed regulations will be held as follows:

- January 4 - Juneau City & Borough Chamber  
Juneau 6:30 a.m.
  - January 4 - Kodiak Island Borough Assembly Chamber, Kodiak 7:30 pm
  - January 7 - Legislative Affairs Information Office - Ketchikan - 3:30 p.m.
  - January 13 - City Council Chamber - Bethel 7:30 p.m.
  - January 25 - Kenai Peninsula Borough Administration Building Kenai - 6:30 p.m.
  - January 27 - City Council Chamber - Nome 7:30 p.m.
- Sources consulted  
Proposed Regulations,  
19 AAC 50.010 - 50.260,  
19 AAC 55.010-55.200,  
19 AAC 56.010-56.180

11) "The American Dream-Assessing the Status of Older Americans". 32nd Annual Conference of the National Council on the Aging. March 31-April 3. Washington, D.C. Fees range from \$70-\$165. NCOA, 600 Maryland Avenue S. W. West Wing 100, Washington, D.C. 20024 (202) 479-1200.

12) Hyperactivity Conference, January 13-15. Bethesda, Maryland A consensus development conference on how diet is related to hyperactivity in children. Dorothy Sogn, (301) 496-1886.



### Alaska Head Start Director's Association

A discussion draft paper "Head Start Directions for the Next Three Years" prepared by the Dept. of Health & Human Services was reviewed and commented upon by the AHSDA. The draft proposed many changes in the federal program, some of which The Director's Ass'n felt would be detrimental to the program. The next meeting is scheduled for January 7 and 8 in Anchorage and will include discussion of a State Early Childhood Office and a State Parent Association



### Some Statistics of Interest

Nationally, 8.2 million, or 45% of all preschool children had mothers in the work force as of March 1981. According to the Bureau of Labor Statistics, the increased numbers and percentage of mothers in the work force continues a 10-year trend.

The Alaska 1980 Census Data lists the number of children under 5 years old in Alaska at 38,777. This is broken down into 18,833 females and 19,944 males. The under-five population group accounts for 9.68% of the state's total population of 400,481.

The age group of 5-9 year olds includes 34,917 children. This brings the total of 0-9 year olds to 73,694 or 18.4% of the total state population.

The average entry level wage for child care workers in Alaska was \$4.61/hr. (June 1981). For comparison, other average entry level wages were: dish washer - \$4.69/hr. short order cook - \$5.48/hr.; Typist - \$6.21/hr.; Licensed Practical Nurse - \$7.63 per hour; Secretary - \$7.24/hr. Sources consulted: Report on Pre-school Education, 12/1/81; Population Counts By Age, Race & Sex, 1980 Census Data, 2/27/81; 1981 Wage Rates For Selected Occupations, Alaska JOL, August 1981.

### Community College Early Childhood Task Force

The November meeting yielded much activity. The basis for a reciprocity manual for course content was presented.

Discussion continued on a career ladder and the efforts toward state certification of early childhood teachers. Minimal criteria for field delivery courses and the qualifications for teachers of these courses were developed.

Criteria that are currently being considered for trainers of field courses are: 2 years experience with children in early childhood (birth through kindergarten); an Associate of Arts in Early Childhood or equivalent (equivalent must include 21 credits in early childhood or a DOA); 2 letters of recommendation (1 directly related to on-site field-based experience). Work will continue on these activities at the next meeting in June or on January 15-16.

Further information about task force activities can be obtained from Myrna Orme, Rural CAP, 270-2541.



Training, Conferences,  
Workshops, Etc.

1) "Introduction to Program Evaluation". January 21-22, Houston, TX. A workshop in the basic skills required for effective evaluation of education, human services, public health and medical care programs. \$295. Register by January 6. Capitol Publications, Seminar Div., 1300 N. 17th Street, Arlington, VA 22209. (703) 528-5400.

2) "Grants Administration". January 18-19 Houston, TX. How to administer public and private funds, budgeting, accounting, auditing, record-keeping, evaluation, etc. \$295. Register by January 6. Capitol Publications, Seminar Division, 1300 N. 17th Street, Arlington, VA 22209. (703) 528-5400.

3) "A Voice for Indian Children". Fourth Annual Nat'l. Indian Child Conf. September 12-16, Phoenix, AZ. For rural and urban community people as well as those working with Indian children in Health, Education & Youth Issues. Dallas Johnson, Conference Coordinator, National Indian Child Conference Coordinator, National Indian Child Conference, 5101 Copper NE, Box 4010, Albuquerque, NM, 87196 (505) 266-7961.

4) Seventh California Association for Bilingual Education. Jan. 13-16. San Francisco, CA. Dr. Sam Cohen, BABEL, 255 E. 14th Street, Oakland, CA 94606. (415) 451-0511.

5) Seminar in Early Childhood & Day Care Policy, April 18-22, Clinton, Michigan. A 2 credit graduate level seminar offered by Wheelock College & the High Scope Educational Research Foundation. \$200 fee and \$110 for meals and lodging. Policy Seminar, High/Scope Educational Research Foundation, 600 North River Street, Ypsilanti, Michigan, 48197, (313) 485-2000.

6) "Head Start-Uniting Families & Community Through Children". National Head Start Association, Ninth Annual Child & Family Development Training Conference April 15-18, Detroit, Michigan. Parents and Staff \$45; Friends \$50; Directors \$60; Together, Inc. Conference Headquarters, Box 52528, Tulsa, OK 74152.

7) Advanced Seminar In Day Care Administration. a) "Regulation of Day Care Services". June 28-July 2. For government staff who license or monitor the quality of day care services or administer government agencies that fund or regulate day care. b) "The Day Care Organization". July 5-10. Explores the human side of day care management. c) "Financial & Legal Aspects of Day Care Administration". July 12-17. Covers the fiscal and legal matters which day care administrators need to know. d) "Social Policy & Day Care". July 19-24. For those seeking a more effective voice in policy. For a-d 1 week \$165; 2 weeks \$275; 3 weeks \$375; 4 weeks \$475. Boston, MA.

Continuing Education, Wheelock College, 200 The Riverway, Boston, MA 02215, (617) 734-5200, Ext. 211.

8) Summer Institutes, (a) "Understanding & Supporting Families Under Stress." July 5-10. \$250. (b) "Children of Divorce". July 12-17. \$250. (c) "Organizing and Heading Parent Groups" July 19-21. \$150. (d) "Parent Counseling: Rationale Uses & Approaches." July 22-24. \$150. (e) "Techniques in Family Therapy". July 27-29. \$150. Center for Parenting Studies, Wheelock College, 200 The Riverway, Boston, MA 02215. (617) 734-5200. Ext. 214.

9) Eighth Annual Bilingual Multicultural Education Conference. February 17-19, Anchorage, AK. Devoted to the training of school administrators, teaching staff, parents, and community members involved in education. Mike Travis, Dept. of Education, Pouch F, Juneau, AK 99811. (907) 465-2970.

10) High/Scope Conference, May 19-21. Ann Arbor, Michigan. \$225. Sessions to learn more about the High/Scope curriculum model and the nationally recognized research on preschool education in the 1962 Ypsilanti Perry Preschool Project. Public Information & Services, High/Scope Foundation, 600 N. River Street, Ypsilanti, Michigan 48197-7898 (313) 485-7000.

Senate Bill ~~507~~<sup>517</sup> and 518

I love working with the kids very much. But we need more workers, cause there are so many kids here that needs attention, it would be very helpful if when they start hiring more staff. Please help us, we do very hard work but we don't get enough pay.

Thank you  
Marie Beaver

I honestly believe there is a strong and dire need for these bills, Senate Bill 517 and 518 to pass successfully!

I am a mother of a 2 year old and also a day care worker.

The conditions have steadily grown worse since I was first employed almost a year ago. The staff number was at 9 workers, it is now as low as 5 with as many children as before. Needless to say the quality of care ~~use~~ it is possible for us to offer these children is considerably lower, although we try very hard to give them all attention and affection. We are frustrated by the limits we must work under. Money from these grants would ease the burden of doing the work of 2-3 workers, giving us more time to do what we were hired for; care, for the children's needs, helping them with their first steps, their first words, teaching them skills which serve an important purpose when they grow and move upward.

I urge you, please support ~~these~~  
Senate Bills #517 and 518

Thank you

Mike & Turnbull

I honestly believe there is a strong and dire need for these bills, Senate Bill 517 and 518 to pass successfully!

I am a mother of a 2 year old and also a day care worker.

The conditions have steadily grown worse since I was first employed almost a year ago. The staff number was at 9 workers, it is now as low as 5 with as many children as before. Needless to say the quality of care ~~is~~ it is possible for us to offer these children is considerably lower, although we try very hard to give them all attention and affection. we are frustrated by the limits we must work under. money from these grants would ease the burden of doing the work of 2-3 workers, giving us more time to do what we were hired for; caring for the children's needs, helping them with their first steps, their first words, teaching them skills which serve an important purpose when they grow and move upward.

May 01, 1981

Representative Sam Cotton, Chairman  
House Finance Committee

Chairman:

I am in favor for Senate Bill 517 and 518 CHILD CARE GRANT PROGRAM.  
I have two children attending the BETHEL CHILD CARE CENTER. Please  
do all possible to approve these bills.

Thank you,

*Linda Sue Jack*  
Linda Sue Jack

Box 967

Bethel, Alaska 99559

4-29-81

Senate Bill 517 and 518-

As a parent of a Child Care Center Child, I feel having enough employees to take care of our children is very important. The centers are full and the city is growing rapidly. There are bound to be more and more children wanting to get into the center. It is a good program for what they have to work with. Now is a very hard time to cut back. We pay a lot of money for our children to be taken care of and it takes a lot of money to do so. The city is not doing enough to pay for the amount of children.

Thank you

Shirley J. Smith  
204 975  
Dallas

April 30, 1981

Senate Bill #517 & #518:

The Child Care Grant Program is an excellent program . It enables single parent to have the liberty to compete in the local job market. These centers help parents know that their children will be properly cared for in their absense.

In Support of Bills 517 & 518--

A Working Parent,

*Margaret A. Lush*

Margaret A. Lush

May 5, 1981

Re: Senate Bill 517 and 518

To Whom It May Concern:

I am the nurse-director of Kameroff Infant Center. Since the CEFA freeze, the number of staff at our center has dropped from 10 to 5. We don't have a cook, so one staff member has to spend at least 5 hours of her day in the kitchen. Since we are open from 7:45 am until 5:30 pm, the staff work different shifts. This means that during opening and closing hours, we are extremely short staffed.

Our staff members are dependable, loyal, and loving teachers. But working under these conditions, "burnout" is inevitable. Not only would I like to hire additional workers, I'd like to keep the ones I have.

Being a day care worker is a hard job. It requires patience, creativity, common sense, understanding, warmth, and a lot of energy. Our people have already gone through a training program with CEFA. They are trained day care workers. They should be paid accordingly. But, there isn't enough money. It is so important for children to be able to establish a relationship with the people that they spend more than 8 hours with every day. If our jobs are unattractive because of low pay, it is certain that we will have a rapid turnover rate. We need money to pay our workers what they deserve.

The money from this operational grant would allow us to continue to provide a healthy, safe, loving, and stimulation environment for children in need of day care.

Please support Senate Bills 517 and 518.

Thank you.

*Lyle Holt*  
Lyle Holt, M.N.  
Nurse-Director  
Kameroff Infant Center  
Lethbr, Alaska

Senate bill 517 and 518

I am a parent of a child that stays at a child care center. I am well aware that the federal government cuts will affect child care centers, especially since a lot of the positions are CETA funded. This situation is of great concern to me as a parent and I feel that the state can well afford to help our child care centers. I am in support of Senate bills 517 and 518, and I hope you will support these bills too.

Thank you,  
Debra A. Nicholson

Jo Kaykendall, would you believe! Know  
Joe Kitzner FOXS.  
88 517-518

— Discovery Center  
Trying to achieve quality  
standards. Cannot  
get licensing because  
of zoning regs. Curt.  
Ill. Depart. of Ed.  
They should not get  
any funding.

---

Private - husband/  
wife. 24 children, all day.  
You. What.


Jo Kaykendall

Frank and Meredith Domurat  
P.H.S. Hospital  
Bethel, Alaska 99559

5-4-81

To whom it may concern:

We are writing in support of Senate bills 517 + 518 which support monies for the operation of childcare facilities in the state of Alaska. Childcare facilities are perhaps the most needed and simultaneously the most overlooked services in a community. In order to provide working parents with a viable alternative for childcare, we must support and maintain our local childcare facilities. Working parents should not have to make a choice between work and their children. Childcare centers are essential for a growing and prosperous Alaska.

Sincerely,  
Meredith Domurat +   
(Concerned Bethel citizens)

May 5, 1981  
Karen Dunn  
PHS Hospital  
Bethel, AK.  
99559

To Whom it may concern:

I would like to express my support for Senate Bills 517 and 518- Child Care Grant Program. These Bills will make possible adequate staffing of our day cares here in Bethel which are currently suffering due to inadequate funds for staff hiring and continuance.

Thank you,  
Karen Dunn

I am writing this  
letter to ask for your  
support of SB 517 and  
SB 518. Our child care  
facilities are worthless if  
there are no funds to operate  
them.

Thank you for listening

Sincerely,  
Lynn Huttenlocher  
PHS Hospital  
Bethel, Ak 99559

5-5-81

As a parent and concerned member of the Bethel Community I ask you support of Senate bill 517 and 518 which would provide money for Child Care Grant Programs. Providing adequate child care is so important. Having the facility is worthless unless money is available to hire quality staff. Please support these two bills - 517 + 518.

Thank you!

Sincerely,  
Sonya Mortenson  
PHS Hospital  
Bethel, Alaska  
99559

# CARA Committee

I am in favor of and in support of Senate Bill no 517 & 518. Our day-care programs here in Bethel are invaluable. Without them there would be a great void. I am the mother of 3 small children, and they wake up each morning looking forward to going to day-care. That, in itself, says it all for me. We must keep our day-care's; at any cost.

Sincerely  
Loreen M Foster  
Pat Foster

279-2843  
Lynn Bannon  
1224 U. Street  
Anch 99501

Senate Finance meeting w/  
Nelen Birre 4/23 about  
operating Budget

Mayor Sullivan  
said he would  
consider keeping  
Carriage House  
if HB 102 passed  
and leg. would  
grant operating  
cost.

Anch. Mental Health  
Clinic wants  
Carriage House

Alaska House wants for  
Alcohol & Drug Abuse Residential  
Home - Community projects

Letter & letter, saying there  
is a 12% short fall for 1981.  
Agr. Dept. budget supplement  
request was denied by Fed.  
This year may want call  
to apply previous shortage  
w/ next year funds.

USDA money to pay claims  
to hand until money runs  
out.



# LAWS OF ALASKA

1981

Source

SCS CSRS 508(R1a)

Chapter No.

112

AN ACT

Relating to child care facilities and child care assistance;  
and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO  
THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES  
DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL  
REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY  
LINE OF EACH BILL SECTION.

Approved by the Governor: July 26, 1981  
Actual Effective Date: July 27, 1981

AN ACT

relating to child care facilities and child care assistance; and providing for an effective date.

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

(1) make loans for the construction, renovation, and equipping of child care facilities, including private nonprofit child care facilities;

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

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

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

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

• 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.

• Sec. 5. AS 44.47.260 is repealed and reinserted to read:

Chapter 112

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

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

8                     (2) \$1,000 per year.

9           \* Sec. 6. AS 44.47.270 is amended to read:

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

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

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

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

26                     (1) be currently licensed under AS 47.35.010 - 47.37.060 and  
27                     any applicable municipal licensing requirements;

28                     (2) participate in the day care assistance program under  
29                     AS 44.47.250 - 44.47.310.

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

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

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

15 (e) An application for a grant under this section shall be made  
16 in the form established by the department.

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

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

Chapter 112

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

4 
$$M = (T+E) - (A+B)$$

5 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-based  
17 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 11.250 and 44 31 160121 are repealed.

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



## CHILDREN'S SERVICES MONITORING TRANSFER CONSORTIUM

October 30, 1981

Dear Colleague,

The Children's Services Monitoring Transfer Consortium has spent the past year developing materials on more effective ways for states to license and monitor social service delivery, particularly the delivery of child day care services. Instrument-based Program Monitoring (IPM) for social services is one innovative approach that the Consortium believes may have special merit and appeal to policymakers in the present environment of reduced funding for social services and budget tightening with respect to state staff.

Enclosed is a complimentary copy of a Guide for Policymakers that describes the concept of IPM and its potential for improving monitoring while reducing costs. We hope you will find it of interest and will feel free to circulate it to others whom you believe might also be interested. Additional copies may be ordered from the Consortium at a price of \$2.00 each, prepaid. Single copies of other volumes in the IPM series are also available at no charge from the information sources listed on the inside back cover of Volume 1.

Please do not hesitate to call if the Consortium members or staff could be of assistance to you or provide more information on the work of the Consortium or on Instrument-based Program Monitoring.

Sincerely yours,

Richard J. Fiene, Ph.D.  
Consortium Project Director  
Pennsylvania Department of  
Public Welfare



## CHILDREN'S SERVICES MONITORING TRANSFER CONSORTIUM

HHS/HDS Grant 90-PD-10005

June 1981

### CONSORTIUM LAUNCHED

An exciting new venture of five States was launched in November 1980 to transfer exemplary components of monitoring of children's services. With financing through a grant from the Department of Health and Human Services, Office of Policy Development, a Consortium was formed by:

- California Department of Education;
- Michigan Department of Social Services;
- Pennsylvania Department of Public Welfare;
- Texas Department of Human Resources; and
- West Virginia Department of Welfare.

Additional States will be invited to participate in the future. The grant has a three-year timeframe, with HHS grant financing on a year-to-year basis.

Pennsylvania is serving as the lead State, and Rick Fiene of the Pennsylvania Office of Children, Youth and Families is Project Director. Peat, Marwick, Mitchell & Co. is providing technical assistance and staff services to the Consortium, under contract with Pennsylvania.

#### Goals and Purpose of the Consortium

The goal of the Consortium is to enhance the capability of the States to oversee programs for children to assure the health and safety of young children as well as the quality of programs. The Consortium's mode of operation is to provide for State-to-State transfer of exemplary and cost-saving monitoring components; practical improvements that have demonstrated their usefulness in helping agencies to manage and oversee service delivery.

The purpose of the Consortium is to monitor State-based standards and regulations guiding the provision of services for children. Initially the Consortium is focusing on child day care--both in centers and family day care settings--with plans to expand to other children's services.

### MONITORING DEFINED AS A MANAGEMENT TOOL

Monitoring has been defined by the Consortium as:

The management process of reviewing and controlling the delivery of program services on an ongoing basis, according to predetermined criteria, with the intention of taking corrective action to assure and increase both program quality and management efficiency.

Because the States use various terms to describe their activities related to oversight of children's services, the following are defined as being within the scope of the Consortium: licensing, regulation, approval, establishing regulations or guidelines, technical assistance, training, corrective action, contracting, reporting, auditing, and evaluation.

A "Conceptual Framework for Monitoring Children's Services" has been prepared as a working draft and is available to States and interested professionals, upon request.

## A DEMONSTRATED APPROACH TO STATE-TO-STATE TRANSFER

The transfer approach being used by the Consortium is based on the approach developed by the HHS Human Services Management Transfer Project. This approach has proven to be an effective and efficient way to share technology, experiences, and expertise among States. Exemplary monitoring components within one State will be modified and transferred within the Consortium. These components will then be "packaged" into more generic pieces which, in Phases II and III, can be transferred to States that are not currently part of the Consortium. The transfers typically involve assisting the receiving State in planning, developing workplans, modifying, designing, testing, troubleshooting, implementing, and assessing the transfer.

## PROGRESS TO DATE

Getting organized in the first phase included convening the Consortium, developing descriptive profiles of each of the five States' monitoring systems, identifying 22 exemplary monitoring components as candidates for transfer, preparing the conceptual framework of monitoring, and setting specific objectives for initiating transfers. While each State has exchanged information and materials on selected monitoring components to other States, the following major transfers have been initiated:

- Pennsylvania to California - An instrument-based approach to monitoring State day care standards for health, safety, and program quality and then linking the data to statistical and fiscal data to provide decisionmakers with sound objective analyses of programs, cost/benefits, problems, and progress.
- California to Texas - A competitive procurement process for day care and other purchased social services.
- Michigan to California and Texas - A licensing enforcement workshop that trains workers in the total enforcement process from initial complaint intake to the gathering of evidence for administrative hearings.
- West Virginia to Michigan - An enrichment program for family and center day care providers that includes monitoring for standards (the program was originally developed under an HHS grant to West Virginia).
- Pennsylvania to Michigan, Texas, and West Virginia - A methodology for developing a "short form" indicator checklist for monitoring that predicts full compliance with State standards.

## CONTACTS

For further information, contact:

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Children, Youth and Families  
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Washington, D.C. 20201

(202) 245-4233

# ***An Instrument-Based Program Monitoring System:***

## ***A New Tool for Day Care Monitoring***

*Volume 1-Guide For Policymakers*

CHILDREN'S  
SERVICES  
MONITORING  
TRANSFER  
CONSORTIUM



## **THE CHILDREN'S SERVICES MONITORING TRANSFER CONSORTIUM**

The Children's Services Monitoring Transfer Consortium was established in October 1980 with encouragement and financing from the Department of Health and Human Services (HHS) to demonstrate the feasibility of transferring exemplary components of children's services monitoring systems from state to state. Initial members of the Consortium are California, Michigan, Pennsylvania, Texas, and West Virginia.

Child day care is the primary focus of the Consortium and of instrument-based program monitoring, but the transfer of monitoring components for other social service areas is believed to have considerable potential. As lead state in the Consortium, Pennsylvania applied for and received an HHS grant and has contracted with Peat, Marwick, Mitchell & Co. for technical assistance to the Consortium.

### **INSTRUMENT-BASED PROGRAM MONITORING SERIES**

This Guide is Volume 1 in a series of documents that describe in detail the concept and practical applications of instrument-based program monitoring as exemplified by the State of Pennsylvania's program monitoring system. Volumes 2 through 4 in this series describe in detail how Pennsylvania's system operates, how it can be adapted by other states, and how it can be successfully implemented. The titles of the other volumes are:

**Volume 2: Implementation Guide for  
Instrument-Based  
Program Monitoring**

**Volume 3: Guide for Developing the  
Indicator Checklist**

**Volume 4: System Documentation for  
Pennsylvania's Instrument-Based  
Program Monitoring System**

Volume 3 is currently available from the Consortium. Volumes 2 and 4 are forthcoming. A videotape entitled "Improving Instrument-Based Monitoring for Child Care: The Indicator Checklist" is also available to accompany Volume 3.

# **An Instrument-Based Program Monitoring System:**

## **A New Tool for Day Care Monitoring**

**Volume 1-Guide For Policymakers**

**Richard J. Flene  
Mark G. Nixon**

**CHILDREN'S  
SERVICES  
MONITORING  
TRANSFER  
CONSORTIUM**

**August 1981**



**This document was developed under HHS/HDS Grant  
No. 90-PD-10005 funded by the Office of Human  
Development Services, DHHS**

## **ACKNOWLEDGEMENTS**

The Children's Services Monitoring Transfer Consortium would like to thank Mr. Warren Master, of the Administration for Children, Youth, and Families; and Dr. David W. Fairweather and Ms. Madeline Dowling of the Department of Health and Human Services, Office of Policy Development for their active support of states' efforts to share information and resources in developing more effective management of children's services.

Thanks are also due to Mr. Earl Douglas and Ms. Dorothy Springer of the Office of Children and Youth, Pennsylvania Department of Public Welfare, for their collaboration in the development of this volume. Dr. Robert Elkin and Ms. Gail Hunt of Peat, Marwick, Mitchell & Co. provided invaluable comments and suggestions on earlier drafts of the Guide.

### **Principal state representatives to the Children's Services Monitoring Transfer Consortium:**

#### **CALIFORNIA**

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#### **MICHIGAN**

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## IV. HOW CAN I EVALUATE MY STATE'S NEED FOR AN IPM SYSTEM?

# I. INTRODUCTION

## Purpose of the Guide

Instrument-based program monitoring (IPM) is an innovative approach to state management of human services. The advantages of the approach are particularly relevant as states reassess their role in day care and other services in the current volatile fiscal environment. These advantages include:

- cost savings to states in financing services;
- better state allocation of resources;
- improved information for policy decisions; and
- enhanced quality of programs.

This Guide defines a methodology for monitoring that uses an instrument to collect data and discusses positive results that Pennsylvania has achieved by implementing IPM in the field of child day care services. Although IPM has been developed and applied in day care, there is great potential for extending IPM to other human services.

The Guide provides sufficient information for most states to decide whether it is worthwhile to explore the feasibility of adopting the IPM approach. It also presents practical considerations for implementing such an approach to monitoring.

## For Whom Is the Guide Intended?

This Guide is the first of three volumes of the complete documentation of Pennsylvania's monitoring system that embodies the IPM approach. It provides an overview of the approach and highlights aspects that are important to state government officials responsible for top level policymaking in day care and other human services. These officials include: top executives in state human service organizations; legislators and legislative staff members who must formulate policy concerning the objectives and system-wide costs and benefits of human services programs; state budget staff; and managers with responsibility for designing information systems to support human services management.

## What Is An Instrument-Based Program Monitoring System?

Instrument-based program monitoring systems incorporate three important characteristics:

- **Instrument-Based.** IPM utilizes checklists or special kinds of question-

naires to structure monitoring interviews and site visits. Highly specific questions incorporate pertinent state regulations in a simplified format that is easily completed and shows both providers and state agencies just how well the provider is complying with requirements. An integral feature of IPM is a system of assigning weights to the questions or items so that scores reflect the relative importance of the regulations. Pennsylvania's system, for example, includes assigning weights based on the degree of risk to children while they are in day care.

- **Program Monitoring.** In this Guide, monitoring is a broad term describing the management process of reviewing and controlling the delivery of program services according to predetermined criteria, with the intention of taking corrective action to assure and increase program quality and management efficiency. As such, monitoring encompasses a continuum of management activities, from licensing, contract compliance reviews and program quality assessments to corrective actions, technical assistance, and training.

- **Systems Approach.** A system is a group of related and coordinated procedures that are used to accomplish a given task. In this instance, the task is to monitor day care providers according to state regulations. The Guide permits integration of data collected through monitoring with financial information and subsequent corrective action.

An IPM system differs substantially from the more common approach to monitoring: narrative site visit reports. Typically, narrative reports describe a site visit to each provider and summarize not only observations but also interpretive and evaluative comments about the monitor's findings. These reports are useful if the monitor is well trained and adept at reporting. Even the best monitor, however, has biases that are reflected in both the selection of topics covered in a report and the degree to which the topics are covered. Site visit reports are often difficult to summarize succinctly for policymakers and even more difficult to use in comparing different providers or describing the general trends in day care in the state. Further, they

Do all hallways, stairways (including landings) permit passage of two adults walking side by side?	1	3	No Hallways
Do all exit doors have only one locking or latching device which can be unlocked from the inside at all times?	1	3	
Do all exit doors swing in the direction of exit travel?	1	3	
Are all exits and exit routes unobstructed?	1	3	
Do all exits and exit routes bypass hazardous areas such as boiler rooms and kitchen cooking equipment?	1	3	
	Yes	No	

GENERAL INDOOR SITE OBSERVATION

ITEM	CHILD #1		CHILD #2		CHILD #3		CHILD #4		CHILD #5		CHILD #6	
	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
CHILD'S DETAILS (copy)												
BIRTHDATE (copy)												
ENROLLMENT DATE (copy)												
IS CHILD UNDER SURVEILLANCE OF HEALTH CARE PROVIDER? (check code)	1	3	1	3	1	3	1	3	1	3	1	3
HEALTH INSURANCE COVERAGE INFORMATION (write MA/DPA; private; no insurance or no information)												
FOR INFORMATION												

**SAMPLE INSTRUMENT FOR DAY CARE MONITORING**

Purposes of Pennsylvania's instrument for monitoring day care centers are reproduced below. The first purpose pertains to health records and illustrates the sampling approach used in several parts of the instrument. The second purpose concerns questions on site safety.

**GENERAL PURPOSES:** Data is needed to monitor the quality of care provided in day care centers. The instrument is designed to provide information on the quality of care provided in day care centers. The instrument is designed to provide information on the quality of care provided in day care centers. The instrument is designed to provide information on the quality of care provided in day care centers.

value and applicability of IPM systems for their states:

- How do instrument-based systems improve day care monitoring?
- How well has Pennsylvania's IPM system performed?
- How can I evaluate my state's need for an IPM system?

At the back of the Guide is a list of resources containing more detail about the conceptual foundations of the system for individuals who want to pursue these issues further.

The Guide includes a series of illustrations (see box below) showing how Pennsylvania's top administrators have made use of the reports generated by the state's IPM system to evaluate policy questions that are of central importance in the management of state human services programs.

**Overview of the Guide**

The sections of the Guide follow the major questions that policymakers might raise about the instrument.

Several states currently use instrument-based systems for licensing day care providers. In Pennsylvania, licensing standards include both requirements for protecting the health and safety of children and requirements designed to promote child development. Systems like Pennsylvania's include reviews of program quality and they provide a basis for states to make fundamental judgments about the relative child development benefits to be gained from particular levels of funding. Such judgments are increasingly important in today's world of declining resources, increased community demands for services, and a more litigious legal environment.

Often take longer to prepare than questionnaire summary reports, and they may be more difficult to use as evidence in court if legal action against a non-compliant provider is necessary.

## II. HOW DO INSTRUMENT-BASED SYSTEMS IMPROVE DAY CARE MONITORING?

### How Is Instrument-Based Program Monitoring Performed?

Instrument-based program monitoring relies on the use of a detailed questionnaire or checklist based on explicit state regulations to determine how well a day care provider is meeting state requirements. When the assessment and questionnaire are completed, the results are scored using a common scoring manual for all providers of a given type (for example, day care centers), and coded for entry into an information system, either manual or automated. The results are used to determine whether the state needs to intervene in order to improve conditions at specific provider sites. The providers' scores on the questionnaires are also used to support state decisions concerning the granting and renewal of licenses and state funding. Aggregate, statewide scores can be used as a basis for broad policy decisions directed at improving the general quality of day care and setting state funding levels.

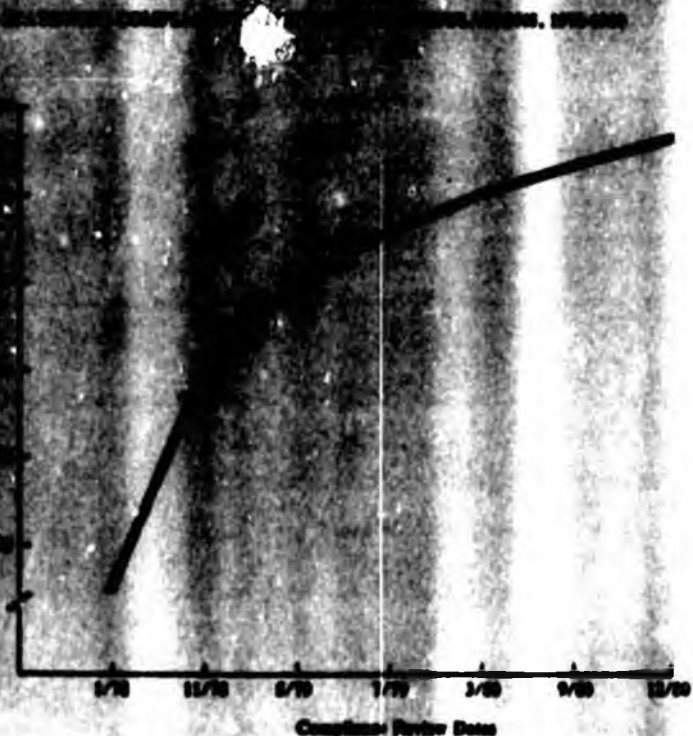
### Objectives and Characteristics of the IPM Approach

IPM systems are more comprehensive, objective, and consistent than the narrative report approach. They are also easier to read and understand. They are ideally suited to achieve the following objectives of a day care monitoring system:

- Ensure equitable, enforceable monitoring of day care to meet a desired level of child health and safety. Most states have requirements concerning the health and safety of day care centers. It is essential that health and safety standards be clearly specified, clearly understood by providers, easily evaluated, and consistently enforced by the state.
- Ensure that day care promotes child development. Typically, a state is concerned that children who are served by publicly funded day care providers (or all providers in some states, such as Pennsylvania) receive positive experiences from their day care in terms of their individual growth and development.

The most basic question that state day care administrators must address is whether efforts to improve compliance with state requirements are producing desired results. The Pennsylvania Department of Public Welfare, in cooperation with the Pennsylvania State University, conducted a study in 1978 to determine the effectiveness of the IPM system in Pennsylvania. The results of this study are presented in the following graph.

These results have provided support for the IPM system at all levels of the state government and have been effective in persuading policymakers to maintain current day care monitoring efforts.



- **Provide for efficient and cost-effective funding and monitoring procedures.** States need to achieve the benefits of monitoring as efficiently as possible and at the minimum necessary cost.

- **Permit sound policy decision making.** States are concerned that their funds are spent in a way that ensures the best possible day care services. To address this concern, state policymakers need consistent, objective, quantifiable indicators of how many individuals are being served by day care and what funding levels are required to serve these individuals at different levels of program quality. Further, policymakers require an information base for deciding how policy should evolve in the future and for developing and maintaining appropriate legislation, regulations and policy guidelines.

Achieving these objectives requires timely, reliable, concise information about a state's day care program. An IPM system can provide this kind of information and has the following additional beneficial characteristics:

- **Quantitative and Objective.** Using a program monitoring instrument produces clear, specific, and objective information about programs. The use of highly structured questions and records of on-site observations minimizes ambiguous results and biased observations. Questionnaire items lend themselves to quantitative analyses and produce readily summarized and easily interpreted data that are of value to policymakers.

- **Easily Administered and Consistent.** The questionnaires can be administered by monitors with varying academic backgrounds who have been trained to gather information quickly and with a minimum of interference with the ongoing activities of the provider. While much of a questionnaire may deal with evaluative and programmatic information, responses from various providers and monitors are highly consistent.

- **Supportive of Providers.** Many providers welcome the use of such instruments because they know what specific areas are

covered and they can structure their programs to meet state expectations. Involvement of providers in developing the questionnaire further ensures that the questions will be comprehensive without being burdensome. The use of questions that explicitly cover all regulations, and establish a uniform set of requirements, increases the providers' perception that the requirements are equitable, necessary, and desirable with respect to improving day care.

- **Focus on Results.** The design of the questionnaire reduces undesirable bias that may result from differences in temperament and child care philosophy between the provider and the state monitor. The IPM focus is entirely on the services provided and how they affect children.

- **Based on State-of-the-Art Child Development Research.** The questionnaire items can be designed to reflect current 'best practice' in day care. In this way, the questions may be used to encourage providers to experiment with and adopt successful approaches that have been shown to be effective in research in child development. IPM can be used to improve day care, and not just regulate it to ensure that minimum requirements are met.

- **Easy to Modify and Improve.** The questionnaire format with specific and unambiguous responses is easily adapted to changing developments in child care practices and state policy requirements. State requirements can be easily communicated to funded providers by incorporating new or revised questions on which assessments will be made. It is also easy to incorporate any federal requirements that may exist.

### **Desirable Results From Using IPM: Pennsylvania's Experience**

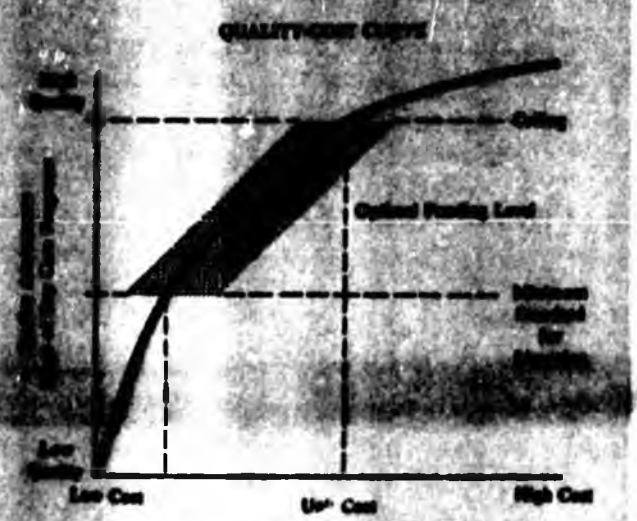
The positive features of IPM that have been described above may have particularly beneficial results for a state, if Pennsylvania's experience is a guide. Since Pennsylvania's system was introduced in 1978, it has produced the following improvements:

**IT COSTS LESS TO FUND HIGH-QUALITY CARE**

As state funds become more scarce, officials must confront the providers of day care services provided for children and the costs associated with declining quality. It is not clear that quality improves at the best level. Most states are unable to do this, however, and must often make decisions involving or political lobbying.

Using the IPM system, Pennsylvania addressed the problem directly. Early research also found that cost curves are not a particular level of cost-per-hour of service above the cost figure below.)

The state moved quickly to limit the unit level of care at which a state reimburses providers. The move saved Pennsylvania nearly \$5 million that was then re-directed to improve the day care programs of lower cost providers that met state standards.



• **Cost Reductions.** By linking the results of their IPM to the state's information system, officials in Pennsylvania have been able to identify high-cost, publicly funded providers who offer services only marginally better in quality than those of lower-cost providers. The state was able to set a ceiling on day care funding that did not jeopardize program quality, and used the funds that were formerly given to high-cost providers to improve services of other providers on a targeted basis. The state saved approximately \$5 million in day care funds while maintaining the quality of day care services, and it did so without major resistance from the provider groups.

• **Improved Program Performance.** Providers' scores on the monitoring questionnaire have improved over time as providers focus on meeting the state's clearly defined expectations. Because these expectations reflect both program quality and basic licensing standards, these improved scores indicate that the state-funded day care services have become markedly better in a short period.

• **Improved Regulatory Climate.** By involving providers in all stages of the development and improvement of the questionnaire, and by using the questionnaire to create clear expectations of providers, officials responsible for day care monitoring have reduced the tension and legal conflicts that often arise in regulated industries. Providers are satisfied that the questionnaires are fair and that they are administered consistently and without special treatment given to particular providers.

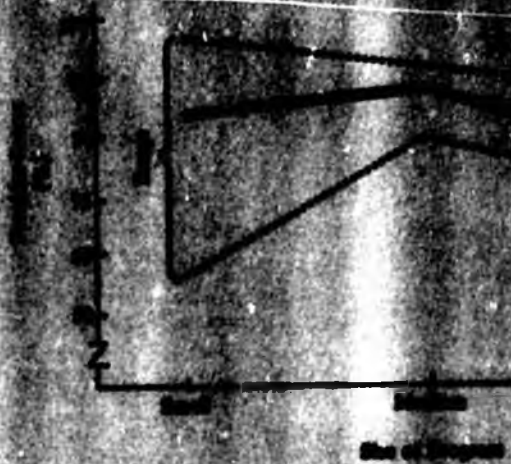
• **Improved Information for Policy and Financial Decisions.** By linking the results from the IPM system to information systems that provide financial and statistical information on day care, officials in Pennsylvania have been able to make financial decisions about cost ceilings without much of the conflict that usually accompanies such decisions. The state is also in a strong position to complete the implementation of unit costing and competitive procurement systems in a way that explicitly considers program quality. Ultimately, the information provided could be used to answer such basic policy questions as: "Does state-funded day care really enhance the development of children for whom it is provided?" In the meantime, policymakers are receiving concise, quantitative, useful, and timely information to support difficult decisions with respect to trade-offs among state services in a period of tight resources.

Having described the advantages of the IPM approach, it is useful to examine the features of a successful, currently operating system to get a more concrete idea of the costs and operating characteristics. In the next section, Pennsylvania's Child Development Program Evaluation System is described briefly as a working example of IPM systems.

Top Pennsylvania administrators have been reporting a decline in the use of a day care center, and a corresponding increase in the use of child day care, was related to the quality of the program. In the 1974 study, the state found that the quality of care in day care centers began to decrease after a point even though the quality, as measured by the scores, was not as high as in child centers.

This finding of some decrease in the quality of care in day care centers has been identified by several researchers (e.g., O'Connell, et al., 1972). These other researchers have hypothesized that as centers become larger, the quality of care decreases. This is due to the complexity and stress that comes with the day care staff. These strains are caused by the large number of children in the form of less parental attention and less specific attention to details in compliance areas.

Pennsylvania administrators used the results of the study as the basis for shifting state-administered funds from day care to child centers.



### III. HOW WELL HAS PENNSYLVANIA'S SYSTEM PERFORMED?

#### Overview of Pennsylvania's Day Care Monitoring System

The instrument-based program monitoring system developed by Pennsylvania is known as the Child Development Program Evaluation (CDPE). The system was implemented in day care centers in 1978 and has been used continuously since then as the principal basis for licensing all centers in the state.

Pennsylvania is one of a handful of states that requires both private and publicly funded day care centers to comply with a single set of state requirements in order to be licensed. The CDPE thus includes both items that are designed to ensure compliance with basic health and safety requirements (covered under licensing requirements in many states) and items that focus on program criteria (described under program development in many states).

The CDPE questionnaire measures compliance with state regulations in Pennsylvania. The regulations are very specific with regard to required practices and standards and are grouped into seven categories: administration, nutrition, social services, transportation, health, child development and environmental safety. The complete instru-

ment, which consists of 279 items that are each clearly linked to a particular regulation, is administered annually to all day care centers. Each of the items on the CDPE is assigned a weight based on its importance in reducing risk to children. The questionnaires are precoded for easy scoring and entry into a computerized data processing and information system, or for manual processing.

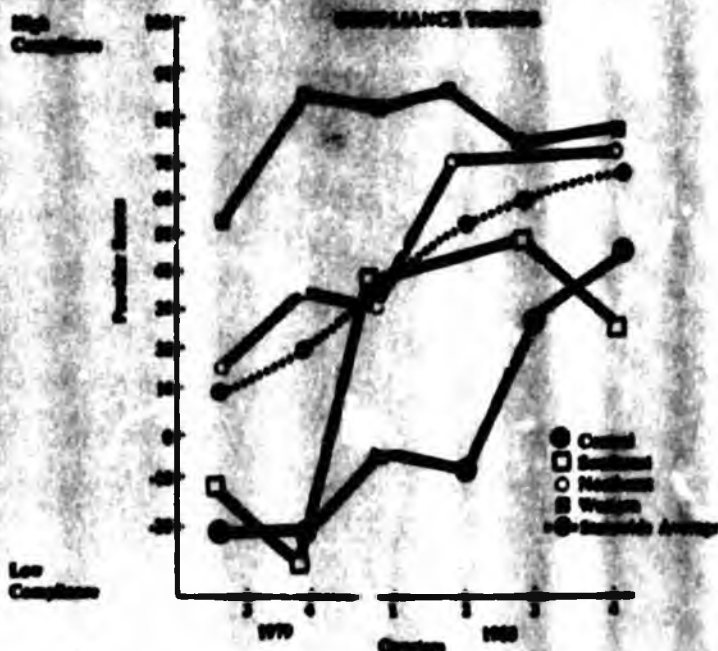
Recently, Pennsylvania has developed a shorter version of the CDPE, referred to as an indicator checklist, which includes selected items from the complete questionnaire and can be used to predict performance. The short form that is now being tested contains only 18 items. It is anticipated that the indicator checklist could be used on an alternating basis with the comprehensive instrument, that it would be a good predictor of program performance, and that it would reduce monitoring costs to the state. Pennsylvania's experience with developing the indicator checklist has indicated that similar methodologies can be applied to reduce the length of many different types of state licensing and monitoring questionnaires, while preserving the validity of the questionnaire's measure of compliance and program quality.

Pennsylvania is particularly advanced in having linked the CDPE system with the state's financial and statistical reporting systems. The beneficial effects of this linkage have already been described in terms of Pennsylvania's ability to make sensitive policy decisions and reduce costs based on accurate and timely information.

WHAT IS THE REGIONAL COMPLIANCE PICTURE?

An IPM can provide readily available, quantitative information for analyzing compliance trends for various (e.g., regional) within a state. Using compliance scores from IPM system reports, Pennsylvania was able to demonstrate substantial improvements in the quality of care provided by day care centers. (See figure.)

Having regional scores grouped by component area (e.g., administration, environmental safety), the state was able to target training in health for day care center staff in the Southeast region and in both health and administration for providers in the Central region.



## Components of the CDPE

The CDPE system has five basic components that are described in detail in Volume 2 of this series. The components are:

- Pennsylvania's day care regulations;
- The CDPE questionnaires (long and short versions)
- CDPE coding manual;
- Pennsylvania's system for assigning weights to specific CDPE items; and
- forms for reporting CDPE results.

These components are all essential features of the CDPE system. The items on the questionnaires are, in many cases, simply rephrased from particular regulations. The coding manual is used to score the CDPE responses from a day care center and to ensure consistency in the way the CDPE is administered. The weighting system is used to score the responses; weights reflect important policy considerations with regard to items on the CDPE, such as those pertaining to safety, that can not be compromised and which are sufficient grounds for denying a day care license. The reporting forms drive the system and make monitoring possible by pro-

viding regular measures for program quality, health, and safety at both the provider and regional/state levels.

## Types and Level of Information Generated

The CDPE system generates three levels of information:

- provider information;
- regional information; and
- statewide information.

Basically, the system produces information needed to make all of the monitoring decisions about a particular provider. Provider information includes scores for each of the seven categories of regulation covered by the CDPE and a composite score on the CDPE. It is possible to obtain historical trends for the performance of a particular provider and to perform analyses of the extent to which performance in one category (e.g., social services) is correlated to performance in others (e.g., child development).

The CDPE also generates summary information on category scores and composite scores by region. Comparisons among providers are possible

An IPM system facilitates the breakdown of compliance data by compliance area (e.g., health, safety, administrative processes) so that important areas for improvement can be targeted. Pennsylvania used its IPM system to determine which particular regulatory items in the area of environmental quality, safety, and sanitation were in need of attention by day care centers. IPM reports such as the one here were used by top administrators as a basis for selecting the key areas to be monitored more intensively.

To reinforce more intensive monitoring, the state provided training for day care center staff. In its request for proposals from outside firms to conduct the training, Pennsylvania was able to use excerpts from the report illustrated here.

Compliance Area	Questionnaire Item No.	Description	Percent of Approved Centers Exceeding (N=22)	Regulatory Authority: Pennsylvania Regulation Reference
Environmental Safety	00-4-008	Has supervisor of day care center signed a P.	100%	00R 100.01
	00-4-017	Does supervisor conduct inspection of the kitchen and bathroom facilities including those used by children? <ol style="list-style-type: none"> <li>1. disinfected each</li> <li>2. after each use</li> <li>3. cleaned in a systematic way for the time specified on the label</li> <li>4. steam air dried</li> </ol>	100%	00R 100.02
	00-4-020	All approved packages of day care center used to collect -- if least amount used in child's possession.	100%	00R 100.01(a)
	00-4-100	Has equipment and linens washed with appropriate	100%	2-0A-100
	00-4-100	All children and staff wear appropriate and properly maintained shoes (i.e., shoes with non-slip soles) provided last 14 to 16 months old.	100%	2-0A-100
	00-4-100	All rooms surfaces (including children's work tops of eating tables or tables, tables and beds).	100%	2-0A-110 2-0A-100
	00-4-210	Outdoor play equipment had no exposed leads or other parts to which a child's finger could be caught.	100%	2-0A-100
	00-4-200	Outdoor play areas had no plants where children could climb or sit on them.	100%	2-0A-100
	00-4-200	Outdoor play areas had no broken glass under sharp projections.	100%	2-0A-100

both by type of provider (e.g., non-profit, for-profit) and by general statistics for the region (e.g., score ranges, average scores by category).

Statewide category scores and composite scores provide perspectives on whether providers are improving in general and on the effects of changes in regulations and policy. Relative improvements in monitoring efforts in various regions can be observed. When CDPE results are linked to financial and statistical information systems, an even broader range of policy questions can be addressed.

Each of these levels and types of information is readily available to the state staff who make use of the information. For example, monitors at the regional level may obtain rapid feedback on performance of particular providers. Regional managers have a basis for evaluating the performance of providers in their region as compared with those of other regions. Central office staff, state budget personnel, and legislators have convenient access to general state levels of performance as these change over time.

### **The Implementation Process in Pennsylvania**

Use of the CDPE questionnaire began in 1978. The implementation process, however, is ongoing, with constant improvements being made in the basic system. Pennsylvania staff estimate that it took roughly 18 months to establish a functioning system. The total cost for developing Pennsylvania's system has been estimated at \$400,000, including the development of data processing systems. This development cost could be substantially reduced for a state interested in transferring Pennsylvania's technology and methodology and adapting them to its own requirements.

Pennsylvania's cost of monitoring day care using the CDPE is estimated at \$400,000 per year. This figure includes costs related to the state's entire system, such as staff, travel, data processing, report production, and maintenance of the CDPE in light of policy and regulation changes. These costs will vary substantially for another state, depending on the caseload size, the background and training of the monitoring staff, frequency of monitoring visits, size of the state, travel time to reach provider sites, and, of course, the number of providers in the state. Each of these cost areas requires important policy decisions that must be made by legislators and administrative decisions made by central-office day care managers.

These annual monitoring costs represent a saving compared to Pennsylvania's costs before the CDPE was introduced. Further improvements to the CDPE are likely to reduce these costs even more. For example, if the short version of an instrument like the CDPE is used, additional cost savings would occur.

In addition to the time and costs involved, two factors were especially critical in Pennsylvania's implementation process: the involvement of providers and the level of state commitment to implementation. From the very beginning of the project it was felt that development of the system required the involvement of providers and state, regional and central office program staff. The involvement of providers served both to enhance the quality of the items on the questionnaire and to minimize the suspicion and distrust that are often aroused when major administrative and regulatory changes are made. Continuous participation of providers in designing the questionnaire, assigning weights to items, and conducting field trials helped to ensure a high level of acceptance when the questionnaire was first used for licensing and funding purposes.

Pennsylvania's level of commitment to implementation was high, and the degree of commitment was a key element in the success of the implementation process. The substantial costs and the long duration of the implementation effort required careful planning and execution on the part of day care staff and trust on the part of state legislators and executives. The establishment of the CDPE was clearly not a quick panacea but a comprehensive and thoughtful solution to particular concerns that Pennsylvania faced in its monitoring effort. A lower level of state commitment would have endangered the entire concept of an IPM system.

Pennsylvania's experience with the CDPE suggests many of the issues that other states will need to address in implementing an IPM. These issues are presented briefly in the next section.

## **IV. HOW CAN I EVALUATE MY STATE'S NEED FOR AN IPM SYSTEM?**

An instrument-based program monitoring system is a useful tool for policymakers, but not all states need such a system. An interested state may follow five steps to assess whether an IPM system is appropriate and to initiate the development process if the state decides to proceed. These steps are outlined below.

### **1. Evaluate the State's Social Services Environment**

Pennsylvania's motivation for establishing its IPM was a response to changes in the social services environment, such as increased federal and state funding of day care, the revision of the Federal Interagency Day Care Requirements, expansion in the number of day care facilities, and the establishment of a formal organization of day care providers. The need for regulatory accountability, the large amounts of public funds committed to day care, and a potentially larger and more politically active group of providers were major concerns to Pennsylvania that may be shared by other states.

A state's view of its role in day care monitoring is of fundamental importance in decisions about whether to implement IPM systems. States that provide little funding for day care have relatively less need for state monitoring in any form. The IPM approach typically assumes that the state will take an active role in program monitoring, including visits to providers in order to assess the quality of programs.

A third set of circumstances that IPM can address is the increasing costs for states that intend to take an active role in monitoring. As discussed above, making monitoring more consistent and efficient may help to reduce both direct costs (e.g., cost of monitors' time) and other costs (e.g., costs of litigation that may arise as a result of inconsistent monitoring of providers.)

To decide whether it needs an IPM system, a state will have to examine both its current situation and future directions in its approach to monitoring.

### **2. Review Materials on IPM and the Experience of Other States**

The concept of IPM is new, and the best descriptive materials available are a series of articles that explain how Pennsylvania's system works and the underlying framework of child

development research on which it is based. Similarly, Pennsylvania's experience provides the best example of what the IPM approach can accomplish. Interested states may wish to arrange for consultation with the Pennsylvania staff who have implemented the concept successfully.

### **3. Evaluate Costs and Potential Benefits of the IPM Approach**

The costs and benefits that Pennsylvania has realized from its implementation of an IPM have been described above. Each state will need to base cost and benefit estimates on the particular design of its own planned system and on its budget for developing new systems. In particular, costs may be reduced if a state has easily adaptable regulations, positive relationships with provider organizations, and well developed computerized information systems.

### **4. Make a State Commitment to Implement the IPM System**

The level of state commitment must be sufficient to support the implementation process through potentially difficult periods. Typically, the commitment must be made by top officials in the state's departments that are concerned with day care monitoring (e.g., Department of Public Welfare, Department of Human Services, Department of Education), and supported by legislative bodies that are responsible for budget approval. Often, coordination is required among several subdepartment organizations, such as program development, management information systems, and operations units.

### **5. Assess Regulations and Legal Requirements**

A successful IPM system must be supported by explicit regulations that can be easily translated into questions on the monitoring instrument. Some work to improve the presentation and specificity of regulations may be required for designing the questionnaire and implementing the system.

Similarly, a state must address basic legal and policy issues such as:

- Will the system cover all providers or only those who are publicly funded?
- How will a new system be 'grandfathered or phased in? and
- Will system scores be used to deny public funding to low-scoring providers or serve only as a basis for technical assistance

and comparisons among providers that compete for public funding

Such legal considerations must be resolved by the top policymakers in the state's government before implementation begins.

## **6. Formulates an Implementation Plan**

The successful implementation of an IPM system is largely dependent on having a clear, well organized implementation plan that includes the following:

- clear objectives that specify what is to be accomplished, why the state is developing an IPM, and what issues are likely to arise that will influence the development effort;
- clear assignments of specific responsibilities to the individual staff members who will perform the implementation;
- a schedule for implementation that shows all of the tasks to be accomplished, their sequence for completion, critical completion dates, and the timing of progress reports; and
- budgets that cover the allocation of staff time and other resources to particular implementation tasks.

When the plan is complete, it should be reviewed and approved by all state officials who have control over the work to be done and the resources needed to accomplish the tasks. The plan should be reviewed periodically in the course of implementation, and necessary revisions should be made and agreed upon by all managers and staff involved. By formulating and adhering to the plan, a state has a greater chance of anticipating potential problems and ensuring a higher degree of satisfaction with the IPM system that is produced.

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\*Publications available from Dr. Richard Fiene, Pennsylvania Office of Children, Youth, and Families, 1514 North Second Street, Harrisburg, PA 17122.

**Further Information:**

Copies of Consortium publications, the videotape presentation, and additional information on instrument-based program monitoring are available from:

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SAMPLE

**NAEYC - South East Alaska**

**I**ur 2 1/2-year-old has been stuttering rather severely lately. This really surprises us, because her speech has been so good until now. We haven't said anything to her about it yet, but my husband says we should have her slow down and think about what she wants to say before talking. It's really beginning to annoy us. What should we do?

Somewhere between the time a child first uses sentences and about 5 or 6 years of age, there's a good chance his speech will hit some rough spots. We usually refer to this phase as "normal non-fluencies", rather than true stuttering.

The difference? In the early years, it is common to stumble on words, repeat, hesitate, or fill in the gap between words with extra sounds. Some children do this more severely than other. One child may have a period of non-fluencies (that is, the speech is not fluent) for only a day or two, while another child's speech may go on like this for months.

The key point is, interruptions in the smooth flow of speech are normal, and this is how you should deal with them.

Making an issue of her difficulties won't help her; your daughter is already doing everything in her power to talk as well as she can. Telling her to stop, start over, slow down, or think first may just add one more problem of becoming anxious. And more anxiety means more non-fluencies.

This doesn't mean you should do nothing. Try to look at the circumstances when she has the most trouble.

Is she tired? Overly excited? Is she competing with brother or dinner preparations for your attention? Is her schedule too busy?

At this stage in her development, the best way you can help her is by indirect means. Make sure she's well rested (and well fed). Provide enough quiet time (turn off the TV) and try to make yourself available as much as possible.

If she's having a particularly rough day, try not to require a lot of talking. Ask yes/no questions, and give her easy, enjoyable activities that won't be frustrating. Watch your own body language when you listen to her. Be sure you aren't showing her that you're anxious, displeased or overly concerned.

Keep in mind that your child has not been talking for very long, and she has a lot of new material to deal with. A child may learn up to 1,000 new words by the age of 2, and an-

other 500 words a year for the next few years. She's also learning how to put all of those new words into sentences. The pronunciation of all these new words requires a lot of thought and effort in a young child, and some of the sounds she has to make may be quite difficult for her.

Now, with all of this new material, consider that she has to make split-second decisions to come up with a sentence that tells you what she's thinking. It may just be too much for the child who's excited or fatigued. Normal non-fluencies are also quite common for the child who has had a very rapid growth in language in a short period of time.

So try not to get too frustrated yourselves. This is one time when a "wait and see" approach is best. Chances are, your daughter's ability to put it all together smoothly will soon catch up with her new and extensive language skills.

**Q.** My 18-month-old son is a good-natured child, but sometimes when he is apparently very happy, he will bite me very hard on the neck or arm. I have tried biting him back. Is this the best way to handle biting?

**A.** Probably no phase of childhood baffles and enrages parents more than the biting stage that many children reach anywhere between 14 months and 3 years old, before a child is verbally proficient enough to express feelings.

It is important to try to see things from the child's point of view. When exuberance and love fill the little short life, he gets all mixed up in his feelings and his reactions. He has had very little experience in expressing his warmth and affection. Believe it or not, your son is expressing his overwhelming emotion of love when he bites you in this manner. "Thanks a lot," you say, "I can do without that." So, you must teach him how to express his love. Tell him that it hurts when he bites you and

that you don't like it. Say it with feeling! You might say, "You may bug me right like this (demonstrated), but you may not bite me."

Remember: that you are your child's model. If you bite him back, he will think, "Oh, that's the way adults handle their feelings, too!"

The National Association for the Education of Young Children South East Alaska is continuing a drive for more regionalized membership. They are involved in investigating the possibility of certification of early childhood teachers and are discussing strategies for effecting legislative actions on local early childhood issues. By sending representative members to local organizations such as the Women's Coalition, they are creating a network of individuals concerned about Young Children.

The next meeting is Nov. 4, 8-9pm in Juneau. The meeting will be on the teleconference network and hopefully will be available in Ketchikan, Sitka, Petersburg, Hoonah, Wrangell, Kake, Yakutat, and Craig. For more information contact: Dr. Margie Fields, University of Alaska, 11120 Clacior Highway, Juneau, Ak. 99801 789-2101.



# DCAP BUDGET

1981 \$3,199,400

GOV. BUDGET-1982 \$4,760,400

3206 - Pat Monroe Family & Youth Ser.

CENTERS	LICENSED SLOTS
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94	4,449
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278	1,290
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## JUNEAU DCAP

157 Children (March)

34 INCREASE

\$41,681 MONTH COST

## DAY CARE PROVIDERS

Sister Elaine - St. ANN'S

586-6640

\* Pat Marlin - Wee Cottage <sup>789-2611</sup>

JUNEAU DAY CARE PROVIDERS

Alice Verelli - Ch. Comm. Center

Bruce Leszaway - 6-1359

Board Children's Community Center

Judy Hall - Parent Bd.

St. ANN'S

6-1445

Joan Hurst

279-3551

Campfire 326 H ST.

ANCH., AK. 99501

Viki Thelma Parcel Day Care  
543-2840 / 543-3447