

SB

99

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POSITION PAPER  
SENATE BILL NO. 99

For an Act entitled: "An Act relating to child care centers in state buildings; and providing for an effective date."

As the agency with primary responsibility for child protection, the Department of Health and Social Services views safe and adequate child care as a critical measure to prevent child abuse and neglect. The department supports the concept of Senate Bill 99 which provides for child care centers in state buildings.

The Department of Health and Social Services is impacted in that it has the responsibility to license all child care facilities. It will be important that the department be consulted early in the planning process to ensure that child care center plans meet all applicable licensing requirements including fire safety, sanitation, staffing, and program requirements. These requirements must be met before the center begins operation. The responsibility to provide technical assistance to new programs is already within the scope of the department's responsibilities and activities.

With 18,927 employees in December, 1986, the State of Alaska, including the university system, is the largest employer in the state. As such it is most appropriate that the state act as a model to encourage private employers to provide adequate child care facilities for their employees. There is a demonstrated need for additional child care facilities; there are cost benefits in terms of employee job satisfaction, productivity, and reduced employee absences and turnover, though an absolute cost benefit for on-site centers has not yet been established; and finally there are benefits to family relationships in providing opportunity for parents to be near their children.

While child care centers are a major component of child care systems, other alternatives may meet the need for child care in certain locations. In a smaller community there may not be sufficient need to establish a center for 40 children. In addition, in some buildings there may be need to serve more than 60 children, and finally, some parents prefer a home setting, especially for infants and for school age children. A satellite system of family child care homes could meet the child care needs of these employees with provision for a central operator's office provided either in the state building or contracted through a nearby center or other social service organization. A satellite system of licensed family child care homes could be operated where there is insufficient need for an on-site child care center. It could also be operated in conjunction with an on-site child care center. There would be benefits to the private home providers in cost sharing, supportive services, and referral; and there would be benefits in meeting the needs of parents whose school age children need child care but where it is not

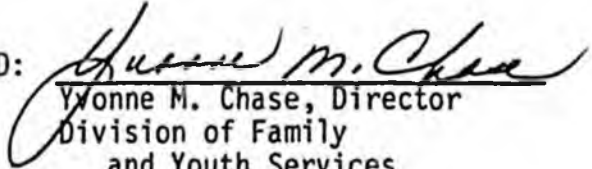
**POSITION PAPER/Department of Health & Social Services**

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Senate Bill No. 99  
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feasible to transport the school age child to an on-site center. The department believes that such a system would be more appropriate than offering center care alone. Mechanisms for such systems could be accommodated in regulations. There would be no fiscal impact to accommodate a satellite family child care home concept. Application for licensure of homes would be handled as it is currently handled, and the department would have the additional support of a central operator in supervising those homes.

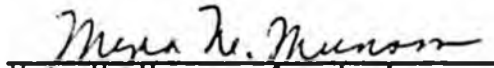
To summarize, the department supports this Bill and the concept it promotes with the recommendation that the Bill be revised to provide for satellite home systems as an alternative to meeting employees' child care needs.

RECOMMENDED:

  
Yvonne M. Chase, Director  
Division of Family  
and Youth Services

DATE: 3-13-87

APPROVED:

  
Myra M. Munson, Commissioner  
Department of Health  
and Social Services

DATE: 3-26-87

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_

Bill Version : SB No. 99  
Publish Date : \_\_\_\_\_

Revision Date: \_\_\_\_\_

Agency Affected: Health & Social Services  
BRU: Social Services

Title: An Act relating to child care centers in state buildings.

Sponsor: Fahrenkamp

Components : \_\_\_\_\_

Requestor: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-

<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
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<b>REVENUE</b>	-0-	-0-	-0-	-0-	-0-	-0-
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

**POSITIONS:**

<b>FULL-TIME</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>PART-TIME</b>						
<b>TEMPORARY</b>						

**ANALYSIS : (Attach a separate page if necessary)**

See Attached.

Prepared by: Yvonne M. Chase, Director *YMC*  
Division: Division of Family and Youth Services

Phone: 465-3170  
Date: 03/09/87

Approved by Commissioner: Myra M. Munson, Commissioner *MM*  
Agency: Department of Health and Social Services

Date: 3/26/87

**Distribution (by preparer) :**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB No. 99

A. Assumptions:

Passage of this Bill would require licensing representatives to provide technical assistance during the planning stages, as well as to inspect the facilities and coordinate with the state fire marshal and sanitation inspectors in order to issue a license. These functions would be performed by existing staff. Without knowing the number of buildings which would be constructed, expanded, or renovated, the assumption is made that it would be no more than 10 buildings a year. Licensing staff in some parts of the state are already carrying a higher than acceptable caseload. If the estimated number of buildings falling under this Bill is higher than 10, the department would need to consider submitting a revised fiscal note to address the additional work load.

B. Program Summary:

No new positions or other costs to the Department of Health and Social Services are anticipated at this time for this program.

C. Computations:

None.

D. Economic Impact:

Enactment of this Bill is expected to have positive fiscal impact. National economists estimate that each dollar changes hands eight times in twelve months; so any dollars spent on day care will circulate within the state eight times. In addition, successful programs like this help in retaining employees who require child care services, and will help university students improve their skills for later employment.

E. Impact on Local Governments:

It is anticipated there will be no fiscal impact on local governments.

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: SB 99  
Publish Date: \_\_\_\_\_

REQUEST \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: An Act Relating to Child Care  
Centers in State Buildings  
Sponsor: Fahrenkamp  
Requestor: \_\_\_\_\_

Agency Affected: Department of Administration  
BRU: General Services & Supply  
Components: Leasing

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		0	0	0	0	0
TRAVEL		0	0	0	0	0
CONTRACTUAL		105.3	190.6	280.9	371.2	461.6
SUPPLIES		0	0	0	0	0
EQUIPMENT		0	0	0	0	0
LAND & STRUCTURES		0	0	0	0	0
GRANTS, CLAIMS		0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0
TOTAL OPERATING		105.3	190.6	280.9	371.2	461.6
CAPITAL		0	0	0	0	0
REVENUE		0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND		105.3	190.6	280.9	371.2	461.6
FEDERAL FUNDS		0	0	0	0	0
OTHER		0	0	0	0	0
TOTAL		0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

See Attached

Prepared By: Robert J. Link  
Division: General Services & Supply

Phone: 465-2250  
Date: 02-13-87

Approved by Commissioner: Garrey Peska  
Agency: Department of Administration

Date: 2/18/87

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

FISCAL NOTE ANALYSIS

For SB 99

Space Requirements

35 Square feet inside space per child  
x1.40 40% circulation, fire corridors, bathroom  
facilities, kitchen, other common area

49 Square feet of inside space per child  
x 50 Children

2,450 Square feet  
+ 800 Square feet (one adult per each six children at  
100 square feet per adult)

3,250 Total square feet inside space for a 50-child facility

3,250 square feet (inside) x \$2.00 (estimate cost per square foot) = \$6,500  
monthly value of inside space for a 50-child facility in a State-owned or  
leased building.

\*\*\*\*\*

75 Square feet of outside space per child  
x 50 Children

3,750 Total square feet outside space for a 50-child facility

3,750 square feet (outside) x \$.10 (estimate cost per square foot) = \$375 cost  
per month for outside space for 50-child facility in a State-owned or leased  
building.

\*\*\*\*\*

\$ 6,500 Cost per month inside space  
+ 375 Cost per month outside space

\$ 6,875 Cost per month total x 12 months = \$82,500 annual space  
cost per 50-child facility in a State-owned or leased  
building.

- 3,112 Cost per month for inside and outside space at a  
typical private sector 50-child facility  
(3,250 x .90 = \$2,925) (3,750 x .05 = \$187.50)  
Inside Space Outside Space

\$ 3,763 Monthly space subsidy cost to be paid by the State  
(\$3,763 monthly x 12 months = \$45,156 annual)  
\$45,156 Annual space subsidy cost to be paid by the State  
for one 50-child facility

CONTINUATION of FISCAL NOTE ANALYSIS

For SB 99

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\$45,156 Annual space subsidy cost for one 50-child facility  
 5,000 Implementation study per facility  
+ 5,000 Cost to write regulations

\$55,156 Total cost to implement the first 50-child facility

\*\*\*\*\*

\$45,156 Annual space subsidy cost for one 50-child facility  
+ 5,000 Implementation study per facility

\$50,156 Total cost to implement each successive 50-child facility

\*\*\*\*\*

Based on the recent history of State space renovations and/or consolidations, we estimate that child care facilities would be implemented at the rate of two each year.

\*\*\*\*\*

Explanation of costs FY 88 through FY 92 at an implementation rate of two 50-child facilities each year.

FY 88           \$ 90,312 Annual space subsidy cost (\$45,156 x 2 = \$90,312)  
                   10,000 for two 50-child facilities  
                   10,000 Implementation study per facility  
                   (\$5,000 x 2 = \$10,000)  
                   + 5,000 Cost to write regulations  
                   \$105,312 Total

\*\*\*\*\*

FY 89           \$180,624 Annual space subsidy cost for continuing two  
                   facilities from the previous year and opening  
                   two more this year (\$45,156 x 4 = \$180,624)  
                   10,000 Implementation study per facility  
                   (\$5,000 x 2 = \$10,000)  
                   \$190,624 Total

\*\*\*\*\*

FY 90           \$270,936 Annual space subsidy cost for continuing four  
                   facilities from the previous year and opening  
                   two more this year (\$45,156 x 6 = \$270,936)  
                   10,000 Implementation study per facility  
                   (\$5,000 x 2 = \$10,000)  
                   \$280,936 Total

CONTINUATION of FISCAL NOTE ANALYSIS

For SB 99

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FY 91	\$361,248	Annual space subsidy cost for continuing six facilities from the previous year and opening two more this year ( $\$45,156 \times 8 = \$361,248$ )
	<u>10,000</u>	Implementation study per facility ( $\$5,000 \times 2 = \$10,000$ )
	\$371,248	Total

\*\*\*\*\*

FY 92	\$451,560	Annual space subsidy cost for continuing eight facilities from the previous year and opening two more this year ( $\$45,156 \times 10 = \$451,560$ )
	<u>10,000</u>	Implementation study per facility ( $\$5,000 \times 2 = \$10,000$ )
	\$461,560	Total

\*\*\*\*\*

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An act relating to child care  
centers in State buildings  
Sponsor: Fahrenkamp  
Requestor: \_\_\_\_\_

Agency Affected: Administration  
BRU: General Services & Supply  
Components: Leasing

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	105.3	190.6	280.9	371.2	461.6
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GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	105.3	190.6	280.9	371.2	461.6
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	105.3	190.6	280.9	371.2	461.6
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared By: Robert J. Link, Director *Robert J. Link* Phone: 465-2250  
Division: General Services & Supply Date: 1/19/88

Approved by Commissioner: John M. Andrews *John M. Andrews* Date: 1/20/88  
Agency: Department of Administration

Distribution (by preparer):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

FISCAL NOTE ANALYSIS  
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\$ 6,500 Cost per month inside space  
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\$ 6,875 Cost per month total x 12 months = \$82,500 annual space cost per  
50-child facility in a State-owned facility or leased building

.. 3,112 Cost per month for inside and outside space at a typical private  
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\$ 3,763 Monthly space subsidy cost to be paid by the State  
(\$3,763 monthly x 12 months = \$45,156 annual)

\$ 45,156 Annual space subsidy cost to be paid by the State for one  
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CONTINUATION OF FISCAL NOTE ANALYSIS  
For SB 99

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\$ 45,156	Annual space subsidy cost for one 50-child facility
5,000	Implementation study per facility
<u>+ 5,000</u>	Cost to write regulations
 \$ 55,156	 Total cost to implement the first 50-child facility

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\$ 45,156	Annual space subsidy cost for one 50-child facility
<u>+ 5,000</u>	Implementation study per facility
 \$ 50,156	 Total cost to implement each successive 50-child facility

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Based on the recent history of State space renovations and/or consolidations, we estimate that child care facilities would be implemented at the rate of two each year.

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Explanation of costs FY 89 through FY 93 at an implementation rate of two 50-child facilities each year.

FY 89	\$ 90,312	Annual space subsidy cost ( $\$45,156 \times 2 = \$90,312$ ) for two 50-child facilities
	10,000	Implementation study per facility ( $\$5,000 \times 2 = \$10,000$ )
	<u>+ 5,000</u>	Cost to write regulations
	 \$105,312	 Total

-----

FY 90	\$180,624	Annual space subsidy cost for continuing two facilities from the previous year and opening two more this year ( $\$45,156 \times 4 = \$180,624$ )
	<u>10,000</u>	Implementation study per facility ( $\$5,000 \times 2 = \$10,000$ )
	 \$190,624	 Total

-----

FY 91	\$270,936	Annual space subsidy cost for continuing four facilities from the previous year and opening two more this year ( $\$45,156 \times 6 = \$270,936$ )
	<u>10,000</u>	Implementation study per facility ( $\$5,000 \times 2 = \$10,000$ )
	 \$280,936	 Total

CONTINUATION OF FISCAL NOTE ANALYSIS  
For SB 99

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FY 92	\$361,248	Annual space subsidy cost for continuing six facilities from the previous year and opening two more this year (\$45,156 x 8 = \$361,248)
	<u>10,000</u>	Implementation study per facility (\$5,000 x 2 = \$10,000)
	\$371,248	Total

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FY 93	\$451,560	Annual space subsidy cost for continuing eight facilities from the previous year and opening two more this year (\$45,156 x 10 = \$451,560)
	<u>10,000</u>	Implementation study per facility (\$5,000 x 2 = \$10,000)
	\$461,560	Total

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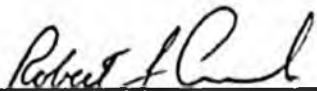
POSITION PAPER

Bill SB 99

If the State were planning the construction, expansion or major renovation of an owned or leased office building, the State would have to conduct a study on the needs of day care centers in the area of the building. If a need existed, the State would have to construct a day care center for 40 to 60 children. Once the child care center was established in State space, it would be leased to a private licensed child care provider who would rent the space from the State at a rate comparable to the average cost per square foot of space leased by child care providers elsewhere in the community. The center would be subsidized in an amount equal to the cost of constructing the day care center and the difference in cost between the office space and the rent charged the contractor.

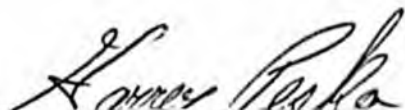
The intended impact would be to increase the number of day care centers in the state. The fiscal impact would be an increase in the leasing budget and an increase in leased space at a time we are making an effort to reduce both.

The Department of Administration has a neutral position on this bill.



Robert J. Link  
Director of General Services & Supply

2/19/87  
Date



Commissioner Garrey Peska  
Department of Administration

2/23/87  
Date