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FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act..day care programs and child care grants."
Sponsor: HESS Committee
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: Child Assistance
Components: Child Care

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal effect for FY 90.

Prepared by: Jim Plasman, Deputy Director
Division: Municipal & Regional Assistance
Approved by Commissioner: David C. Miller
Agency: Community & Regional Affairs

Phone: 465-4750
Date: _____
Date: 7-22-90

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

February 22, 1990

POSITION PAPER

RE: House Bill 458 - "An Act relating to day care programs and child care grants."

SPONSOR: HESS Committee

Departmental Position

The Department of Community and Regional Affairs strongly supports this legislation.

Program Effects

This bill would expand the ability to contract with local entities to provide local administration services for the Day Care Assistance Program to include both non-profit and for-profit corporations. It would change the payment cycle for the child care grants from monthly to quarterly. It would revise the existing formula for allocation of day care positions to DCAP participants by a child care facility, which is a requirement to be eligible for a child care assistance grant. The current formula would be replaced with a simple minimum of 20 percent of a facility's spaces. The bill would also change the age from 11 to 13 for children to be eligible to receive DCAP assistance. Finally, it would amend the definition of developmentally disabled to reflect the federal definition.

Comments

The department strongly supports this legislation. The changes sought in the legislation are largely technical changes, some of which were brought out in a recent DCRA internal audit of the Day Care Assistance and Child Care Grant Programs, others of which are made to be consistent with the federal Family Support Act. These changes will strengthen the programs administratively and help them fit in better with the overall system of broad family support services in the state.

It has been the experience of the program that often day care facilities lack the necessary administrative capacity to deal with the administrative requirements of the program. This legislation would allow the department to grant funds to entities which can demonstrate the ability to appropriately administer the funds.

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Currently child care grant payments are required to be made monthly. Each monthly payment requires a separate billing. Changing the payment cycle to quarterly would reduce the administrative burden on the state and providers significantly.

The existing formula for allocation of space by facilities participating in the child care grant program to day care assistance eligible children results in some cases in a negative number. This clearly is not the intent of the program. Instead of the complicated and flawed formula set out in the existing statute, the amendment replaces it with a simple 20 percent minimum, which is consistent with existing practice.

Under this bill, a "child" is defined for the purposes of this program to be below age 13, rather than the current age of 11. While typically children this age do not require day care, there are some shift workers who require care for children at night. Because of the limited number expected to be affected, no fiscal impact is anticipated. This change also will better provide for transitional child care for participants under the new federal welfare reform programs which defines "child" as under age 13.

The change to the definition of developmental disability is in keeping the federal definition used in Family Support Act matters. The definition expands the coverage of the statute to developmental disabilities beyond mental retardation. This allows for physical disorders which are debilitating and allows us to pay additional costs for these children and assist them to an older age.

David G. Hoffman, Commissioner

STATE OF ALASKA
THE LEGISLATURE

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Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. HESS 3-5-90