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SENATE FINANCE COMMITTEE REPORT

DATE: 2/20/90

FURTHER:

DATE TURNED INTO OFFICE: 2/28/90

The Finance Committee considered SB 398
Relating to day care programs and child care grants.

and recommended:

- [x] replace with CS SB 398 (Fin)
[] or adopt CS
[] attached amendment(s)
[] letter of intent adopted
[] same title
[x] new title
[] technical title change (HB only)

- [x] do pass
[] do not pass
[] no recommendation
[] individual recommendations
[] further referral to

ATTACHES NEW FISCAL NOTE(S):
Dept/Date:
[] fiscal note(s)

APPROVES PREVIOUS:
Dept/Date:
[] fiscal note(s)

[x] zero fiscal note(s) DECREASE 2/28/90

[] zero fiscal note(s)

[] appropriation-no fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Handwritten signatures of committee members.

Blank lines for other recommendations.

1. Mike Veltri -- 2. Do Pass
Co-Chairs: Signatures and Recommendations

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act..day care programs and child care grants."
 Sponsor: Senators Pearce, Duncan, etc.
 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: Brenda Knapp, Deputy Director
 Division: Rural Development/Division

Phone: 465-4890
 Date: 2/28/90

Approved by Commissioner: [Signature]
 Agency: Department of Community & Regional Affairs

Date: 2-28-90

Distribution (by preparer):

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

Original sponsor(s): SEN. PEARCE, Duncan, Kelly, Sturgulewski, Zharoff

IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 398 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to day care programs and child care grants; and providing for an effective date."

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

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

(b) The department may

(1) adopt regulations necessary for the performance of its duties under AS 44.47.250 - 44.47.310;

(2) contract with other entities [MUNICIPALITIES, OR, IF NECESSARY, WITH DAY CARE FACILITIES,] to perform duties of the department under AS 44.47.250 - 44.47.310 within an area specified by the department; the department shall give priority in contracting under this paragraph to municipalities ^{and other entities} in descending order of priority [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;

(3) REPEALED;

(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].

Amend. #1

1 Sec. 44.47.260. PAYMENTS TO MUNICIPALITY OR ORGANIZATION. When
2 a contract is made under AS 44.47.250(b)(2) [OR (b)(4)] between the
3 department and a municipality or an organization, the department shall
4 pay to that municipality 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
7 administered by that municipality or organization under the contract;
8 or

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

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

11 (b) Benefits shall be paid by the department directly to the
12 municipality or organization contracting with the day care facility
13 [OR, OUTSIDE OF A MUNICIPALITY, TO THE FACILITY UPON RECEIPT OF A
14 BILLING FROM A MUNICIPALITY OR FACILITY].

15 Sec. 4. AS 44.47.305(f) is amended to read:

16 (f) A grant under (a) of this section shall be made monthly or
17 quarterly and shall be based on the monthly average daily full-time
18 equivalent enrollment in the child care facility. If the method of
19 payment for the grant is other than monthly, it shall be at the re-
20 quest of the child care facility with the approval of the department.
21 Based on criteria established by the department, the department may
22 make quarterly advance payments [DURING THE CALENDAR MONTH PRECEDING
23 THE DATE ON WHICH APPLICATION FOR A GRANT IS MADE].

24 * Sec. 5. AS 44.47.305(g) is amended to read:

25 (g) Each child care facility receiving a grant under (a) or (d)
26 of this section shall assure that at least 15 percent or one, whichever
27 is greater, of its child care spaces receiving subsidy under this
28 section will be made [A SPECIFIED NUMBER OF CHILD CARE POSITIONS ARE]
available if requested to children eligible for day care assistance

SFC
Additional
Amend.
#2
(f)
(g)

under AS 44.47.250 - 44.47.310, whose parents or guardians wish to pay for care based on attendance only [THE NUMBER OF FULL-TIME EQUIVALENT DAYS THE CHILD ATTENDS THE FACILITY. ALL CHILD CARE POSITIONS NOT MADE AVAILABLE UNDER A PAYMENT SCHEDULE BASED ON ENROLLMENT SHALL BE MADE AVAILABLE UNDER A PAYMENT SCHEDULE BASED ON ATTENDANCE AND AT LEAST ONE FULL-TIME EQUIVALENT POSITION SHALL BE MADE AVAILABLE BASED ON ATTENDANCE RATHER THAN ENROLLMENT. THE MAXIMUM NUMBER OF CHILD CARE POSITIONS IN EACH FACILITY THAT MAY BE MADE AVAILABLE UNDER A PAYMENT SCHEDULE BASED ON ENROLLMENT SHALL BE DETERMINED EACH MONTH UNDER THE FOLLOWING FORMULA:

$M = (T+E) - (A+B)$ WHERE

M = MAXIMUM NUMBER OF POSITIONS AVAILABLE UNDER AN ENROLLMENT-BASED FEE SCHEDULE;

T = THE TOTAL NUMBER OF FULL-TIME EQUIVALENT CHILD CARE POSITIONS IN THE FACILITY;

E = NUMBER OF FULL-TIME EQUIVALENT POSITIONS DURING THE MONTH BEFORE COMPUTATION WITH AN ENROLLMENT-BASED FEE SCHEDULE;

A = AVERAGE DAILY FULL-TIME EQUIVALENT ATTENDANCE DURING THE MONTH BEFORE COMPUTATION IN POSITIONS WITH AN ENROLLMENT-BASED FEE SCHEDULE;

B = MAXIMUM DAILY FULL-TIME EQUIVALENT ATTENDANCE DURING THE MONTH BEFORE COMPUTATION IN POSITIONS WITH AN ATTENDANCE-BASED FEE SCHEDULE].

* Sec. 6. AS 44.47.310(1) is amended to read:

(1) "child" means a person below 13 [11] years of age, or a minor who has a developmental disability;

* Sec. 7. AS 44.47.310(6) is repealed and reenacted to read:

(6) "developmental disability" means a disability under which a person is incapable of self-care as manifested by

or licensed or certified psychologist who has examined the person;

SFC * Sec. 8. This Act takes effect July 1, 1990.

Add immed. eff.

2/28/90



SB 398
Amendment proposed by Senator Pearce

Beginning on page 1, line 13 and ending on page 1, line 23:

"(2) contract with other entities [MUNICIPALITIES, OR, IF NECESSARY, WITH DAY CARE FACILITIES,] to perform duties of the department under AS 44.47.250 - 44.47.310 within an area specified by the department; the department shall give priority to contracting under this paragraph to municipalities and other entities in descending order of priority [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;"

2/6/90

2/22/90 #2

Amendment #2 offered by Senator Pearce:

Recommended language revisions to SB 398 for clarity:

pg 2

Line 17: Revised to read as follows:

(f) A grant under (a) of this section shall be made monthly or quarterly and shall be based on the monthly average daily full-time equivalent enrollment in the child care facility (DURING THE CALENDAR MONTH PRECEDING THE DATE ON WHICH APPLICATION FOR A GRANT IS MADE). If the method of payment for the grant is other than monthly, it shall be at the request of the child care facility with the approval of the department. Based on criteria established by the department, quarterly advance payments may be made.

Line 22: Revised to read as follows:

(g) Each child care facility receiving a grant under (a) or (d) of this section shall assure that at least 15 percent or one, whichever is greater, of their child care spaces (A SPECIFIED NUMBER OF CHILD CARE POSITIONS) receiving subsidy under this section will be (ARE) made available, if requested, to children eligible for day care assistance under AS 44.47.250 - 44.47.310, whose parents or guardians wish to pay for care based on attendance only (THE NUMBER OF FULL-TIME EQUIVALENT DAYS THE CHILD ATTENDS THE FACILITY. ALL CHILD CARE --(etc. etc. continue to delete as noted in original).

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

February 5, 1990

POSITION PAPER

RE: Senate Bill 398 - "An Act relating to day care programs and child care grants."

SPONSOR: Senators Pearce, Duncan, Kelly and Sturgulewski

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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Senate Bill 398
February 5, 1990
Page Two

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

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STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

February 23, 1990

SUBJECT: Sectional Description
(CSSB 398(C&RA))

TO: Senator Drue Pearce

FROM: Terri Lauterbach *TL*
Legislative Counsel

Following is a brief sectional description of CSSB 398(C&RA).

Sec. 1. Clarifies the authority of DC&RA to contract for day care program administration.

Sec. 2. Technical amendment to conform to changes made in sec. 1.

Sec. 3. Technical amendment to conform to changes made in sec. 1.

Sec. 4. Provides for day care grants to be on a quarterly or monthly basis.

Sec. 5. Modifies provisions under which child care facilities that receive grants must reserve space for children of families who are eligible for day care assistance from the state. Deletes a complicated formula and establishes, instead, a 20 percent minimum number of spaces.

Sec. 6. Raises the age of children eligible for day care assistance.

Sec. 7. Redefines the term "developmental disability."

Please let me know if you have further specific questions about the bill.

TL:gc
G13/104

- SECTIONAL ANALYSIS -