

SB

192

**SENATE COMMITTEE REPORT,
First Committee of Referral**

DATE: 4/12/01

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 04/30/01

Health, Education and Social Services Committee considered

SENATE BILL NO. 192

"An Act relating to child care grants; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DEED	4/30/01			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Grossherber</i>	✓			
<i>Betty Davis</i>	✓			
<i>Jay Ward</i>	✓			
CHAIR: <i>Lyda Mear</i>	✓			

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 192
 () Publish Date: _____

Revision Date/Time (Note if correction): _____
 Title: Increase Child Care Grants
 Sponsor: Senator Pearce
 Requester: S HESS

Dept. Affected: Education & Early Development
 BRU: Early Development
 Component: Child Care Assistance & Licensing
 Component Number: 2424

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	0.0	***	***	***	***	***
Miscellaneous						
TOTAL OPERATING	0.0	***	***	***	***	***

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		***	***	***	***	***
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	***	***	***	***	***

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would allow the child care grant to exceed \$50 per month for each full-time equivalent child in care as adjusted on a geographic basis. Only licensed providers may participate in the child care grant program. This increase takes effect in FY03.

Currently, only 350 of the 579 licensed facilities participate in the child care grant program given the level of funding. If the number of licensed providers participating were to remain constant in FY03, the increase necessary to fund the \$50 adjusted base rate would be approximately \$1.5 million. The department believes that an increased base rate would provide incentives for more child care providers to become licensed and projects that the number of licensed providers participating in the program in FY03 may exceed 700. The annual cost to provide funding for that number would exceed \$11 million for an increase of \$9 million over current funding levels. The asterisk denotes that there will be an increase; however, the department is unable to determine an amount. The projected costs range from \$1.5 million to as high as \$9 million in FY03.

Prepared by: Mary Stovall, Administrative Manager
 Division: Division of Early Development
 Approved by: Yvonne Chase, Deputy Commissioner of Early Development
 Agency: Department of Education & Early Development

Phone (907) 269-4512
 Date/Time 4/30/01 12:00 AM
 Date 4/30/01

For distribution information, call the Governor's Legislative Office

St. Vincent de Paul Society

8617 Teal Street
Juneau, AK 99801
(907) 789-5535
Fax (907) 789-2557

April 27, 2001

Senator Drue Pearce
Alaska State Legislature
Juneau, Alaska

Dear Senator Pearce;

I am writing today in support of SB 192, your legislation to increase the level of funding for child care grants in our state.

The St. Vincent de Paul Society of Juneau has a mission to serve homeless and low-income families in our community. While there are many contributing factors and reasons that households find themselves in poverty, unemployment and especially UNDERemployment is the simplest to resolve.

For families with small children, affordable child care is the greatest need to fill before employment can even be considered. State child care grants assist many of the working poor to maintain their families and their dignity by making regular employment a viable option.

However, the truth is the child care grant program DOES NOT pay the cost of child care in a state licensed facility like ours. We are a non-profit that owns its own facility with a small child care center that serves 100% low-income families. Our center shares space and administrative costs with our entire operation and we strive to be as cost-effective as possible—we have to in order to survive. Even so, the current \$476/mo. reimbursement rate equals only about 56% of the real cost of one child's full-time (8 hrs. per day, 5 days per week) care. That is why most commercial day care centers only reserve a small fraction of their enrollment for recipients of child care grants.

St. Vincent de Paul Society • Juneau, Alaska

The mission of the St. Vincent de Paul Society is to work for social justice for the family of southeast Alaska. We offer spiritual and material charity with respect for the dignity of all, regardless of race, religion or place of origin. We acknowledge that the true beneficiary of charity is the one who gives; we provide Vincentian volunteers with opportunity to serve the less fortunate.



A simple Profit and Loss statement for a particular cost center easily documents the real cost of child care. More difficult to measure is the struggle every child care provider has to maintain a quality staff and an optimum ratio of teachers to children.

The real shame of inadequate support for child care is the inherent message we broadcast to professionals in the field, to our society, and finally to the children themselves—"caring for our children is a low-pay, low-status occupation that will never pay a livable wage."

Increasing the child care grant is one of the most important actions this legislature can take to help make a positive impact on the lives of the working poor and their young children.

Sincerely



Dan Austin, General Manager *and*
The Volunteers and Staff of St. Vincent de Paul



Petersburg Children's Center
Box 138
Petersburg, AK 99833

April 26, 2001

Dear Senator Pearce,

I would like to give you my sincerest thanks for introducing the bill to increase the base amount of the Child Care Grant from \$33.00 to \$50.00. It would be of great benefit to our organization.

The Petersburg Children's Center is a private, non-profit community organization. We have been in operation for over 27 years serving the community of Petersburg, Mitkof Island and Kupreanof Island. Currently we are the only child care center in town and one of only two licensed providers, the other being a small in home daycare. Our center encompasses a nursery, a toddler room, two state certified preschool rooms and an afterschool program. We serve over 90 families annually.

As a non-profit it is a constant struggle to keep the balance between quality care and affordable prices. The most important component for quality care is quality staff. Finding and retaining quality staff is difficult at best. The wages are low, the job is demanding and we can't offer health benefits. Frequently, when we are able to hire educated, experienced staff they soon leave for jobs with higher pay and/or health benefits. Providing health insurance would be the single greatest action that would decrease our turnover, increasing the quality of care. The increase of the Child Care Grant paired with several changes we are making, such as reducing our food program costs and raising rates by 3%, would make offering health insurance a reality.

You have our complete support. If there is anything we can do to raise awareness or support to help pass this bill please let us know. Thank you for caring about the children.

Sincerely,

Jennifer Liskey, M.Ed.
Director

Alaska Association for the Education of Young Children

April 25, 2001

Senator Drue Pearce
State Capitol
Juneau, AK 99801-1182

Dear Senator Pearce,

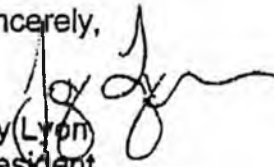
On behalf of our membership throughout the state, thank you for introducing SB 192, to allow an increase to the Child Care Grant for licensed child care programs. Licensed programs rely on the Child Care Grant to purchase materials, safety equipment and supplies to improve their learning environment, as well as increase the professional development and salaries of teachers and caregivers.

During FY '99, Alaska lost approximately 733 licensed child care spaces, at a time when parents moving from welfare into the workforce created an increase in demand. The Child Care Grant is the one financial support that provides an incentive for programs to be licensed and accept children on child care assistance subsidies.

An increase in the Child Care Grant will increase the availability and quality of care to children from low income families. These are the children who can benefit the most from high quality, active learning programs. Studies show that children who attend high quality care have higher cognitive and language skills on entering kindergarten, a higher rate of high school graduation, higher earnings, and half as many criminal arrests as adults.

Early learning programs are unable to charge the full cost of quality care, since few parents are able to afford it. Passage of SB 192 will assist programs in offering safe, enriched learning environments to enhance the success of young children in Alaska.

Sincerely,


Joy Lyon
President

April 26, 2001

Subject: SB 192 - Child Care Grant

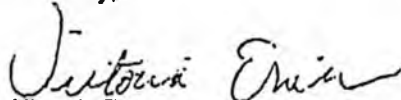
Please support SB 192, to allow an increase to this vital support for licensed childcare programs. Licensed programs rely on the Child Care Grant to purchase materials, safety equipment, and supplies to improve their learning environments.

During I:Y'99, Alaska lost approximately 733 licensed child care spaces, at a time when parents moving from welfare into the workforce created an increase in demand. The ChildCare Grant is the one financial support and incentive for programs to be licensed and accept children on Child care assistance subsidies.

An increase in the Child Care Grant will increase the availability and quality of care to children from low-income families. These are the children who can benefit most from high quality, active learning programs. Studies show that children who attend high quality care have higher cognitive and language skills on entering kindergarten, and half as many criminal arrests and higher earnings as adults.

Your support of SB 192 is a vote for the success of young children in Alaska.

Sincerely,



Victoria Erickson
Nome, Alaska 99762



Subject : SB 192 – Child Care Grant

Please support SB 192, to allow an increase to this vital support for licensed child care programs. Licensed programs rely on the Child Care Grant to purchase materials, safety equipment, and supplies to improve their learning environments.

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Your support of SB 192 is a vote for the success of young children in Alaska.

Sincerely,

Bonnie Rogers
Director
Open Arms Child Development Center
2980 Davis Rd
Fairbanks, AK 99705

April 26, 2001

Subject: SB 192 - Child Care Grant

Please support SB 192, to allow an increase to this vital support for licensed child care programs. Licensed programs rely on the Child Care Grant to purchase materials, safety equipment, and supplies to improve their learning environments.

During FY'99, Alaska lost approximately 733 licensed child care spaces, at a time when parents moving from welfare into the workforce created an increase in demand. The Child Care Grant is the one financial support and incentive for programs to be licensed and accept children on child care assistance subsidies.

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Your support of SB 192 is a vote for the success of young children in Alaska.

Sincerely,

Juanita Frazier
1702 Roberts Rd
Fairbanks, AK 99709



Subject:
SB 192-
Child Care Grant

I am writing you to ask you to please support SB 192, to allow an increase vital support for licensed child care programs. We rely on the Child Care Grant to be able to purchase materials, safety equipment, and supplies to improve the learning environments for all children.

Your support would help ALL young children in Alaska!!!!

Sincerely Yours,
Tara Koloski, Director
Play N Learn Downtown
1427 Gilliam Way, Fairbanks, AK 99701

Subject: SB 192
Date: Fri, 27 Apr 2001 22:21:11 -0800
From: "Catherine Helene Sullivan" <chs@alaska.net>
To: <Senator_Drue_Pearce@legis.state.ak.us>

Dear Senator Pearce,

Thank you for introducing SB 192 to increase the child care grant to \$50. Licensed programs rely on the Child Care Grant to purchase materials, safety equipment, and supplies to improve their learning environments. The Child Care Grant is the one financial support and incentive for programs to be licensed and accept children on child care assistance subsidies. Your support of SB 192 is a vote for the success of young children in Alaska.

Sincerely,
Catherine H. Sullivan, RN, MSN, CPNP
13530 Westwind Drive
Anchorage, AK 99519

Alaska State Legislature

During Interim: (June - Dec.)
716 West 4th Avenue, Suite 500
Anchorage, Alaska 99501-2133
(907) 269-0200
Fax (907) 269-0204



During Session: (Jan. - May)
State Capitol
Juneau, Alaska 99801-1182
(907) 465-4993
Fax (907) 465-3872

Senator Drue Pearce

SPONSOR STATEMENT

SB 192: Child Care Grant Program

Senate Bill 192 will increase support to our child care facilities. SB 192 increases the grants that are awarded to childcare facilities for quality measures under the Child Care Grant Program.

The Child Care Grant Program is a state funded program that provides grants to licensed child care centers and homes for the benefit of the facility and the children. Child care facilities rely on these grants to pay for additional or better qualified staff and to purchase equipment to improve the health, safety and learning environment for children. Grants are used for staff salaries, benefits or substitute staff, goods or services relating to the health, nutrition, and safety of children in care, age appropriate equipment, and supplies and activities for the children.

The statutory maximum for child care grants is \$50.00 per month per child. Senate Bill 192 increases the base rate for the Child Care Grant Program from \$33.00 to \$50.00 per child per month and removes the \$50.00 limit.

Senate Bill 192 will benefit our children by providing the necessary resources for healthy and safe environments.

Alaska State Legislature

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Juneau, Alaska 99801-1182
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Fax (907) 465-3872

Senator Drue Pearce

MEMORANDUM

Date: April 24, 2001

To: Senator Lyda Green, Chair
Senate Health, Education, and Social Services Committee

From: Senator Drue Pearce 

Re: Hearing Request for Senate Bill 192

I respectfully request a hearing for Senate Bill 192 in the Senate HESS Committee. Senate Bill 192 will increase support to our child care facilities by increasing the base rate for the child care grants to \$50.00 per child per month and by removing the \$50.00 statutory limit.

Alaska Association for the Education of Young Children

April 25, 2001

Senator Drue Pearce
State Capitol
Juneau, AK 99801-1182

Dear Senator Pearce,

On behalf of our membership throughout the state, thank you for introducing SB 192, to allow an increase to the Child Care Grant for licensed child care programs. Licensed programs rely on the Child Care Grant to purchase materials, safety equipment and supplies to improve their learning environment, as well as increase the professional development and salaries of teachers and caregivers.

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Sincerely,

Joy Lyon
President

Alaska State Legislature

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Senator Drue Pearce

SPONSOR STATEMENT

SB 192: Child Care Grant Program

Senate Bill 192 will increase support to our child care facilities. SB 192 increases the grants that are awarded to childcare facilities for training and professional development resources under the Child Care Grant Program.

The Child Care Grant Program is a state funded program that provides grants to licensed child care centers and homes for the benefit of the facility and the children. Child care facilities rely on these grants to pay for additional or better qualified staff and to purchase equipment to improve the health, safety and learning environment for children. Grants are used for staff salaries, benefits or substitute staff, goods or services relating to the health, nutrition, and safety of children in care, age appropriate equipment, and supplies and activities for the children.

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