

LEG. FINANCE - BILLS 1981 - 1982 1685

SB 517 - CSSB 517

1685

COMMITTEE REPORT
SENATE

FURTHER: None

Date: _____

Mr. President:

The Committee on FINANCE has had 8/9/77

bill care and my late assistance

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Asper
4/12/82

Original sponsor: Parr

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 517 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending the duration of repayment of loans
7 for child care facilities; and providing for an effective
8 date."

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

10 * Section 1. AS 44.33.255(c) is amended to read:

11 (c) The duration for repayment of a loan may not exceed 20 [10]
12 years.

13 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
14 070(c).

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SB 517 (Finance)
 Title Extending duration of repayment of loans for child care facilities
 Requested by _____ Date 4/13/82

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, Or Subprogram(s) Affected _____
 (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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS		-0-				
OTHER (Specify Source)		-0-				
		-0-				

POSITIONS

-0-

FULL TIME		-0-				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)



IV. DATE 4/13/82 PREPARED BY Senator Don Bennett, Chairman
 AGENCY Senate Finance Committee
 Original: Legislative Finance PHONE 465-3714
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Jeper

Original sponsor: Parr

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 517 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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Introduced: 4/24/81
Referred: Community & Regional
Affairs and Finance

1 IN THE SENATE

BY PARR

2 SENATE BILL NO. 517

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 and day care assistance;
7 and providing for an effective date.

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

9 * Section 1. FINDINGS AND PURPOSE. (a) It is the finding of the legis-
10 lature that available, quality day care is a vital service to Alaskan chil-
11 dren and their working parents. Day care centers are being affected by
12 inflation and the impact of federal budget cuts, particularly in the areas
13 of CETA employees and USDA nutritional funds.

14 (b) It is the purpose of this Act to create a child care grant program
15 to assist licensed day care centers and day care homes in meeting their
16 operational costs, to expand the day care assistance program to include
17 moderate income families, and to provide financing to municipalities for
18 administration of the day care assistance program.

19 * Sec. 2. AS 44.47.250(a)(1) is amended to read:

20 (1) implement and administer a program to assist in providing
21 day care for the children of low-income and moderate-income families
22 according to the requirements of AS 44.47.250 - 44.47.310;

23 * Sec. 3. AS 44.47.260 is amended to read:

24 Sec. 44.47.260. LOCAL PARTICIPATION. When a contract is made
25 under AS 44.47.250(b)(2) between the department and a municipality, the
26 department shall pay to the municipality for the administrative costs
27 of the day care assistance program the greater of

28 (1) ten percent of the total paid to the municipality for
29 day care assistance, paid on a monthly basis; or

1 (2) \$500 per year [MUNICIPALITY SHALL PAY THE COSTS OF
2 ADMINISTERING THE CONTRACTUAL DUTIES WITHIN ITS JURISDICTION].

3 * Sec. 4. AS 44.47.270 is amended to read:

4 Sec. 44.47.270. CONDITIONS OF RECEIPT OF BENEFITS. Benefits may
5 be paid for the care of children of a low income or moderate income
6 family only if a parent or guardian, because of the day care, is freed
7 to work, to seek work, or to attend school. In no event shall benefits
8 be paid for the care of children of a family where one parent or
9 guardian is not working, seeking work, or attending school and is
10 physically and mentally capable of caring for the children.

11 * Sec. 5. AS 44.47 is amended by adding a new section to read:

12 Sec. 44.47.305. CHILD CARE GRANT PROGRAM. (a) There is estab-
13 lished in the Department of Community and Regional Affairs a child care
14 grant program to provide state assistance for the operation of day care
15 facilities.

16 (b) A grant under this section shall be made to a day care facil-
17 ity based on the average daily enrollment of the facility for the month
18 preceding the application. Grants shall be adjusted by geographic
19 region for the cost of providing service, as determined by the depart-
20 ment, but may not exceed \$100 per child per month.

21 (c) Application for a grant under this section shall be made to
22 the department monthly on a form provided by the department.

23 (d) To be eligible for a grant under this section a facility must
24 maintain licensing in accordance with the provisions of AS 47.35.010 -
25 47.35.080 and must comply with regulations of the department pertaining
26 to this program and the day care assistance program. A facility which
27 loses its license under AS 47.35.010 - 47.35.080 shall refund to the
28 department any unexpended and unobligated money received as a grant
29 under this section.

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(e) A grant made by the department under this section shall be used by a facility for the following purposes:

(1) 75 percent of the grant shall be used for staff salaries;

(2) the remainder of the grant shall be used as determined appropriate by the facility to meet nutritional requirements, to purchase equipment appropriate for use by the children enrolled in the facility, and for staff training.

(f) The department shall issue regulations to carry out the purposes of this section.

* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Original sponsor: Parr

Offered: 5/20/81
Referred: Finance

1 IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 517 (C&RA)

3 I. 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 and day care assistance;
7 and providing for an effective date."

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12 inflation and the impact of federal budget cuts, particularly in the areas
13 of CETA employees and USDA nutritional funds.

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15 program to include moderate income families, and to provide financing to
16 municipalities for administration of the day care assistance program.

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25 the purpose for the administrative costs of the day care assistance
26 program the greater of

27 (1) ten percent of the total paid to the municipality for
28 day care assistance, paid on a monthly basis; or

29 (2) \$500 per year [MUNICIPALITY SHALL PAY THE COSTS OF

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7 be paid for the care of children of a family where one parent or
8 guardian is not working, seeking work, or attending school and is
9 physically and mentally capable of caring for the children.

10 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
11 10.070(c).

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 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 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" 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.

(c) 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 undue 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 commingled with the grants for family child care.

I. REQUEST

Bill/Resolution No. SF 107 and 108
 Title "An Act relating to day care"
 Requested by Senate Community & Regional Affairs Date April 21, 1981

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs
 Program Category Affected Community Development
 BRU, Program, or Subprogram 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		4.5	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	8,981.8	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 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 J. Davis
 AGENCY Department of Community & Regional Affairs
 PHONE 264-2201
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSE 517 (C & RA)

Title An Act relating to child care and day care assistance.

Requested by Senate C & RA Committee

Date May 19, 1981

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs

Program Category Affected Social Services

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	45.5	50.2	55.2
200 TRAVEL		4.0	4.4	4.8	5.3	5.8
300 CONTRACTUAL		104.3	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.		1852.9	2049.2	2254.1	2479.5	2727.5
TOTAL		2010.9	2100.0	2309.9	2541.0	2795.1

FUNDING (Thousands of Dollars)

	2010.9	2100.0	2309.9	2541.0	2795.1
GENERAL FUND					
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-

POSITIONS

	1	1	1	1	1
FULL TIME					
PART TIME	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Line 700 - Breakdown of Grant Costs

DIRECT COSTS

\$ 500.0 Administrative costs to be paid to municipalities per Section 3.

\$ 365.9 Cost of 107 new subsidized child slots and 27 new subsidized infant slots which we expect to be created in response to the availability of 10% administrative fees (134 new unsubsidized slots also expected). New slots are expected primarily in the Mat-Su and Kenai Boroughs.

107 children x \$9 State cost x 264 attendance days =	\$254,232
27 infants x \$11 State cost x 264 attendance days =	78,408
+ 10% administrative costs to municipalities =	33,264
	<u>\$365,904</u>

IV. DATE May 19, 1981

PREPARED BY McKie Campbell

AGENCY Department of Community & Regional Affairs

PHONE 465-4735

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

INDIRECT COSTS

\$ 997.0

It is understood that a Letter of Intent will accompany CSSB 517 which will call upon the Department of Community and Regional Affairs to raise the rate authorization \$3 per subsidized slot and to pay the total difference between the old and new rates.
(\$997.0 = 1,259 slots x \$3 x 264 attendance days)

+

\$1862.9

Total Grant Costs

Projected Grant costs are increased by 10% a year to allow for Program growth and inflation.

Line 300 - Contractual includes \$100.0 for a study on the full cost of Day Care.

Lines 100-400 reflect the funds required for the Department of Community and Regional Affairs to hire one additional Field Training Officer necessary to handle the additional administrative load imposed by this bill. Excluding the \$100.0 mentioned above for a rate study, these lines total \$46.0

Line 500 is a one-time equipment cost.

POSITION PAPER SB 517 and 518
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
LOCAL GOVERNMENT ASSISTANCE DIVISION

Palmer McCarter
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264-2201

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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.

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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 44.27.270

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.

(c) 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 undue 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, Menana 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 commingled with the grants for family child care.

REQUEST
 Bill/Resolution No. SB 817 and 818
 Title "Act relating to day care"
 Requested by Senate Community & Regional Affairs Date April 26, 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		57.5	41.5	45.6	50.2	55.2
200 TRAVEL		4.0	4.4	4.8	5.5	5.8
300 CONTRACTUAL		4.3	4.7	5.2	5.7	6.3
400 COMMODITIES		.2	.2	.2	.5	.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	8,981.8	9,464.7	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 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 *Law*
 AGENCY Department of Community & Regional Affairs
 PHONE 264-2201
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 517 (C & RA)
 Title An Act relating to child care and day care assistance.
 Requested by Senate C & RA Committee Date May 19, 1981

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs
 Program Category Affected Social Services
 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	45.5	50.2	55.2
200 TRAVEL		4.0	4.4	4.8	5.3	5.8
300 CONTRACTUAL		104.3	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.		1852.9	2049.2	2254.1	2479.5	2727.5
TOTAL		2010.9	2100.0	2309.9	2541.0	2795.1

FUNDING (Thousands of Dollars)

	2010.9	2100.0	2309.9	2541.0	2795.1
GENERAL FUND					
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-

POSITIONS

	1	1	1	1	1
FULL TIME					
PART TIME	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Line 700 - Breakdown of Grant Costs

DIRECT COSTS

\$ 500.0 Administrative costs to be paid to municipalities per Section 3.

\$ 365.9 Cost of 107 new subsidized child slots and 27 new subsidized infant slots which we expect to be created in response to the availability of 10% administrative fees (134 new unsubsidized slots also expected). New slots are expected primarily in the Mat-Su and Kenai Boroughs.

107 children x \$9 State cost x 264 attendance days =	\$254,232
27 infants x \$11 State cost x 264 attendance days =	78,408
+ 10% administrative costs to municipalities =	33,264
	<u>\$365,904</u>

IV. DATE May 19, 1981 PREPARED BY Mckie Campbell
 AGENCY Department of Community & Regional Affairs
 PHONE 465-4735

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

INDIRECT COSTS

\$ 997.0 It is understood that a Letter of Intent will accompany CSSB 517 which will call upon the Department of Community and Regional Affairs to raise the rate authorization \$3 per subsidized slot and to pay the total difference between the old and new rates.
($997.0 = 1,259 \text{ slots} \times \$3 \times 264 \text{ attendance days}$)

+
\$1862.9 Total Grant Costs

Projected Grant costs are increased by 10% a year to allow for Program growth and inflation.

Line 300 - Contractual includes \$100.0 for a study on the full cost of Day Care.

Lines 100-400 reflect the funds required for the Department of Community and Regional Affairs to hire one additional Field Training Officer necessary to handle the additional administrative load imposed by this bill. Excluding the \$100.0 mentioned above for a rate study, these lines total \$46.0

Line 500 is a one-time equipment cost.

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 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 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 44.47.27C

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.

(c) 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 commingled with the grants for family child care.

REQUEST
 Bill Resolution No. SB 807 and 808
 Title "AD. 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		57.5	41.5	45.6	50.2	55.2
200 TRAVEL		4.0	4.4	4.8	5.5	5.8
300 CONTRACTUAL		4.5	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)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
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

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
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 [Signature]
 AGENCY Department of Community & Regional Affairs
 PHONE 264-2201
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill Resolution No. CSSB 517 (C & RA)
 Title An Act relating to child care and day care assistance.
 Requested by Senate C & RA Committee Date May 19, 1981

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs
 Program Category Affected Social Services
 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	45.5	50.2	55.2
200 TRAVEL		4.0	4.4	4.8	5.3	5.8
300 CONTRACTUAL		104.3	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.		1852.9	2049.2	2254.1	2479.5	2727.5
TOTAL		2010.9	2100.0	2309.9	2541.0	2795.1

FUNDING (Thousands of Dollars)

	2010.9	2100.0	2309.9	2541.0	2795.1
GENERAL FUND					
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-

POSITIONS

	1	1	1	1	1
FULL TIME					
PART TIME	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Line 700 - Breakdown of Grant Costs

DIRECT COSTS

\$ 500.0 Administrative costs to be paid to municipalities per Section 3.

\$ 365.9 Cost of 107 new subsidized child slots and 27 new subsidized infant slots which we expect to be created in response to the availability of 10% administrative fees (134 new unsubsidized slots also expected). New slots are expected primarily in the Mat-Su and Kenai Boroughs.

107 children x \$9 State cost x 264 attendance days = \$254,232
 27 infants x \$11 State cost x 264 attendance days = 78,408
 + 10% administrative costs to municipalities = 33,254

\$365,904

IV. DATE May 19, 1981 PREPARED BY McKie Campbell
 AGENCY Department of Community & Regional Affairs
 PHONE 465-4735

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

COMMITTEE REPORT

HOUSE

FURTHER:

117

7/21/81

Date: 7/21/81

Mr. Speaker:

The Committee on Finance has had one bill

of the committee on the management department of the state for the purpose of

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Original sponsor: Parr

Offered: 4/13/82
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 517 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act extending the duration of repayment of loans
7 for child care facilities; and providing for an effective
8 date."

9

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

10

* Section 1. AS 44.33.255(c) is amended to read:

11

(c) The duration for repayment of a loan may not exceed 20 [10]

12

years.

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* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-

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070(c).

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS SB 517 (Finance)
 Title Extending duration of repayment of loans for child care facilities
 Requested by _____ Date 4/13/82

II. FISCAL DETAIL
 Agency Affected _____
 Program Category Affected _____
 BRU, Program, Or Subprogram(s) Affected _____
 (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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS		-0-				
OTHER (Specify Source)		-0-				
		-0-				

POSITIONS

-0-

FULL TIME		-0-				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)



IV. DATE 4/13/82 PREPARED BY Senator Don Bennett, Chairman
 AGENCY Senate Finance Committee
 Original: Legislative Finance PHONE 465-3714
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

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 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 SE 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" 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.

(c) 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 516

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.

I. REQUEST

Bill Resolution No. SB 507 and SB 508
 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	50.7	55.7
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	8,981.8	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 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 *Lox*
 AGENCY Department of Community & Regional Affairs
 PHONE 264-2201

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 517 (C & RA)

Title An Act relating to child care and day care assistance.

Requested by Senate C & RA Committee

Date May 19, 1981

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs

Program Category Affected Social Services

BRJ. 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	45.5	50.2	55.2
200 TRAVEL		4.0	4.4	4.8	5.3	5.8
300 CONTRACTUAL		104.3	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.		1862.9	2049.2	2254.1	2479.5	2727.5
TOTAL		2010.9	2100.0	2309.9	2541.0	2795.1

FUNDING (Thousands of Dollars)

	2010.9	2100.0	2309.9	2541.0	2795.1
GENERAL FUND					
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-

POSITIONS

	1	1	1	1	1
FULL TIME					
PART TIME	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Line 700 - Breakdown of Grant Costs

DIRECT COSTS

\$ 500.0 Administrative costs to be paid to municipalities per Section 3.

\$ 365.9 Cost of 107 new subsidized child slots and 27 new subsidized infant slots which we expect to be created in response to the availability of 10% administrative fees (134 new unsubsidized slots also expected). New slots are expected primarily in the Mat-Su and Kenai Boroughs.

107 children x \$9 State cost x 264 attendance days = \$254,232

27 infants x \$11 State cost x 264 attendance days = 78,408

+ 10% administrative costs to municipalities = 33,264

\$365,904

IV. DATE May 19, 1981

PREPARED BY McKie Campbell
AGENCY Department of Community & Regional Affairs
PHONE 465-4735

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

INDIRECT COSTS

\$ 997.0

It is understood that a Letter of Intent will accompany CSSB 517 which will call upon the Department of Community and Regional Affairs to raise the rate authorization \$3 per subsidized slot and to pay the total difference between the old and new rates.
($997.0 = 1,259 \text{ slots} \times \$3 \times 264 \text{ attendance days}$)

+

\$1862.9

Total Grant Costs

Projected Grant costs are increased by 10% a year to allow for Program growth and inflation.

Line 300 - Contractual includes \$100.0 for a study on the full cost of Day Care.

Lines 100-400 reflect the funds required for the Department of Community and Regional Affairs to hire one additional Field Training Officer necessary to handle the additional administrative load imposed by this bill. Excluding the \$100.0 mentioned above for a rate study, these lines total \$46.0

Line 500 is a one-time equipment cost.

Original sponsor: Parr

Offered: 4/13/82
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 517 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act extending the duration of repayment of loans

7

for child care facilities; and providing for an effective

8

date."

9

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

10

* Section 1. AS 44.33.255(c) is amended to read:

11

(c) The duration for repayment of a loan may not exceed 20 [10]

12

years.

13

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-

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070(c).

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TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS SB 517 (Finance)
 Title Extending duration of repayment of loans for child care facilities
 Requested by _____ Date 4/13/82

II. FISCAL DETAIL
 Agency Affected _____
 Program Category Affected _____
 BRU, Program, Or Subprogram(s) Affected _____
 (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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS		-0-				
OTHER (Specify Source)		-0-				
		-0-				

POSITIONS

-0-

FULL TIME		-0-				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)



IV. DATE 4/13/82 PREPARED BY Senator Don Bennett, Chairman
 AGENCY Senate Finance Committee
 Original: Legislative Finance PHONE 465-3714
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

COMMITTEE REPORT
SENATE

4/24/81

FURTHER: Finance

Date: 5/19/81

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 518

making special appropriations to the Dept. of Community & Regional Affairs for child care assistance

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SB 518 (C+RA) same title
 new title
- and recommends _____
- AND attaches a 'Letter of Intent' New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBER SIGNING
DO PASS

3 Colletta
3 Ferguson

MEMBERS HAVING
OTHER RECOMMENDATIONS:

1 Curtis Sturgis No Rec
Stan Sherman No Rec
2-2 rights - No Rec - where does it all end?

1 Gilman
 CHAIRMAN Zorec

Original sponsor: Parr

Offered: 5/20/81
Referred: Finance

Funding Information

General Fund \$2,661,000
Other Funds -0-
\$2,661,000

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 518 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Depart-
7 ment of Community and Regional Affairs for day care
8 assistance programs and studies; and providing for an
9 effective date."

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

11 * Section 1. The sum of \$2,013,000 is appropriated from the general fund
12 to the Department of Community and Regional Affairs for the day care assist-
13 ance program (AS 44.47.250 - 44.47.310).

14 * Sec. 2. The sum of \$48,000 is appropriated from the general fund to
15 the Department of Community and Regional Affairs for costs of administering
16 the day care assistance program (AS 44.47.250 - 44.47.310).

17 * Sec. 3. The sum of \$500,000 is appropriated from the general fund to
18 the Department of Community and Regional Affairs to be paid to municipali-
19 ties for costs of administering the day care assistance program (AS 44.47.-
20 250 - 44.47.310).

21 * Sec. 4. The sum of \$100,000 is appropriated from the general fund to
22 the Department of Community and Regional Affairs for a study of statewide
23 needs for state day care assistance.

24 * Sec. 5. The unexpended and unobligated portions of the appropriations
25 made by this Act lapse into the general fund June 30, 1982.

26 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-
27 070(c).

28
29
COMMITTEE COPY

Funding Information
General Fund \$4,050,000
Other Funds -0-
\$4,050,000

Introduced: 4/24/81
Referred: Community & Regional
Affairs and Finance

1 IN THE SENATE

BY FARR

2 SENATE BILL NO. 518

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Depart-
7 ment of Community and Regional Affairs for child care
8 assistance; and providing for an effective date."

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

10 * Section 1. The sum of \$4,000,000 is appropriated from the general fund
11 to the Department of Community and Regional Affairs to be distributed to
12 licensed day care facilities under the child care grant program (AS 44.47.-
13 305).

14 * Sec. 2. The sum of \$50,000 is appropriated from the general fund to
15 the Department of Community and Regional Affairs to be paid to municipali-
16 ties for administrative costs of administering the day care assistance
17 program (AS 44.47.250 - 44.47.310).

18 * Sec. 3. The unexpended and unobligated portions of the appropriations
19 made by this Act lapse into the general fund June 30, 1982.

20 * Sec. 4. This Act takes effect on the effective date of an Act entitled
21 "An Act relating to child care and day care assistance; and providing for an
22 effective date."
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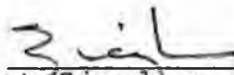
LETTER OF INTENT

It is the intent of the Community and Regional Affairs Committee that the money appropriated for the Day Care Assistance Program by CSSB 518 (C&RA) be used to raise the maximum rate paid to day care providers to \$16.50 per day for children and \$19 per day for infants. It is also the intent of the Committee that the subsidy schedule be adjusted so that eligible families will not bear any portion of the rate increase.

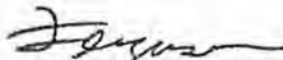
The Committee recommends that the Commissioner of the Department of Community and Regional Affairs hold yearly hearings on rate setting for the Day Care Assistance Program with parents and providers to maintain a reasonable relationship between inflation and day care assistance rates.



Don Gilman, Chairman



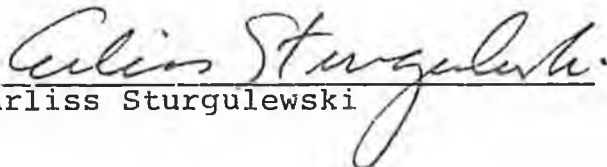
Robert Ziegler, Vice Chairman



Frank Ferguson



Mike Colletta



Arliss Sturgulewski

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	8,981.8	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 *Ree*

AGENCY Department of Community & Regional Affairs

PHONE 264-2201

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 517 (C & RA)
 Title An Act relating to child care and day care assistance.
 Requested by Senate C & RA Committee Date May 19, 1981

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs
 Program Category Affected Social Services
 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		104.3	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.		1852.9	2049.2	2254.1	2479.5	2727.5
TOTAL		2010.9	2100.0	2309.9	2541.0	2795.1

FUNDING (Thousands of Dollars)

	2010.9	2100.0	2309.9	2541.0	2795.1
GENERAL FUND					
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-

POSITIONS

	1	1	1	1	1
FULL TIME					
PART TIME	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Line 700 - Breakdown of Grant Costs

DIRECT COSTS

\$ 500.0 Administrative costs to be paid to municipalities per Section 3.

\$ 365.9 Cost of 107 new subsidized child slots and 27 new subsidized infant slots which we expect to be created in response to the availability of 10% administrative fees (134 new unsubsidized slots also expected). New slots are expected primarily in the Mat-Su and Kenai Boroughs.

107 children x \$9 State cost x 264 attendance days =	\$254,232
27 infants x \$11 State cost x 264 attendance days =	78,408
+ 10% administrative costs to municipalities =	33,264
	\$365,904

IV. DATE May 19, 1981 PREPARED BY McKie Campbell
 AGENCY Department of Community & Regional Affairs
 PHONE 465-4735

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

ALASKA STATE LEGISLATURE

TWELFTH Legislature FIRST... Session

SENATE BILL..... NO. 518....

By ... PARR

"An Act making special appropriations to the Department of Community and Regional Affairs for child care assistance; and providing for an effective date."

Introduced in the Senate ..4/24/.., 19..01

HISTORY IN THE SENATE

19	01	Read first time and referred to Committee on
4	24	C & FA and Finance
5	20	Reported back with <i>CRA</i> recommendation that <i>2001/02 w/CRS(CRA) Letter of Int. Finance. To Finance</i>
		Read second time and
		Read third time and
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reconsideration
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reported correctly engrossed
		Signed by President
		Sent to House
SECRETARY OF THE SENATE		

HISTORY IN THE HOUSE

19		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reconsideration
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reported correctly engrossed
		Signed by Speaker
		Returned to Senate
CHIEF CLERK OF THE HOUSE		

HISTORY IN THE SENATE

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
	 by Governor
		Filed with Lt. Governor
		Chapter No.

POSITION PAPER

CS FOR SENATE BILL NO. 518

"An Act making special appropriations to the Department of Community and Regional Affairs for day care assistance programs and studies; and providing for an effective date."

This Bill appropriates \$2,013,000 to the Department of Community and Regional Affairs for the day care assistance program; \$48,000 is appropriated to cover departmental administrative costs, \$500,000 is to be paid to municipalities to help defray their costs of administering the program, and \$100,000 is appropriated for a study of statewide needs for day care assistance. It is this Department's understanding that intent has been placed on the balance of the appropriation to provide for a rate increase for the cost of care, increasing the rate to \$16.50 per hour for children and \$19.00 per hour for infants.

While the Department of Community and Regional Affairs has major responsibility for purchase of day care services in the State, the Department of Health and Social Services maintains responsibility for purchase of day care in child protective services and for WIN registrants. The protective services and WIN day care programs are not named in this Bill, however, the Department of Health and Social Services has adhered to a policy of administering its day care programs in a manner consistent with the Day Care Assistance Program and plans to continue that policy to the maximum extent feasible. From a licensing perspective, the Department has an interest in the financial viability and stability of day care facilities. It is for these reasons that the Department of Health and Social Services is commenting on this Bill.

The Department supports the concept of appropriating funds to the Department of Community and Regional Affairs to be used to pay administrative expenses and to perform a statewide needs study.

The concept of financial assistance to municipalities to help defray the costs of administering the Day Care Assistance Program is sound. Some communities have opted not to participate in the Day Care Assistance Program because of the administrative costs involved. This amendment may result in several additional communities choosing to participate in the program.

Day care providers are experiencing financial hardships due to inflation and Federal budget reductions. Some are consequently having difficulties in maintaining licensing standards. The Department has an interest in the stability of day care centers and homes and in the quality of care provided. For these reasons, we endorse a rate increase for day care providers.

While the Department does support the proposed rate increases, we wish to point out that this augmentation will have a financial impact on this Department. As previously noted, the Department attempts to administer the protective services and WIN day care programs in a fashion consistent with the Day Care Assistance Program. As a result, this Department would raise its rates to equal the prescribed Day Care Assistance rates. The adjustment of the Division of Family and Youth Services' rate to correspond with the Day Care Assistance rate is reflected in the Fiscal Note.

The Department supports the concepts contained in this Bill.

RECOMMENDED BY: *John R. Pugh*, Actg.
John R. Pugh, Director
Division of Family and
Youth Services

DATE: 5/28/81

APPROVED BY: *Helen D. Beirne*
Helen D. Beirne
Commissioner

DATE: 6-2-81

THE LEGISLATURE OF THE STATE OF ALASKA
 FISCAL NOTE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for SB 518
 Title "An Act making special appropriations to the Dept. of C&RA for day care assistance."
 Requested by Community & Regional Affairs Committee Date 5/20/81

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services
 Program Category Affected Social Services
 BRU, Program, or Subprogram(s) Affected Program Services
 (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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	292.1	431.1	469.8	512.1	558.2	608.4
TOTAL	292.1	431.1	469.8	512.1	558.2	608.4

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	292.1	431.1	469.8	512.1	558.2	608.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

An average rate of \$11.55 was used in deriving the FY 81 day care funding level. The FY 82 figure assumes an average rate of \$17.45, 264 service days per year, and a projected increase of 12 FTE units. The FY 82 projection of 431.1 represents a 115.6 increase above the Governor's Request of 315.5. Figures for FY 83 through FY 86 reflect an annual increase of 9%.

IV. DATE 5/28/81 PREPARED BY Fred M. Borczyk, Actg. Dir.
 John R. Pugh, Director
 AGENCY Division of Family and Youth Services
 PHONE 465-3170
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) M&B Approval Date 5/28/81

Original sponsor: Parr

Offered: 5/20/81
Referred: Finance

Funding Information

General Fund \$2,661,000
Other Funds -0-
\$2,661,000

1 IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2

CS FOR SENATE BILL NO. 518 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act making special appropriations to the Department of Community and Regional Affairs for day care assistance programs and studies; and providing for an effective date."

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

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* Section 1. The sum of \$2,013,000 is appropriated from the general fund to the Department of Community and Regional Affairs for the day care assistance program (AS 44.47.250 - 44.47.310).

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* Sec. 2. The sum of \$48,000 is appropriated from the general fund to the Department of Community and Regional Affairs for costs of administering the day care assistance program (AS 44.47.250 - 44.47.310).

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* Sec. 3. The sum of \$500,000 is appropriated from the general fund to the Department of Community and Regional Affairs to be paid to municipalities for costs of administering the day care assistance program (AS 44.47.250 - 44.47.310).

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* Sec. 4. The sum of \$100,000 is appropriated from the general fund to the Department of Community and Regional Affairs for a study of statewide needs for state day care assistance.

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* Sec. 5. The unexpended and unobligated portions of the appropriations made by this Act lapse into the general fund June 30, 1982.

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* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.070(c).

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Funding Information
General Fund \$4,050,000
Other Funds -0-
\$4,050,000

Introduced: 4/24/81
Referred: Community & Regional
Affairs and Finance

1 IN THE SENATE

BY PARR

2 SENATE BILL NO. 518

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Depart-
7 ment of Community and Regional Affairs for child care
8 assistance; and providing for an effective date."

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

10 * Section 1. The sum of \$4,000,000 is appropriated from the general fund
11 to the Department of Community and Regional Affairs to be distributed to
12 licensed day care facilities under the child care grant program (AS 44.47.-
13 305).

14 * Sec. 2. The sum of \$50,000 is appropriated from the general fund to
15 the Department of Community and Regional Affairs to be paid to municipali-
16 ties for administrative costs of administering the day care assistance
17 program (AS 44.47.250 - 44.47.310).

18 * Sec. 3. The unexpended and unobligated portions of the appropriations
19 made by this Act lapse into the general fund June 30, 1982.

20 * Sec. 4. This Act takes effect on the effective date of an Act entitled
21 "An Act relating to child care and day care assistance; and providing for an
22 effective date."

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LETTER OF INTENT

It is the intent of the Community and Regional Affairs Committee that the money appropriated for the Day Care Assistance Program by CSSB 518 (C&RA) be used to raise the maximum rate paid to day care providers to \$16.50 per day for children and \$19 per day for infants. It is also the intent of the Committee that the subsidy schedule be adjusted so that eligible families will not bear any portion of the rate increase.

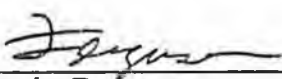
The Committee recommends that the Commissioner of the Department of Community and Regional Affairs hold yearly hearings on rate setting for the Day Care Assistance Program with parents and providers to maintain a reasonable relationship between inflation and day care assistance rates.



Don Gilman, Chairman



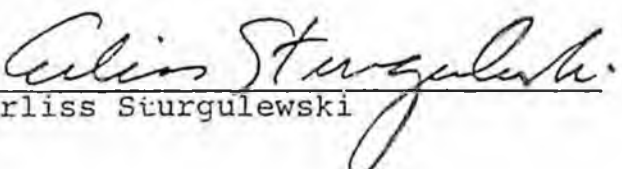
Robert Ziegler, Vice Chairman



Frank Ferguson



Mike Colletta



Arliss Sturgulewski

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		4.5	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	8,981.8	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 *RL*
AGENCY Department of Community & Regional Affairs
PHONE 264-7201
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)