

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672

1421 SHESS DAY CARE-CORRESPONDENCE

CHAPTER 50
 DAY CARE ASSISTANCE PROGRAM

overtime	more than 10 but not more than 16 a day	\$15 plus \$1.40 an hour a day	\$12 plus \$1.40 an hour a day
hourly	more than one but not more than 16 a day	not to exceed the part time, full time or overtime rate for the same number of hours	

(d) In the event that a facility's rate for the day care services provided to an eligible family exceeds the maximum rate payable under section(c) of this chapter, the facility and the parent shall determine whether or not the parent will be surcharged any differential in payment.

(e) The rate schedule shall be reviewed and may be revised annually by the division when considering statewide changes in the cost of providing day care services. (Effective / / , Register)

Authority: AS 44.47.250

ARTICLE 5. FAMILY'S AND FACILITY OPERATOR'S RESPONSIBILITIES

Section

- 200. Family's Responsibilities
- 210. Facility Operator's Responsibilities

19 AAC 50.200. FAMILY'S RESPONSIBILITIES. It is the family's responsibility to:

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(1) provide the administrator with documentation for all items necessary to determine eligibility;

(2) notify the administrator, within five working days, of all changes affecting eligibility;

(3) select the facility for care of its children;

(4) pay the unsubsidized portion of the cost of day care services;

(5) notify the administrator of any suspected fraud as defined in sec. 230 of this chapter. (Effective / / , Register)

Authority: AS 44.47.250

19 AAC 50.210. FACILITY OPERATOR'S RESPONSIBILITIES. It is the responsibility of the facility operator to:

(a) keep monthly attendance records for each eligible child and to submit a copy of that record together with a billing statement to the day care program administrator within 10 working days of the end of each month;

(b) notify the day care program administrator of any change in the status of its license;

(c) notify the day care program administrator of any suspected fraud as defined in sec. 230 of this chapter. (Effective / / , Register)

Authority: AS 44.47.250

Register

1980, COMMUNITY AND REGIONAL AFFAIRS

19 AAC 50.220

19 AAC 50.230

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ARTICLE 6. GENERAL PROVISIONS

Section

- 220. Confidentiality
- 230. Fraud
- 240. Appeals
- 250. Technical Assistance
- 260. Definitions

19 AAC 50.220. CONFIDENTIALITY. (a) All persons working with and having access to information related to a family's receipt of program benefits shall hold that information confidential to the extent a prudent person considers necessary to protect the privacy of all family members.

(b) The day care program administrator may share with other public and private agencies any information related to a family's receipt of program benefits to the extent necessary to determine the kind and amount of assistance to be granted in any kind of public benefit program, or to conduct an investigation of fraud as defined in sec. 230 of this chapter. (Effective / / ,
Register)

Authority: AS 44.47.250

19 AAC 50.230. FRAUD. (a) It is a fraud to deliberately misrepresent material facts in order to receive program monies, whether by a parent applying for or receiving program benefits, a licensed facility billing for program services, or any other person involved with the program's monies.

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(b) In cases where the possibility of fraud has arisen, the administrator shall contact all persons with pertinent information, assemble all relevant facts, and report conclusions to the division. Upon receipt the division shall review this information, and take further action as needed. (Effective / / , Register)

Authority: AS 44.47.250

19 AAC 50.240. APPEALS. (a) Any person who is aggrieved by a decision on day care assistance affecting his/her program eligibility, percentage of subsidy, or hours for which child care is authorized, may appeal the decision to the director. An appeal must be made within ten working days of the date of the decision. The director will enter a decision in response to the appeal within 20 days of receipt of it. Within 30 days of receipt of a letter advising the family that the director has denied the appeal the family may appeal the denial to the commissioner. The appeal must be in writing and must identify the part or parts of the letter of denial to which the family takes exception.

(b) Upon receipt of a proper appeal, the commissioner will review the record and enter a final determination. The commissioner may affirm, reverse, or modify the director's decision. The family shall be notified in writing, within thirty days of the commissioner's decision. Notification shall include an explanation of the decision.

(c) Upon failure to file an appeal within the time set forth in (a) of the section, the director's decision constitutes the final determination of the department.

(d) The commissioner's decision is final. (Effective / / , Register)

Authority: AS 44.47.250

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19 AAC 50.250. TECHNICAL ASSISTANCE. The division shall make every reasonable effort to respond to a request by a potential or actual day care program contractor for technical assistance in preparing a contract application and in all aspects of program planning, administration, and implementation. (Effective / / , Register)

Authority: AS 44.47.250

19 AAC 50.260. DEFINITIONS. In this chapter the following terms are defined as follows:

(1) "administrator" means the directly or indirectly (by a subcontract) delegated agent of a contractor, authorized to perform local administrative functions.

(2) "commissioner:" means the Commissioner of the Department of Community and Regional Affairs.

(3) "community" means a place of 25 or more permanent inhabitants who constitute a social unit and have not incorporated their community as a municipal corporation under the laws of the state.

(4) "contract" means a reimbursable services agreement between the department and a municipality or other organization which specifies services to be provided, geographical area served, and beginning and ending dates of service.

(5) "contractor" means a municipality or other organization which has entered into a contract with the department to assume responsibility for and pay local administrative costs of local operation of a Day Care Assistance Program.

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19 AAC 50.260

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(7) "day care" means the care, supervision, and guidance of a child or children unaccompanied by a parent or legal guardian on a regular basis for periods of less than 24 hours a day.

(8) "department" means the Department of Community and Regional Affairs.

(9) "dependent child" means a person who has not reached his nineteenth birthday and is a member of the applicant family.

(10) "director" means the Director of the Division of Local Government Assistance.

(11) "displaced homemaker" means an individual who has not worked in the labor force for two or more years but has, during those years, worked in the home providing unpaid services for family members and is otherwise eligible for the program.

(12) "division" means the Division of Local Government Assistance in the Department of Community and Regional Affairs.

(13) "document" means to keep in the client's case file a copy of an official document or notarized affidavit, or a copy of an original, official or legal form.

(14) "eligibility" means qualification to receive program benefits.

(15) "eligible child" means a person who has not reached the age of 11 and whom the administrator has determined is qualified for program benefits.

(16) "facility" means a center or home licensed in accordance with the provisions of AS 47.35.010-47.35.080 or recognized by the federal government for the care of children.

(17) "family" means a living arrangement of a parent and child where the parent resides with and assumes responsibility for the care and support of the child, in accordance with the provisions of AS 25.20.030.

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(18) "municipality" includes a home rule, general law and unified municipality, as defined in AS 29 .

(19) "parent" includes a guardian and any other person who has the actual care and custody of a child.

(20) "program" means the Day Care Assistance Program.

(21) "program benefits" means a full or partial subsidy for the cost of licensed day care for an eligible child.

(22) "self-employed" means possessing a business license to do business in the State of Alaska and filing a regular statement of profits and losses with the Internal Revenue Service.

(23) "subsidy" means a full or partial payment by the Day Care Assistance Program of the costs of licensed day care services for an eligible child.

(24) "unit of care" means an amount of time during which day care service is provided and a specified rate is charged; this may be hourly, partime or fulltime.

(25) "verify" means to keep in the client's case file a statement that the administrator has seen an official document.

(26) "victim of domestic violence" means a person who has been physically assaulted or threatened with physical harm by a member of their household, and is otherwise eligible for the program. (Effective / / , Register)

Authority: AS 44.47.250

Day Care Assistance Program

Policy Memorandum Number 1

Subject: Enrollment Policy

The following will, until superceded or replaced by formal administrative regulations, serve as the Department of Community and Regional Affairs policy governing administration of the Day Care Assistance Program on an enrollment basis. This policy memorandum supplements the regulations governing the program, 19AAC 50.010 - 260 (proposed).

ELIGIBILITY - All families who otherwise meet DCAP eligibility standards may participate in the program on an enrollment basis if:

- 1) the family desires to do so; and
- 2) the parent's work schedule is predictable.

AUTHORIZATION - The units of subsidized day care a family is authorized shall be the same for enrollment as for attendance, as determined by 19AAC 50.190.

RATES - The maximum amount that will be paid on an enrollment basis is equal to the appropriate daily rate multiplied by the number of days in the month for which attendance is authorized.

EXCUSED ABSENCES - Each family receiving day care services of more than three units of care per week shall be allowed five units of absence per month. Absences not exceeding five units of care shall be considered excused and payment shall be paid to the facility as if the child were actually in attendance.

Each family receiving day care services of three or fewer units of care per week shall be allowed three units of absence per month. Absences not exceeding the three units of care shall be considered excused and payment shall be made to the facility as if the child were in actual attendance.

CHANGE IN FACILITY - If a parent participating in the enrollment option desires to change facilities he/she may do so only after providing both the facility operator and the local administrator with at least ten working days' written notice of the intended change. No payment shall be made to a facility from which the child is leaving following the expiration of the ten day period. Likewise no payment shall be made to the new facility until the expiration of the ten day period.

If all three parties involved (i.e. parent, administrator, facility operator) agree, the provision of this section may be waived.

ABSENCES EXCEEDING THE EXCUSED LEVEL -

On the day that a family exceeds the excused number of absences, either three or five units of care, the facility operator shall notify the local administrator. At that point the facility operator is authorized to receive five additional units of care - whether or not the parent returns the child to the facility.


If the parent does return the child to the facility, day care services shall be paid for, following the utilization of the additional five units of care, on the basis of actual attendance for the remainder of the authorization period set forth in the current day care authorization form.

If the parent does not return the child to the facility no payment shall be made to the facility for services past the additional five units of care.

If a child's absences during an authorization period exceed the excused level for that period, the local day care administrator may deny the parent the enrollment option at the time of redetermination of eligibility pursuant to 19 AAC 50.180.

Effective August 1, 1980.

2/:



Patrick K. Polano
Deputy Director
Community and Regional Affairs
Division of Local Government Assistance

Day Care Assistance Program
Policy Memorandum Number 2
Subject: Enrollment Policy

The following replaces those provisions relating to enrollment rates stated in Day Care Policy Memorandum Number 1.

RATES - The maximum monthly amount that will be paid on an enrollment basis is as follows:

1) for families receiving day care services of five full time units of care per week, an amount not to exceed \$265 per month per child, or \$330 per month per infant.

2) for all other families an amount equal to the appropriate daily rate multiplied by the number of days in the authorization period for which attendance at a day care facility is authorized, divided by the number of months in the authorization period.

Example:

A child has care authorized for 3 days each week on Monday, Wednesday and Friday. The Day Care Authorization is written for the months of August, September and October, 1980.

The enrollment rate is calculated at \$12 per day x 39 days of authorized care = \$468 ÷ 3 months = an enrollment rate of \$156 per month.

*Monthly rates should be rounded to the nearest dollar.

By:



Patrick K. Poland
Deputy Director
Division of Local Government
Assistance
Department of Community and
Regional Affairs


Effective Date August 1, 1980

Day Care Assistance Program
Policy Memorandum Number 3
Subject: Day Care Rates for Handicapped Children

The following policy will be in effect with respect to parents and providers for handicapped children.

Parents of handicapped children may apply for special consideration under the Day Care Assistance Program. The application for special consideration shall consist of an appeal directed to the Director of Local Government Assistance through the Day Care Assistance Program Coordinator requesting special consideration and stating the reasons why. The Director will enter a decision based on the facts contained in the letter of appeal. If the appeal is approved the parent and provider will be entitled to receive up to double the maximum daily rate for care of a handicapped child. No adjustments to income or subsidy level will be made under any circumstances. If the appeal is denied, the Director's decision is appealable to the Commissioner of Community and Regional Affairs under normal procedures.

By:



Patrick K. Poland
Deputy Director
Division of Local Government Assistance
Department of Community and Regional
Affairs

Effective Date: July 1, 1980


DAY CARE ASSISTANCE PROGRAM

POLICY MEMORANDUM NUMBER 4

SUBJECT: ENROLLMENT

(This policy was originally written as clarification for Policy #1: Enrollment. However, following comments from local administrators, parents and providers, it was decided that this policy must be rewritten.)

Effective:

By: 
Lare'
Child Care Program Coordinator
Department of Community and
Regional Affairs
Division of Local Government
Assistance

DAY CARE ASSISTANCE PROGRAM

POLICY MEMORANDUM NUMBER 5

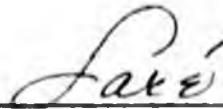
SUBJECT: RATES

Every licensed or federally approved Day Care facility must have presented the local administrator with a rate sheet which specifies its actual rates for day care before the local administrator may sign an authorization for Day Care Assistance Program (DCAP) subsidy. If there are rate differences between DCAP subsidized and non-DCAP subsidized children, the differing rates must appear on the rate sheet.

A parent subsidized by DCAP cannot be charged more than other parents for child care, whether on a full time, part time or hourly basis, or if payment is made on a attendance or enrollment basis. However, if parents not subsidized by DCAP receive a reduced rate for prepayment, this paragraph does not apply.

Effective December 1, 1960

BY:



Lare
Child Care Program Coordinator
Community and Regional Affairs
Division of Local Government Assistance

DAY CARE ASSISTANCE PROGRAM

POLICY MEMORANDUM NUMBER 6

SUBJECT: SUBSIDY SCALE

The subsidy scale for the Day Care Assistance Program is being revised to include median income families, thus moving the lowest income families further up the state share scale for payment of day care.

The process of implementation may begin immediately as parents come in for reauthorization. For those administrators currently working at maximum capacity, waiting lists should be developed which will allow those parents at the highest subsidy scale to be reviewed first. Information for wait-listed parents will include parent name, level of subsidy, number of children and number of units of care required.

The new subsidy scale should be fully implemented by June 1, 1981.

Effective March 2, 1981

Full implementation June 1, 1981

By: _____

Lare'
Lare'
Child Care Program Coordinator
Department of Community and
Regional Affairs
Division of Local Government
Assistance

Attached: local subsidy scale

DAY CARE ASSISTANCE PROGRAM

POLICY MEMORANDUM NUMBER 7

SUBJECT: INFANT RATES

The following replaces the provision relating to infant rates stated in Day Care Policy Memorandum Number 2. In addition, this Policy sets rates for infants who are authorized on an attendance basis.

These rates are effective May 1, 1981.

Rates

The maximum monthly amount that will be paid on an enrollment basis is as follows:

1) for families receiving day care services of five full time units of care per week, an amount not to exceed \$350 per month per infant.

For infants authorized on an attendance basis the rate will be:

\$16.00 per full day
\$ 9.50 per half day
\$ 1.60 per hour

Parents on the Day Care Assistance Program who have infants in care should be reauthorized before the new infant rates go into effect.

Effective May 1, 1981

BY:



Lare

Child Care Program Coordinator
Department of Community and
Regional Affairs
Division of Local Government
Assistance



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y. State Capitol
Juneau, Alaska 99811
(907) 465-3991

February 18, 1982

MEMORANDUM

TO: Representative Brian Rogers

FROM: Susan Brody, Cecily Stern and Felicity Wact
Research Staff

RE: Day Care
Research Request 81-207

SEP 3 1982

John Hartle of your staff requested that we provide current information on the availability and funding of day care services in the state. Specifically, he asked us to research the following topics.

- the availability of day care around the state;
- the current financial condition of day care centers;
- the availability of the Department of Community and Regional Affairs' Day Care Assistance Program;
- the impact of the new Child Care Grant Program on day care centers.

We used three information sources in collecting data to respond to this request: interviews with Ms. Lare of the Department of Community and Regional Affairs; interviews with municipal administrators of day care programs in ten Alaskan communities selected as a representative sample for the state; and interviews with directors of licensed day care centers in each of these ten communities.

Data collected from interviews with day care center directors served as the basis for our response to the questions on the availability of day care in the state, current financial condition of day care centers, and the impact of the new Child Care grant Program on day care centers. Ms. Lare, director of both the Child Care Grant Program and the Day Care Assistance Program for the Department of Community and Regional Affairs supplied information on these two programs. Telephone interviews with municipal administrators of day care programs furnished additional information on the availability of the day care assistance program.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF FAMILY AND YOUTH SERVICES

POUCH H-05
JUNEAU, ALASKA 99811
PHONE: (907) 465-3170

April 30, 1981

Document# 116-81

Honorable Donald E. Gilman
Chairman SCRAC
Alaska State Legislature
Alaska State Senate
Pouch v
Juneau, Alaska 99811

Dear Senator Gilman:

The intent of this letter is to share the Division's views regarding Senate Bill No. 517 and Senate Bill No. 518 scheduled for hearings by your Committee on Thursday of this week.

These Bills would amend the Day Care Assistance Statute by adding provisions to expand the eligible families to those of moderate income and those seeking work, to require payment to municipalities for administering the Day Care Assistance Program, to establish a child care grant program, and to make special appropriations for child care assistance.

While the Department of Community and Regional Affairs has major responsibility for purchase of day care, this Division maintains responsibility for purchase of day care in child protective cases and for WII registrants. These programs are not named in this Bill, however, we have adhered to a policy of administering our day care programs in a manner consistent with Day Care Assistance. From a licensing perspective, the Division has an interest in the financial viability and stability of day care facilities.

The Division has no objection to expanding the group of eligible families to include the moderate income group if a priority system is established to ensure the availability of services to those most economically in need. We also believe that providing day care service while a parent is "seeking work," including job interviewing, testing, employment counseling, and other activities that enhance a person's job search, is appropriate State policy.

Financial assistance to municipalities to defray the costs of administering the Day Care Assistance Program is helpful. Some communities have opted not to participate in the Day Care Assistance Program because of the administrative costs involved, and in some instances a local day care center has absorbed these costs and acted as the administrator in order to have the Day Care Assistance Program in their community. This amendment would offset financial hardships experienced by communities. It may result in additional communities choosing to participate in the Program.

April 30, 1981

Day care providers are experiencing financial hardships due to inflation, as well as to the federal budget reductions. Some are experiencing difficulties in maintaining licensing standards. The Division has an interest in the stability of day care centers and homes and in the quality of care provided. For these reasons we endorse the concept of a grant program. We are especially appreciative of the language of subsection (e). Targeting the grant funds for staff salaries, training, nutrition, and equipment will result in definite quality improvements.

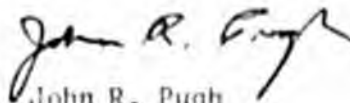
Family day care providers serving five or six unrelated children frequently clear no more than \$300 to \$500 per month after expenses. The grant program will have a major financial impact on these homes. No more than an estimated 10% of the homes providing day care in Alaska are licensed. There is potential under the grant program for hundreds of unlicensed homes to seek licensing to increase their financial benefits. If this occurs, the Division of Family and Youth Services will need additional licensing staff to perform the licensing reviews.

We have conferred with the Department of Community and Regional Affairs on the special appropriations Bill. They will be commenting on fiscal impact.

I hope that sharing our views is useful to the Committee. I wish to reiterate that there is definite need to provide stability and quality improvement in the day care field, and we are pleased that the Senate is considering measures to meet that need.

I and members of my staff would be most happy to provide further information at your request.

Sincerely,


John R. Pugh
Director

JRP:PM:kk

SUMMARY OF FINDINGS

Availability of Day Care in Alaska

- There are 30 communities statewide which have licensed day care facilities. The total licensed capacity of the state's 110 day care centers is 4,905. The 344 day care homes have a total licensed capacity of 1,602.
- Of the 33 centers sampled by the House Research Agency in ten communities, 16 centers (48%) were full to capacity, 12 of which had waiting lists. Another 17 centers (52% of our sample) had space available.
- Availability of day care may depend in part on the age of the child. Infant care appears to be less readily available than day care for children two years and older.

Day Care Assistance Program (DCAP)

- Currently, 425 of the 454 licensed day care facilities in the state participate in DCAP.
- The budget for DCAP grew from \$3,123,499 in FY 81 to \$4,142,400 in FY 82. Roughly \$155,000 of that increase has been used to initiate new programs in six communities. The remainder of the increase has been used to serve additional families in those communities already participating.
- Families at the lowest income level, below \$1,075/month (adjusted income), receive 100% payment of their day care costs through DCAP. Seventy-four percent (827) of the families receiving assistance were at the 100% subsidy level in December of 1981.
- Nine of the 22 communities participating in DCAP have committed their funding allotments through the fiscal year, and can only add new families if other families drop out of the program or move. These nine communities are: Anchorage, Bethel, Cordova, Fairbanks, Fort Greely, Juneau, Kenai, Nome and Petersburg. Juneau and Kenai have overcommitted their funds to the extent that they have had to discuss the possibility of dropping families from the program or reducing the level of benefits.

- The following waiting lists for day care assistance payments are currently being maintained by six of the communities sampled by the House Research Agency:

Anchorage --400 families
Bethel -- 6 families
Fairbanks -- 90 families
Juneau -- 20 families
Ketchikan -- 39 families
Petersburg-- 4 families

Financial Conditions of Day Care Centers

- Of the 33 day care centers interviewed, 27 had raised their rates during the 1981 calendar year. Twenty (63%) of the centers charged more than \$12/day for children two to six years old. None of the centers charged less than this rate for children.
- Of the 26 centers sampled which offer infant care, six (23%) charge more than \$16/day and 14 (54%) charge less than this amount.
- Twenty-one (66%) of the 33 centers sampled are currently operating under a deficit or recorded a deficit for three or more months during the 1981 calendar year. Monthly operating costs exceed monthly income by \$1,000 to \$5,000 for most centers with deficits.
- Day care center operators listed the following factors as ongoing problems:
 - high operating costs
 - high staffing costs
 - attendance losses
 - occasional nonpayment by clients
- Day care centers are also experiencing special financial problems due to cuts in the federally-funded Federal Food and CEYA programs.

Child Care Grant Program

- Under the Child Care Grant Program, day care facilities are eligible to receive \$25/month per average full-time equivalent child enrolled at the facility.
- As of January 1982, a total of 65 centers and 73 homes from 17 Alaskan communities were participating in the program.

Representative Rogers
February 18, 1982
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- Funds allocated to the Child Care Grant Program in FY 82 totalled about \$1.3 million. Anchorage facilities were receiving approximately 56% of the total funds dispersed as of January 1982.
- Amounts of money received by participating centers ranged from \$300/month to \$4,000/month depending on the size of the center.
- The day care centers sampled applied Child Care Grant Program funds to two or more of five major uses:
 - staff salaries
 - staff training
 - food
 - equipment
 - supplies

AVAILABILITY OF DAY CARE IN ALASKA

It is necessary to consider how availability of day care can be measured before determining the extent of availability of day care in Alaska. A measure of the supply of day care services versus demand for day care would be the best determination of availability. Day care is supplied by full-time baby-sitters, unlicensed facilities, and state licensed day care homes and centers. We have no good way of measuring the number of children receiving day care from baby-sitters or at unlicensed facilities, or the number of baby-sitters and unlicensed facilities in the state. Our information on supply is limited to State-licensed day care homes and centers.

The Department of Health and Social Services licenses day care homes and centers for the state. According to the department's computer printout, run at the end of December 1981, there are 30 communities statewide which have licensed day care facilities. The total licensed capacity of the state's 110 day care centers is 4,905. The 344 day care homes have a total licensed capacity of 1,602. Table 1 lists by community the numbers and licensed capacities of day care centers and homes. Conversations with municipal administrators of the State Day Care Assistance Program and with the State Program director, Ms. Lare, indicate that the numbers on the Department of Health and Social Services printouts are not completely up to date. However, they are sufficiently accurate to provide an indication of the number of licensed spaces available in each community.

Due to the restricted time available to conduct this study, it was not possible to survey all licensed homes and centers in all Day Care Assistance Program communities statewide. Instead, we decided to selectively interview a sample of day care centers in ten communities. These communities included both urban and rural population centers and were geographically distributed across the state. Within the ten communities, we sampled 33 centers of different sizes, and made an effort to include centers serving both infants and children. Centers in Anchorage, Fairbanks and Juneau were selected on the basis of geographic distribution as well. At least one center was chosen from each Anchorage election district. Our sample of 33 centers represents about 30 percent of all licensed day care centers in Alaska.

We designed a questionnaire to be administered by telephone to day care center directors. Our questions addressed the total licensed capacity of the center, number of full-time equivalent children at the center, number of spaces available for additional children, and number of children on waiting lists. The number of names on the centers' waiting lists was our best means of determining demand for day care. Since our information on day care in Alaska is limited concerning both supply and demand, we cannot give a comprehensive response to the question of availability.

TABLE 1
 NUMBER AND CAPACITY OF LICENSED
 DAY CARE CENTERS AND HOMES BY COMMUNITY

<u>Community</u>	<u>Day Care Centers</u>	<u>Capacity</u>	<u>Day Care Homes</u>	<u>Capacity</u>	<u>Total Capacity</u>
Anchorage	39	2,368	153	715	3,083
Anderson	1	N/A	--	--	N/A
Arctic Village	1	45	--	--	45
Bethel	2	74	--	--	74
Copper Center	1	29	--	--	29
Cordova	2	50	1	6	56
Delta Junction	1	49	--	--	49
Dillingham	--	--	1	6	6
Eielson AFB	--	--	13	62	62
Fairbanks	19	730	67	285	1,015
Fort Greely	1	45	--	--	45
Haines	1	20	--	--	20
Homer	1	20	1	6	26
Juneau	11	436	42	212	648
Kenai	4	155	--	--	155
Ketchikan	3	87	21	127	214
Kodiak	4	154	10	31	185
Kotzebue	1	34	--	--	34
McGrath	1	23	--	--	23
Metlakatla	1	35	--	--	35
Nome	1	40	2	4	44
Palmer	1	44	3	19	63
Petersburg	1	40	2	10	50
Seward	1	30	3	14	44
Sitka	4	118	18	76	194
Soledotna	1	43	--	--	43
Tyonek	1	10	--	--	10
Valdez	1	24	--	--	24
Wasilla	3	107	6	29	136
Wrangell	2	95	1	N/A	95
TOTAL	110	4,905	344	1,602	6,507

N/A--not available

Source: Department of Health and Social Services

Table 2 presents our findings concerning the availability of space in the centers we sampled. Seventeen of the 33 centers, or 52 per cent, had space available. The total number of additional children for whom day care could be provided by these 17 centers was about 200. Sixteen centers were full to capacity; of these, 12 had waiting lists. One Anchorage center had a waiting list of 200. The other centers' lists ranged from two to 40 children's names. Several center directors stated that the number of children on their waiting lists was not an accurate representation of the number of children awaiting placement in the day care center since parents do not always notify the center when their children are successfully placed elsewhere. The remaining four centers which were full to capacity receive telephone inquiries, but do not keep waiting lists. When a space becomes available at one of these centers, it is filled by the next telephone call received.

Availability of day care may depend in part on the age of the child concerned. Two of the center directors stated that their centers formerly accepted infants but do so no longer due to the extra costs of infant care. In addition, directors of two of the centers which currently have infant care programs are considering discontinuing these programs due to expense. The primary reason cited for the high cost of infant care is the increased amount which must be paid in salaries due to the higher staff/child ratio for infants (one caregiver for every five infants). This is double the requirement for children two to six years old.

Many center directors found a correlation between loss of enrollment in their day care centers and loss of employment in their communities. Carol Card, former director of The Nest day care center in Ketchikan, attributed that center's increase in number of spaces available to the removal of children from the center when both lumber mills closed down. People could no longer afford to pay for day care while they were out of work.

Our research findings indicate that spaces are available in licensed day care centers in most Alaskan communities. However, it is incorrect to assume that all parents needing day care have it available to them, since availability of day care can increase as ability to pay for day care decreases.

TABLE 2
 AVAILABILITY OF SPACE IN A SELECTED SAMPLE OF DAY CARE
 CENTERS IN ALASKAN COMMUNITIES

<u>Community</u>	<u>Center</u>	<u># of Spaces Available for Add'l Children</u>	<u># on Waiting List</u>	
Anchorage	Anchorage Child Care & Education Center	25-30	--	
	Bayshore Learning Center	--	40	
	Butterfly Child Center	--	*	
	Kee's Kiddie Kare	8-9	--	
	Little Red School House	1	--	
	Midtown Child Care	20	--	
	Nanny's Place	--	20	
	Park Strip Day Care	30	--	
	Saakaaya Child Care Center	10	--	
	Spenard Kiddy Drop	30	--	
Bethel	Tanaina Child Care Center	--	200	
	Wesleyan Church Child Care	--	*	
	Fairbanks	Bethel Day Care Center	--	*
		Discovery Center	--	*
	Eneput Children's Center	-	*	
	Hutchinson Day Care Center	--	*	
	Love & Care Child Center	5-6	--	
	New Life Day Care Center	10	--	
	Play and Learn	--	20	
	Wee Care Day Care	--	30	
Juneau	Children's Community	--	*	
	Gingerbread House	--	*	
	Noah's Ark Day Care	10-12	--	
	St. Ann Day Care & Nursery	--	20	
	Wee Cottage	5-6	--	
Kenai	Aurora Heights Kiddie Korner	15	--	
	Ketchikan	Rainbow Connection	5	--
The Nest		5	--	
Kodiak	Small World Toddler Center	2	--	
	Small World Inc.	--	3	
Nome	Nome Child Care Inc.	--	2-5	
Sitka	Sitka Day Care Annex	--	15	
Wasilla	Wasilla House	10	--	

*Kept no waiting list

Source: House Research Agency, 2/18/82

THE DAY CARE ASSISTANCE PROGRAM (DCAP)

The State day care assistance program was established in 1975 to provide day care services to parents who are either working or attending school. The program helps defer costs of day care when these may be a factor preventing parents or guardians from being self-supporting. During the last session AS 44.33.255(a) was amended to include moderate income families as well as low income families. In addition, the statute was amended to read that the families participating in DCAP can do so on the basis that they are actively seeking work, through the assistance of the program. Another change in the last session was the addition of grant money, administered by the Department of Community and Regional Affairs, for the purpose of defraying some of the administrative costs incurred by municipalities in the DCAP.

Administration

The administration of DCAP is carried out by the Division of Local Government Assistance in the Department of Community and Regional Affairs. The State contracts with municipalities who administer the program at the local level. Subsidy grants are awarded to communities who then allocate the money to day care providers on behalf of those families receiving subsidies. The grant funds can only be awarded to day care facilities that are licensed by the State Department of Health and Social Services. Currently 425 of the 454 licensed day care facilities in the state participate in DCAP.

Program funds are allocated to municipalities based upon the number of licensed day care spaces within the community as a percentage of the total number of day care spaces statewide.

The following table shows the communities and facilities (centers and homes) participating in the DCAP, the number of families served and the total allocation for FY 82. The table also lists the FY 81 allocation. Only the program dollars used to purchase child care are listed. For FY 82, administrative dollars are an additional 10% of each municipality's allocation.

TABLE 3
 PARTICIPATION IN THE DAY CARE ASSISTANCE PROGRAM

<u>Community</u>	Families served as of Dec'81	Children served as of Dec'81	<u>Total Allocations</u>	
			<u>FY 82</u>	<u>FY 81</u>
Anchorage	504	703	\$2,085,827	\$1,755,138
Anderson	1	1	17,053	14,616
Bethel	21	29	49,737	42,630
Cordova	15	1	29,132	21,315
Delta Junction	12	19	36,948	24,969
Fairbanks	164	249	602,529	453,705
Fort Greely	--	--	31,964	27,405
Juneau	133	188	402,871	332,514
Kenai	28	30	87,395	78,561
Ketchikan	39	57	148,501	80,997
Kodiak	51	71	149,992	132,762
Kotzebue	8	7	24,158	15,225
McGrath	--	--	9,533	--
Metlakatla	14	17	21,316	--
Nome	18	24	24,869	18,270
Petersburg	13	20	35,527	30,450
Seward	12	17	21,316	--
Sitka	29	38	105,158	60,291
Soldotna	5	7	30,553	--
Tyonek	--	--	7,105	--
Wasilla	16	25	67,500	54,651
Wrangell	17	32	65,369	--
TOTALS	1,090	1,551	\$4,055,320	\$3,123,449

Source: Department of Community and Regional Affairs

Budget

The budget for the Day Care Assistance Program grew from \$3,123,499 in FY 81 to \$4,142,400 in FY 82. Roughly \$155,192 of that \$1 million increase has been used to initiate the program in six communities which began participating in DCAP in the first quarter of FY 82. The newly enrolled communities in FY 82 were Metlakatla, McGrath, Seward, Soldotna, Tyonek, and Wrangell.

According to Ms. Lare of the Department of Community and Regional Affairs, Palmer, Noorvik, Copper Center, Homer and Valdez have applied to participate next year. That fact, in addition to the inability of current funding to fully assist all eligible low and moderate income families this year, has prompted the request for an FY 83 budget increase to \$5,228,300.

Nine of the 22 communities participating in DCAP have committed their entire allotment for the fiscal year, and can only add new families if other families drop out of DCAP or move. Those nine communities are Anchorage, Bethel, Cordova, Fairbanks, Fort Greely, Juneau, Kenai, Nome, and Petersburg. In the cases of Juneau and Kenai, the funds are actually over-committed to the extent that those communities have had to discuss the possibility of dropping families from the program or reducing the benefits across the board.

Ms. Lare explained that when each of the communities has received its DCAP subsidy grant the municipal administrator generally divides the money into twelve allotments. That procedure fixes a ceiling to each month's expenditure. There are communities which having done that, have committed their entire amount for the year, and will only be able to add new families from their waiting lists if others drop out of DCAP or move.

In our telephone interviews with ten of the municipal administrators of DCAP, we derived the following information about DCAP funding:

- As of July all of the Day Care Assistance Funds were committed in Fairbanks where they are now maintaining a waiting list of 50 families.
- Anchorage has a waiting list of 400 families for the Day Care Assistance Funds. All of Anchorage's funds are committed with almost one half of the monies spent by the end of December.
- Juneau has a waiting list for Day Care Assistance funds which was begun in November and currently contains 20 families.
- Sitka, which has 30 - 35 families receiving Day Care Assistance now, does not have all of its funds committed.

- While all of Home's Day Care Assistance funds are committed, there is not a waiting list there.
- Petersburg has a waiting list of four families for the Day Care Assistance funds.
- Ketchikan has a waiting list of 39 families for the DCAP.
- Kodiak did have to create a waiting list for DCAP for one month, but currently they are able to accommodate their applicants.
- Marge Harris of Wasilla spoke for the Mat-Su valley area when she told us that there is not a waiting list for the DCAP there.
- In Bethel, Vickie Malone said that there are 24 families participating in DCAP and that there are six families currently on their waiting list.

Table 4 shows the number of families served by each community according to the level of subsidy each family receives. Families at the lowest income level, below \$1,075/month (adjusted income), receive 100% payment of their day care costs. As the monthly income increases, the level of subsidy declines as shown in Table 5. Table 4 displays information for the month of December, which is the lowest month in terms of the number of families served so far for this fiscal year. Seventy-four percent (827) of the families receiving assistance were at the 100% subsidy level. Altogether, 91 percent of the families are reimbursed for 70% or more of their day care costs.

TABLE 4
 DAY CARE ASSISTANCE PROGRAM
 NUMBER OF FAMILIES PER SUBSIDY LEVEL
 BY COMMUNITY, AS OF 12/81

<u>Community</u>	<u>100%</u>	<u>90%</u>	<u>80%</u>	<u>70%</u>	<u>60%</u>	<u>50%</u>	<u>40%</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>	<u>TOTAL</u>
Anchorage	394	43	23	16	13	6	5	2	2	--	504
Anderson	1	--	--	--	--	--	--	--	--	--	1
Bethel	16	2	--	--	--	1	1	--	--	--	20
Cordova	13	1	--	--	--	--	--	--	1	--	15
Delta Junction	9	1	--	--	1	--	--	1	--	--	12
Fairbanks	137	8	9	2	3	2	1	--	2	--	164
Fort Greely	7	3	3	7	6	5	2	2	3	--	38
Juneau	79	16	12	6	3	4	5	--	--	--	125*
Kenai	18	--	--	--	--	--	--	--	--	--	18
Ketchikan	26	3	3	2	3	--	2	--	--	--	39
Kodiak	31	4	2	2	8	--	2	1	--	1	51
Kotzebue	7	--	1	--	--	--	--	--	--	--	8
Metlakatla	13	--	--	1	--	--	--	--	--	--	14
McGrath	N/A										
Nome	9	1	1	--	--	--	--	--	--	--	11
Petersburg	11	1	--	--	--	--	1	--	--	--	13
Seward	12	--	--	--	--	--	--	--	--	--	12
Sitka	20	2	3	2	1	1	--	--	--	--	29
Soldotna	5	--	--	--	--	--	--	--	--	--	5
Tyonek	N/A										
Wasilla	11	2	1	2	--	--	--	--	--	--	16
Wrangell	8	1	1	4	1	--	--	3	--	--	18
TOTAL	827	88	59	44	39	19	19	9	8	1	1,113

*There are several additional families receiving assistance in Juneau, but their subsidy level was not available.

Source: Department of Community and Regional Affairs

TABLE 5
DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
DAY CARE ASSISTANCE PROGRAM

CITY OF JUNEAU
100% Base
Effective March 1, 1981

<u>Monthly Adjusted Net Income</u>	<u>State Subsidy of Day Care Costs</u>
\$ \$0 - \$1,075	100%
\$1,076 - \$1,175	90%
\$1,176 - \$1,275	80%
\$1,276 - \$1,375	70%
\$1,376 - \$1,475	60%
\$1,476 - \$1,575	50%
\$1,576 - \$1,675	40%
\$1,676 - \$1,775	30%
\$1,776 - \$1,875	20%
\$1,876 - \$1,975	10%

Source: Department of Community and Regional Affairs

CURRENT FINANCIAL CONDITION OF DAY CARE CENTERS IN ALASKA

in order to determine the current financial condition of day care centers in Alaska, we included questions on this subject in our telephone interviews with day care center directors. We asked for information on center rates for children and infants, the date and amount of the last increase in rates, and any discount or special rates the center might offer. We also asked questions designed to disclose whether the center's income was lesser, equal to or greater than its operating costs. We asked directors of centers which were experiencing financial difficulties the reasons for those problems, and those with deficits the length of time during which the center had not been meeting operating costs.

Day Care Center Rates

Since all of the day care centers sampled are participating in the Day Care Assistance Program, it is appropriate to note the current rates per child eligible for this assistance. The State allows \$16/day for infants up to 2 years of age, and \$12/day for children two to eleven years old. The infant rate was raised from \$15/day to \$16/day in March of 1981. The child rate has not been raised since 1977.

Table 6 compares current day care rates for infants and children in the centers we sampled. Of the 32 centers sampled,¹ only five had not raised rates during the 1981 calendar year. Of these five centers, two had opened during that year, one in May, and one in September. Directors of two more of the five centers mentioned that they may have to raise rates in the near future.

¹Hutchinson day care center in Fairbanks differs from all other day care centers sampled in that it is funded as day care staff training agency through the Foundation Program for high school students. For the purposes of this section of the memorandum, our sample will be the remaining 32 day care centers polled.

TABLE 6
 DAILY RATES FOR INFANTS AND CHILDREN IN A SELECTED SAMPLE
 OF DAY CARE CENTERS IN ALASKAN COMMUNITIES

Community	Center	Daily Rate for Children 2 & Over	Daily Rate For Infants Under 2
Anchorage	Anchorage Child Care & Education Center ^{1,4}	\$14.00	\$16.00
	Bayshore Learning Center ^{3,4}	12.10	13.80
	Butterfly Child Center ^{3,4}	12.40	14.00
	Kee's Kiddie Kare ⁴	15.00	17.50
	Little Red School House	15.00	16.00
	Midtown Child Care	12.00	15.00
	Nanny's Place	12.00	16.00
	Park Strip Day Care ^{2,4}	13.00	14.00
	Saakaaya Child Care Center	12.00	14.00
	Spenard Kiddy Drop	14.00	14.00
	Tanaina Child Care Center	13.10	14.00
	Wesleyan Church Child Care	12.00	13.00
	Bethel	Bethel Day Care Center ⁴	15.00
Fairbanks	Discovery Center	12.00	---
	Eneput Children's Center	12.00	15.00
	Love & Care Child Center	12.00	---
	New Life Day Care Center	12.00	15.00
	Play and Learn	13.00	15.00
	Wee Care Day Care	12.00	16.00
	Juneau	Children's Community ³	12.60
	Gingerbread House	17.00	20.00
	Noah's Ark Day Care ³	14.00	16.90
	St. Ann Day Care & Nursery ³	13.80	16.70
	Wee Cottage	15.00	---
Kenai	Aurora Heights Kiddie Korner ¹	13.50	13.50
Ketchikan	Rainbow Construction	13.00	---
	The Nest	12.00	16.00
Kodiak	Small World Toddler Center	12.00	16.00
	Small World Inc.	12.00	---
Nome	Nome Child Care Inc.	14.00	14.00
Sitka	Sitka Day Care Annex ¹	14.80	16.60
Wasilla	Wasilla Children's House ¹	15.70	15.70

¹Daily rate = hourly rate multiplied by 9 hours/day

²Daily rate = weekly rate divided by 5 days/week

³Daily rate = monthly rate divided by 21 days/month

⁴Children's rate is for children three years old and over; infant's rate is for children under three years of age.

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Twenty (63%) of the day care centers sampled charge more than the \$12/day Day Care Assistance Program rate for children. None of the centers charges less than this rate. The highest rate charged by any center for care for children was \$17/day, and the average rate for all centers was \$13.30/day.

Of the 26 centers sampled which offer infant care, six (23%) charge more than the \$16/day Day Care Assistance Program rate for infants. Fourteen (54%) of the centers charge less than this rate. The highest rate charged for infant care by any center was \$20/day, the lowest rate charged was \$13/day and the average rate charged was \$15.40/day.

Since different centers charge clients in different ways for the day care services offered, it was necessary to develop a mechanism whereby rates for all centers sampled could be compared. There were four payment schedules used by centers: hourly, daily, weekly, or monthly. In order to determine a daily rate for all centers, we multiplied hourly rates by nine hours/day, divided weekly rates by five days/week, and divided monthly rates by 21 days/month. Four of the 32 centers charged by the hour, 12 charged by the day, three charged by the week, and 13 charged by the month. Many of those centers which charged clients on a monthly basis had higher daily rates available for children who were not enrolled on a full-time monthly basis. The more stable economic base afforded day care centers by monthly payments based on enrollment allows centers to offer discount rates for monthly payments made in advance.

Fifteen of the 32 centers sampled offer discount rates for children of some families. Six of the centers absorb all or some percentage of the difference between the center's rates and the amount paid by the Day Care Assistance Program for children of families receiving that assistance. Seven of the centers offer a discounted rate for the second child from the same family.

Day Care Center Deficit

Twenty-one of the centers sampled (66%) are currently operating under a deficit or have recorded a deficit for three or more months during the 1981 calendar year. The amount of deficit ranged from a few hundred dollars to ongoing debts of as much as \$74,000. Monthly operating costs exceeded monthly income by \$1,000 to \$5,000 for most centers with deficits. Centers had been experiencing deficits for periods of time ranging from three months to six years.

Eleven centers reported incomes which met or exceed operating costs. Directors of four of these centers stated that their centers would be operating under deficits if there were not some special mitigating fac-

tor for their facilities. Each of these centers either had reduced operating costs due to free rent or volunteer labor, or had funding from some source not available to most day care centers, for example a loan or grant from the community served by the center. Five day care center directors declared neither a deficit nor a profit. Their income was equal to their operating costs.

Financial Problems of Day Care Centers in Alaska

The financial problems experienced by the 21 centers reporting deficits, and to some extent by other centers as well, can be divided into two categories: those endemic to day care centers, and those special hardships caused by alterations in the fund base available to day care centers.

The day care center directors interviewed listed the following factors as ongoing problems:

- high operating costs
- high staffing costs
- attendance losses
- occasional non-payment by clients

High Operating Costs. Most day care centers in Alaska are experiencing an escalation in their operating costs which is disproportionate to center rate increases. Inflated food prices have caused day care center costs to spiral upwards. Many center directors said they cannot afford to buy needed equipment, or to make repairs on or renovate the center structure. The rising cost of supplies is another problem mentioned by many center directors.

High Staffing Costs. The financial problem most frequently mentioned by the day care center directors interviewed was the high cost of staffing. Staff salaries form the major component of most centers' budgets. Yet center directors are concerned that salaries are insufficient. Many directors said that the salaries which they can afford to pay are too low to hire or retain employees of the quality desired. The director of the Anchorage Child Care and Education Center said that she could not afford to pay even the minimum wage.

Attendance Losses. Many centers suffer attendance losses which affect center incomes to a degree which ranges from slight to extreme. Attendance losses can be seasonal or occasional. Seasonal reductions in attendance occur during the summer months for some centers, such as

the Discovery Center in Fairbanks. Jo Kuykendall, director of the Discovery Center, volunteers her time for three months each summer while attendance is low. Even so, the center experiences a summer deficit of \$1,500 per month. Other centers lose attendance during winter holidays. Occasional attendance losses due to unemployment in the community served by the day care center also reduce center income and can create serious financial difficulties for centers.

Non-payment By Clients. A few day care center directors have problems collecting the payment due them from clients. Reasons for this difficulty varied, but occurrences of this nature deserve mention in this memorandum as an occasional source of income loss for day care centers.

According to many of those interviewed, day care centers are experiencing special financial problems due to cuts in the federally-funded Federal Food and CETA programs, and also due to the rates paid through the State's Day Care Assistance Program.

Operating costs for those day care centers participating in the Federal Food Program rose sharply when that program was cut. Some centers had to raise rates to cover the funding loss, and others instituted a food charge. The cut in Federal Food Program funds was mentioned as one of the major causes for operating deficits by most centers which reported deficits.

An even greater financial hardship for some centers resulted from cut-backs in the CETA program. Most centers depended on CETA funding to defray at least part of their high staffing costs, and some centers had been staffed with CETA employees for all but one or two positions. Loss of CETA funding for staffing was a common reason cited for day care center deficits.

Many of the day care center directors interviewed were concerned about the State's failure to raise the Day Care Assistance Program's daily rate of \$12 per child for children from two to eleven years of age. This rate, set in 1977, was considered by these directors to be insufficient. Several centers absorb the difference between rates charged by the center for a child and the rate paid by the Day Care Assistance Program to avoid creating economic hardships for Day Care Assistance Program families.

CHILD CARE GRANT PROGRAM

The Child Care Grant Program (AS 44.47.301) was established by the 1981 Alaska Legislature to provide State assistance in the operation of child care facilities and to provide for the education or training of child care center employees or administrators. The program is administered by the Department of Community and Regional Affairs. To qualify for a grant under this program, the child care facility must be currently licensed under AS 47.35.010-47.35.080 and any applicable municipal licensing requirements, and must participate in the State's Day Care Assistance Program. Each facility receiving a grant through the Child Care Grant Program must assure availability of child care positions for children eligible for the Day Care Assistance Program whose parents or guardians pay for care based on the number of full-time equivalent days the child attends the facility. Availability of positions based on an attendance fee schedule is ensured by the mandatory use by day care centers of a formula which determines the maximum number of enrollment fee schedule positions which the center may make available each month.

Child Care Grant Program monies are paid on a monthly basis. Centers receive \$25 per month per average daily full-time equivalent child enrolled at the center during the calendar month preceding the date on which application for the grant is made. The statute allows centers to receive up to \$50 per month per average daily full-time equivalent child enrolled at the center during the preceding calendar month. However, the FY 82 budget was established at a level which allows only the \$25/month per child rate. The statute provides for the monthly amount to be adjusted on a geographic basis by the same percentages as instructional unit allotments are adjusted under AS 14.17.051 so that the amount received reflects cost-of-living differences.

The Department of Community and Regional Affairs administers a training program to day care center directors and home providers who wish to apply for program funds. The training covers correct procedures for completing the necessary paperwork to apply for grants.

Child Care Grant Program Budget

Monies allocated to the Child Care Grant Program for FY 1982 total \$1,252,560. As of January, 1982, there was a total of 65 centers and 73 homes from 17 Alaskan communities participating in the program. Appropriations made through the program as of January 19, 1982 totalled \$382,708.57 (30% of the grant amount for FY 1982). Table 7 lists the number of participating homes and centers by community, and the amount of funds appropriated for all homes, centers, and communities as of

January 1982. According to Ms. Lare, the number of facilities and communities participating in the program is increasing. Facilities newly enrolling in the program may apply for retroactive funds.

TABLE 7
 CHILD CARE GRANT PROGRAM FUNDS DISPERSED
 AS OF 1/19/82

<u>Community</u> ¹	<u># of Homes</u>	<u># of Centers</u>	<u>Homes Amount</u>	<u>Centers Amount</u>	<u>Total</u>
Anchorage	42	24	\$25,135.18	\$182,019.25	\$207,154.43
Anderson	--	1	--	831.00	831.00
Bethel	--	2	--	8,137.50	8,137.50
Cordova	--	1	--	3,769.14	3,769.14
Delta Junction	--	1	--	4,680.00	4,680.00
Fairbanks	16	13	12,001.00	62,042.96	74,043.96
Juneau	8	8	5,022.40	32,404.00	37,426.40
Kenai	--	1	--	2,835.00	2,835.00
Kotzebue	--	1	--	3,952.50	3,952.50
Metlakatla	--	1	--	260.00	260.00
Nome	--	1	--	1,162.50	1,162.50
Petersburg	--	1	--	4,690.40	4,690.40
Seward	--	1	--	2,295.00	2,295.00
Sitka	--	4	--	12,865.84	12,865.84
Soldotna	--	1	--	1,752.30	1,752.30
TOTAL	66	61	\$42,158.58	\$323,697.39	\$365,855.97

¹Wasilla was participating in the Child Care Grant Program at this time. However, data for Wasilla is unavailable.

Source: Ms. Lare, Child Care Coordinator, Department of Community and Regional Affairs, 1/29/82

Program Participation

Each of the ten communities selected for this study was currently participating in the Child Care Grant Program. Twenty-five (78%) of the 32 day care centers sampled by our telephone interviews were receiving grants through that program. Of the seven centers which were not currently enrolled, three were in the process of applying for grants through the program. One center governed by a church board had been asked by its board not to apply for program funds. One center had applied and received monies through the program but had discontinued participation because the director wished to spend these funds otherwise than as specified by the Department of Community and Regional Affairs.

Amounts Received By Participating Centers

Amounts of money received by participating centers ranged from \$300/month to \$4,000/month depending on the size of the center. Table 8 lists the monthly amount per average daily fulltime equivalent child enrolled for each of the 20 communities participating in the Child Care Grant Program as of February, 1982.

TABLE 8
ADJUSTED CHILD CARE GRANT PROGRAM RATES PER CHILD
BY GEOGRAPHIC LOCATION OF PARTICIPATING COMMUNITY

<u>Community</u>	<u>Instructional Unit Allotment</u>	<u>Monthly Amount Per Average Daily FTE Child Enrolled</u>
Anchorage*	100%	\$25.00
Anderson	120%	\$30.00
Bethel*	155%	\$38.75
Cordova	115%	\$28.75
Delta Junction	120%	\$30.00
Fairbanks*	112%	\$28.00
Juneau*	100%	\$25.00
Kenai*	108%	\$27.00
Ketchikan*	100%	\$25.00
Kodiak*	116%	\$29.00
Kotzebue	155%	\$38.75
McGrath	155%	\$38.75
Metlakatla	104%	\$26.00
Nome*	155%	\$38.75
Petersburg	104%	\$26.00
Seward	108%	\$27.00
Sitka	104%	\$26.00
Soldotna	108%	\$27.00
Wasilla*	104%	\$26.00
Wrangell	104%	\$26.00

*Community sampled for this study.

Source: House Research Agency, 2/18/82

Use of Program Funds

Each of the day care centers sampled applied Child Care Grant Program funds to two or more of five major categories:

- staff salaries
- staff training
- food
- equipment
- supplies

Staff Salaries. Eighteen (72%) of the 25 participating centers we sampled applied program funds toward paying staff salaries. This number was the largest single use of program monies made available to centers. Two reasons commonly given by center operators for this application of their grants were the high percentage of the center's budget applied toward staff salaries, and the loss of CETA program funds which previously helped to defray these costs. Child Care Grant Program funds were used by the day care center directors we interviewed to raise salaries to more competitive levels, to offer salary bonuses or to hire additional staff members.

Staff Training. Five day care center directors (20%) used portions of their grants for staff training.

Food. Eleven (44%) of the day care centers receiving grants applied these funds toward food costs. In this case, as in that of payment of staff salaries, Child Care Grant Program monies were used to pay for a budget item for which less federal money is currently available to day care centers than was previously the case. The financial effect on day care centers of cuts in the Federal Food program were mitigated to some extent by the application of these newly available state funds.

Equipment. Twelve (48%) of the day care centers spent portions of their grants on equipment. Several center directors said that equipment tends to be too expensive for centers to purchase using income from tuition fees, and that no federal program funds equipment purchases. A few centers used Child Care Grant Program funds for major equipment purchases. For example, the Butterfly Child Center in Anchorage used program monies to purchase new playground equipment, and the Children's Community Center in Juneau applied its grant to cover a portion of the cost of building a covered play area.

Supplies. Eight (32%) of the day care center directors specified supplies as a use category for grant monies.

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Twelve of the center directors interviewed found the necessary paperwork for grant applications to be easy to do. Some of these 12 directors complimented the Department of Community and Regional Affairs' training course, and others stated that the forms are the simplest to fill out of any program in which they have been involved. However, eight center directors stated that they had difficulties accomplishing the grant program paperwork. Of these, some specified the lack of a person to contact for explanations of the forms as a major problem. Directors of the center in Nome and one Anchorage center commented on the short period of time elapsed between the center's submission of application forms and receipt of the check for monies granted. In contrast, directors of the center sampled in Bethel, one Juneau center, and one Ketchikan center complained about the length of time it took to get checks for the program funds for which they had applied. The Ketchikan center, The Nest, had not yet received its check for the month of December 1981 at the time of our February 12th, 1982 interview.

The majority of day care center directors participating in the Child Care Grant Program commented favorably on it. Some said that their centers would have folded without this assistance from the State. Most have used program funds to close budget gaps left by cuts in the Federal Food program and CETA program funds. Since many centers used grant monies to replace, at least in part, monies formerly available through other sources, center directors find it difficult to assess the extent to which the Child Care Grant Program has improved their centers' financial condition. Most state that without these funds their centers would have been operating under deficits, or under greater deficits than those which they are currently experiencing. Nearly all of the center directors participating in the grant program mentioned the need for more funds to bring about an improvement in their centers' financial condition.

Signed by Governor Hammond July 28, 1981

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 508 (Rules)

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 facilities and child
7 care assistance; and providing for an effective date."

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

9 OTHER PORTIONS OF THIS LAW PERTAIN TO THE CHILD CARE FACILITY LOAN FUND AND TO OTHER PORTIONS
10 OF THE DAY CARE ASSISTANCE PROGRAM.

11 Sec. 44.47.301. CHILD CARE GRANT PROGRAM. (a) A child care grant

12 program is established in the Department of Community and Regional
13 Affairs to provide state assistance in the operation of child care
14 facilities. The department shall provide grants for the operation of
15 child care facilities, including private nonprofit child care facil-
16 ities. Participation in the program is optional.

17 (b) To qualify for a grant under (a) or (d) of this section, the
18 child care facility must

19 (1) be currently licensed under AS 47.35.010 - 47.35.080 and
20 any applicable municipal licensing requirements;

21 (2) participate in the day care assistance program under
22 AS 44.47.250 - 44.47.310;

23 (3) provide care under a payment system as provided in (g)
24 of this section.

25 (c) A grant under (a) of this section may not exceed \$50 per
26 month for each child the child care facility cares for, or for each
27 full-time equivalent, as determined by the department. The grant shall
28 be adjusted on a geographic basis by the same percentages as instruc-
29 tional unit allotments are adjusted under AS 14.17.051.

30 (d) In addition to the grants provided in (a) of this section,
31 the department may, subject to appropriations for that purpose, provide
32 by grant or contract for the education and training of child care
33 employees or administrators. To receive a grant or contract under this
34 subsection or to participate in a training program under this subsec-
35 tion, the child care facility must meet all the requirements of (b) of
36 this section.

37 (e) Application for grants under this section shall be made in
38 the form established by the department.

39 (f) A grant under (a) of this section shall be made monthly and
40 shall be based on the average daily full-time equivalent enrollment in
41 the child care facility during the calendar month preceding the date on
42 which application for a grant is made.

43 (g) Each child care facility receiving a grant under (a) or (d)
44 of this section shall assure that a specified number of child care
45 positions are available to children eligible for day care assistance
46 under AS 44.47.250 - 44.47.310, whose parents or guardians wish to pay

25 for care based on the number of full-time equivalent days the child
26 attends the facility. All child care positions not made available
27 under a payment schedule based on enrollment shall be made available
28 under a payment schedule based on attendance and at least one full-time
29 equivalent position shall be made available based on attendance rather
1 than enrollment. The maximum number of child care positions in each
2 facility that may be made available under a payment schedule based on
3 enrollment shall be determined each month under the following formula:

$$4 \quad M = (T+E) - (A+B)$$

5 where

6 M - maximum number of positions available under an enrollment-
7 based fee schedule;

8 T - the total number of full-time equivalent child care positions
9 in the facility;

10 E - number of full-time equivalent positions during the month
11 before computation with an enrollment-based fee schedule;

12 A - average daily full-time equivalent attendance during the
13 month before computation in positions with an enrollment-
14 based fee schedule;

15 B - maximum daily full-time equivalent attendance during the
16 month before computation in positions with an attendance-based
17 fee schedule.

18 (h) The commissioner shall, in consultation with interested child
19 care providers and parents, adopt regulations to carry out the purposes
20 of this section.

21 * Sec. 8. AS 44.47.310 is amended by adding a new paragraph to read:

22 (6) "child care facility" means an establishment licensed
23 under AS 47.35.010 - 47.35.080, including but not limited to day care
24 centers, family day care homes, and schools for preschool age children,
25 which provides care for children not related by blood, marriage, or
26 legal adoption to the owner, operator, or manager of the facility.

27 * Sec. 9. AS 44.33.250 and 44.33.260(2) are repealed.

28 * S.c. 10. This Act takes effect July 1, 1981.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

1981

JAY S. HAMMOND, GOVERNOR

REPLY TO:

POUCH 8H
JUNEAU, ALASKA 99811
(907) 465-4707

225 CORDOVA STREET, BLDG. B
ANCHORAGE, ALASKA 99501
(907) 264-2201

P.O. BOX 348
BETHEL, ALASKA 99559
(907) 543-3475

P.O. BOX 41
NOME, ALASKA 99762
(907) 443-5457

RE: Child Care Grant Program

Dear Child Care Provider:

On July 28, we learned that Governor Hammond signed into law SCS CSHB 508 (old CSSS HB 43). This law provides for a Child Care Grant Program to assist in the operation of child care facilities. An amended version of the legislation is enclosed.

We are filing emergency regulations with the Lieutenant Governor's office to allow for payment of public money for this new program. (Draft copy enclosed.) We will be drafting permanent regulations and taking these to public hearing in mid-September and October.

The law allows up to \$50 per month for each full-time equivalent child care position. However, the money will only provide for \$25 per month, geographically adjusted.

HOW DO YOU GET THE MONEY

1. Read the instruction sheet.
2. Fill out the application and sign.
3. Mail the completed, signed application to us in the envelope provided. You will need to stamp the envelope.
4. After the application is approved, the Division will send you:
 - (a) A contract to sign.
 - (b) Instructions on completing the monthly forms.
 - (c) The monthly forms.
5. You will:
 - (a) Sign the contract.
 - (b) Send the forms to the Division by the 15th of each month.

Proposed Regulations
November 16, 1981
Page Two

Additional copies of the proposed regulations may be obtained at our Anchorage, Bethel, Fairbanks, Juneau, Kotzebue and Nome offices.

If you have any questions about the proposed regulations or have suggested changes, please call or write.

Cordially,


f Palmer McCarter
Director

Enclosures

PMc/L/dm

INSTRUCTIONS
CHILD CARE GRANT PROGRAM

The Child Care Grant Program is established by Alaska Statute 44.47.301 in the Department of Community and Regional Affairs. The intent of the grant is to improve the operations of a child care facility, through financial assistance.

To qualify for the grant funds a facility must

- (A) have a current license with Health and Social Services, or be licensed under A.S. 47.35.010 - 47.35.080.
- (B) possess a current local municipal permit (Anchorage only)
- (C) be within a geographic region where the Day Care Assistance Program is offered.
- (D) maintain a current Alaska business license.
- (E) enter into a contract with the department to provide day care services.
- (F) provide day care under attendance or enrollment.

The grantee must maintain a separate account or account code showing payments from the state and expenditures of the money.

Child Care Grant funds may only be used only for the following purposes:

- (1) Increase facility staff salaries, wages and/or fringe benefits
- (2) Increase the number of staff employed
- (3) Meet the health and nutritional requirements of children
- (4) Purchase equipment for use by the children attending/enrolled at the facility.
- (5) Facility staff training
- (6) Parent training and/or involvement.

The grants will be adjusted for (1) geographic location and (2) the amount of money appropriated by the legislature for the fiscal year.

Periodic monitoring (checking of records at the facility) will be completed by the Department.

To be paid, the facility must submit a monthly report on forms provided by the Department.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

1981

JAY S. HAMMOND, GOVERNOR

REPLY TO:

POUCH BOX
JUNEAU, ALASKA 99811
(907) 465-4707

725 CORDOVA STREET, BLDG. B
ANCHORAGE, ALASKA 99501
(907) 264-2201

P.O. BOX 348
BETHEL, ALASKA 99559
(907) 543-3475

P.O. BOX 41
NOME, ALASKA 99762
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 - (a) A contract to sign.
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5. You will:
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 - (b) Send the forms to the Division by the 15th of each month.

Child Care Providers
July 30, 1981
Page Two

6 A state warrant (check) will be sent to you each month.
If you have questions, please feel free to contact us by letter
or telephone (264-2201).

Cordially,



Ms. Lare'
Child Care Coordinator

L'/ls

Enclosures: Child Care Grant Application
Instructions
Draft, emergency regulations
Amended version of SCS CSHB 508
An envelope

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

November 13, 1981

Re: Proposed Regulations:

Day Care Assistance Program
Child Care Grant Program
Education and Training Grant

Dear Legislators, Municipal Officials and other interested citizens:

Enclosed are copies of the notice of adoption of proposed regulations for the Day Care Assistance Program, Child Care Grant Program and the Education and Training Grant Program, and the regulations for each.

Our purpose in submitting the proposed regulations is:

- 1) to make clear how applicants apply and qualify for the Day Care Assistance Program and the local administrative dollars; the Child Care Grant Program for operational assistance; and the Education and Training Grant Program for child caregivers and administrators.
- 2) to clarify existing statutory language and procedures.

The Day Care Assistance Program regulations cover new statutory language, as well as clarify existing procedures.

The Child Care Grant Program has operated under emergency regulations which have been rewritten to allow municipalities or other local organizations to administer the program.

The Education and Training Grant regulations are new.

You may submit oral or written statements or arguments at the hearings, or mail written statements directly to the Department as suggested in the attached notice. Closing date for comments will be February 1, 1982, 4:30 p.m., Alaska Standard Time.

(over)

JAY S. HAMMOND, GOVERNOR

REPLY TO:

POUCH 8H
JUNEAU, ALASKA 99811
(907) 465-4707

225 CORDOVA STREET, BLDG. B
ANCHORAGE, ALASKA 99501
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BETHEL, ALASKA 99569
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Proposed Regulations
November 16, 1981
Page Two

Additional copies of the proposed regulations may be obtained at our Anchorage, Bethel, Fairbanks, Juneau, Kotzebue and Nome offices.

If you have any questions about the proposed regulations or have suggested changes, please call or write.

Cordially,


Palmer McCarter
Director

Enclosures

PMc/L/dm

INSTRUCTIONS
CHILD CARE GRANT PROGRAM

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- (A) have a current license with Health and Social Services, or be licensed under A.S. 47.35.010 - 47.35.080.
- (B) possess a current local municipal permit (Anchorage only)
- (C) be within a geographic region where the Day Care Assistance Program is offered.
- (D) maintain a current Alaska business license.
- (E) enter into a contract with the department to provide day care services.
- (F) provide day care under attendance or enrollment.

The grantee must maintain a separate account or account code showing payments from the state and expenditures of the money.

Child Care Grant funds may only be used only for the following purposes:

- (1) Increase facility staff salaries, wages and/or fringe benefits.
- (2) Increase the number of staff employed
- (3) Meet the health and nutritional requirements of children
- (4) Purchase equipment for use by the children attending/enrolled at the facility.
- (5) Facility staff training
- (6) Parent training and/or involvement.

The grants will be adjusted for (1) geographic location and (2) the amount of money appropriated by the legislature for the fiscal year.

Periodic monitoring (checking of records at the facility) will be completed by the Department.

To be paid, the facility must submit a monthly report on forms provided by the Department.

State of Alaska
Department of Community and Regional Affairs
Division of Local Government Assistance
225 Cordova, Building B
Anchorage, Alaska 99501
Phone 264-2201

CHILD CARE GRANT PROGRAM
GRANT APPLICATION
FY '82

I. Grantee's Information:

A. Name and address of the child care facility

Name _____

Street Address _____

Mailing Address _____

Telephone number _____

B. Contracting official _____
Name Title

C. Individual to whom reimbursement warrants should be sent

_____ Name Title

Address _____

II. Eligibility for Participation:

A. H & SS license number _____

B. Licensed capacity _____

C. Hours of operation _____

D. Municipal permit number _____

E. Name of the local Day Care Assistance Program Contractor _____

F. Current Alaska Business License Number _____

G. I have contacted the Local Administrator of the Day Care Assistance Program and assure that I will serve children in the Day Care Assistance Program.

III. By completing and signing this page, you indicate that you have also read the instruction page. Only one application in a fiscal year is required. However, if you change your licensed capacity please let us know.

For your application to be considered for funding, you must return this page to the Department of Community and Regional Affairs (address above).

Authorized signature _____ Date _____

Office use Only
Date _____
Fund _____ Deny _____
Estimated Grants _____
Signature _____

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF
THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

Notice is hereby given that the Department of Community and Regional Affairs, under authority vested in AS 44.47.250 and AS 44.47.301 proposes to amend regulations, amended emergency regulations, and adopt new regulations in Title 19 of the Alaska Administrative Code to implement AS 44.47. 250-310 (concerning day care assistance, child care grants, and education and training grants) as provided below.

19 AAC 50.010-260, received public hearings in 1980. These regulations are hereby amended as follows:

- minor changes are made in wording of sections
- several sections reorganized
- 19 AAC 50.020 allows the Department to contract with organization as well as municipalities or day care facilities.
- 19 AAC 50.050 is a new section on application and contract
- 19 AAC 50.090 is expanded to include local administrative costs which are reimbursed by the state and how that money can be used.
- 19AAC 50.115 changes the procedure and classification for those parents who must be put on a waiting list because of lack of funds or space
- 19 AAC 50.170 changes the subsidy level for parents adjusted net income
- 19 AAC 50.190 increases the maximum assistance for infant rates
- 19 AAC 50.260 adds definitions, changes others, deletes others

19 AAC 55.010-200 regulations for the child care grant program were filed as emergency regulations and are now being taken to public hearings for the first time.

19 AAC 55.010 describes the purpose of regulations for the child care grant program.

19 AAC 55.020 delegates the authority for administering the program to the Local Government Assistance Division.

19 AAC 55.030 provides for municipalities, organizations, or day care facilities outside of municipalities, to administer the program; the application and contracting process, subcontracting, accounting, division, review, and local administrative requirements are described.

19 AAC 55.040 describes how funds are allocated by taking the total appropriation, divided by the number of licensed child care spaces, and allocating the money on a municipal or geographic basis.

19 AAC 55.050 describes the eligible applicant as those child care facilities which are licensed, have a business license, provide for payment of fees on an attendance basis, are in an area where the Department has a Day Care Assistance contract, and are willing to participate in this program for the care of these children.

19 AAC 55.060 describes the application process.

19 AAC 55.070 describes how the money from these grants can be used for staff salaries and fringe benefits, increase staff, meet the health and nutritional requirements of young children, purchase of child equipment, staff and parent education and training.

19 AAC 55.080 defines the limitation of money and provides for prorating of money.

19 AAC 55.090 describes the application review.

19 AAC 55.100 describes the application and contract decision process

19 AAC 55.110 defines how money is received through monthly billing by the provider.

19 AAC 55.120 provides for a separate accounting of the money.

19 AAC 55.130 provides for information to the division.

19 AAC 55.140 provides for division forms for reporting.

19 AAC 55.150 describes how the grants will be monitored.

19 AAC 55.160 provides for revocation of grants and contracts.

19 AAC 55.170 describes the process if fraud is suspected.

19 AAC 55.180 provides for an appeal process for both the contractor and the grantee.

19 AAC 55.190 provides for technical assistance by division staff to both contractors and grantees.

19 AAC 55.200 provides for definition of words which may have multiple meanings.

19 AAC 56.010-180 the Education and Training Grant program are new regulations governing this new program.

19 AAC 56.010 describes the purpose of regulations for the education and training grant program.

19 AAC 56.020 delegates the authority for administering the program to the Local Government Assistance Division.

19 AAC 56.030 provides for not more than two child care facilities in any municipality to contract with the division for local administration of this money, provides for child care facilities outside of municipalities to contract directly with the division or with a municipality, and provides for two or more municipalities to join together in joint administration.

19 AAC 56.040 describes how funds are allocated by taking the total appropriation, divided by the number of licensed child care spaces, and allocation the money on a municipal or geographic basis.

19 AAC 56.050 describes the application process.

19 AAC 56.060 provides the criteria for establishing application review and contract process.

19 AAC 56.070 provides for subcontractors.

19 AAC 56.080 describes how funds are to be accounted for.

19 AAC 56.090 provides for information to the division.

19 AAC 56.100 provides for the use of the money for education and training grants to child caregivers and administrators.

19 AAC 56.110 provides for administration of the contract.

19 AAC 56.120 describes the eligible grantees as those child caregivers or administrators whose employers have state licensed facilities, participate in the day care assistance program and provide for payment of child care fees on an attendance basis.

19 AAC 56.130 describes how the contract will be monitored.

19 AAC 56.140 provides for revocation of the contract.

19 AAC 56.150 describes the process if fraud is suspected.

19 AAC 56.160 provides for appeals.

19 AAC 56.170 provides for technical assistance by division staff for the contractors.

19 AAC 56.180 provides for definition of words which may have multiple meanings.

Notice is also given that any person interested may present oral or written statements or arguments relevant to the actions proposed at hearings held as provided below:

Legislative Affairs Conference Room, 1016 W. 6th. Ave., 2nd floor, Suite 202 Anchorage, at 10:00 a.m. on December 5, 1981.

Legislative Affairs Conference Room, 1016 W. 6th. Ave., 2nd floor, Suite 202 Anchorage, at 7:30 p.m. on December 9, 1981.

Legislative Affairs Information Office, Suite 101, 312 Burnette Street, Fairbanks at 1:00 p.m. and 6:30 p.m. December 8, 1981.

Juneau City and Borough Chamber, 155 S. Seward Street, Juneau at 6:30 p.m. on January 4, 1982.

Kodiak Island Borough Assembly Chamber, 700 Upper Mill Bay Road, Kodiak at 7:30 p.m. on January 4, 1982.

Legislative Affairs Information Office, 415 Main Street, Room 301 Ketchikan at 6:30 p.m. on January 7, 1982.

City Council Chamber, Bethel at 7:30 p.m. on January 18, 1982.

Kenai Peninsula Borough Administration Building, Soldotna at 6:30 p.m. on January 25, 1982.

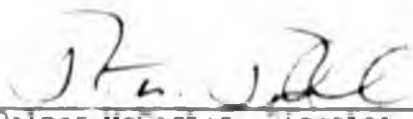
City Council Chamber, Front and Division Streets, Nome at 7:30 p.m. on January 27, 1982.

Written comments will also be accepted at the Department's Anchorage office until February 1, 1982, 4:30 local time.

Copies of the proposed regulations may be obtained by writing or calling in person at the Division of Local Government Assistance, Department of Community and Regional Affairs, 225 Cordova Street, Building B, Anchorage Alaska, 99501 or calling 264-2201.

The Department of Community and Regional Affairs, upon its own motion or at the instance of any interest person, may at hearing or after it, adopt the proposals substantially as described above without further notice or may decide to take no action on them.

November 13, 1981


to _____
Palmer McCarter, Director
Local Government Assistance Division
Department of Community and Regional Affairs.

Register , , COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.010
19 AAC 50.020

CHAPTER 50
DAY CARE ASSISTANCE PROGRAM

Article

1. Introductory Provisions (19 AAC 50.020 -- 19 AAC 50.030)
2. Conditions of Contracting (19 AAC 50.040 -- 19 AAC 50.090)
3. Contractor's Administrative Responsibilities (19 AAC 50.100 -- 19 AAC 50.140)
4. Standards for Determining Family Eligibility (19 AAC 50.150 -- 19 AAC 50.190)
5. Family's and Facility Operator's Responsibilities (19 AAC 50.200 -- 19 AAC 50.210)
6. General Provisions (19 AAC 50.220 -- 19 AAC 50.260)

ARTICLE I. INTRODUCTORY PROVISIONS

Section

10. Delegation of authority
20. Program operation
30. Allocation of money

19 AAC 50.010. DELEGATION OF AUTHORITY. The authority of the department under AS 44.47.250-44.47.310 is delegated to the division of local government assistance. (Effective / / , Register)

Authority: AS 44.47.250

19 AAC 50.020. PROGRAM OPERATION. (a) The division operates the day care assistance program and local administrative costs for the program through contracts with municipalities, with organizations within communities, with organizations which serve regions within which two or more communities are located, and directly with day care facilities located outside municipalities.

(b) If a borough, a city and an organization within the borough or city apply for a day care assistance contract, the division will award the contract, if at all, to the borough. This section does not preclude the city, the organization and borough from entering into an agreement to jointly administer the contract nor may it be construed to preclude the borough from subcontracting portions of its administrative responsibilities to one or more cities or organizations located within it. (Effective / / , Register)

Authority: AS 44.47.250

Register , , COMMUNITY AND REGIONAL AFFAIRS 19 AAC 50.
TITLE 19.
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

- Part 1. Local Boundary Commission
(19 AAC 05 - 19 AAC 20)
- Part 2. Municipal Services Revenue Sharing Program
(19 AAC 30)
- Part 3. Division of Local Government Assistance
(19 AAC 35 - 19 AAC 70)
- Part 4. Division of Rural Development Assistance
(no regulations filed)
- Part 5. Rural Affairs Commission (no regulations filed)
- Part 6. Division of Community Planning
(19 AAC 85 - 19 AAC 90)

PART 3.
DIVISION OF LOCAL GOVERNMENT ASSISTANCE

Chapter

- 35. Senior Citizen Property Tax Exemption
(19 AAC 35.010 - 19 AAC 35.120)
- 38. Farm and Agricultural Land
(19 AAC 38.010 - 19 AAC 38.060)
- 40. Legal Assistance Grant Program
(19 AAC 40.010 - 19 AAC 40.100)
- 42. Coastal Energy Impact Program
(19 AAC 42.010 - 19 AAC 42.330)
- 50. Day Care Assistance Program
(19 AAC 50.010 - 19 AAC 50.260)
- 55. Child Care Grant Program
(19 AAC 55.010 - 19 AAC 55.200)
- 56. Education and Training Grant Program
(19 AAC 56.010 - 19 AAC 56.180)
- 60. Rural Development Assistance Grant Program
(19 AAC 60.010 - 19 AAC 60.200)
- 70. Bulk Fuel Storage Facilities Grant Program
(19 AAC 70.010 - 19 AAC 70.200)

19 AAC 50.030. ALLOCATION OF FUNDS. (a) Each state fiscal year three percent of the appropriated funds for this program will be set aside for those municipalities or organizations meeting the requirements of 19 AAC 50.020 but which did not contract with the division in the previous fiscal year. If these funds are not allocated by December 31 of the fiscal year for which appropriated, this money will be allocated as provided for in (b) (1) through (4) and (c) of this subsection.

(b) The division will allocate to a contractor a share of the money appropriated to the program for the fiscal year to which the contract applies. The division will determine the contractor's share by June 15 of the preceeding fiscal year or within 20 days after the enactment of the state operating budget for the fiscal year to which the contract applies, whichever is later. The division will determine the contractor's share of day care assistance by

(1) using the current division of family and youth services printout of child day care licensed or federally approved facilities in Alaska, add all the licensed child care positions by geographic area and total; and

(2) subtract from the sum of (1), of this subsection those child day care positions from the geographic areas where an application has not been received; and

(3) divide the amount of money appropriated to the program for the fiscal year to which the contract applies by the difference obtained through (2) of this subsection.

(4) using the quotient of (3) of this subsection, multiply by the number of child day care positions as described in (a) (1) of this subsection for each contractor. This product is the allocation to each contractor for money appropriated for day care assistance to families.

(c) Local administrative money is allocated by multiplying 10 percent of the product of (b) (4) of this subsection or \$1,000 whichever is greater.

(d) To receive all or part of the money allocated to it under (b) and (c) of this section, a contractor must submit to the division evidence which shows, to the satisfaction of the division, that the contractor will use the money in accordance with 19 AAC 50.090.

(e) Program funds are subject to reallocation during the fiscal year, subject to the utilization by the contractor.

(1) reallocation will be made to contractors based on need, as established by waiting lists described in 19 AAC 50.115 of this chapter; and

(2) determining reallocation will be by January 1, March 1, May 1 and June 1 of the fiscal year to which the contract applies; and

(3) the contractor will be notified in writing that the Division intends to reallocate under utilized money and an amendment to the existing contract will be sent for the contractor's signature; and

(4) if there are insufficient local administrative funds meeting the requirements of (c) of this subsection, the funds will be prorated. Each contractor will receive at least \$1,000 for the fiscal year, provided the day care assistance program is administered for a fiscal year, by the contractor.

(f) In this section,

(1) "contractor's day care positions" means

(A) the number of licensed or federally approved day care positions within the municipality if the contractor is a municipality;

(B) the number of licensed or federally approved day care positions within the community or region if the contractor is an organization which serves a community or region

(C) the number of licensed or federally approved day care positions within the day care facility if the contractor is a day care facility;

(2) "day care position" means a place in a day care facility for a child for whom the day care facility provides or will provide day care; and

(3) "total number of day care positions in the program" means the sum of (b)(1)-(2) of this subsection. (Effective / / , Register)

ARTICLE 2. CONDITIONS OF CONTRACTING

Section

- 40. Application
- 50. Decision on Application and Contract
- 60. Subcontracts
- 70. Separate accounting
- 80. Release of information
- 90. Use of money

19 AAC 50.040. APPLICATION. (a) An application for a contract under this chapter must be made on a form prescribed by the director.

(b) By April 1 of each state fiscal year the division will send application forms to each municipality which has a day care facility within its boundaries and to other organizations which participated in the program during the previous state fiscal year. Applications for organizations serving unincorporated communities are available upon request.

(c) As a condition to receiving a contract under this chapter for a state fiscal year, an applicant must return the application to the division postmarked no later than May 15 of the preceding state fiscal year. (Effective / / , Register)

Authority: AS 44.47.250

19 AAC 50.050. DECISION OF APPLICATION AND CONTRACT. (a) A decision to provide a contract will be made by the director. The decision will be based upon the following criteria:

(1) the applicant meets the eligibility criteria described in 19 AAC 50.020; and

(2) the proposed expenditure of money is in accordance with eligible use of money as described in 19 AAC 50.090.

(b) In making a decision to approve an application, the director or contractor may, in his/her discretion make the contract contingent upon additional stipulations not contained in the application.

(c) Upon approval or denial of an application, the applicant will be notified in writing.

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19 AAC 50.070

(d) A contract will be awarded when the application has been approved and when the applicant and the director have signed a contract specifying, among other items, the purpose of the contract, the contract allocation of money and the period of performance. (Effective / / Register).

Authority: AS 44.47.250.

19 AAC 50.060. SUBCONTRACTS. A contractor, which is a municipality may enter into a subcontract with an organization within the municipality and where eligible parents will have easy access to that organization, for the performance of administrative duties under the contract if

(1) the contractor has the written permission of the division;

(2) the contractor has published notice of its intent to enter into the subcontract in a manner which reasonably ensures that interested parties are aware that the contractor is accepting proposals for the subcontract; and

(3) the subcontractor meets the qualifications established in 19 AAC 50.100(a).

(4) a copy of a fully executed subcontract will be sent to the division within 30 days of execution. (Effective / / , Register)

Authority: AS 44.47.250
AS 44.47.260

19 AAC 50.070. SEPARATE ACCOUNTING. A contractor must establish a separate fund and separate accounting codes within its accounting system for the receipt and disbursement of money under this chapter. The contractor must furnish the division with a copy of its annual audit or its annual statement of income and expenditures. (Effective / / , Register)

Authority: AS 44.47.250

19 AAC 50.080. RELEASE OF INFORMATION. A contractor must provide the division with statistics, financial records, and client records relating to the program, within 30 days after the date of receipt of a written request from the division or as otherwise required in the contract. (Effective / / ,
Register)

Authority: AS 44.47.250

19 AAC 50.090. USE OF MONEY. (a) A contractor may use money it receives under 19 AAC 50.030 (b) (1 through 4) of this chapter only for subsidy payments in accordance with 19 AAC 50.170 and 19 AAC 50.190 to day care facilities on behalf of families which are determined under 19 AAC 50.110 to be eligible for day care assistance. A violation of this section is cause for immediate termination of a contract.

(b) Local administrative money a contractor receives under 19 AAC 50.030 (c) will be used to pay

(1) salaries of local administrator(s) and eligibility workers who work directly with eligible families as described in 19 AAC 50.105 - 190; and

(2) accounting and/or bookkeeping expenses for the program described in this chapter; and

(3) clerical expense directly attributable to administration of the program described in this chapter; and

(4) cost of monitoring the eligibility of persons receiving benefits under the program described in this chapter; and

(5) public information advising of the availability of the program described in this chapter; and

(6) cost of reports required by the division; and

(7) travel and per diem to workshops conducted for local administrators by the division; and

(8) travel and per diem to conferences or seminars relating to the education of young children. (Effective / / ,
Register)

Authority: AS 44.47.250
AS 44.47.260

ARTICLE 3. CONTRACTOR'S ADMINISTRATIVE RESPONSIBILITIES

Section

- 100. Administrator
- 105. Applying for Day Care Assistance
- 110. Eligibility Determination
- 115. Waiting list
- 120. Monthly attendance form and monthly billing statement
- 130. Case files
- 140. Use of division forms

19 AAC 50.100. ADMINISTRATOR. (a) A contractor shall appoint an administrator. If the contractor has entered into a subcontract under 19 AAC 50.060, the subcontractor shall appoint the administrator. An administrator must have training or experience in accounting, bookkeeping, records management, management of a state or federal program regardless of whether the state or federal program relates to day care assistance, or a related field.

(b) A contractor or subcontractor shall assign to the administrator appointed under (a) of this section responsibility for the administration of the contractor's or subcontractor's duties under the contract. The administrator's responsibilities under this subsection must include, but are not limited to, the following:

(1) maintenance of the contractor's or subcontractor's financial records and client records relating to the program;

(2) preparation of statistical reports requested by the division;

(3) maintenance of a file for each day care facility located within the contractor's boundaries, if the contractor is a municipality, or located within the contractor's or subcontractor's region or community, if the contractor or subcontractor is an organization described in 19 AAC 50.030 or in 19 AAC 50.060;

(4) other responsibilities established in this chapter.

(c) The files maintained under this section must include the expiration dates of the day care facilities' licenses and rates the day care facilities charge for day care services. (Effective / / , Register)

Authority: A, 44.47.250

19 AAC 50.105. APPLYING FOR DAY CARE ASSISTANCE. A parent may apply for day care assistance. In applying for day care assistance, the parent shall specify the members of the parent's family and the income available for the support of the children in the family.

An application under this section must be made on a form provided by the division. The person must submit the application to

(1) the local administrator appointed by a municipality or organization or by a subcontractor under 19 AAC 50.100 if the person seeks assistance for day care services within the municipality;

(2) the administrator appointed under 19 AAC 50.100 by an organization if the person seeks assistance for day care services outside of a municipality but within the region or community served by the organization; or

(3) the administrator appointed by a day care facility if the person seeks assistance for day care services from the day care facility and if the day care facility is located outside a municipality and outside a region or community served by an organization described in 19 AAC 50.030. (Effective / / , Register)

Authority: AS 44.47.250

19 AAC 50.110. ELIGIBILITY DETERMINATION. (a) Within fifteen days after receipt of a properly completed application under 19 AAC 50.105, including necessary documentation, an administrator shall, by applying the eligibility standards established in 19 AAC 50.150, determine if the applicant's family is eligible for the day care assistance. If the applicant's family does not meet the eligibility standards, the administrator shall deny the application.

b) If the administrator determines that the applicant's family is eligible for day care assistance, the administrator determines the amount of day care assistance for which the family is eligible in accordance with 19 AAC 50.160 - 19 AAC 50.190 and shall issue a day care contract form stating the number of days and hours for which assistance will be provided, the amount of assistance for which the family is eligible and the facility at which day care would be provided. (Effective / / , Register)

Authority: AS 44.47.250

19 AAC 50.115. WAITING LIST. (a) If the administrator determines that money is not available to pay for day care assistance for a family or that there is insufficient space in the day care facility selected by the applicant, the administrator shall place the family's name on a waiting list.

(b) The administrator shall provide day care assistance to families whose names have been placed on a waiting list under (a) of this section in accordance with this subsection. The administrator must offer day care assistance to the families whose names have been placed on the waiting list before she/he may offer day care assistance to another family. However, the administrator is not required to offer day care assistance to a family whose name has been placed on the waiting list if, as a result of a review under 19 AAC 50.180, the administrator determines the family is no longer eligible for the assistance. Among the families whose names have been placed on the waiting list, the administrator must offer day care assistance first to the families whose monthly adjusted net income, as determined under 19 AAC 50.160, is in the lowest category established in 19 AAC 50.170(a), and then to the families whose monthly adjusted net incomes are in the next higher categories until all of the families have been offered day care assistance. Among the families whose names have been placed on the waiting list and whose monthly adjusted net incomes are within the same category, the administrator must offer day care assistance

(1) first, to a family in which there is only one parent and in which the parent has a job or a job opportunity; and

(2) next, to a family in which there are two parents and in which both parents have jobs or job opportunities; and

(3) next, to a family in which there is only one parent and in which the parent is in an employment training program or has an opportunity to participate in employment training; and

(4) next, to a family in which there are two parents and in which;

(A) one parent has a job or job opportunity and the other parent is in an employment training program or has an opportunity to participate in an employment training program; or

(B) both parents are in employment training program or have an opportunity to participate in an employment training program; and

(5) next, to a family in which there is only one parent and in which the parent is seeking work; and

(6) next, to a family in which there are two parents and in which

(A) one parent has a job or job opportunity and the other parent is seeking work; or

(B) one parent is in employment training program or has an opportunity to participate in an employment training program and the other parent is seeking work; or

(C) both parents are seeking work;

(7) last, to other families. (Effective / / ,
Register)

Authority: AS .47.250
AS 44.47.270

19 AAC 50.120. MONTHLY ATTENDANCE FORM AND BILLING STATEMENT.

(a) To receive a payment on behalf of a family under this chapter, a day care facility must submit a monthly attendance form and billing statement to the administrator to whom the family applied for day care assistance or to that administrator's successor.

(b) Within 15 working days after receipt of a monthly attendance form and billing statement under (a) of this section, the administrator shall review the attendance form and the billing statement and determine if they are accurate and complete. If the administrator determines that the attendance form and billing statement are accurate and complete, the administrator shall so certify and forward them to the division. If there are errors or deficiencies in the billing statement or in the monthly attendance form, the administrator shall correct the errors or deficiencies and forward the attendance form and billing statement to the division.

(b) Within 30 working days after receipt of a monthly attendance form and billing statement, the division will process the billing statement and return the payment to the municipality in which the day care facility is located or, if the day care facility is not located within a municipality to the organization or day care facility having a contract as described in 19 AAC 50.050.

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19 AAC 50.130

(c) The division will determine the amount of a payment under this section on the basis of the day care services provided to a child who is a member of a family which has been determined eligible under 19 AAC 50.110(a) and whose name is not on a waiting list under 19 AAC 50.115 and in accordance with the provisions of 19 AAC 50.170(a) and 19 AAC 50.190(c). (Effective / / , Register)

Authority: AS 44.47.250
AS 44.47.300

19 AAC 50.130. CASE FILES. (a) An administrator shall open and maintain a case file on each family the administrator determines to be eligible for day care assistance under 19 AAC 50.110. The administrator shall keep in the family's case file current documents or verification forms relating to the family's eligibility including, but not limited to:

- (1) copies of birth certificates of dependent children;
- (2) copies of divorce decrees and modifications of the divorce decrees;
- (3) notarized statements of guardianship of the children in the family, separation, and non-support of the children in the family;
- (4) income records;
- (5) the parent's work or school schedule and address and phone number of employer or school;
- (6) class schedules for educational or training program; and
- (7) other documents the administrator decides are appropriate. (Effective / / , Register)

Authority: AS 44.47.250

19 AAC 50.140. USE OF DIVISION FORMS. Unless specifically authorized to the contrary, the forms used in the administration of the program must be those prescribed by the division. (Effective / / , Register)

Authority: AS 44.47.250

ARTICLE 4. STANDARDS FOR DETERMINING FAMILY ELIGIBILITY

Section

- 150. Eligibility
- 160. Monthly adjusted net income
- 170. Day care assistance
- 180. Review of eligibility
- 190. Authorized hours and maximum assistance amounts

19 AAC 50.150. ELIGIBILITY. (a) A family is eligible to receive day care assistance if

(1) each parent in the family is employed or is participating in an educational or training program which is likely to enable the family to become self-supporting; and

(2) the family's adjusted monthly net income, as determined under 19 AAC 50.160, does not exceed \$1,975, as adjusted under 19 AAC 50 170(b).

(b) The division will waive the requirement of (a)(1) of this section for a parent for the period of time described in (c) of this section if

(1) the parent is mentally or physically incapable of caring for the children in the parent's family; and

(2) there is another parent in the family who meets the requirement of (a)(1) of this section.

(c) an administrator may authorize day care assistance for a family in which a parent is temporarily absent or incapacitated and in which a person who is not the parent of the children in the family cares for the children during the absence or incapacity of the parents. (Effective / / , Register)

Authority: AS 44.47.250

19 AAC 50.160. MONTHLY ADJUSTED NET INCOME. (a) A family's monthly adjusted net income is the gross assets it receives during a month regardless of the source of the gross assets, less:

(1) amounts withheld from the members of the family during the month for federal income tax;

(2) amounts withheld from the members of the family during the month for state income tax;

(3) amounts withheld from the members of the family during the month for social security tax or for the employee benefit program established in AS 34.30.150 - 34.30.180;

(4) mandatory benefit and retirement contributions made by or withheld from the members of the family during the month;

(5) unemployment insurance (ESC) contributions made by or withheld from the members of the family during the month;

(6) union dues or agency fees paid by a member of the family during the month;

(7) \$100 for each dependent child;

(8) amounts paid by a member of the family during the month for medical or dental expenses not covered by insurance including the cost of necessary travel, lodging, and meals and

(9) court-ordered payments made by a member of the family during the month.

(b) In determining a family's eligibility for day care assistance and the amount of day care assistance for which the family is eligible under 19 AAC 50.110 or 19 AAC 50.180, the administrator shall use the family's monthly adjusted net income for the month preceding the month in which the application or reauthorization of eligibility is made.

(c) In this section, "dependent child" means a person who is less than 19 years old. (Effective / / Register)

Authority: AS 44.47.250

19 AAC 50.170 DAY CARE ASSISTANCE. (a) Subject to 19 AAC 50.190, the amount of day care assistance which an administrator may authorize for a family is

(1) 100 percent of the family's day care costs if the family's monthly adjusted net income is \$1075 or less;

(2) 90 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1075 but not more than \$1175;

(3) 80 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1175 but not more than \$1275;

(4) 70 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1275 but not more than \$1375;

(5) 60 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1375 but not more than \$1475;

(6) 50 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1475 but not more than \$1575;

(7) 40 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1575 but not more than \$1675;

(8) 30 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1675 but not more than \$1775; or

(9) 20 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1775 but not more than \$1875.

(10) 10 percent of the family's day care costs if the family's monthly adjusted net income is more than \$1875 but not more than \$1975.

(b) An administrator shall increase the monthly adjusted net income, described in (a)(1) - (9) of this section for his/her locality by 3.5 percent for each pay step differential applicable to his locality under AS 39.27.020.

(c) The division will distribute to a contractor a copy of the provisions of (a) of this section, adjusted to locality in accordance with (b) of this section, before entering into a contract with the contractor and upon the request of the contractor.

(d) The division will annually review and, in its discretion, amend this provisions of (a) of this section after considering the changes in statewide median income and cost of living.

(e) In this section, "day care costs" means the cost of day care services or the maximum amount for which an administrator may authorize day care payments under 19 AAC 50.190(c), whichever is less. (Effective / / , Register)

Authority: AS 44.47.250

19 AAC 50.180. REVIEW OF ELIGIBILITY. (a) If a family's adjusted net income, as determined under 19 AAC 50.160 is regular and recurring, the administrator will review the family's eligibility once every three months with the family and shall determine whether the family remains eligible for day care assistance. If the family remains eligible for day care assistance, the administrator shall revise the day care authorization contract issued to the family under 19 AAC 50.110 (b), as necessary. At least one parent must meet with the administrator. If the family is no longer eligible, there will be no authorization contract.

(b) If a family's adjusted net income, as determined under 19 AAC 50.160, is not regular and recurring, the administrator shall review the family's eligibility and take the other actions described in (a) of this section once a month.

(c) At the time of an eligibility review, under (a) or (b) of this section the administrator shall review with the parents in the family the billing records of the day care facility which received day care assistance payments on behalf of the family under this chapter. If the parents affirm the accuracy of the billing records, the parents shall sign a statement to that effect which the administrator shall maintain in the family's case file. If the parents dispute the accuracy of the billing records, the administrator shall attempt to determine the cause of the dispute between the facility and the parents, make necessary adjustments, and advise the director of the situation. (Effective / / , Register).

Authority: AS 44.47.250
AS 44.47.280

19 AAC 50.190. AUTHORIZED HOURS AND MAXIMUM ASSISTANCE AMOUNTS. (a) An administrator may authorize day care assistance payments for a family only for day care services provided to a child in the family during the time that each parent in the family, other than a parent described in 19 AAC 50.150(b)(1), is engaged in one of the following:

- (1) working or training.
- (2) traveling to or from work or training;
- (3) between 8:00 a.m. and 5:00 p.m. on the day before and the day after the parent works a night shift; or
- (4) engaging in library or laboratory work, workshops or tutoring sessions, or similar activities required to satisfactorily complete an educational or training program.

(b) The activity described in (a)(2) of this section may not exceed one hour per day unless the administrator determines that additional time is justified because of the local public transportation system.

(c) The maximum amount of money an administrator may authorize under (a) of this section is

(1) \$9.50 per day for day care services provided to an infant and \$7 per day for day care services provided to a child if the day care services are provided for not more than five hours per day.

(2) \$16 per day for day care services provided to an infant and \$12 per day for day care services provided to a child if the day care services are provided for more than five hours but not more than 10 hours per day;

(3) In addition to the amount established in (2) of this subsection, \$1.60 per hour of day care services provided for an infant or \$1.40 to a child beyond 10 hours if the day care services are provided for more than 10 hours but not more than 16 hours per day.

(d) An administrator may not authorize a payment under (a) of this section for day care services provided in excess of 16 hours per day. The provisions of this section may not be construed to prohibit billing by a day care facility on an hourly basis. However, the total amount billed on an hourly basis is subject to the limitations established in (c) of this section.

(e) The rate schedule shall be reviewed and may be revised annually by the division when considering statewide changes in the cost of providing day care services.

(f) In this section,

(1) "child" means an individual who is less than 11 years old and more than 2 years old;

(2) "infant" means an individual who has been born and who is less than 24 months old;

(3) "night shift" means a work shift which begins between 8:00 p.m. and 4:00 a.m. (Effective / / ,
Register)

Authority: AS 44.47.250

ARTICLE 5. FAMILY AND FACILITY OPERATOR'S RESPONSIBILITIES

Section

- 200. Family's duties
- 210. Facility operator's duties

19 AAC 50.200. FAMILY'S DUTIES. To qualify and continue to qualify for day care assistance under this chapter, a family must:

- (1) provide the administrator with documentation necessary to determine eligibility for day care assistance under this chapter;
- (2) notify the administrator within five working days of a change affecting the family eligibility for day care assistance under this chapter;
- (3) select the day care facility to provide day care services for its children;
- (4) pay the portion of its day care costs not paid on its behalf under this chapter; and
- (5) notify the administrator of fraud, as defined in 19 AAC 50.260, suspected by a member of the family. (Effective / / , Register)

Authority: AS 44.47.250
AS 44.47.300

19 AAC 50.210. FACILITY OPERATOR'S DUTIES. To qualify and continue to qualify to receive day care assistance payments made on behalf of a family under this chapter, the operator of a day care facility must:

- (1) keep monthly attendance records for each child and submit a copy of that record, together with a billing statement, to the administrator within 10 working days after the end of each month;
- (2) notify the administrator of a change in the status of the day care facility's license;

(3) provide the administrator with a current rate sheet which, among other things will detail the price of care, the hours of care, surcharges, and fees charged beyond the hourly, daily or monthly rate. Failure to provide a current rate sheet may be the basis for revoking authorization contracts with the facility for day care assistance.

(4) notify the administrator of suspected fraud, as defined in 19 AAC 50.260. (Effective / / , Register)

Authority: AS 44.47.250

ARTICLE 5. GENERAL PROVISIONS

Section

- 220. Confidentiality
- 230. Fraud
- 240. Appeals
- 250. Technical Assistance
- 260. Definitions

19 AAC 50.220. CONFIDENTIALITY. (a) A person who works with or has access to information relating to a family's receipt of assistance under this chapter shall maintain the confidentiality of that information.

(b) Notwithstanding the provisions of (a) of this section, an administrator may release to a public or private agency information relating to a family's receipt of assistance under this chapter to the extent necessary to determine the kind and amount of assistance to be granted to the family under a program administered by a state, federal, or municipal agency or to conduct an investigation of fraud, under 19 AAC 50.230. (Effective / / , Register)

Authority: AS 44.47.250

CHAPTER 50
DAY CARE ASSISTANCE PROGRAM

19 AAC 50.230. FRAUD. (a) If an administrator suspects that fraud has been or is being committed, the administrator shall obtain the information relating to the act of fraud, assemble the information, and report these conclusions to the division. Upon receipt of the administrator's conclusions and the information the division will review the information.

(b) If the division determines, on the basis of the information received under (a) of this section, that a person has committed or is committing fraud, the division will notify the person in writing and by certified mail of its determination and of the reasons for its determination. The notice must include the action the division will take under (c) of this section, if any, and a statement of the person's right to an appeal under 19 AAC 50.240.

(c) No sooner than 10 days after the person received the notice described in (b) of this section or, if the person appeals the division's determination under 19 AAC 50.240, at the conclusion of the appeals under 19 AAC 50.240, the division will, in its discretion, cease making payments under this chapter to or on behalf of the person or the person's family or day care facility for a period of up to two years. (Effective / / ,
Register)

Authority: AS 44.47.250

19 AAC 50.240. APPEALS. (a) a person may appeal to the director:

(1) a decision made under this chapter by an administrator or by the division which affects the eligibility for or the amount of day care assistance to be paid on behalf of the person's family; and

(2) a determination under 19 AAC 50.230 that the person has committed or is committing fraud.

(b) An appeal under (a) of this section must be made in writing within ten working days after the person receives notice of the decision or determinations. The director will decide the appeal and will notify the applicant in writing of his decision within 20 days after the appeal is made. Within 30 days after receipt of notice under this subsection of the director's decision, the applicant may appeal the decision to the commissioner. The appeal must be in writing and must identify the part of the director's decision which is appealed. The commissioner will decide the appeal and will notify the applicant in writing of his decision within 30 days after the appeal is made.

(c) During an appeal to the director and an appeal to the commissioner under (b) of this section, an applicant may request a hearing. At a hearing, the applicant may present evidence, examine witnesses, be represented by counsel, and testify on his own behalf. (Effective / / , Register)

Authority: AS 44.47.250

19 AAC 50.250. TECHNICAL ASSISTANCE. The division will make reasonable efforts to respond to a request by a potential or actual contractor for technical assistance in preparing a contract application and in aspects of program planning, administration, and implementation. (Effective / / , Register)

Authority: AS 44.47.250

19 AAC 50.260. DEFINITIONS. In this chapter,

(1) "administrator" means a person appointed under 19 AAC 50.100;

(2) "child" means a person who is less than 11 years old;

(3) "commissioner" means the commissioner of community and regional affairs;

(4) "community" means a place which has 25 or more permanent inhabitants who constitute a social unit and which is not incorporated as a municipal corporation under the laws of the state;

(5) "contractor" means a municipality or other organization which has entered into a contract with the department under this chapter;

(6) "day care" means the care, supervision, and guidance of a child or children unaccompanied by a parent on a regular basis for periods of less than 24 hours a day;

(7) "department" means the Department of Community and Regional Affairs;

(8) "director" means the director of the division of local government assistance;

(9) "division" means the division of local government assistance in the Department of Community and Regional Affairs;

(10) "family" means a living arrangement of a parent and child in which the parent resides with and assumes responsibility for the care and support of the child;

(11) "fraud" means the deliberate misrepresentation of a material fact to obtain assistance under this chapter or to receive a payment under this chapter;

(12) "municipality" includes a home rule, general law, or unified municipality, as defined in AS 29;

(13) "organization" means a local, nonprofit organization which has organized under state law, adopted bylaws and elects its governing body in a manner that ensures equal representation of the people residing in the community;

(14) "parent" includes a guardian or other person who has the actual care and custody of a child;

(15) "position" means a space in a child care facility, sometimes referred to as slot;

(16) "program" means the day care assistance program;

(17) "seek work" means a person who is actively seeking a job including receiving counseling, skills to seek a job, interviewing with potential employers, developing skills that will enhance employability. Seeking work is short term, generally not exceeding two weeks nor more than five hours per day;

(19) "self-employed" means possessing a business license to do business in the State of Alaska and filing a regular statement of profits and losses with the Internal Revenue Service.
(Effective / / , Register)

Authority: AS 44.47.250

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EMERGENCY REGULATIONS
COMMUNITY AND REGIONAL AFFAIRS

19 AAC 55.080
19 AAC 55.090

19 AAC 55.070. REVIEW OF APPLICATION. (a) Within 10 working days of receipt of a grant application the division will review it and determine if it contains the information required by this chapter. If the application is determined to be complete, the application will be evaluated in accordance with the criteria established in 19 AAC 55.080 and a written recommendation for or against funding made to the director.

(b) If an application is found to be incomplete, it will be returned to the applicant together with comments, an explanation of the deficiencies and a request for additional information necessary to correct the deficiencies.

(c) The director will deny funding if the application is not eligible under section 19 AAC 55.080. (Effective / / Register).

Authority: AS 44.47.301.

19 AAC 55.080. DECISION OF APPLICATION. (a) A decision to provide a child care grant will be made by the director. The director's decision will be based upon the following criteria:

(1) the applicant meets the eligibility criteria described in 19 AAC 55.030; and

(2) the proposed expenditure of money is in accordance with eligible use of money as described in 19 AAC 55.050.

(b) In making a decision to approve a grant application, the director will, in his discretion make the grant contingent upon additional stipulations contained in the grant application.

(c) Upon approval or denial of a grant application, the applicant will be notified in writing.

(d) A grant will be awarded when the application has been approved and when the applicant and the director have signed a letter of agreement specifying, among other items, the purpose of the grant, the grant amount and the period of performance. (Effective / / Register).

Authority: AS 44.47.301.

19 AAC 55.090. MONTHLY BILLING FORMS. (a) To receive a grant payment under this chapter, the grantee must submit a monthly attendance formula form, a copy of the monthly attendance form, and a monthly billing form to the division.

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EMERGENCY REGULATIONS
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19 AAC 55.100
19 AAC 55.110

(b) Within 15 working days after receipt of the monthly forms under (a) of this section, the division will review the forms and determine if these are accurate and complete. If the division determines that the forms are accurate and complete, the division will authorize payment and forward the billings for payment to the facility. If there are errors or deficiencies in the monthly forms, the division will correct the errors or deficiencies and then forward the forms for payment.

Billings for less than a \$1,000 will be paid by a state field warrant from the division of administrative services, Anchorage and mailed directly to the grantee.

Billings over \$1,000 will be paid by a state warrant from the Department of Administration, Juneau, and mailed directly to the grantee.

(c) The division will determine the amount of payment in accordance with the provisions of 19 AAC 55.060. (Effective / / Register).

Authority: AS 44.47.301.

19 AAC 55.100. SEPARATE ACCOUNTING. A grantee must establish a separate fund or accounting code within its accounting system for the receipt and disbursement of money under this chapter. The grantee must furnish the division with a copy of its annual audit or its annual statement of income and expenditures. (Effective / / Register).

Authority: AS 44.47.250.
AS 44.47.301.

19 AAC 55.110. RELEASE OF INFORMATION. A grantee must provide the division with statistics, financial records, and client records relating to the grant program, within 30 days after the day of receipt of a written request from the division or as otherwise required in the contract. (Effective / / Register).

Authority: AS 44.47.250.
AS 44.47.301.

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EMERGENCY REGULATIONS
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19 AAC 55.120
19 AAC 55.150

19 AAC 55.120. USE OF DIVISION FORMS. Unless specifically authorized to the contrary, the forms used in the grant program must be those prescribed by the division. (Effective / / , Register)

Authority: AS 44.47.301

19 AAC 55.130. MONITORING OF A GRANT. (a) The grantee shall, upon request of the division, at any time during normal business hours, make available to the division all records of administration of the grant.

(b) The grantee shall retain grant records for seven state fiscal years or if there is a state audit, until the audit is complete. (Effective / / , Register)

Authority: AS 44.47.301

19 AAC 55.140. REVOCATION OF GRANT. (a) If the grantee fails to comply with the grant letter of agreement or any other grant stipulations, the division will, in its discretion give written notice by certified mail to the grantee, describing the failure and stating the action needed to correct the problem. The grantee shall take corrective action within 10 working days of receipt of such written notice. The division will, in its discretion withhold payment of grant money until there is compliance by the grantee.

(b) If the grantee fails to comply with (a) of this section, the division, after giving at least 15 days written notice, may,

(1) notify the grantee that the grant has been revoked, stating the cause, and stating that this closure will be considered in the evaluation of any future application; and

(2) require the grantee to repay all or part of the grant money received. (Effective / / , Register)

Authority: AS 44.47.301

19 AAC 55.150. FRAUD. (a) If the division suspects that fraud has been or is being committed, the division will obtain the information relating to the act of fraud, assemble the information, and report this conclusion to the director. Upon the director's report, the director will review all information received.

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EMERGENCY REGULATIONS 19 AAC 55.150
COMMUNITY AND REGIONAL AFFAIRS 19 AAC 55.160

(b) If the director determines, on the basis of the information received under (a) of this section, that a person has committed or is committing fraud, the director will notify the person in writing, by certified mail of his determination and of the reasons for his determination. The notice must include the action the director will take under (c) of this section, if any, and a statement of the person's right to an appeal under 19 AAC 55.160.

(c) No sooner than 10 days after the person receives the notice described in (b) of this section or, if the person appeals the division's determination under 19 AAC 55.160, at the conclusion of the appeals under 19 AAC 55.160, the division will, in its discretion, cease making payments under this chapter to the child care facility for a period of up to two years. (Effective / / , Register)

Authority: AS 44.47.301

19 AAC 55.160. APPEALS. (a) Within 30 days of receipt of a letter advising an applicant or grantee that the director has denied a grant application or revoked a grant, the applicant or grantee may appeal that decision to the commissioner. The appeal must be in writing and must identify the part or parts of the decision to which the applicant objects.

(b) Within 30 days of receipt of an appeal of a decision, the commissioner will review the facts and any relevant supplemental material and will notify the applicant or grantee of the final determination affirming, reversing, or modifying the decision, and of the reasons for the final determination.

(c) During an appeal to the commissioner under (b) of this section, an applicant or grantee may request a hearing. At a hearing, the applicant or grantee may present evidence, examine witnesses, be represented by counsel and testify on his own behalf.

(d) If the applicant fails to file an appeal within the time set forth in (a) of this section, the director's decision constitutes the final determination of the department. (Effective / / , Register)

Authority: AS 44.47.301

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EMERGENCY REGULATIONS
COMMUNITY AND REGIONAL AFFAIRS

19 AAC 55.170
19 AAC 55.180

19 AAC 55.170. TECHNICAL ASSISTANCE. The division will make reasonable efforts to respond to a request by a potential or actual grantee for technical assistance in preparing a grant application and in aspects of program planning, administration, and implementation. (Effective / / ,
Register)

Authority: AS 44.47.301

19 AAC 55.180. DEFINITIONS. In this chapter,

- (1) "commissioner" means the commissioner of community and regional affairs;
- (2) "contractor" means a municipality or other organization which has entered into a contract with the department under this chapter;
- (3) "day care" means the care, supervision, and guidance of a child or children unaccompanied by a parent on a regular basis for periods of less than 24 hours a day;
- (4) "department" means the Department of Community and Regional Affairs;
- (5) "director" means the director of the division of local government assistance;
- (6) "division" means the division of local government assistance in the Department of Community and Regional Affairs;
- (7) "fraud" means the deliberate misrepresentation of a material fact to obtain assistance under this chapter or to receive a payment under this chapter;
- (8) "full time equivalent" means currently licensed capacity under AS 47.35.010 - 47.35.080;
- (9) "grant" means a child care grant;
- (10) "grantee" means an entity which has received a child care grant and has signed a letter of agreement with the department;
- (11) "letter of agreement" means a contract between the grantee and the department which specifies the terms of the grant;
- (12) "license" includes AS 47.35.010-47.35.080 and any permit or other supplemental requirement of a municipality;