

**ARKANSAS BUDGET SYSTEM  
AGENCY PROGRAM COMMENTARY  
2002 - 2003**

Amended 09/08/00

The Division of Child Care and Early Childhood Education requests the following appropriation for the 1999-2001 biennial budget. The change requests are as follows:

- FY2002 \$ 14,803,890 in federal appropriation
- FY2003 \$ 20,588,488 in federal appropriation.

The predominance of this request for unfunded appropriation is reflected in appropriations 405 and 320. These appropriations support the Child Care Development Fund. **This block grant is the corner stone of federal funding that supports subsidized child care for TEA/TCC and low-income working families.** The purpose of the CCDF is to increase the availability, affordability, and quality of child care services. It achieves these ends by a variety of ways, such as promoting parental choice to empower working parents to make their own decision on the child care that best suits their family's needs. In addition, the fund emphasizes the need to enhance the quality and increase the supply of child care for all families, including those who do not receive direct assistance from these funds. Finally, these funds support a broad range of child care providers, including center-based care, family child care, in-home care, care provided by relatives, faith based child care, and parents caring for their own children. All of these categories have experienced tremendous growth in recent years.

**Appropriation 1AF:**

This appropriation supported the Child Care and Development Block grant (CCDBG). The federal government terminated this block grant and funding was transferred to the new Child Development Fund. The Division is requesting this appropriation be deleted from funding appropriations associated with DCCECE.

**Appropriation 320:**

The Division is requesting unfunded appropriation for the Discretionary Fund that is a component of the Child Care Development Fund Block Grant. This program was developed to serve low-income working parents and contains a number of funds earmarked to improve and enhance quality child care. The requested increase in appropriation represents the expected growth within the program. The Division is requesting \$7,500,000 in SFY '02 and \$7,950,000 in SFY '03.

<b>AGENCY</b>	Division of Child Care and Early Childhood Education	DHS DIRECTOR Kurt Knickrehm DCCECE DIRECTOR Janie Fletcher <i>Janie Fletcher</i>	<b>AGENCY PROGRAM COMMENTARY BR21</b>	<b>PAGE</b>  169
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**Appropriation 405:**

Appropriation 405 reflects the balance of federal programs under the Child Care Development Fund - block grant (CCDF) which prioritize funding for TEA and TCC (Transitional) families. Program funding has increased an average of 9.91% during the past four years. Increases are expected to continue necessitating the increase in appropriation. This appropriation also reflects the state general revenue commitment to the CCDF block grant, i.e., Maintenance of Effort (MOE) and State Match. Due to the anticipated increases in funding, DCCECE is requesting federal appropriation in the amount of \$4,291,742 for SFY 2002 and \$6,860,819 SFY 2003.

**Appropriation 890:**

The Division is also requesting \$ 2,500,000 and \$5,400,000 in additional unfunded federal appropriation for each year of the biennium for the Child Care Food Program. This 100% federally funded program sponsored by the U.S. Department of Agriculture provides reimbursement for the following four (4) programs:

- Child and Adult Care Food
- National School Lunch
- Summer Food
- Special Milk

These programs combine to provide cash reimbursement to child care providers. The providers are reimbursed at a set rate for nutritious meals and snacks served to children. Good nutrition is an important component of this program. The unfunded federal appropriation that is being requested (FY02 \$2,500,000 and FY03 \$5,400,000) should be viewed in two parts. The first is sustained program growth at an estimated 8% annually. This program is uncapped and funding will expand to meet any documented need. The second part of the request represents recent changes in the interpretation of federal regulations that relate to who can participate in this program. For-profit child care providers have been granted very limited access in the past. A new interpretation of the regulation by USDA will expand the availability of this program to a larger segment of the child care provider community. The Division has estimated the affect of this change and has incorporated these estimates in its appropriation request for each year of the biennium.

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*Janie Fletcher*

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**Appropriation 176:**

Character 02: The Division requests additional character 02 appropriation to address three areas of planned growth. In the first area additional appropriation is requested in the amount of \$10,500 annually in Non-expended Office supplies. In the first year this request will primarily be utilized to refit the Child Care Resource Room which will be moved to the new Donaghey complex. Items such as study carrels, racks for magazines in addition to displays for videotapes and quality child care reference material will be purchased. Any remaining appropriation in the first year and predominately all of the appropriation during the second year will be used to purchase/replace office furniture, e.g., desk chairs and side chairs, etc., used by Division field staff and their clients.

In addition the Division requests an increase in character 02 appropriation in order to cover a one time moving expense (\$10,000) from the Division's current Main Street location to the new complex. The Division also requests \$68,500 each year of the biennium to cover the projected annual increase in rent due to the planned move.

The total federal appropriation request for this character is \$89,000 for SFY 2002 and \$79,000 for SFY 2003.

Character 06: The Division does not have sufficient Compensatory Time appropriation to meet its administrative needs. This request would provide \$6,000 (SFY '02) and \$10,000 (SFY '03) for this purpose.

Character 11: The Division is requesting \$45,000 in SFY '02 and \$21,000 in SFY '03 for capital appropriation necessary to purchase new library shelving to complete the refitting of the Child Care Resource Room that will be moved to the new Donaghey complex. In addition, the Division will use the requested appropriation to purchase an Automated Filing and Retrieving System to be used by the Child Care Licensing Unit. These systems are floor to ceiling units that provide the same storage capacity in less than half the wall space.

As outlined in the Division's Information System Plan (ISP) additional appropriation is requested in the amount of \$84,750 for SFY '02 and \$91,250 for SFY '03 to purchase PC systems, printers and a projector. Along with the replacement of existing hardware, the Division has begun reengineering its various legacy systems. In SFY '02 the new licensing system will be complete. However, the Division is requesting appropriation that will allow the purchase of 30 portable systems, which utilize "Tough Book" technology. This will allow Licensing Specialist to collect needed health, safety and quality information while doing their reviews and thereby reduce or

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eliminate duplication of effort. Currently the information is collected and maintained in a written record then limited information is keyed to a mainframe system which has proven costly to run and maintain. Each portable system is estimated at \$4,288.

The total federal appropriation request for this character is \$258,390 for SFY 2002 and \$125,114 SFY 2003.

**Personnel Reclassifications, Upgrade and CLIP:**

DCCECE requests the upgrade of its Child Care Licensing Specialists from grade 18's to grade 19's due to the difficulty in maintaining experienced and knowledgeable staff capable of working effectively with providers in order to improve health, safety and quality concerns.

After the development of the new Division an analysis of the staffing needs took place. The Division working with the DHS/Division of Administrative Services, Personnel Unit and OPM conducted an extensive job audit on a number of professional staff positions assigned to the Division. That "audit" resulted in a number of reclassifications recommended by OPM. These reclassifications are reflected in the Divisions biennium change request.

In addition, the increase in overtime (Character 06) requested will require a proportional increase in Personal Service Matching as well as the increased increases due to the CLIP program. The total federal appropriation requested for Salaries and Matching due to the above is

	SFY 2002	SFY 2003
Regular Salaries	\$133,832	\$137,310
Personal Serv Match	24,926	26,245

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## ARKANSAS BUDGET SYSTEM DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE DHS-Division of Child Care & Early Childhood ED.		1999-01 Expenditures				2001-03 Biennium Request				2001-03 Executive Recommendation			
Appropriations		Actual	No. of	Budgeted	No. of	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code	Name	1999-00	Pos.	2000-01	Pos.	2001-02	Pos.	2002-03	Pos.	2001-02	Pos.	2002-03	Pos.
A33	Loan Guarantee/Grants - Cash	\$15,179		\$500,000		\$500,000		\$500,000		\$500,000		\$500,000	
176	DCC Administration - Operations	6,929,737	108	9,606,402	107	10,205,614	109	10,168,581	109	10,057,587	108	10,012,189	108
320	Childcare Development Fund-Discretionary	10,974,246		13,791,878		21,291,878		21,741,878		21,291,878		21,741,878	
405	Childcare Grants	17,726,225		21,151,883		25,443,625		28,012,702		25,443,625		28,012,702	
890	Food Program - Federal	24,809,465		27,000,000		29,500,000		32,400,000		29,500,000		32,400,000	
APPROPRIATION NOT REQUESTED													
1AF	Childcare Development Block Grants												
<b>TOTALS</b>		<b>\$60,454,852</b>	<b>108</b>	<b>\$72,050,163</b>	<b>107</b>	<b>\$86,941,117</b>	<b>109</b>	<b>\$92,823,161</b>	<b>109</b>	<b>\$86,793,090</b>	<b>108</b>	<b>\$92,666,769</b>	<b>108</b>
Funding Sources			% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances		\$420,212	0.7%	\$440,311	0.6%	\$440,311	0.5%			\$440,311	0.5%	\$430,649	0.5%
General Revenues		5,672,214	9.3%	6,071,878	8.4%	6,089,968	7.1%	6,108,528	6.7%	7,089,968	8.1%	7,108,528	7.6%
Special Revenues				200,000	0.3%	200,000	0.2%	200,000	0.2%	200,000	0.2%	200,000	0.2%
Federal Funds		54,767,459	89.9%	65,278,285	90.0%	78,993,460	91.6%	84,856,890	92.6%	78,993,460	90.6%	84,856,890	91.2%
Constitutional Officers Fund													
State Central Services Fund													
Non-Revenue Receipts													
Cash Funds		35,278	0.1%	500,000	0.7%	500,000	0.6%	500,000	0.5%	500,000	0.6%	500,000	0.5%
Other													
<b>Total Funding</b>		<b>60,895,163</b>	<b>100.0%</b>	<b>72,490,474</b>	<b>100.0%</b>	<b>86,223,739</b>	<b>100.0%</b>	<b>91,665,418</b>	<b>100.0%</b>	<b>87,223,739</b>	<b>100.0%</b>	<b>93,096,067</b>	<b>100.0%</b>
Excess Appro./ (Funding)		(440,311)		(440,311)		717,378		1,157,743		(430,649)		(429,298)	
<b>TOTAL</b>		<b>\$60,454,852</b>		<b>\$72,050,163</b>		<b>\$86,941,117</b>		<b>\$92,823,161</b>		<b>\$86,793,090</b>		<b>\$92,666,769</b>	
DEPARTMENT				DIRECTOR					DEPARTMENT APPROPRIATION SUMMARY				
Department of Human Services Division of Child Care and Early Childhood Education				Kurt Knickrehm, Director					BR 40				
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## ARKANSAS BUDGET SYSTEM DEPARTMENT PROGRAM SUMMARY

AGENCY TITLE	1999-01 Expenditures				2001-03 Biennium Request				2001-03 Executive Recommendation			
	Actual 1999-00	No. of Pos.	Budgeted 2000-01	No. of Pos.	Year 1 2001-02	No. of Pos.	Year 2 2002-03	No. of Pos.	Year 1 2001-02	No. of Pos.	Year 2 2002-03	No. of Pos.
<b>Department of Human Services</b>												
<b>Division of Child Care/Early Childhood ED.</b>												
<b>Administration</b>												
Director	\$469,039	2	\$1,013,677	3	\$1,337,983	3	\$1,228,459	3	\$1,329,366	3	\$1,215,088	3
Family Support	1,792,130	32	2,000,639	32	2,044,927	33	2,074,412	33	2,027,948	33	2,056,993	33
Regulatory	2,058,295	49	2,286,409	48	2,462,690	49	2,499,825	49	2,362,581	48	2,397,126	48
Financial Management	602,989	16	757,973	14	771,108	14	781,826	14	766,272	14	776,863	14
Program Development	2,007,284	10	3,547,704	10	3,588,906	10	3,584,059	10	3,571,420	10	3,566,119	10
<b>Grants &amp; Aids</b>												
Loan Guarantees/Grant	15,179		500,000		500,000		500,000		500,000		500,000	
Childcare Development Fund-Discretionary	10,974,246		13,791,878		21,291,878		21,741,878		21,291,878		21,741,878	
Childcare Grant	17,726,225		21,151,883		25,443,625		28,012,702		25,443,625		28,012,702	
Food Program	24,809,465		27,000,000		29,500,000		32,400,000		29,500,000		32,400,000	
<b>TOTALS</b>	<b>\$60,454,852</b>	<b>109</b>	<b>\$72,050,163</b>	<b>107</b>	<b>\$86,941,117</b>	<b>109</b>	<b>\$92,823,161</b>	<b>109</b>	<b>\$86,793,090</b>	<b>108</b>	<b>\$92,666,769</b>	<b>108</b>
<b>Funding Sources</b>		<b>% of Total</b>		<b>% of Total</b>		<b>% of Total</b>		<b>% of Total</b>		<b>% of Total</b>		<b>% of Total</b>
Fund Balances	\$420,212	0.7%	\$440,311	0.6%	\$440,311	0.5%			\$440,311	0.5%	\$430,649	0.5%
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Special Revenues			200,000	0.3%	200,000	0.2%	200,000	0.2%	200,000	0.2%	200,000	0.2%
Federal Funds	54,767,459	89.9%	65,278,285	90.0%	78,993,460	91.6%	84,856,890	92.6%	78,993,460	90.6%	84,856,890	91.2%
Constitutional Officers Fund												
State Central Services Fund												
Non-Revenue Receipts												
Cash Funds	35,278	0.1%	500,000	0.7%	500,000	0.6%	500,000	0.5%	500,000	0.6%	500,000	0.5%
Other												
<b>Total Funding</b>	<b>60,895,163</b>	<b>100.0%</b>	<b>72,490,474</b>	<b>100.0%</b>	<b>86,223,739</b>	<b>100.0%</b>	<b>91,665,418</b>	<b>100.0%</b>	<b>87,223,739</b>	<b>100.0%</b>	<b>93,096,067</b>	<b>100.0%</b>
Excess Appro./ (Funding)	(440,311)		(440,311)		717,378		1,157,743		(430,649)		(429,298)	
<b>TOTAL</b>	<b>\$60,454,852</b>		<b>\$72,050,163</b>		<b>\$86,941,117</b>		<b>\$92,823,161</b>		<b>\$86,793,090</b>		<b>\$92,666,769</b>	
<b>DEPARTMENT</b>			<b>DIRECTOR</b>					<b>DEPARTMENT PROGRAM SUMMARY</b>				
Department of Human Services Division of Child Care and Early Childhood Education			Kurt Knickrehm, Director					BR 22				
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The variance in the actual number of positions between the Appropriation Summary (BR40) and the Program Summary (BR22) is due to positions that have been paid in more than one cost center.

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
2001 - 2003**

The Arkansas Child Care Facilities Guarantee Loan Fund was created to provide loan guarantees to assist with the development of new or expand existing day care facilities with target areas specifically in low income, rural areas of the State that show demonstrated need for expanded, good basic child care. Arkansas Code Annotated §20-78-503 created the Arkansas Child Care Facilities Loan Guarantee Trust Fund with initial funds derived from interest income on the investment of state funds. Funds are authorized in \$100,000 annual increments up to a balance of \$350,000. The State Treasurer can be contacted to replenish the fund when the balance reaches or falls below \$100,000. The funds are designated as Cash Funds and the Agency is authorized to accept monies for the Fund from any source in addition to the allocations from the State Treasurer. The fund is a continuing fund and not subject to fiscal year limitations. Interest that has accrued during a fiscal year that is not required to cover loan defaults occurring that fiscal year is made available for nonrefundable grants to child care facilities for start-up, development, training scholarships, or expansion.

The Division of Child Care and Early Childhood Education is authorized to develop and implement necessary rules and regulations to receive, review, and approve applications for loan deficiency guarantee assistance. Revision of a loan guarantee may be approved when it becomes necessary to ensure adequate childcare financing is available. Loan guarantees should be given the following considerations: geographic distribution; community need; community income, with priority given to those communities with the lowest median family income; proof of viable administrative and financial management; and intended licensure of the facility. The Division is required to report the status of the Loan Guarantee Fund to the Legislative Council each October. In the most recent report (as of October 1, 2000), the Division reports that there are currently six (6) guarantees in place totaling \$103,300. These facilities were assisted with start-up and construction. Further, over 50 jobs were created and 299 childcare slots were established. The Division staff report that the funds in this appropriation are maintained as Certificates of Deposit and as the CDs mature they are reissued. The reissuing results in utilization of appropriation even though funds may not have been expended.

The Agency is requesting a continuation of the Base Level appropriation in the amount of \$500,000 for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Child Care and Early Childhood Education  Code: 710	Name: Early Childhood Loan/Guarantee Cash  Code: A33	Name: DHS-Early Childhood DCV Loan Guar.  Code: 124	BUDGET REQUEST  BR20	<b>175</b>

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	EXPENDITURES		00-01	01-02 FISCAL YEAR			02-03 FISCAL YEAR			RECOMMENDATIONS			
	99-00	00-01	AUTHORIZED	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO							01-02	02-03	01-02	02-03
LOAN GUARANTEE/GRANTS	15,179	500,000	500,000	500,000	0	500,000	500,000	0	500,000	500,000	500,000		
<b>TOTAL</b>	<b>15,179</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>		
<b>PROPOSED FUNDING SOURCES</b>													
FUND BALANCES	420,212	440,311	XXXXXXXXXXXX	440,311		440,311	440,311		440,311	440,311	440,311		
GENERAL REVENUES			XXXXXXXXXXXX										
SPECIAL REVENUES			XXXXXXXXXXXX										
FEDERAL FUNDS			XXXXXXXXXXXX										
STATE CENTRAL SERVICES FUND			XXXXXXXXXXXX										
NON-REVENUE RECEIPTS			XXXXXXXXXXXX										
CASH FUNDS	35,278	500,000	XXXXXXXXXXXX	500,000		500,000	500,000		500,000	500,000	500,000		
OTHER			XXXXXXXXXXXX										
<b>TOTAL FUNDING</b>	<b>455,490</b>	<b>940,311</b>	<b>XXXXXXXXXXXX</b>	<b>940,311</b>		<b>940,311</b>	<b>940,311</b>		<b>940,311</b>	<b>940,311</b>	<b>940,311</b>		
EXCESS APPRO/ (FUNDING)	( 440,311)	( 440,311)	XXXXXXXXXXXX	( 440,311)		( 440,311)	( 440,311)		( 440,311)	( 440,311)	( 440,311)		
<b>TOTAL</b>	<b>15,179</b>	<b>500,000</b>	<b>XXXXXXXXXXXX</b>	<b>500,000</b>		<b>500,000</b>	<b>500,000</b>		<b>500,000</b>	<b>500,000</b>	<b>500,000</b>		

DEPT 019 DEPARTMENT OF HUMAN SERVICES  
 AGY 710 DEPARTMENT OF HUMAN SERVICES  
 APPRO A33 CHILD CARE/EARLY CHILDHOOD-EARLY CHILDHOOD COMM CASH  
 FUND 124 DHS-EARLY CHILDHOOD DCV LOAN GUAR-710

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET SYSTEM  
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The Division of Child Care and Early Childhood Education was created within the Department of Human Services to accommodate the Type 2 transfer pursuant to Arkansas Code Annotated § 25-2-105, of the Early Childhood Commission and the Administration of the Arkansas Better Chance (ABC) program from the Department of Education. Act 1132 of 1997 authorized the transfer of the Early Childhood Commission and the 2% Administrative component of the ABC program to the Department of Human Services. The ABC program administration transfer is under an interagency/contractual agreement with the Department of Education. Rules and Regulations pertaining to the ABC and final authority of the ABC Grant process remains with the Department of Education.

The effective date of operation of the new Division was August 10, 1997 pursuant to Act 1132 of 1997. Additionally, programs related to childcare within DHS were also transferred to the new Division. Programs that were transferred include day care eligibility, special nutrition and child care licensing and were transferred from the Division of Children and Family Services. **Creation of a new Division supports the requirement in the Federal Child Care and Development Fund for the establishment of a comprehensive, integrated service delivery system to meet the needs of low income families.**

Arkansas Code Annotated §§ 20-78-202-224 designates the newly created Division of Child Care and Early Childhood Education as the entity responsible for child care facilities in the State and replaces the Child Care Facility Review Board. The Board's authority for setting "standards governing the granting, revocation, refusal, and suspension of licenses for a child care facility and the operation of child care facilities in this state" is placed with the Division of Child Care. Child care facilities are defined in ACA § 20-78-202 as "any facility which provides care, training, education, or supervision for any unrelated minor child, whether or not the facility is operated for profit, and whether or not the facility makes a charge for the services offered by it." Included in the description of childcare facilities are nurseries, nursery schools, kindergartens, day care centers and family day care homes. Day care facilities does not include programs for religious instruction; drop-in programs associated with churches, shopping, etc.; public or private educational facilities, kindergarten and higher grades; recreational programs; juvenile or serious offender programs; foster homes; group homes or custodial institutions.

The Division of Child Care and Early Childhood Education has four (4) distinct operational units:

**Program Support:** This area includes Grants; Professional Development and Training; Guarantee and ADFA Loan Funds; Direct Service Contracts; Information and Referral; Technical Assistance; Arkansas Better Chance Program; Child Care Resource Center and Program Approval and Accreditation

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Child Care and Early Childhood Education  Code: 710	Name: Child Care/Early Childhood - Operations  Code: 176	Name: DHS - Administration  Code: DCC	BUDGET REQUEST  BR20	177

**ARKANSAS BUDGET SYSTEM  
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**Family Support:** Day Care Subsidies; Eligibility Determination; Consumer/Parent Education and Liaison Activities with Children and Family Services/Protective Services Day Care and County Operations/Relative Care

**Special Nutrition:** Child & Adult Care Food Program; Summer Nutrition Program; School Lunch & Breakfast Program and Special Milk Program

**Licensing:** Facility Licensing; Voluntary Registration (homes); Criminal Background Checks; and Technical Assistance/Development Activities

Arkansas Code Annotated § 6-45-105 created The Arkansas Better Chance Program. This program provides funding to expand the availability of developmentally appropriate early childhood programs including such programs as Head Start, Home Instruction Program for Preschool Youngsters, Therapeutic Child Development Programs and Parents As Teachers. Availability of these programs will foster improved skill development of children, particularly those who have been identified as "at-risk" and enhance the probability of overall educational success. Approximately 8,000 children participate in the program annually.

With the start of the 1991-92 school year, grants or contracts were awarded to appropriate early childhood programs for children three (3) to five (5) years of age according to specific programmatic standards and promulgated according to Arkansas Code Annotated § 25-15-201. This is a voluntary program with no legislative requirement for parents to enroll their children or for school districts to participate.

Annual notification to school districts and other appropriate providers of funding availability is required. The notification must also include the programmatic standards and eligibility criteria to receive funding. Entities that may apply for funding are any non-profit, nondenominational early childhood programs and local school districts that want to operate an early childhood program.

A maximum of two (2%) percent of the available funds for the program may be set aside to administer the Better Chance Program.

Act 1132 of 1997 authorized "That part of the General Education Division of the Department of Education pertaining to operations of the Early Childhood Commission, including only the two percent (2%) administrative component of the Better Chance Program, is hereby transferred by a Type 2 transfer as provided in § 25-2-105 to the Department of Human Services, Division of Child Care and Early Childhood Education." Contracts are with Public Schools and Cooperatives. The Division of Child Care and Early Childhood Education

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
<b>Name: DHS-Division of Child Care and Early Childhood Education</b>  <b>Code: 710</b>	<b>Name: Child Care/Early Childhood - Operations</b>  <b>Code: 176</b>	<b>Name: DHS - Administration</b>  <b>Code: DCC</b>	<b>BUDGET REQUEST</b>  <b>BR20</b>	<b>178</b>

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
2001 - 2003**

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makes recommendations to the Department of Education/State Board of Education for final determination as to contract awards. The matching ratio for the contracts is 60 percent State and 40 percent Local funds. The funds can be used for teachers, transportation and administrative operations. These funds can not be used to supplant other funds required to be expended by the school districts and cooperatives.

Arkansas Code Annotated § 6-45-105(b) authorizes the General Education Division of the Department of Education to contract with the Division of Child Care and Early Childhood Education, Arkansas Department of Human Services to administer the Better Chance Program.

Arkansas Code Annotated § 20-78-501 created the Arkansas Early Childhood Commission. The Commission is the coordinating entity for early childhood initiatives that provide services involving child care facilities; early childhood programs such as Head Start and Home Instruction Program for Preschool Youngsters (HIPPY); and training of professionals in the field of early childhood education. Specific duties and responsibilities of the Commission are as follows:

- Advise the Division of Child Care and Early Childhood Education on the administration of the Arkansas Child Care Facilities Loan Guarantee Trust Fund;
- Provide technical assistance in design of training programs developed for professional growth and development including an annual comprehensive training plan for providers;
- Development of a State comprehensive long-range plan for early childhood programs that include expansion, development and implementation. The plan is to further include recommendations of allocation and expenditure of funds included in the Arkansas Better Chance Program;
- Establish communication and coordinated efforts among state agencies that provide early childhood programs in an effort to eliminate duplicated services;
- Advise appropriate state agencies regarding the development of program standards for early childhood programs funded by the General Education Division of the Department of Education;
- Advocate local community awareness and support of child care and early childhood education;

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
<b>Name: DHS-Division of Child Care and Early Childhood Education</b>  <b>Code: 710</b>	<b>Name: Child Care/Early Childhood - Operations</b>  <b>Code: 176</b>	<b>Name: DHS - Administration</b>  <b>Code: DCC</b>	<b>BUDGET REQUEST</b>  <b>BR20</b>	<b>179</b>

**ARKANSAS BUDGET SYSTEM  
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The Commission is composed of eighteen (18) members appointed by the Governor with Senate confirmation and serving three (3) year terms. The Chairperson is elected annually by the Commission members. Specific member representation is as follows:

- Three (3) members affiliated with child care provider agencies, organizations, or programs;
- One (1) member affiliated with Head Start program;
- One (1) member affiliated with a Hippy program;
- One (1) public school administrator;
- One (1) public school teacher with early childhood responsibilities;
- Director/designee of Department of Health;
- Chair/designee, House Subcommittee on Children and Youth of the House Committee on Aging, Children and Youth, Legislative and Military Affairs;
- One (1) early childhood education professional;
- One (1) parent of a child who attends a child care program;
- One (1) Director/designee, DOE Division of Vocation and Technical Education;
- One (1) Director/designee, DOE General Education Division;
- Two (2) business persons interested in early childhood education; and
- Chair/designee, Senate Committee on Children and Youth;
- Chair/designee of each House and Senate Committee on Education.

The eleven member committee of the Arkansas Early Childhood Commission is known as the Child Care Appeal Review Panel (§20-78-206, §20-78-213). This Panel serves as a review and appeal body regarding disputes between providers and the Division concerning substantial compliance with the published standards, licensing complaints, denials of alternative compliance requests and adverse action.

Funding for this appropriation is derived from General Revenue, Federal Revenue from Child Nutrition, Child Care Development Block Grant, Child Care Development Fund consisting of Mandatory, Matching and Discretionary funds and Other Revenue from Child Care Provider License Fees.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Child Care and Early Childhood Education	Name: Child Care/Early Childhood - Operations	Name: DHS – Administration	BUDGET REQUEST	180
Code: 710	Code: 176	Code: DCC	BR20	

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
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The Agency Base Level request for this appropriation is \$9,693,466 for FY2002 and \$9,790,912 for FY2003 with 107 budgeted Base Level positions. This includes a payplan increase of 2.6% each year over the FY2001 salary levels for all incumbents plus appropriate Personal Services Matching costs.

The Agency Change Level request totals \$512,148 for FY2002 and \$377,669 for FY2003, with no additional General Revenue funding, and is comprised of the following:

- ◆ Operating Expenses appropriation is requested in the amount of \$89,000 for FY2002 and \$79,000 for FY2003. This increase is requested to cover costs associated with rent and moving expenses and for purchases such as office and display furniture.
- ◆ Capital Outlay appropriation is requested in the amount of \$258,390 for FY2002 and \$125,114 for FY2003. This request is for two (2) automated filing and retrieving systems, office equipment and furniture, library shelving. Also, in conjunction with the Division IT Plan, for desktop computers, notebook computers, printers, portable projector, and portable palm size data collecting systems called "Tough Book Technology".
- ◆ Overtime appropriation is requested to be establish in the amount of \$6,000 for FY2002 and \$10,000 for FY2003, for projected utilization of compensation time.
- ◆ Restoration of two (2) positions to provide for flexibility.
- ◆ Utilization of the Career Ladder Incentive Program (CLIP).
- ◆ Additional appropriation is requested for reclassifications to help ensure retention and recruitment and more appropriately align position classification to job duties.
- ◆ Additional appropriation is requested for upgrades to help ensure retention and recruitment and more appropriately align position classification to job duties.

The Executive Recommendation provides for Base Level, which includes a 2.6% payplan increase for all positions on July 1 of each year of the biennium along with accompanying employee matching requirements. Additionally, appropriation has been recommended for Operating Expenses in the amount of \$89,000 for FY2002 and \$79,000 for FY2003 and for Capital Outlay in the amount of \$258,390 for FY2002 and \$125,114 for FY2003. Also, restoration of one (1) position is recommended to provide for flexibility.

The Career Ladder Incentive Program (CLIP) and certain reclasses are recommended but may differ from the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Child Care and Early Childhood Education  Code: 710	Name: Child Care/Early Childhood - Operations  Code: 176	Name: DHS - Administration  Code: DCC	BUDGET REQUEST  BR20	181

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	EXPENDITURES		00-01	01-02 FISCAL YEAR			02-03 FISCAL YEAR			RECOMMENDATIONS			
	99-00	00-01	AUTHORIZED	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO							01-02	02-03	01-02	02-03
REGULAR SALARIES	2,661,838	3,085,568	2,906,989	3,177,980	133,632	3,311,612	3,260,608	137,310	3,397,918	3,191,413	3,274,389		
NUMBER OF POSITIONS	108	107	109	107	2	109	107	2	109	108	108		
EXTRA HELP	115,699	153,796	153,798	153,796	0	153,796	153,796	0	153,796	153,796	153,796		
NUMBER OF POSITIONS	13	13	13	13	0	13	13	0	13	13	13		
PERSONAL SERV MATCHING	813,795	900,033	882,752	894,685	24,926	919,611	909,503	26,245	935,748	897,983	912,885		
OVERTIME	0	0	0	0	6,000	6,000	0	10,000	10,000	0	0		
OPERATING EXPENSES	1,417,851	1,283,808	1,149,559	1,283,808	89,000	1,372,808	1,283,808	79,000	1,362,808	1,372,808	1,362,808		
CONF FEES & TRAVEL	58,265	66,791	66,791	66,791	0	66,791	66,791	0	66,791	66,791	66,791		
PROF FEES & SERVICES	1,367,324	3,516,406	1,244,217	3,516,406	0	3,516,406	3,516,406	0	3,516,406	3,516,406	3,516,406		
CAPITAL OUTLAY	30,432	0	0	0	258,390	258,390	0	125,114	125,114	258,390	125,114		
GRANTS/AIDS	0	0	0	0	0	0	0	0	0	0	0		
DATA PROCESSING SERVICES	464,533	600,000	634,800	600,000	0	600,000	600,000	0	600,000	600,000	600,000		
<b>TOTAL</b>	<b>6,929,737</b>	<b>9,606,402</b>	<b>7,058,106</b>	<b>9,693,466</b>	<b>512,148</b>	<b>10,205,614</b>	<b>9,790,912</b>	<b>377,669</b>	<b>10,168,581</b>	<b>10,057,587</b>	<b>10,012,189</b>		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	480,931	549,583	*****	567,673		567,673	586,233		586,233	567,673	586,233		
SPECIAL REVENUES		200,000	*****	200,000		200,000	200,000		200,000	200,000	200,000		
FEDERAL FUNDS	6,448,806	8,856,819	*****	8,925,793	354,459	9,280,252	9,004,679	219,926	9,224,605	9,280,252	9,224,605		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
<b>TOTAL FUNDING</b>	<b>6,929,737</b>	<b>9,606,402</b>	*****	<b>9,693,466</b>	<b>354,459</b>	<b>10,047,925</b>	<b>9,790,912</b>	<b>219,926</b>	<b>10,010,838</b>	<b>10,047,925</b>	<b>10,010,838</b>		
EXCESS APPRO/ (FUNDING)			*****		157,689	157,689		157,743	157,743	9,662	1,351		
<b>TOTAL</b>	<b>6,929,737</b>	<b>9,606,402</b>	*****	<b>9,693,466</b>	<b>512,148</b>	<b>10,205,614</b>	<b>9,790,912</b>	<b>377,669</b>	<b>10,168,581</b>	<b>10,057,587</b>	<b>10,012,189</b>		

DEPT 019 DEPARTMENT OF HUMAN SERVICES  
 AGY 710 DEPARTMENT OF HUMAN SERVICES  
 APPRO 176 CHILD CARE/EARLY CHILDHOOD - OPERATIONS  
 FUND FWP DHS-(710)ADMIN PAYING

APPROPRIATION SUMMARY

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LINE ITEMS IN WHICH ACTUAL OR BUDGETED AMOUNTS EXCEED THE AUTHORIZED LEVELS HAVE BEEN INCREASED THROUGH THE TRANSFER AUTHORITY GRANTED TO THE DEPARTMENT IN SECTION 84, ACT 1537 OF 1999.

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		2001 - 03 BIENNIAL REQUESTS				R E C O M M E N D A T I O N S							
					ACTUAL	BUDGETED	FY 2001 - 02		FY 2002 - 03		EXECUTIVE		LEGISLATIVE					
					99-00	00-01	REQUEST	REQUEST	2001-02	2002-03	2001-02	2002-03						
000		PWP	710 176	B	6,929,737 108	9,606,402 107	9,693,466 107				9,790,912 107				9,710,197 107	9,808,075 107		
001		PWP	710 176 300 01 DCCECE DIRECTOR	C04			7,069 0				11,782 0							
<p>The Division requests appropriation in the amount of \$7,069 in 2002 (\$6,000 salaries with \$1,069 match) and \$11,782 in 2003 (\$10,000 salaries with \$1,782 match) is requested to be utilized as Character 06 Compensation Time. These figures are based on an estimated 300 hours claimed for SFY 2002 and 500/hrs for SFY 2003. The rate of pay was projected at \$20/hr.</p>																		
001		PWP	710 176 300 01 DCCECE DIRECTOR	C06			10,500 0				10,500 0				10,500	10,500		
<p>Character 02 appropriation is requested in order to purchase replacement office furniture, e.g., chairs, tables, etc., for DCCECE field staff and well as furniture to refit the new Child Care Resource Center. Because of the move to the new Donaghey complex it will be necessary to purchase new display furniture, such as, racks for magazines in addition to displays for videotapes and quality child care reference material. The Division is requesting appropriation in the amount of \$10,500 each year of the biennium.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES  
 AGY 710 DEPARTMENT OF HUMAN SERVICES  
 APPRO 176 CHILD CARE/EARLY CHILDHOOD - OPERATIONS  
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ARKANSAS BUDGET SYSTEM

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RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		2001 - 03 BIENNIAL REQUESTS						RECOMMENDATIONS					
					ACTUAL	BUDGETED	FY 2001 - 02		FY 2002 - 03				EXECUTIVE		LEGISLATIVE			
					99-00	00-01	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	2001-02	2002-03	2001-02	2002-03		
001		PWP	710 176 300 01 DCCECE DIRECTOR	C07			78,500 0					68,500 0			78,500	68,500		
<p>The Division is requesting additional appropriation in character 02 in order to accomplish to major activities. The first a request of an additional \$68,500 annually to be used to cover the increased cost of rent in the new Donaghey complex. The second major activity is to provide appropriation that will be used to move the Division to the new complex. This cost \$10,000 is based on the cost of moving the Division to its current location in the Main Street Mall.</p> <p>The Division requests appropriation in the amount of \$78,500 in 2002 and \$68,500 in 2003.</p>																		
001		PWP	710 176 300 01 DCCECE DIRECTOR	C08			213,390 0					104,114 0			213,390	104,114		
<p>The Division, as outlined in its Information System Plan (ISP), will replace approximately 1/3 of its PC systems (30) and 1/4 of its printers (25) each year of the biennium. DCCECE also plans to purchase in SFY '02 1 portable projector to be used for training purposes (\$6,000). During SFY 2003 5 notebook computers will be purchased (\$12,500). The Division has begun reengineering its child care licensing system. A major component of this system will be the use of Licensing Specialist portable "tough book technology" to collect data on health &amp; safety issues while in the field. Each system, i.e., tough book/printer and carrying case, is estimated at \$4,288 each. The Division will purchase 30 such systems the first year and three the second. Appropriation requested is \$213,390 ('02) and \$104,144 ('03).</p>																		
001		PWP	710 176 300 01 DCCECE DIRECTOR	C09			0 0					0 0						
<p>DCCECE requests that 1 administrative support position be CLIP approved. The position is identified in detail on the OPM personnel document (OPM 01).</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES  
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RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		2001 - 03 BIENNIAL REQUESTS				RECOMMENDATIONS								
					ACTUAL 99-00	BUDGETED 00-01	FY 2001 - 02 REQUEST		FY 2002 - 03 REQUEST		EXECUTIVE		LEGISLATIVE						
001		PWP	710 176 300 01 DCCECE DIRECTOR	C10			3,231 0			3,315 0									
<p>Based on a job audit conducted by DHS/DAS under the direction of OPM, DCCECE is requesting the reclassification of one position held by the Program Support Manager, grade 22 to a Program Administrator, grade 23. Position functions primarily as Division's chief fiscal officer.</p>																			
001		PWP	710 176 300 02 FAMILY SUPPORT	C05			0 1			0 1					1	1			
<p>DCCECE requests that position 710T-0100 - Clerical Assistant (K023), grade 10 that is currently unbudgeted remain available to the Division for the forthcoming biennium. The Division has limited staff and relies heavily on Extra Help and Temporary Employees because of our inability to hire quality staff in entry level positions. With the initiation of CLIP the Division may be able to attract quality candidates into these positions.</p>																			
001		PWP	710 176 300 02 FAMILY SUPPORT	C09			5,909 0			6,061 0									
<p>DCCECE requests that 5 clerical and administrative support positions be CLIP approved. The positions are identified in detail on the OPM personnel document (OPM 01).</p>																			

DEPT 019 DEPARTMENT OF HUMAN SERVICES  
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 APPRD 176 CHILD CARE/EARLY CHILDHOOD - OPERATIONS  
 FUND PWP DHS-(710)ADHIN PAYING

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ARKANSAS BUDGET SYSTEM

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01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		2001 - 03 BIENNIAL REQUESTS						RECOMMENDATIONS					
					ACTUAL	BUDGETED	FY 2001 - 02			FY 2002 - 03			EXECUTIVE		LEGISLATIVE			
					99-00	00-01	REQUEST	REQUEST	REQUEST	REQUEST	2001-02	2002-03	2001-02	2002-03				
001		PWP	710 176 300 02 FAMILY SUPPORT	C10			14,728	0			15,111	0						
<p>Based on a job audit conducted by DHS/DAS under the direction of OPM, DCCECE is requesting the following reclassification. One DHS Program Coordinator, grade 20 to Program Coordinator, grade 21. This position functions as the Administrator for the Family Support Section. In addition, a reclassification is requested for four DHS Program Analyst, Grade 18 to Quality Control Review Supervisor, Grade 19 and one Management Project Analyst I, grade 18 to a Quality Control Review Supervisor. During the previous biennium the Quality Control Reviewer's whom these positions supervise received a class up grade from grade 17's to 18's. This has led to grade compression so that the supervisors and workers are the same grade. In addition, one Social Service Rep. II is requested to be reclassified to a Adm. Assistant II.</p>																		
001		PWP	710 176 300 03 REGULATORY	C05			0	1			0	1						
<p>DCCECE requests that positions 710T-099 Clerical Assistant (K023), grade 10 and Position 710T-0056 Secretary I (K155), grade 11 that are currently unbudgeted remain available to the Division for the forthcoming biennium. The Division has limited staff and relies heavily on Extra Help and Temporary Employees because of our inability to hire quality staff in entry level positions. With the initiation of CLIP the Division may be able to attract quality candidates into these positions.</p>																		
001		PWP	710 176 300 03 REGULATORY	C07			27,000	0			16,000	0			27,000	16,000		
<p>The Child Care Licensing Section maintains a large number of files Child Care Licensing files. DCCECE is requesting character 11 appropriation to purchase two "automated filing and retrieving systems". Each system provides the same storage capacity as approximately 12-four drawer filing cabinets within half the wall space. If this method proves efficient the Division will consider installing an additional system for use by the Special Nutrition program the following year. In addition \$5,000 is requested each year of the biennium to replace broken or outdated office equipment or furniture for field staff. DCCECE requests \$27,000 for SFY 2002 and \$16,000 for SFY 2003 in appropriation.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES  
 AGY 710 DEPARTMENT OF HUMAN SERVICES  
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ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	2001 - 03 BIENNIIUM REQUESTS						R E C O M M E N D A T I O N S							
					EXPENDITURES		FY 2001 - 02		FY 2002 - 03		EXECUTIVE		LEGISLATIVE					
					ACTUAL	BUDGETED	REQUEST	REQUEST	2001-02	2002-03	2001-02	2002-03						
					99-00	00-01												
001		PWP	710 176 300 03 REGULATORY	C09				9,223 0				9,461 0						
<p>DCCECE requests that 6 clerical and administrative support positions be CLIP approved. The positions are identified in detail on the OPM personnel document (OPM 01).</p>																		
001		PWP	710 176 300 03 REGULATORY	C10				18,759 0				19,224 0						
<p>Based on a job audit conducted by DHS/DAS under the direction of OPM, DCCECE is requesting the following reclassifications. <u>One</u> DHS Staff Supervisor, grade 21 Program Support Manager grade 22. This position functions as the Administrator of the Child Care Licensing Section of the Division. In addition <u>one</u> DHS Program Coordinator, grade 20 to a DHS Staff Supervisor, grade 21. This position serves as office manager of the Licensing Unit and oversees the criminal records check function of the unit. Reclassification of <u>four</u> DHS Staff Supervisors, grade 19 to DHS Program Coordinator, grade 20. These positions supervisor the Child Care Licensing Specialists who conduct health and safety - minimum licensing standard reviews of child care providers statewide. In addition, <u>one</u> Social Service Rep. II is requested to be reclassified to an Adm. Assistant II.</p>																		
001		PWP	710 176 300 03 REGULATORY	C11				75,324 0				77,273 0						
<p>The Division of Child Care and Early Childhood Education in conjunction with DCFS requests a class Upgrade (of one grade, from a grade 18 to 19) for our Child Care Licensing Specialists. The Division currently utilizes 34 of these positions to conduct health and safety - minimum licensing standard reviews of child care providers statewide. In addition to conducting unannounced reviews the Specialist are expected to investigate complaints involving child safety the Specialist monitor and provide technical a assistants to providers regarding "quality" child care issues.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES  
 AGY 710 DEPARTMENT OF HUMAN SERVICES  
 APPRO 176 CHILD CARE/EARLY CHILDHOOD - OPERATIONS

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ARKANSAS BUDGET SYSTEM

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01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		2001 - 03 BIENNIAL REQUESTS						RECOMMENDATIONS					
					ACTUAL 99-00	BUDGETED 00-01	FY 2001 - 02 REQUEST		FY 2002 - 03 REQUCST				EXECUTIVE		LEGISLATIVE			
001		PWP	710 176 300 04 FINANCIAL MANAGEMENT	C09			11,171 0				11,461 0							
<p>DCCECE requests that 12 clerical and administrative positions be CLIP approved. The positions are identified in detail on the OPM personnel document (OPM 01).</p>																		
001		PWP	710 176 300 04 FINANCIAL MANAGEMENT	C10			1,878 0				1,927 0							
<p>Based on a job audit conducted by DHS/DAS under the direction of OPM, DCCECE is requesting the following reclassification. One Grants Coordinator I, grade 17 to DHS Program Coordinator, grade 20. The position supervises the Summer Food Service program within the Special Nutrition Program.</p>																		
001		PWP	710 176 300 05 PROGRAM DEVELOPMENT	C07			18,000 0				5,000 0			18,000	5,000			
<p>The Division is requesting Character 11 appropriation that will be used to purchase new library shelving. This capital purchase is necessary to refit the Child Care Resource Room which will be moved to the new Donaghey complex. The current shelving is "built in" and cannot be moved. The request is \$18,000 for SFY 2002 and \$5,000 for SFY 2003 in appropriation.</p>																		

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 AGY 710 DEPARTMENT OF HUMAN SERVICES  
 APPRD 176 CHILD CARE/EARLY CHILDHOOD - OPERATIONS  
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ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

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01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		2001 - 03 BIENNIUM REQUESTS						RECOMMENDATIONS					
					ACTUAL	BUDGETED	FY 2001 - 02		FY 2002 - 03				EXECUTIVE		LEGISLATIVE			
					99-00	00-01	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	2001-02	2002-03	2001-02	2002-03
001		PWP	710 176 300 05 PROGRAM DEVELOPMENT	C09			2,465 0					2,529 0						
<p>DCCECE requests that 2 clerical and administrative support positions be CLIP approved. The positions are identified in detail on the OPM personnel document (OPM 01).</p>																		
001		PWP	710 176 300 05 PROGRAM DEVELOPMENT	C10			15,021 0					15,411 0						
<p>Based on a job audit conducted by DHS/DAS under the direction of OPM, DCCECE is requesting the following reclassifications: <u>one</u> position held by the Administrator of the Program Development Section from a DHS Program Coordinator, grade 20 to a Program Administrator grade 21. In addition this position currently supervises three grade 20's in addition to the following staff. The "Job Audit" also recommended the following: <u>One</u> Business Controller I, grade 15 to a Grants Coordinator II, grade 19; <u>one</u> Secretary II's to an Adm. Assistant II, grade 17; <u>One</u> Adm. Assistant I to a Grants Coordinator II, grade 19; <u>one</u> Business Controller I, grade 15 to a MPA I, grade 18 and <u>one</u> Secretary II, grade 13 to a Grants Coordinator I, grade 17.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES  
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 FUND PWP DHS-(710)ADHIN PAYING

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**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
2001 - 2003**

The Child Care and Development Block Grant is a part of the new federal Child Care and Development Fund (CCDF) as a result of the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. **The CCDF consolidates childcare assistance programs and requires states to develop an integrated service delivery system to meet the needs of low income families.** This appropriation is for the Discretionary category of funds.

Block Grant Allocations for Arkansas are as follows:

<u>Year</u>	<u>Allocation</u>
1997	\$11,896,059
1998	\$11,955,572
1999	\$12,073,248
2000	\$14,108,936
*2001	\$14,102,749

\*A slight decrease due to the allocated portion that is earmark for school age resource and referral.

Specifically, these funds are targeted for low income working families and those transitioning off welfare to obtain child care so they can work or obtain the training necessary to obtain employment or attend educational programs that will lead to employment. This appropriation and funding will replace Appropriation 1AF. The funding source for this appropriation is 100% Federal funds through the U. S. Department of Health and Human Services, Administration on Children and Families (DHHS/ACF).

The Agency Base Level request for this appropriation is \$13,791,878 for each year of the biennium.

The Agency Change Level request totals \$7,500,000 for FY2002 and \$7,950,000 for FY2003. The increase each year is to accommodate the anticipated growth in childcare services.

The Executive Recommendation provides for the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: DHS - Division of Child Care and Early Childhood Education  Code: 710	Name: Child Care/Early Childhood Child Care Dev. -Discretionary  Code: 320	Name: DHS - Federal  Code: FWF	BR20	190

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			00-01			-----01-02 FISCAL YEAR-----			-----02-03 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	99-00	00-01	00-01	01-02 FISCAL YEAR			02-03 FISCAL YEAR			EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	01-02	02-03	01-02	02-03			
GRANTS/AIDS	10,974,246	13,791,878	10,954,109	13,791,878	7,500,000	21,291,878	13,791,878	7,950,000	21,741,878	21,291,878	21,741,878					
<b>TOTAL</b>	<b>10,974,246</b>	<b>13,791,878</b>	<b>10,954,109</b>	<b>13,791,878</b>	<b>7,500,000</b>	<b>21,291,878</b>	<b>13,791,878</b>	<b>7,950,000</b>	<b>21,741,878</b>	<b>21,291,878</b>	<b>21,741,878</b>					
PROPOSED FUNDING SOURCES			XXXXXXXXXXXX													
FUND BALANCES			XXXXXXXXXXXX													
GENERAL REVENUES			XXXXXXXXXXXX													
SPECIAL REVENUES			XXXXXXXXXXXX													
FEDERAL FUNDS	10,974,246	13,791,878	XXXXXXXXXXXX	13,791,878	7,500,000	21,291,878	13,791,878	7,950,000	21,741,878	21,291,878	21,741,878					
STATE CENTRAL SERVICES FUND			XXXXXXXXXXXX													
NON-REVENUE RECEIPTS			XXXXXXXXXXXX													
CASH FUNDS			XXXXXXXXXXXX													
OTHER			XXXXXXXXXXXX													
<b>TOTAL FUNDING</b>	<b>10,974,246</b>	<b>13,791,878</b>	<b>XXXXXXXXXXXX</b>	<b>13,791,878</b>	<b>7,500,000</b>	<b>21,291,878</b>	<b>13,791,878</b>	<b>7,950,000</b>	<b>21,741,878</b>	<b>21,291,878</b>	<b>21,741,878</b>					
EXCESS APPRO/ (FUNDING)			XXXXXXXXXXXX													
<b>TOTAL</b>	<b>10,974,246</b>	<b>13,791,878</b>	<b>XXXXXXXXXXXX</b>	<b>13,791,878</b>	<b>7,500,000</b>	<b>21,291,878</b>	<b>13,791,878</b>	<b>7,950,000</b>	<b>21,741,878</b>	<b>21,291,878</b>	<b>21,741,878</b>					

DEPT 019 DEPARTMENT OF HUMAN SERVICES  
 AGY 710 DEPARTMENT OF HUMAN SERVICES  
 APPRO 320 CHILD CARE/EARLY CHILDHOOD-CHILD CARE DEV DISCRETIONARY  
 FUND FWF DHS-(710)FEDERAL

APPROPRIATION SUMMARY

BR 215

LINE ITEMS IN WHICH ACTUAL OR BUDGETED AMOUNTS EXCEED THE AUTHORIZED LEVELS HAVE BEEN INCREASED THROUGH THE TRANSFER AUTHORITY GRANTED TO THE DEPARTMENT IN SECTION 84, ACT 1537 of 1999.

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		-----2001 - 03 BIENNIIUM REQUESTS-----				-----RECOMMENDATIONS-----								
					ACTUAL	BUDGETED	-----FY 2001 - 02-----		-----FY 2002 - 03-----		-----EXECUTIVE-----		-----LEGISLATIVE-----						
					99-00	00-01	REQUEST	REQUEST	2001-02	2002-03	2001-02	2002-03							
000		FWF	710 320	B	10,974,246	13,791,878	13,791,878			13,791,878				13,791,878	13,791,878				
							0			0									
001		FWF	710 320 300 02 FAMILY SUPPORT	C01			7,500,000			7,950,000				7,500,000	7,950,000				
							0			0									
	<p>This appropriation represents the component within the Child Care Development Fund - block grant designated Discretionary Fund. This fund was created for the purpose of replacing the Child Care and Development Block Grant (CCDBG). This Discretionary fund is comprised of 100% federal funds that primarily provide subsidized child care to low-income working families. In addition, to providing subsidy this fund also contains specified program earmarks, such as money for Infant and Toddler program and well as quality child care initiatives. Both houses of Congress are proposing additional fund. The Division is requesting an increase in appropriation in the amount of \$7,500,000 for 2002 and \$7,950,000 for 2003.</p>																		

DEPT 029 DEPARTMENT OF HUMAN SERVICES  
 AGY 710 DEPARTMENT OF HUMAN SERVICES  
 APPRO 320 CHILD CARE/EARLY CHILDHOOD-CHILD CARE DEV DISCRETIONARY  
 FUND FWF DHS-(710)FEDERAL

RANK BY APPROPRIATION

BR 264

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
2001 - 2003**

The passage of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193 established the Child Care and Development Fund (CCDF). This fund supports all childcare activities conducted across the state by providing assistance for low-income families and families transitioning off welfare with childcare so they can work or attend training or educational programs. Subsidized childcare is available to eligible parents via the state's day care voucher program with the Division of Child Care and Early Childhood Education. Parents may select any legally operating childcare provider in the state. Childcare providers must meet State basic required health and safety requirements. Included are such requirements as immunizations, building safety and health and safety training. A minimum of four percent (4%) of CCDF funds **must be utilized for the improvement in quality childcare** and offer additional services to parents. Allowable expenditures under the 4% can be used for resource and referral counseling regarding appropriate childcare for meeting children's needs and improvement in health and safety.

In the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, there is specific funding designated for Child Care. Funding received under the Child Care Development Fund by states is in three categories:

- Mandatory - Base allocations for states
- Matching - Additional available funds if states spend base allocations and provide state match above Maintenance of Effort
- Discretionary - Funding designated as the Child Care Development Block Grant  
(Detailed information can be found in Appropriation 320)

Funding Allocations for Arkansas are as follows:

<u>Year</u>	<u>Mandatory</u>	<u>Matching</u>
1997	\$5,300,283	\$6,627,908
1998	\$5,300,283	\$7,864,823
1999	\$5,300,283	\$8,737,512
2000	\$5,300,283	\$10,399,236
2001	\$5,300,283	\$12,188,550

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Child Care and Early Childhood Education	Name: Child Care/Early Childhood Child Care Grant	Name: DHS Grants Fund	BUDGET REQUEST	<b>193</b>
Code: 710	Code: 405	Code: DGF	BR20	

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
2001 - 2003**

States must maintain an expenditure level of General Revenues spent on childcare in FY94 or FY95 whichever is higher, to receive the Mandatory Funding. The state match for Matching Funds is calculated using the Medicaid Match rates for FY95. The Maintenance of Effort (MOE) for TANF child care can be included in the total required MOE for the TANF block grant; however, a separate MOE is required for funds received for childcare under the Child Care Development Fund.

Additionally, the Division of Child Care and Early Childhood Education administers a Head Start Collaboration Grant which supports Head Start, Early Childhood and State initiatives by expanding the emphasis on and impact of collaborative efforts related to the success of children involved in these programs.

The funding sources for this appropriation is General Revenue and Federal funds received through the U. S. Department of Health and Human Services, Administration for Children and Families, Child Care Bureau. The Agency Base Level request for this appropriation is \$21,151,883 for each year of the biennium.

The Agency Change Level request for this appropriation totals \$4,291,742 for FY2002 and \$6,860,819 for FY2003. The increase is based on projected growth in the program and an anticipated increase in federal funding to support childcare activities on behalf of people transitioning off welfare and low-income working families.

The Executive Recommendation provides for the Agency Request. Additionally, \$1,000,000 in General Revenue is being recommended to enhance the availability of childcare for low income working parents and TEA families to help ensure childcare services so that parents and families can continue in gainful employment and support their families.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
<b>Name: DHS-Division of Child Care and Early Childhood Education</b>  <b>Code: 710</b>	<b>Name: Child Care/Early Childhood Child Care Grant</b>  <b>Code: 405</b>	<b>Name: DHS Grants Fund</b>  <b>Code: DGF</b>	<b>BUDGET REQUEST</b>  <b>BR20</b>	<b>194</b>

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			-----01-02 FISCAL YEAR-----			-----02-03 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	99-00 ACTUAL	00-01 BUDGETED	00-01 AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										01-02	02-03	01-02	02-03
GRANTS/AIDS	17,726,225	21,151,883	21,634,105	21,151,883	4,291,742	25,443,625	21,151,883	6,860,819	28,012,702	25,443,625	28,012,702		
<b>TOTAL</b>	<b>17,726,225</b>	<b>21,151,883</b>	<b>21,634,105</b>	<b>21,151,883</b>	<b>4,291,742</b>	<b>25,443,625</b>	<b>21,151,883</b>	<b>6,860,819</b>	<b>28,012,702</b>	<b>25,443,625</b>	<b>28,012,702</b>		
PROPOSED FUNDING SOURCES			XXXXXXXXXXXX										
FUND BALANCES			XXXXXXXXXXXX										
GENERAL REVENUES	5,191,283	5,522,295	XXXXXXXXXXXX	5,522,295		5,522,295	5,522,295		5,522,295	5,522,295	5,522,295		
SPECIAL REVENUES			XXXXXXXXXXXX										
FEDERAL FUNDS	12,534,942	15,629,588	XXXXXXXXXXXX	15,629,588	3,291,742	18,921,330	15,629,588	5,860,819	21,490,407	18,921,330	21,490,407		
STATE CENTRAL SERVICES FUND			XXXXXXXXXXXX										
NON-REVENUE RECEIPTS			XXXXXXXXXXXX										
CASH FUNDS			XXXXXXXXXXXX										
OTHER			XXXXXXXXXXXX										
<b>TOTAL FUNDING</b>	<b>17,726,225</b>	<b>21,151,883</b>	<b>XXXXXXXXXXXX</b>	<b>21,151,883</b>	<b>3,291,742</b>	<b>24,443,625</b>	<b>21,151,883</b>	<b>5,860,819</b>	<b>27,012,702</b>	<b>25,443,625</b>	<b>28,012,702</b>		
EXCESS APPRO/ (FUNDING)			XXXXXXXXXXXX		1,000,000	1,000,000		1,000,000	1,000,000				
<b>TOTAL</b>	<b>17,726,225</b>	<b>21,151,883</b>	<b>XXXXXXXXXXXX</b>	<b>21,151,883</b>	<b>4,291,742</b>	<b>25,443,625</b>	<b>21,151,883</b>	<b>6,860,819</b>	<b>28,012,702</b>	<b>25,443,625</b>	<b>28,012,702</b>		

DEPT 019 DEPARTMENT OF HUMAN SERVICES  
 AGY 710 DEPARTMENT OF HUMAN SERVICES  
 APPRO 405 CHILD CARE/EARLY CHILDHOOD-CHILD CARE GRANT  
 FUND 06F DHS GRANTS FUND-(710)

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		2001 - 03 BIENNIAL REQUESTS						RECOMMENDATIONS					
					ACTUAL	BUDGETED	FY 2001 - 02			FY 2002 - 03			EXECUTIVE		LEGISLATIVE			
					99-00	00-01	REQUEST	REQUEST	REQUEST	REQUEST	2001-02	2002-03	2001-02	2002-03				
000		PWP	710 405	B	17,726,225	21,151,883	21,151,883				21,151,883	0		21,151,883				
001		PWP	710 405 300 02 FAMILY SUPPORT	C01			4,291,742				6,860,819	0		4,291,742	6,860,819			
<p>This request is for the projected growth in the federal components (excluding the Discretionary Fund) that comprise the Child Care Development Fund block grant. These components are dedicated to providing child care services in support of welfare reform (TEA and TCC families). This portion of the grant has experienced a consistent growth of 9.91% during the past four years. The Division is requesting increased appropriation in the amount of \$4,291,742 for SFY 2002 and \$6,860,819 for 2003.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES  
 AGY 710 DEPARTMENT OF HUMAN SERVICES  
 APPRO 405 CHILD CARE/EARLY CHILDHOOD-CHILD CARE GRANT  
 FUND FWP DHS-(710)ADMIN PAYING

RANK BY APPROPRIATION

BR 264

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
2001 - 2003**

The Child Care Food Program is 100% federally funded by the U. S. Department of Agriculture and reimburses qualified organizations for nutritious meals provided in public and non-profit licensed child care centers, adult day care centers, day care homes and outside-school-hours centers. Private for profit organizations may qualify if they receive payments under Title XX of the Social Security Act for at least twenty-five percent of their clients. Residential programs are not eligible for participation in this food program. Adult day care centers eligible for participation include proprietary Title XIX or Title XX funded centers licensed by Federal, State or Local authorities and provide adult day care services on a less than 24-hour basis.

Eligibility is restricted to children who are twelve years of age and younger or fifteen for children of migrant workers; individuals with physical or mental disabilities of any age as long as the majority of enrollees are under 18 years old; and persons 60 years or older or chronically impaired people with disabilities. Chronically impaired includes persons with Alzheimer's disease and related disorders with neurological and organic brain dysfunction.

A "sponsoring organization" is a public or non-profit private organization that is totally responsible for the administration of a food program with the following eligible to participate in the program:

- One or more day care homes
- A child care center, outside-school-hours care centers, or adult day care center which is a legally distinct entity from the sponsoring organization
- Two or more child care centers, outside-school-hours care centers, or adult day care centers
- Any combination of child care centers, adult day care centers, day care homes, and outside-school-hours care centers

A for-profit organization can also be a "sponsoring organization" as long as the organization is entirely responsible for the administration of the program. The organization may be the sponsor for any combination of two or more child care centers, adult day care centers and outside-school-hours care centers that are a legal entity of the sponsoring organization and are proprietary Title XIX or Title XX centers. A recent reinterpretation of program regulations by the USDA will allow limited participation by private-for-profit providers.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Child Care & Early Childhood Education  Code: 710	Name: Child Care/Early Childhood Food Program - Federal  Code: 890	Name: DHS-Federal  Code: FWF	BUDGET REQUEST  BR20	197

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
2001 - 2003**

Programs that participate in the child care food program may be reimbursed for two meals and one supplement or two supplements and one meal per child per day. Reimbursement rates are based on the Consumer Price Index and meal service provided and are announced annually. Sponsoring organizations of day care homes are paid administrative fees of \$80.00 per home per month for the initial 50 homes; \$61.00 for the next 150 homes; \$48.00 the next 800 homes; and \$42.00 additional homes.

In addition to the Child Care Food Program, the National School Lunch Program, Special Milk Program, and the Summer Food Service Program are also administered by the Division of Child Care and Early Childhood Education and are 100% federally funded by the U.S. Department of Agriculture.

Under the National School Lunch Program any school may participate. School is defined as (1) "an educational unit of a high school grade or operating under public or non-profit private ownership in a single building or complex of buildings; (2) any public or non-profit private child care institution, or distinct part of such institution, which maintains children in residence, operates principally for the care of children, and if private, is licensed to provide residential child care services under their appropriate licensing code by the State or a subordinate level of government, with the exception of residential summer camps which participate in the Summer Food Service Program for Children, Job Corps Centers funded by the Department of Labor and private foster homes." Residential child care includes but is not limited to homes for individuals with mental, emotional, or physical disabilities; unmarried mothers and their infants; group homes; half way houses; temporary shelters for abused children; juvenile detention centers. Residential children must be under 21 years of age. Institutions may be reimbursed for breakfast and lunch. Second meals are not reimbursable.

Special Milk Program allows participation by any school or non-profit child care institution upon request as long it does not participate in a meal service program authorized under the Child Nutrition Act of 1966. Institutions are reimbursed based on the number of half-pints of milk served to participating children. **There is no limit on the number of half-pints of milk, per child, per day that may be claimed in the Special Milk Program.**

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Child Care & Early Childhood Education	Name: Child Care/Early Childhood Food Program - Federal	Name: DHS-Federal	BUDGET REQUEST	198
Code: 710	Code: 890	Code: FWF	BR20	

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
2001 - 2003**

Summer Food Service Program provides nutritious meals and snacks to children during the summer months. Sites must have at least 50% of the children eligible for Free and Reduced-Priced school meals. Meals are available to children without regard to age, color, sex, race, national origin, or disability. Camps and migrant centers may be reimbursed for up to four (4) meals per day. Other sites may be reimbursed up to two meals per day. Second meals may be reimbursable as long as the number does not exceed 2% of the number of first meals served.

There are specific criteria that each entity or organization must meet for continued participation in either of the four programs outlined such as:

- Requirements for a Reimbursable Meal
- Serving Times for Meals
- Record Keeping
- Training

The Agency Base Level request for this appropriation is \$27,000,000 for each year of the Biennium.

The Agency Change Level request totals \$2,500,000 for FY2002 and \$5,400,000 for FY2003. The requested increases are based on anticipated growth in the program as well as anticipated Congressional action.

The Executive Recommendation provides for the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Child Care & Early Childhood Education	Name: Child Care/Early Childhood Food Program - Federal	Name: DHS-Federal	BUDGET REQUEST	<b>199</b>
Code: 710	Code: 890	Code: FWF	BR20	

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	EXPENDITURES		00-01	01-02 FISCAL YEAR			02-03 FISCAL YEAR			RECOMMENDATIONS			
	99-00	00-01	AUTHORIZED	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO							01-02	02-03	01-02	02-03
GRANTS/AIDS	24,809,465	27,000,000	29,000,000	27,000,000	2,500,000	29,500,000	27,000,000	5,400,000	32,400,000	29,500,000	32,400,000		
TOTAL	24,809,465	27,000,000	29,000,000	27,000,000	2,500,000	29,500,000	27,000,000	5,400,000	32,400,000	29,500,000	32,400,000		
PROPOSED FUNDING SOURCES			#####										
FUND BALANCES			#####										
GENERAL REVENUES			#####										
SPECIAL REVENUES			#####										
FEDERAL FUNDS	24,809,465	27,000,000	#####	27,000,000	2,500,000	29,500,000	27,000,000	5,400,000	32,400,000	29,500,000	32,400,000		
STATE CENTRAL SERVICES FUND			#####										
NON-REVENUE RECEIPTS			#####										
CASH FUNDS			#####										
OTHER			#####										
TOTAL FUNDING	24,809,465	27,000,000	#####	27,000,000	2,500,000	29,500,000	27,000,000	5,400,000	32,400,000	29,500,000	32,400,000		
EXCESS APPRO/ (FUNDING)			#####										
TOTAL	24,809,465	27,000,000	#####	27,000,000	2,500,000	29,500,000	27,000,000	5,400,000	32,400,000	29,500,000	32,400,000		

DEPT 019 DEPARTMENT OF HUMAN SERVICES  
 AGY 710 DEPARTMENT OF HUMAN SERVICES  
 APPRO 890 CHILD CARE/EARLY CHILDHOOD-FOOD PROGRAM-FED  
 FUND FWF DHS-(710)FEDERAL

APPROPRIATION SUMMARY

BR 215