

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

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

- FY2000 \$22,567,582 in unfunded appropriation, (\$22,517,582 federal, \$50,000 cash), and
- FY2001 \$26,453,941 in unfunded appropriation, (\$26,403,941 federal, \$50,000 cash).

Of the total amount of unfunded federal appropriation the Division is requesting permanent federal appropriation in the amount of \$8,568,582 for FY00 and \$5,403,941 in FY01. This 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 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 and sectarian child care providers.

Appropriation 1AF:

This appropriation supports the Child Care and Development Block grant (CCDBG). This grant was the first block grant dedicated to supporting subsidized care for low-income working parents. This block grant is being terminated by the federal government and funding is being transferred to the new Child Development Fund. The CCDBG funds will remain available for a portion of FY00. DCCECE is therefore, requesting no changes in federal appropriation for FY2000 in order to liquidate any remaining obligations.

Appropriation 229:

The initiating acts that created DCCECE brought together four program sections that support child care. This creation also brought together three funding appropriations. One the largest, identified as 879, originated from Children and Family Services and two from the Department of Education. Funding appropriation 176 is for the Arkansas Better Chance (ABC) program and the other appropriation is titled 229 and is 100% federal. This appropriation 229, is identified historically with the services provided by the Early Childhood Commission. The division is requesting appropriation 229 be combined with the 879

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1999 - 2001**

appropriation which is currently shared with DCC and a new single appropriation DCC be established. This request will simplify and streamlined the Division's budgeting process.

Appropriation A33:

Act 1132 of 1997, which created DCCECE also provided state funds for the Arkansas Child Care Facilities Loan Guarantee Trust Fund to guarantee loans for the expansion or development of child care facilities in Arkansas. The fund was initially established with \$350,000 in general revenue. These funds by statute are invested (CD's) in financial institutions. By practice the monies are located in institutions from which the loans to assist child care providers were made. As these CD mature and are reinvested appropriation is utilized even though actual funds are not expended. In FY99 the base appropriation was raised to \$500,000 to accommodate this program. An additional \$50,000 in unfunded appropriation is requested for each year of the biennium to ensure adequate appropriation.

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 component functionally replaces appropriation 1AF (The Child Care and Development Block Grant). This program is earmarked to serve low-income working parents. The requested increase in appropriation is for expected growth within the program.

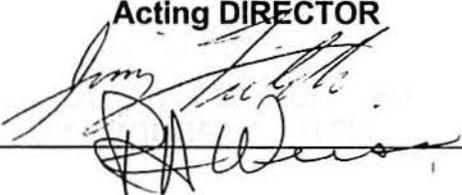
Appropriation 405:

This appropriation reflects the balance of the federal programs under the new Child Care Development Fund. These programs prioritize funding for TEA families and the promotion/expansion of quality child care. These funds have experienced 14% average increase in funding over the past three years. These increases are expected to continue and the increase in appropriation reflects this plan.

Appropriation 890:

The Division is also requesting \$14,000,000 and \$21,000,000 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

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**ARKANSAS BUDGET SYSTEM
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- National School Lunch
- Summer Food
- Special Milk

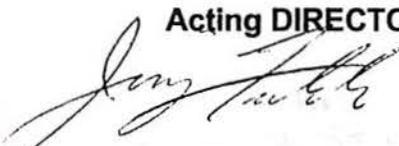
These programs combine to provide cash reimbursement to child care providers. The providers are reimbursed at a set rate for nutritious meals and snacks served to children. The program is also geared to teach children good nutritional habits for life. The unfunded federal appropriation that is being requested (FY00 \$14 million and FY01 \$21 million) should be viewed in two parts. The first is approximately \$4 million in appropriation request for each year of the binnium. This appropriation will cover normal growth that is occurring within the program. This program is currently uncapped and funding will expand, within the foreseeable future, to meet any documented need. The second part of the request represents pending federal legislation that will impact the program in two ways. The first is that with the exception of the Summer Food component, the eligibility limit for clients is age 12 and under. This age limit is expected to be expanded by congress to age 18. This will ensure more children are eligible to participate. The second expected change is the increase in reimbursement rates for family or group day care homes participation in the Child and Adult Care Food program.

Appropriation DCC:

Personnel Reclassifications and Upgrade:

With the development of the new Division an analysis of the staffing needs took place. All of the Division's programmatic sections (four) are managed by an administrator; however; one is a grade 21 the others are grade 20's. All have equal authority and responsibility. Our largest unit Licensing has grade 18's who report to grade 19 supervisors. In the other two units, the workers are grade 17's who report to grade 18 supervisors and in one case a grade 17 supervisor. The Division proposes to be allowed to levelize the positions upward by one grade for the line staff and supervisor staff (two grades for the grade 17 supervisor). This would allow the movement of staff between programs during the year to accommodate their seasonal fluctuations and reduce the need for additional permanent staff. This proposal would affect:

- 3 administrators' grade 20 (DHS Program Coordinator),
- 5 - 4 supervisor's grade 18 (DHS Program Analyst), one supervisor grade 17 (Grant Coordinator I)
- 23 grade 17 line staff.
 - 14 Quality Assurance Reviewers - These individuals conduct client eligibility for subsidized child care.

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- 9 Grant Coordinators - These individuals conduct provider eligibility monitoring for the SNP program.

The division relies heavily on technical resources to provide and track services. We extensively rely on two mainframe systems and three Windows NT servers. This integration of old and new technology is at the hart of our resource exchange. The Division plans to replace approximately one third (estimated at 30) of our PC systems every year. We plan this replacement of hardware/software because it is cost effective to do so. We have found that older technology not only makes employees less productive, but older systems are difficult to maintain and effectively upgrade. Additional purchases/plans are outlined in DCCECE Information System's Plan. The division is requesting \$81,900 in character 11 appropriation, for capital purchases of technical hardware for each year of the biennium.

Extra Help:

Due to the limitations placed on the number of staff the Division may utilize due to cap restrictions, DCCECE has relied heavily on the use of Extra Help and Temporary Services workers. This use of flexible workers has worked surprisingly well despite the need for additional supervision and the need to retrain workers due to frequent turnover. This turnover is due to service restrictions regarding how long a division may use an extra help employee within a state fiscal year. The Division has been able to temporarily borrow extra help positions during the current biennium from other sister agencies. However, to ensure service delivery DCCECE is requesting five (5) additional extra help positions in addition to the eight (8) extra help positions currently being utilized by the Division for a total of 13 positions.

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CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 1998

AGENCY: 710 - DHS-Division of Child Care/Early Childhood Education

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
Appro. A33 124-01	\$41,518.80	Money Market	Mercantile Bank	Act 1132, Section 27, 20-78-503, (c)" . . . used to guarantee loans for the expansion or development of child care facilities in this state . . ."
				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: N/A
				REVENUE RECEIPTS CYCLE: N/A
				FUND BALANCE UTILIZATION: N/A
ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
Appro. A33 124-02	\$ 100,000	CD	Merchants & Farmers BK - Dumas, AR	Act 1132, Section 27, 20-78-503, (c)" . . . used to guarantee loans for the expansion or development of child care facilities in this state . . ."
	\$ 25,000	CD	First State Bank - Crossett, AR	
	\$ 100,000	CD	Commercial Bank of Alma	
	\$ 50,000	CD	Merchants & Planters Bk - Newport, AR	
	\$ 75,000	CD	McIlroy Bank & Trust - Fayetteville, AR	
				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: N/A
				REVENUE RECEIPTS CYCLE: N/A
				FUND BALANCE UTILIZATION: Act 1132, Section 27, 20-78-504,(b) "...Division shall review the fund balance at least quarterly and report to the State Treasurer when the balance reaches or falls below one hundred thousand dollars (\$100,000). At that time the State Treasure shall again pay cash funds as authorized in subsection (a) of this section until the balance of the fund reaches \$350,000."

ARKANSAS BUDGET SYSTEM DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE		1997-99				1999-01				1999-01			
DHS Division of Child Care & Early Childhood Ed.		Expenditures				Biennium Request				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	1997-98	Pos.	1998-99	Pos.	1999-00	Pos.	2000-01	Pos.	1999-00	Pos.	2000-01	Pos.
DCC	Administration	\$3,835,499	84	\$5,279,169	88	\$5,372,798	88	\$5,457,696	88	\$5,312,270	88	\$5,395,480	88
A33	Guaranteed Loan - Cash	350,016	0	500,000	0	550,000	0	550,000	0	500,000	0	500,000	0
1AF	Child Care Development Block Grant	1,055,608	0	6,113,641	0	6,113,641	0	0	0	6,113,641	0	0	0
176	Arkansas Better Chance Program - Admin	89,195	2	168,121	2	168,679	2	170,313	2	168,679	2	170,313	2
229	Early Childhood Commission - Federal	1,156,834	7	1,459,211	9	1,465,240	9	1,474,679	9	1,462,939	9	1,472,313	9
320	Child Care Development Fund-Discretionary	0	0	8,850,168	0	9,954,109	0	10,954,109	0	9,954,109	0	10,954,109	0
405	Child Care Grant	19,626,321	0	18,334,105	0	19,634,105	0	21,634,105	0	19,634,105	0	21,634,105	0
890	Food Program - Federal	21,088,814	0	22,000,000	0	36,000,000	0	43,000,000	0	27,000,000	0	29,000,000	0
TOTALS		\$47,202,287	93	\$62,704,415	99	\$79,258,572	99	\$83,240,902	99	\$70,145,743	99	\$69,126,320	99
Funding Sources			% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances													
General Revenues		3,137,199	6.7%	3,334,542	5.4%	3,356,030	4.2%	3,363,738	4.0%	3,356,030	4.8%	3,363,738	4.9%
Special Revenues													
Federal Funds		43,351,832	91.8%	58,650,709	93.5%	75,092,014	94.8%	79,064,948	95.1%	66,089,713	94.2%	65,062,582	94.1%
Constitutional Officers Fund													
Merit Adjustment Fund				19,164	0.0%								
Non-Revenue Receipts													
Guarantee Loans/Grants		350,016	0.7%	500,000	0.8%	550,000	0.7%	550,000	0.7%	500,000	0.7%	500,000	0.7%
Child Care Provider License Fees		363,240	0.8%	200,000	0.3%	200,000	0.3%	200,000	0.2%	200,000	0.3%	200,000	0.3%
Total Funding		47,202,287	100.0%	62,704,415	100.0%	79,198,044	100.0%	83,178,686	100.0%	70,145,743	100.0%	69,126,320	100.0%
Excess Appro./ (Funding)		0		0		60,528		62,216		0		0	
TOTAL		\$47,202,287		\$62,704,415		\$79,258,572		\$83,240,902		\$70,145,743		\$69,126,320	
DEPARTMENT				DIRECTOR					DEPARTMENT APPROPRIATION SUMMARY				
Department of Human Services Division of Child Care and Early Childhood Education				Richard Weiss, Acting Director					BR 40				

ARKANSAS BUDGET SYSTEM DEPARTMENT PROGRAM SUMMARY

AGENCY TITLE	1997-99				1999-01				1999-01			
	Expenditures				Biennium Request				Executive Recommendation			
DEPARTMENT OF HUMAN SERVICES (710) DIVISION OF CHILD CARE/ EARLY CHILDHOOD	Actual 1997-98	No. of Pos.	Budgeted 1998-99	No. of Pos.	Year 1 1999-00	No. of Pos.	Year 2 2000-01	No. of Pos.	Year 1 1999-00	No. of Pos.	Year 2 2000-01	No. of Pos.
Director	\$4,604	0	\$322,696	0	\$214,762	0	\$214,762	0	\$214,762	0	\$214,762	0
Family Support	1,330,298	22	1,908,332	24	1,992,452	24	2,016,839	24	1,949,866	24	1,973,065	24
Regulatory	1,959,900	47	2,175,002	48	2,274,951	48	2,321,795	48	2,274,951	48	2,321,795	48
Financial Management	531,006	15	644,706	15	674,326	15	686,679	15	656,384	15	668,237	15
Program Development	9,691	0	228,433	1	216,307	1	217,621	1	216,307	1	217,621	1
Loan Guarantee/Grants	350,016	0	500,000	0	550,000	0	550,000	0	500,000	0	500,000	0
Child Care Development Block Grant	1,055,608	0	6,113,641	0	6,113,641	0	0	0	6,113,641	0	0	0
Arkansas Better Chance Program	89,195	2	168,121	2	168,679	2	170,313	2	168,679	2	170,313	2
Early Childhood Commission - Federal	1,156,834	7	1,459,211	9	1,465,240	9	1,474,679	9	1,462,939	9	1,472,313	9
Child Care - Discretionary	0	0	8,850,168	0	9,954,109	0	10,954,109	0	9,954,109	0	10,954,109	0
Child Care Grant	19,626,321	0	18,334,105	0	19,634,105	0	21,634,105	0	19,634,105	0	21,634,105	0
Food Program	21,088,814	0	22,000,000	0	36,000,000	0	43,000,000	0	27,000,000	0	29,000,000	0
TOTALS	\$47,202,287	93	\$62,704,415	99	\$79,258,572	99	\$83,240,902	99	\$70,145,743	99	\$69,126,320	99
Funding Sources		% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances												
General Revenues	3,137,199	6.7%	3,334,542	5.4%	3,356,030	4.2%	3,363,738	4.0%	3,356,030	4.8%	3,363,738	4.9%
Special Revenues												
Federal Funds	43,351,832	91.8%	58,650,709	93.5%	75,092,014	94.8%	79,064,948	95.1%	66,089,713	94.2%	65,062,582	94.1%
Constitutional Officers Fund												
Merit Adjustment Fund			19,164	0.0%								
Non-Revenue Receipts												
Guarantee Loan/Grants	350,016	0.7%	500,000	0.8%	550,000	0.7%	550,000	0.7%	500,000	0.7%	500,000	0.7%
Child Care Provider License Fees	363,240	0.8%	200,000	0.3%	200,000	0.3%	200,000	0.2%	200,000	0.3%	200,000	0.3%
Total Funding	47,202,287	100.0%	62,704,415	100.0%	79,198,044	100.0%	83,178,686	100.0%	70,145,743	100.0%	69,126,320	100.0%
Excess Appro./ (Funding)	0		0		60,528		62,216		0		0	
TOTAL	\$47,202,287		\$62,704,415		\$79,258,572		\$83,240,902		\$70,145,743		\$69,126,320	
DEPARTMENT DEPARTMENT OF HUMAN SERVICES DIVISION OF CHILD CARE/EARLY CHILDHOOD EDUCATION	DIRECTOR Richard Weiss, Acting Director				DEPARTMENT PROGRAM SUMMARY BR 22				106			

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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 child care 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, the Division reports that there are currently six (6) guarantees in place totaling \$80,366. Five (5) facilities were assisted in new construction and one (1) facility assisted with expansion activities. Further, over 30 jobs were created with construction and 328 child care slots were established. As of October 1, 1998, Loan Defaults totaled \$3,950. 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.

Base Level is \$500,000 each year of the biennium. The Division is requesting a Change Level increase of \$50,000 in appropriation each year to process the transactions as they occur.

The Executive Recommendation provides for Base Level.

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	107

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----		98-99	-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	AUTHORIZED	CHANGE		TOTAL	CHANGE		TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO	BASE	LEVEL	REQUEST	BASE	LEVEL	REQUEST	99-00	00-01	99-00	00-01
LOAN GUARANTEE/GRANTS	350,016	500,000	0	500,000	50,000	550,000	500,000	50,000	550,000	500,000	500,000		
TOTAL	350,016	500,000	0	500,000	50,000	550,000	500,000	50,000	550,000	500,000	500,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS	350,016	500,000	*****	500,000	50,000	550,000	500,000	50,000	550,000	500,000	500,000		
OTHER			*****										
TOTAL FUNDING	350,016	500,000	*****	500,000	50,000	550,000	500,000	50,000	550,000	500,000	500,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	350,016	500,000	*****	500,000	50,000	550,000	500,000	50,000	550,000	500,000	500,000		

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 CHILHOOD DCV LOAN GUAR-710

*Act 1132 of 1997 created the Division of Child Care and Early Childhood Education and under Type 2 Transfer pursuant to ACA §25-2-105, child care related responsibilities including Appropriation, Funding and Positions were transferred from the Department of Education and within the Department of Human Services to the Division of Child Care and Early Childhood Education.

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				1999 - 01 BIENNIUM REQUESTS				RECOMMENDATIONS					
					ACTUAL		BUDGETED		FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE			
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
000		124	710 A33	B	350,016	500,000	500,000	0	500,000	0				500,000	500,000			
001		124	710 A33 300 05 PROGRAM DEVELOPMENT	C03			50,000	0	50,000	0								
<p>Act 1132 of 1997, Section 26-28, amended Arkansas Code Annotated §20-78-504 & 505 regarding management of the Arkansas Child Care Facilities Loan Guarantee Trust Fund. This cash fund is required to be maintained in one or more financial institutions in the state. The fund is to be used to guarantee loans for the expansion or development of child care facilities in Arkansas. The funds are maintained as Certificates of Deposits and as the CDs mature they are reissued. Via the process of reissuing the CDs, cash appropriation is utilized even though funds may not have been expended. The Division, therefore, is requesting an additional \$50,000 in cash appropriation for each year of the biennium to handle the volume of transactions.</p>																		

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 CHILHOOD DCV LOAN GUAR-710

RANK BY APPROPRIATION
BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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 child care 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 child care 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

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Child Care and Early Childhood Education	Name: Child Care/Early Childhood State Operations	Name: DHS - Administration	BUDGET REQUEST	110
Code: 710	Code: DCC	Code: PWP	BR20	

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

Service Contracts; Information and Referral; Technical Assistance; Arkansas Better Chance Program; Child Care Resource Center and Program Approval and Accreditation

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

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

Base Level in FY00 totals \$5,312,270 with General Revenue of \$373,196 and \$5,395,480 in FY01 with General Revenue of \$379,270 and includes a 2.8% cost of living increase over FY99 salary levels and related personal services matching cost and includes 88 positions. Specific Change Levels include:

- Regular Salaries and Personal Services Matching of \$60,528 in FY00 and \$62,216 in FY01 to accommodate Upgrade/Reclassification requests for various positions throughout the Division.

The Executive Recommendation provides for the Base Level. **The Agency has requested, and the Executive has recommended, that a new General Revenue Fund Account be established for the Division of Child Care/Early Childhood Education, with this Appropriation receiving General Revenue funding from the new fund account. Further, the Agency has requested and the Executive has recommended that Appropriations DCC, 176 and 229 be consolidated into one appropriation to better reflect the operations of the Division.**

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Child Care and Early Childhood Education	Name: Child Care/Early Childhood State Operations	Name: DHS - Administration	BUDGET REQUEST	111
Code: 710	Code: DCC	Code: PWP	BR20	

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

Further, the Career Ladder Incentive program (CLIP) requests reflected in the Division's budget are intended to provide appropriate job classifications which may be utilized to promote classified employees who complete competency-based criteria during the biennium. The Executive Recommendation may reflect an adjustment in the requested CLIP levels for certain positions. These changes are to indicate the maximum job classification to which an employee would be expected to progress within the new biennium, based on the experience and other competency-based criteria required under the Program.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Child Care and Early Childhood Education	Name: Child Care/Early Childhood State Operations	Name: DHS - Administration	BUDGET REQUEST	112
Code: 710	Code: DCC	Code: PWP	BR20	

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----		98-99	-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	AUTHORIZED	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO							99-00	00-01	99-00	00-01
REGULAR SALARIES	2,011,312	2,363,582	0	2,497,706	50,053	2,548,559	2,567,639	52,282	2,619,921	2,497,706	2,567,639		
NUMBER OF POSITIONS	84	88	0	88	0	88	88	0	88	88	88		
EXTRA HELP	70,903	148,298	0	148,298	0	148,298	148,298	0	148,298	148,298	148,298		
NUMBER OF POSITIONS	6	6	0	6	5	11	6	5	11	11	11		
PERSONAL SERV MATCHING	552,835	740,213	0	769,975	9,675	779,650	783,252	9,934	793,186	769,975	783,252		
OPERATING EXPENSES	578,483	871,450	0	871,450	0	871,450	871,450	0	871,450	871,450	871,450		
CONF FEES & TRAVEL	20,090	30,841	0	30,841	0	30,841	30,841	0	30,841	30,841	30,841		
PROF FEES & SERVICES	228,959	360,000	0	360,000	0	360,000	360,000	0	360,000	360,000	360,000		
CAPITAL OUTLAY	0	130,785	0	0	0	0	0	0	0	0	0		
DATA PROCESSING SERVICES	372,917	634,000	0	634,000	0	634,000	634,000	0	634,000	634,000	634,000		
			*										
TOTAL	3,835,499	5,279,169	0	5,312,270	60,528	5,372,798	5,395,480	62,216	5,457,696	5,312,270	5,395,480		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	952,097	352,266	*****	373,196		373,196	379,270		379,270	373,196	379,270		
SPECIAL REVENUES			*****										
FEDERAL FUNDS	2,711,394	4,707,739	*****	4,739,074		4,739,074	4,816,210		4,816,210	4,739,074	4,816,210		
MERIT ADJUSTMENT FUND		19,164	*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
CHILD CARE PROVIDER LIC FEES	172,148	200,000	*****	200,000		200,000	200,000		200,000	200,000	200,000		
TOTAL FUNDING	3,835,499	5,279,169	*****	5,312,270		5,312,270	5,395,480		5,395,480	5,312,270	5,395,480		
EXCESS APPRO/ (FUNDING)			*****		60,528	60,528		62,216	62,216				
TOTAL	3,835,499	5,279,169	*****	5,312,270	60,528	5,372,798	5,395,480	62,216	5,457,696	5,312,270	5,395,480		

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

*Act 1132 of 1997 created the Division of Child Care and Early Childhood Education and under Type 2 Transfer pursuant to ACA §25-2-105, child care related responsibilities including Appropriation, Funding and Positions were transferred from the Department of Education and within the Department of Human Services to the Division of Child Care and Early Childhood Education.

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----		98-99 AUTHORIZED APPRO	-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED		BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										99-00	00-01	99-00	00-01
REGULAR SALARIES	2,239,876	2,678,509	0	2,827,812	52,787	2,880,599	2,906,989	54,270	2,961,259	2,827,812	2,906,989		
NUMBER OF POSITIONS	93	99	0	99	0	99	99	0	99	99	99		
EXTRA HELP	73,288	153,798	0	153,798	0	153,798	153,798	0	153,798	153,798	153,798		
NUMBER OF POSITIONS	8	8	0	8	5	13	8	5	13	13	13		
PERSONAL SERV MATCHING	617,680	837,842	0	867,711	10,042	877,753	882,752	10,312	893,064	867,711	882,752		
OPERATING EXPENSES	1,067,071	1,149,559	0	1,149,559	0	1,149,559	1,149,559	0	1,149,559	1,149,559	1,149,559		
CONF FEES & TRAVEL	39,195	66,791	0	66,791	0	66,791	66,791	0	66,791	66,791	66,791		
PROF FEES & SERVICES	491,764	1,244,217	0	1,244,217	0	1,244,217	1,244,217	0	1,244,217	1,244,217	1,244,217		
CAPITAL OUTLAY	179,737	141,785	0	0	0	0	0	0	0	0	0		
GRANTS/AIDS	0	0	0	0	0	0	0	0	0	0	0		
DATA PROCESSING SERVICES	372,917	634,000	0	634,000	0	634,000	634,000	0	634,000	634,000	634,000		
CHILD CARE APPROPRIATION CONSOLIDATION (Appropriations DCC, 176, and 229)													
TOTAL	5,081,528	6,906,501	0	6,943,888	62,829	7,006,717	7,038,106	64,582	7,102,688	6,943,888	7,038,106		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	1,041,242	520,387	*****	541,875		541,875	549,583		549,583	541,875	549,583		
SPECIAL REVENUES			*****										
FEDERAL FUNDS	3,868,138	6,166,950	*****	6,202,013	2,301	6,204,314	6,288,523	2,366	6,290,889	6,202,013	6,288,523		
MERIT ADJUSTMENT FUND		19,164	*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
CHILD CARE PROVIDER LIC FEES	172,148	200,000	*****	200,000		200,000	200,000		200,000	200,000	200,000		
TOTAL FUNDING	5,081,528	6,906,501	*****	6,943,888	2,301	6,946,189	7,038,106	2,366	7,040,472	6,943,888	7,038,106		
EXCESS APPRO/ (FUNDING)			*****		60,528	60,528		62,216	62,216				
TOTAL	5,081,528	6,906,501	*****	6,943,888	62,829	7,006,717	7,038,106	64,582	7,102,688	6,943,888	7,038,106		

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

THE AGENCY HAS REQUESTED, AND THE EXECUTIVE HAS RECOMMENDED, THAT A NEW GENERAL REVENUE FUND ACCOUNT BE ESTABLISHED FOR THE DIVISION OF CHILD CARE/EARLY CHILDHOOD EDUCATION, WITH THIS APPROPRIATION PAYABLE FROM THE NEW FUND ACCOUNT. FURTHER, THE AGENCY HAS REQUESTED AND THE EXECUTIVE HAS RECOMMENDED THAT APPROPRIATIONS DCC, 176 AND 229 BE CONSOLIDATED INTO ONE APPROPRIATION TO BETTER REFLECT THE OPERATIONS OF THE DIVISION.

APPROPRIATION SUMMARY

BR 215

A R K A N S A S B U D G E T S Y S T E M
 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-----		-----1999 - 01 BIENNIUM REQUESTS-----				-----R E C O M M E N D A T I O N S-----							
					---ACTUAL--- --BUDGETED---		-----FY 1999 - 00-----		-----FY 2000 - 01-----		-----EXECUTIVE-----		-----LEGISLATIVE-----					
					97-98	98-99	-----REQUEST-----		-----REQUEST-----		1999-00	2000-01	1999-00	2000-01				
000		PWP	710 DCC	B	3,835,499 84	5,279,169 88	5,312,270 88		5,395,480 88		5,312,270 88		5,395,480 88					
001		PWP	710 DCC 300 04 FINANCIAL MANAGEMENT	C01			0 0		0 0									
<p>Due to the limitations placed on the number of staff the Division may utilize due to cap restrictions. DCCECE has relied heavily on the use of Extra Help and Temporary Services workers. This use of flexible workers has worked surprisingly well despite the need for additional supervision and the need to retrain workers due to frequent turnover. The Division has been able to temporarily borrow extra help positions during the current biennium from other sister agencies. However, to ensure service delivery DCCECE is requesting five (5) additional extra help positions to be used to: determine and renew client eligibility for subsidized child care services; assist with criminal record checks for child care workers and assist with certain special projects, e.g., Arkansas Children's Week.</p>																		
001		PWP	710 DCC 300 04 FINANCIAL MANAGEMENT	C10			17,942 0		18,442 0									
<p>DCCECE requests that nine (9) Grant Coordinator I's positions assigned to the Child Care Food Program be reclassified to Quality Control Reviewers. These individuals conduct provider eligibility monitoring and training for the SNP programs. Because these individuals are responsible for reviewing and analyzing the performance of SNP providers and this performance forms the basis for their eligibility to participate in these federal programs the requested change in classification will more accurately describe their job function.</p>																		

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

RANK BY APPROPRIATION
 BR 264

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-----		-----1999 - 01 BIENNIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					---ACTUAL--- --BUDGETED---		-----FY 1999 - 00-----			-----FY 2000 - 01-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					97-98	98-99	REQUEST			REQUEST			1999-00	2000-01	1999-00	2000-01		
002		PWP	710 DCC 300 02 FAMILY SUPPORT	C10			13,186 0					13,555 0						
<p>DCCECE is requesting the reclassification of <u>one</u> position held by the Administrator of the Family Support Section from a DHS Program Analyst grade 20 to a Program Administrator grade 21. This position is responsible for managing the child care voucher program that subsidized child care for TEA and low-income working families. This program has a budget of approximately 30 million dollars for FY99 and has staff in regional offices across the state. This is one of three reclassification requests being made by the division that involves a move of one grade upgrade for a section Administrator.</p> <p>In addition, the division is requesting the reclassification of <u>four</u>-unit supervisor's DHS Program Analyst, grade 18 to DHS Staff Supervisors, grade 19. This reclassification will place these positions on par with similar positions within the Division with similar responsibility and duties.</p>																		
002		PWP	710 DCC 300 02 FAMILY SUPPORT	C11			29,400 0					30,219 0						
<p>The Division of Child Care and Early Childhood Education in conjunction with the Division of County Operations requests a class up grade (of one grade, from a grade 17 to 18) for our Quality Control Reviewers. The division currently utilizes <u>14</u> of these positions to conduct direct client eligibility for subsidized child care programs that affect TEA and low-income working families. They personally interview clients to determine program eligibility, and work with providers to ensure prompt and accurate payments.</p>																		

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

RANK BY APPROPRIATION
BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

This appropriation is funded by the Child Care and Development Block Grant through the U. S. Department of Health and Human Services, Administration for Children and Families, Children's Bureau, and provides assistance to families with low incomes whose family members are employed or enrolled in educational or training activities. The assistance allows the purchase of day care services for the children in the family so that the adults can continue employment or educational opportunities. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 consolidated child care funds under Title IV-A of the Social Security Act with Child Care and Development Block Grants. This grant program ended on September 30, 1997, however, states were given authorization to obligate and expend funds over a total of four years.

Base Level is \$6,113,641 for FY00. Continuation of the Base Level is requested for FY00 only to liquidate the remaining funds in this grant fund.

The Executive Recommendation provides for the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: DHS-Division of Child Care & Early Childhood Education Code: 710	Name: Child Care/Early Childhood Educ. Child Care Dev. Block Grant Code: 1AF	Name: DHS-Federal Code: FWF	BR20	117

ARKANSAS BUDGET SYSTEM

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

CHARACTER TITLE	-----EXPENDITURES-----			98-99			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	99-00		99-00		00-01		00-01		EXECUTIVE		LEGISLATIVE		
	ACTUAL	BUDGETED	AUTHORIZED	APPRO	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	99-00	00-01	99-00	00-01		
GRANTS/AIDS	1,055,608	6,113,641	11,000,000	6,113,641	0	6,113,641	0	0	0	6,113,641	0					
TOTAL	1,055,608	6,113,641	11,000,000	6,113,641	0	6,113,641	0	0	0	6,113,641	0					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES			*****													
GENERAL REVENUES			*****													
SPECIAL REVENUES			*****													
FEDERAL FUNDS	1,055,608	6,113,641	*****	6,113,641		6,113,641				6,113,641						
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
OTHER			*****													
TOTAL FUNDING	1,055,608	6,113,641	*****	6,113,641		6,113,641				6,113,641						
EXCESS APPRO/ (FUNDING)			*****													
TOTAL	1,055,608	6,113,641	*****	6,113,641		6,113,641				6,113,641						

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 1AF CHILD CARE/EARLY CHILDHOOD-CHILD CARE DEV BLOCK GRANT
 FUND FWF DHS-(710)FEDERAL

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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 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

AGENCY	APPROPRIATION	TREASURY FUND **	ANALYSIS OF BUDGET REQUEST	PAGE
Name: DHS - Division of Child Care and Early Childhood Education Code: 710	Name: Better Chance Program Code: 176	Name: Public School Fund Code: JAA	BR20	119

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

with the Division of Child Care and Early Childhood Education, Arkansas Department of Human Services to administer the Better Chance Program. Funding for this appropriation is provided through the Education Excellence Trust Fund. Base Level is \$168,679 in FY00 and \$170,313 in FY01, which includes a 2.8% cost of living increase over FY99 salary levels and related personal services matching costs and supports two (2) positions. Base Level reflects the Agency Request with no Change Levels submitted.

The Executive Recommendation provides for Agency Request. **The Agency has requested, and the Executive has recommended, that a new General Revenue Fund Account be established for the Division of Child Care/Early Childhood Education, with this appropriation payable from the new fund account. Further, the Agency has requested and the Executive has recommended that Appropriations DCC, 176 and 229 be consolidated into one appropriation to better reflect the operations of the Division.**

**Treasury Fund requested and recommended to be from Division of Child Care Fund Account (to be established).

AGENCY	APPROPRIATION	TREASURY FUND **	ANALYSIS OF	PAGE
Name: DHS - Division of Child Care and Early Childhood Education Code: 710	Name: Better Chance Program Code: 176	Name: Public School Fund Code: JAA	BUDGET REQUEST BR20	120

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			98-99 FISCAL YEAR			-----99-00 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	99-00		TOTAL	00-01		TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	REQUEST	BASE	CHANGE LEVEL	REQUEST	99-00	00-01	99-00	00-01
REGULAR SALARIES	28,254	46,807	0	49,069	0	49,069	50,443	0	50,443	49,069	50,443		
NUMBER OF POSITIONS	2	2	0	2	0	2	2	0	2	2	2		
EXTRA HELP	2,385	5,500	0	5,500	0	5,500	5,500	0	5,500	5,500	5,500		
NUMBER OF POSITIONS	2	2	0	2	0	2	2	0	2	2	2		
PERSONAL SERV MATCHING	9,172	15,405	0	16,201	0	16,201	16,461	0	16,461	16,201	16,461		
OPERATING EXPENSES	12,197	39,409	0	39,409	0	39,409	39,409	0	39,409	39,409	39,409		
CONF FEES & TRAVEL	0	8,500	0	8,500	0	8,500	8,500	0	8,500	8,500	8,500		
PROF FEES & SERVICES	37,187	50,000	0	50,000	0	50,000	50,000	0	50,000	50,000	50,000		
CAPITAL OUTLAY	0	2,500	0	0	0	0	0	0	0	0	0		
TOTAL	89,195	168,121	0	168,679	0	168,679	170,313	0	170,313	168,679	170,313		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	89,195	168,121	*****	168,679		168,679	170,313		170,313	168,679	170,313		
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	89,195	168,121	*****	168,679		168,679	170,313		170,313	168,679	170,313		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	89,195	168,121	*****	168,679		168,679	170,313		170,313	168,679	170,313		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 176 CHILD CARE/EARLY CHILDHOOD-BETTER CHANCE PROGRAM
 FUND JAA PUBLIC SCHOOL FUND(500)

APPROPRIATION SUMMARY

*Act 1132 of 1997 created the Division of Child Care and Early Childhood Education and under Type 2 Transfer pursuant to ACA §25-2-105, child care related responsibilities including Appropriation, Funding and Positions were transferred from the Department of Education and within the Department of Human Services to the Division of Child Care and Early Childhood Education.

BR 215

THE AGENCY HAS REQUESTED, AND THE EXECUTIVE HAS RECOMMENDED, THAT THE GENERAL REVENUE FUND SOURCE FOR THIS APPROPRIATION BE CHANGED FROM PUBLIC SCHOOL FUND TO A NEWLY CREATED GENERAL REVENUE FUND ACCOUNT FOR THE DIVISION OF CHILD CARE/EARLY CHILDHOOD EDUCATION.

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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;

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;

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: DHS-Division of Child Care and Early Childhood Education Code: 710	Name: Early Childhood Commission Federal Code: 229	Name: DHS - Federal Code: FWF	BR20	122

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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;
 Chair/designee, Senate Committee on Children and Youth; and
 Chair/designee of each House and Senate Committee on Education.

Prior to the creation of the DHS Division of Child Care and Early Childhood Education, the Department of Human Services contracted with the Early Childhood Commission within the Department of Education for activities related to the availability and improved quality of early childhood programs. Inasmuch as the Early Childhood Commission is now a part of the Department of Human Services this appropriation is no longer necessary. The Division is requesting consolidation of this appropriation with Appropriation DCC-Operations and 176-Arkansas Better Chance for more efficient and effective budgeting, expenditure monitoring and overall Division accountability.

Base Level is \$1,462,939 in FY00 and \$1,472,313 in FY01 and includes a 2.8% cost of living increase over FY99 salary levels and related personal services matching costs. Change Levels include appropriation only for Regular Salaries and Personal Services Matching totaling \$2,301 in FY00 and \$2,366 in FY01 to accommodate the Career Ladder Incentive Program.

The Executive Recommendation provides for Base Level. **The Agency has requested and The Executive has recommended that Appropriations DCC, 176 and 229 be consolidated into one Appropriation to better reflect the operations of the Division.**

Further, the Career Ladder Incentive program (CLIP) requests reflected in the Division's budget are intended to provide appropriate job classifications which may be utilized to promote classified employees who complete competency-based criteria during the biennium. The Executive Recommendation may reflect an adjustment in the requested CLIP levels for certain positions. These changes are to indicate the maximum job classification to which an employee would be expected to progress within the new biennium, based on the experience and other competency-based criteria required under the Program.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Child Care and Early Childhood Education Code: 710	Name: Early Childhood Commission Federal Code: 229	Name: DHS - Federal Code: FWF	BUDGET REQUEST BR20	123

ARKANSAS BUDGET SYSTEM

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

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED							99-00	00-01	99-00	00-01
REGULAR SALARIES	200,310	268,120	0	281,037	1,934	282,971	288,907	1,988	290,895	281,037	288,907		
NUMBER OF POSITIONS	7	9	0	9	0	9	9	0	9	9	9		
PERSONAL SERV MATCHING	55,673	82,224	0	81,535	367	81,902	83,039	378	83,417	81,535	83,039		
OPERATING EXPENSES	476,391	238,700	0	238,700	0	238,700	238,700	0	238,700	238,700	238,700		
CONF FEES & TRAVEL	19,105	27,450	0	27,450	0	27,450	27,450	0	27,450	27,450	27,450		
PROF FEES & SERVICES	225,618	834,217	0	834,217	0	834,217	834,217	0	834,217	834,217	834,217		
CAPITAL OUTLAY	179,737	8,500	0	0	0	0	0	0	0	0	0		
GRANTS/AIDS	0	0	0	0	0	0	0	0	0	0	0		
TOTAL	1,156,834	1,459,211	0	1,462,939	2,301	1,465,240	1,472,313	2,366	1,474,679	1,462,939	1,472,313		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS	1,156,834	1,459,211	*****	1,462,939	2,301	1,465,240	1,472,313	2,366	1,474,679	1,462,939	1,472,313		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	1,156,834	1,459,211	*****	1,462,939	2,301	1,465,240	1,472,313	2,366	1,474,679	1,462,939	1,472,313		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	1,156,834	1,459,211	*****	1,462,939	2,301	1,465,240	1,472,313	2,366	1,474,679	1,462,939	1,472,313		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 229 CHILD CARE/EARLY CHILDHOOD-EARLY CHILDHOOD COMM FED
 FUND FWF DHS-(710)FEDERAL

*Act 1132 of 1997 created the Division of Child Care and Early Childhood Education and under Type 2 Transfer pursuant to ACA §25-2-105, child care related responsibilities including Appropriation, Funding and Positions were transferred from the Department of Education and within the Department of Human Services to the Division of Child Care and Early Childhood Education.

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 ARKANSAS CODE ANNOTATED § 25-10-112.

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-----		-----1999 - 01 BIENNIIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					---ACTUAL---	---BUDGETED---	-----FY 1999 - 00-----			-----FY 2000 - 01-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					97-98	98-99	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01			
000		FWF	710 229	B	1,156,834 7	1,459,211 9	1,462,939 9			1,472,313 9			1,462,939 9		1,472,313 9			
001		FWF	710 229 300 05 PROGRAM DEVELOPMENT	C10			2,301 0			2,366 0								
<p>DCCECE is requesting the reclassification of <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. This position is responsible for managing the numerous programs within the division dedicated to improving the quality and quantity of child care across the state. In addition this position currently supervises three grade 20's who are responsible for certain programs within this section. This request is one of three reclassification requests being made by the division that involves a move of one grade upgrade for a section Administrator.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 229 CHILD CARE/EARLY CHILDHOOD-EARLY CHILDHOOD COMM FED
 FUND FWF DHS-(710)FEDERAL

RANK BY APPROPRIATION

BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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 child care 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. 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. Funding for this appropriation is 100% federal through the U. S. Department of Health and Human Services, Administration on Children and Families.

Base Level is \$8,850,168 each year of the biennium. Funding in Appropriation 1AF was expended in FY98 in lieu of these funds to ensure available funds were utilized prior to the expiration of time frames established within which to spend. The Change Level for appropriation only totals \$1,103,941 in FY00 and \$2,103,941 in FY01 for total appropriation authority of \$9,954,109 in FY00 and \$10,954,109 in FY01. The increase each year is to accommodate the anticipated growth in child care services.

The Executive Recommendation provides for the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS - Division of Child Care and Early Childhood Education	Name: Child Care/Early Childhood Child Care Dev. -Discretionary	Name: DHS - Federal	BUDGET REQUEST	126
Code: <u>710</u>	Code: <u>320</u>	Code: <u>FWF</u>	BR20	

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			98-99			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	AUTHORIZED	99-00 FISCAL YEAR		00-01 FISCAL YEAR		R E C O M M E N D A T I O N S		R E C O M M E N D A T I O N S		R E C O M M E N D A T I O N S				
	ACTUAL	BUDGETED	APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE 99-00	00-01	LEGISLATIVE 99-00	00-01			
GRANTS/AIDS	0	8,850,168	11,896,059	8,850,168	1,103,941	9,954,109	8,850,168	2,103,941	10,954,109	9,954,109	10,954,109					
TOTAL	0	8,850,168	11,896,059	8,850,168	1,103,941	9,954,109	8,850,168	2,103,941	10,954,109	9,954,109	10,954,109					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES			*****													
GENERAL REVENUES			*****													
SPECIAL REVENUES			*****													
FEDERAL FUNDS		8,850,168	*****	8,850,168	1,103,941	9,954,109	8,850,168	2,103,941	10,954,109	9,954,109	10,954,109					
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
OTHER			*****													
TOTAL FUNDING		8,850,168	*****	8,850,168	1,103,941	9,954,109	8,850,168	2,103,941	10,954,109	9,954,109	10,954,109					
EXCESS APPRO/ (FUNDING)			*****													
TOTAL		8,850,168	*****	8,850,168	1,103,941	9,954,109	8,850,168	2,103,941	10,954,109	9,954,109	10,954,109					

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

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-----		-----1999 - 01 BIENNIIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					ACTUAL	BUDGETED	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE					
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
000		FWF	710 320	B		8,850,168	8,850,168	0	8,850,168	0				8,850,168	8,850,168			
001		FWF	710 320 300 02 FAMILY SUPPORT	C04			1,103,941	0	2,103,941	0				1,103,941	2,103,941			
<p>A component within the Child Care Development Fund that is titled Discretionary Fund was created for the purpose of replacing the Child Care and Development Block Grant that is reflected in appropriation 1AF. This fund is comprised of 100% federal funds and primarily provides subsidized child care to low income working families. It is projected that this fund will experience moderate growth throughout the biennium. This requests if for that projected growth. The Division is requesting an increase in appropriation of \$1,103,941 for FY2000 and \$2,103,941 for FY2001.</p>																		

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

RANK BY APPROPRIATION
BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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 child care activities conducted across the state by providing assistance for low-income families and families transitioning off welfare with child care so they can work or attend training or educational programs. A major change resulted due to the enactment of the federal law wherein States are required to provide services through a single, integrated child care system. This legislative change has repealed the following programs formerly known as Title IV-A child care under the Social Security Act:

- ⇒ AFDC/JOBS Child Care- provided child care for recipients who were employed or participating in an approved education or training program.
- ⇒ Transitional Child Care - provided up to 12 months of child care to AFDC recipients upon loss of AFDC due to employment hourly increases.
- ⇒ At-Risk Child Care - provided child care to low-income working families receiving AFDC, but who needed child care in order to work and who would become dependent on AFDC in they did not receive child care assistance.

The above programs are replaced, new funding is added and through the Social Security Act, Section 418 combined under the Child Care and Development Block Grant (CCDBG). This fund assists families receiving temporary employment assistance (TEA) and families transitioning from TEA in obtaining child care so the adult family members can work or attend job training or educational programs.

Subsidized child care 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 child care provider in the state. Child care 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 child care** and offer additional services to parents. Allowable expenditures under the 4% can be used for resource and referral counseling regarding appropriate child care for meeting children's needs and improvement in health and safety.

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	129
Code: 710	Code: 405	Code: DGF	BR20	

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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

States must maintain an expenditure level of general revenues spent on child care 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 child care 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.

Funding is received through the U. S. Department of Health and Human Services, Administration for Children and Families, Child Care Bureau. Base Level for the biennium is \$18,334,105 each year of the biennium.

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	130
Code: 710	Code: 405	Code: DGF	RR20	

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

Change Levels requested are for appropriation totaling \$1,300,000 in FY00 and \$3,300,000 in FY01 which would provide for a total appropriation authority of \$19,634,105 in FY00 and \$21,634,105 in FY01. The increase is based on projected growth in the program and an anticipated increase in federal funding to support child care activities on behalf of persons transitioning off welfare and low-income working families.

The Executive Recommendation provides for the Agency Request.

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	131
Code: 710	Code: 405	Code: DGF	BR20	

ARKANSAS BUDGET SYSTEM

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED	98-99 AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										99-00	00-01	99-00	00-01
GRANTS/AIDS	19,626,321	18,334,105	20,700,000	18,334,105	1,300,000	19,634,105	18,334,105	3,300,000	21,634,105	19,634,105	21,634,105		
TOTAL	19,626,321	18,334,105	20,700,000	18,334,105	1,300,000	19,634,105	18,334,105	3,300,000	21,634,105	19,634,105	21,634,105		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	2,095,957	2,014,155	*****	2,014,155		2,014,155	2,014,155		2,014,155	2,014,155	2,014,155		
SPECIAL REVENUES			*****										
FEDERAL FUNDS	17,339,272	15,519,950	*****	15,519,950	1,300,000	16,819,950	15,519,950	3,300,000	18,819,950	16,819,950	18,819,950		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
VARIOUS PROGRAM SUPPORT	191,092		*****										
TOTAL FUNDING	19,626,321	18,334,105	*****	18,334,105	1,300,000	19,634,105	18,334,105	3,300,000	21,634,105	19,634,105	21,634,105		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	19,626,321	18,334,105	*****	18,334,105	1,300,000	19,634,105	18,334,105	3,300,000	21,634,105	19,634,105	21,634,105		

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

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-----		-----1999 - 01 BIENNIIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					---ACTUAL---	---BUDGETED---	-----FY 1999 - 00-----			-----FY 2000 - 01-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
000		PWP	710 405	B	19,626,321	18,334,105	18,334,105 0			18,334,105 0			18,334,105	18,334,105				
001		PWP	710 405 300 02 FAMILY SUPPORT	C05			1,300,000 0			3,300,000 0			1,300,000	3,300,000				
<p>This request is for the projected growth in the federal components (excluding the Discretionary Fund) which comprise the Child Care Development Fund. These components are dedicated to providing child care services in support of welfare reform (TEA families) in addition to services to low income working families and the promotion/expansion of quality child care. This grant fund has experienced 14% average increase in federal funding over the past three years. The Division is requesting an increased amount of \$1,300,000 for FY2000 and \$3,300,000 for FY2001 to accommodate the increased funding.</p>																		

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

RANK BY APPROPRIATION
BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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.

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	134

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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 \$75.00 per home per month for the initial 50 homes; \$57.00 for the next 150 homes; \$45.00 the next 800 homes; and \$39.00 additional homes.

In addition to the Child Care Food Program, the National School Lunch Program, Special Milk Program, and the Summer Food Service Programs 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.**

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

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	135
Code: 710	Code: 890	Code: FWF	BR20	

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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

This appropriation was transferred to the new Division of Child Care and Early Childhood Education as a part of the integrated service delivery system to help meet the needs of low-income working families.

Base Level for the biennium is \$22,000,000 each year. Change Level requests, submitted for appropriation only, total \$14,000,000 and \$21,000,000 in FY00 and FY01 respectively. The requested increases are based on anticipated growth in the program as well as anticipated Congressional action. The Congressional debate includes (1) increasing the age level for eligibility to participate in the program from 12 years to 18 years of age, and (2) increasing the reimbursement rates for family or group day care homes that participate in the Child and Adult Care Food Program. There is no information available to indicate the potential number of teens who would participate in this program.

The Executive Recommendation provides for Base Level and additional increases of \$5,000,000 in FY00 and \$7,000,000 in FY01. Congressional action has been taken resulting only in an increase in the age in which teens are eligible for program participation thereby decreasing the need to accommodate the increase for reimbursement rates.

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	136

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----		98-99	-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	AUTHORIZED	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO							99-00	00-01	99-00	00-01
GRANTS/AIDS	21,088,814	22,000,000	21,000,000	22,000,000	14,000,000	36,000,000	22,000,000	21,000,000	43,000,000	27,000,000	29,000,000		
TOTAL	21,088,814	22,000,000	21,000,000	22,000,000	14,000,000	36,000,000	22,000,000	21,000,000	43,000,000	27,000,000	29,000,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS	21,088,814	22,000,000	*****	22,000,000	14,000,000	36,000,000	22,000,000	21,000,000	43,000,000	27,000,000	29,000,000		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	21,088,814	22,000,000	*****	22,000,000	14,000,000	36,000,000	22,000,000	21,000,000	43,000,000	27,000,000	29,000,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	21,088,814	22,000,000	*****	22,000,000	14,000,000	36,000,000	22,000,000	21,000,000	43,000,000	27,000,000	29,000,000		

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

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-----		-----1999 - 01 BIENNIUM REQUESTS-----				-----RECOMMENDATIONS-----							
					--ACTUAL--	--BUDGETED--	-----FY 1999 - 00-----		-----FY 2000 - 01-----		-----EXECUTIVE-----		-----LEGISLATIVE-----					
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
000		FWF	710 890	B	21,088,814	22,000,000	22,000,000	0	22,000,000	0	22,000,000	0	22,000,000	22,000,000				
001		FWF	710 890 300 04 FINANCIAL MANAGEMENT	C06			14,000,000	0	21,000,000	0	5,000,000	7,000,000						
	<p>The Child Care Food Program is 100% federally funded by the Department of Agriculture to reimburse for meals and milk served to children. Pending federal legislation would expand two aspects of the program. The first change will change the eligibility criteria by increasing the age of eligible children from 12 to 18 years of age. The second pending change would increase the reimbursement rates for family or group day care homes participating in the Child and Adult Care Food program. This program has experienced sustained growth over the past two years and with the strong potential for expansion. The increases are due to these projected changes. The Division is requesting an increase in unfunded federal appropriation of \$14,000,000 for 2000 and \$21,000,000 for 2001.</p>																	

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

RANK BY APPROPRIATION
BR 264