

DHS - Child Care/Early Childhood Education

Enabling Laws

Act 244 of 2014

A.C.A. §19-5-306 et seq.

A.C.A. §19-6-465 et seq.

A.C.A. §20-76-105 et seq.

A.C.A. §20-78-219 et seq.

A.C.A. §20-78-222 et seq.

A.C.A. §20-78-222 et seq.

A.C.A. §20-78-201 et seq.

A.C.A. §20-78-224 et seq.

A.C.A. §20-78-602 et seq.

A.C.A. §20-78-501 et seq.

A.C.A. §20-78-503 et seq.

A.C.A. §20-78-504 et seq.

A.C.A. §25-10-102 et seq.

A.C.A. §6-45-101 et seq.

A.C.A. §3-7-201 et seq.

History and Organization

The purpose of the Division of Child Care and Early Childhood Education is to improve the quality and enhance the coordination of child care and early childhood education programs within the State.

The creation of the Division consolidated three (3) existing boards into one. These review boards were consolidated into a new Arkansas Early Childhood Commission that advises the Division and has regulatory approval for all minimum licensing standards.

The Division working with the Arkansas Early Childhood Commission, adopted the following mission statement: "As good stewards of the public trust, we will support and advise the Division by ensuring that all Arkansas children and families have access to a safe, high-quality developmentally appropriate (nurturing learning) environment (and) by educating and assisting parents, child care providers, and communities to prepare our children for future success."

The Division is comprised of six sections: one regulatory, one compliance, three programmatic and one administrative. The Division currently has 203 budgeted positions in addition to 13 extra help positions. The name of the sections and a brief description of their functions follow:

Arkansas Better Chance Program

The Arkansas Better Chance Program (ABC) provides administration and oversight of all state funded pre-k programs (3 and 4 year old children at or below 200% of Federal Poverty Level) throughout the state. Approximately 30,615 children are enrolled in ABC programs. Agencies participating in ABC include school districts, educational cooperatives, non-profit agencies, Head Start agencies, community based providers, private providers, and family child care homes. ABC specialists monitor these agencies and provide technical assistance for programmatic, financial and data related issues.

Child Care Licensing and Quality Accreditation

Licensing is responsible for performing on-site reviews of child care centers, in addition to licensed and registered homes, as well as conducting complaint investigations in these facilities. This unit is also responsible for maintaining the Criminal Records Check Systems (Act 1198 of 1997) in conjunction with the Arkansas State Police. This system checks the police record of all workers in child care centers, as well as licensed and registered homes.

The Placement and Residential Licensing Unit is responsible for licensing and monitoring youth residential facilities, child placement agencies, and adoption agencies and for investigating complaints involving those licensees. This Unit reports monthly to the Child Welfare Agency Review Board, a Governor appointed board which has final authority over licensure actions recommended by this Unit.

Better Beginnings, a quality rating improvement system for Arkansas, is a voluntary multi-step accreditation system that has established standards of quality for child care providers. This system is designed to assist facilities through a process to assess, improve, and communicate the level of quality to parents and the general public. When child care providers successfully complete the certification process, their facility earns a one, two, or three star rating. The ratings are posted on the Better Beginnings website for parents and others to review.

Child Care Development

The Child Care Development Fund has two primary functions: providing support to qualifying families who need child care assistance and improving the quantity and quality of child care services within the state. The Family Support Unit is responsible for determining eligibility and authorizing child care assistance. Child Care Assistance is provided to 10,683 families and 18,229 children. Child Care Eligibility Specialists are located regionally across the state.

The Program Development Unit is responsible for all quality funds within the Child Care Development Fund and provides major outreach to improving the quantity and quality of child care in the State through numerous services to early care and education providers and to parents of young children.

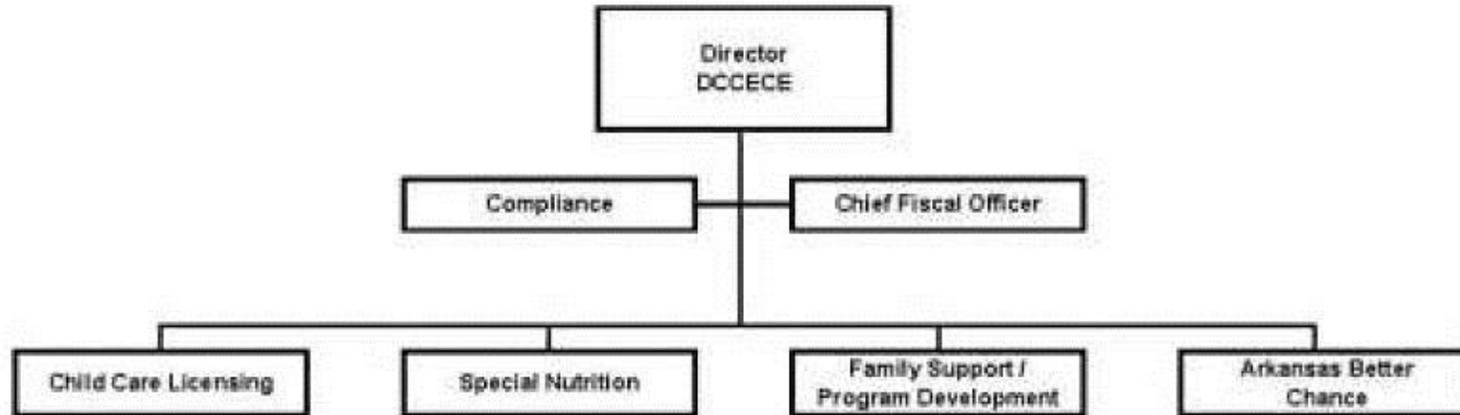
Compliance

This section works with the programmatic units of the Division and other appropriate Divisions within the Department to coordinate and track issues dealing with provider fraud, over-payments and audits. Compliance conducts on-site reviews of providers and provides technical assistance as well as reviewing active case files and providing feedback if discrepancies are identified. The section performs the Federal Improper Payment Review every 3 years. Additionally, the section is responsible for coordinating the release of information requested under FOIA.

Health and Nutrition

The Health and Nutrition Unit provides oversight for a large federally funded program within the Division. The Health and Nutrition Unit is comprised of five programs, four of the programs are federally funded by the United States Department of Agriculture (USDA) and one is funded by Department of Health and Human Services and is administered by the State. The USDA programs reimburse centers, private schools and sponsors for nutritional meals and snacks served. The programs are Child and Adult Care Food Program (CACFP), the National School Lunch Program (NSLP), the Special Milk Program (SMP) and the Summer Food Service Program (SFSP). The Department of Health and Human Services, Arkansas Early Childhood Comprehensive System Initiative objective is to carry out special maternal and child health (MCH) projects of regional and national significance; to conduct training and research; to conduct genetic disease testing, counseling and information development and dissemination programs; for grants relating to hemophilia without regard to age and for the screening of newborns for sickle cell anemia and other genetic disorders.

Arkansas DHS
Division of Child Care and Early Childhood Education



Agency Commentary

The Division of Child Care and Early Childhood Education requests the following adjustments for 2015-2017 Biennium:

SFY2016

Appropriation 320 - \$3,000,000 in funded federal appropriation

Appropriation 890 - \$30,000,000 in funded federal appropriation

Appropriation 896 - \$520,882 in funded federal appropriation

Appropriation 898 - \$3,000,000 in funded federal appropriation

Appropriation 898 - \$500,000 in funded other appropriation

SFY2017

Appropriation 320 - \$3,000,000 in funded federal appropriation

Appropriation 890 - \$30,000,000 in funded federal appropriation

Appropriation 896 - \$520,882 in funded federal appropriation

Appropriation 898 - \$3,000,000 in funded federal appropriation

Appropriation 898 - \$500,000 in funded other appropriation

Appropriation 320 - Child Care Development

The Division of Child Care and Early Childhood Education requests federally funded appropriation to accommodate the anticipated growth in this federal program which provides child care services for working families and continues to improve the quality of child care for all Arkansas children in each year of the biennium;

	<u>SFY2016</u>	<u>SFY2017</u>
Funded Appropriation	\$3,000,000	\$3,000,000
Grants, Assistance and Aids		
Commitment Item: 510:00:04		

Appropriation 890 - Child Care Food Program

The Division of Child Care and Early Childhood Education requests funded appropriation for the USDA Health and Nutrition Program. This will match appropriation to the anticipated level of the FFY2016 and FFY2017 federal letters of credit for this continuously growing, 100% federal, uncapped program.

Funded Appropriation

Grants, Assistance and Aids

Commitment Item: 510:00:04

	<u>SFY2016</u>	<u>SFY2017</u>
Child Care Adult and Food Program	\$25,296,000	\$25,296,000
Summer Food Services Program	\$3,534,000	\$3,534,000
National School Lunch Program	\$1,170,000	\$1,170,000

Appropriation 896 - Operations

The Division is requesting to restore nine (9) positions received through a Miscellaneous Federal Grant (MFG) to meet the needs of the continuously growing USDA Food and Nutrition program. The division is therefore requesting federally funded appropriation for salary and fringe.

The division requests the reclassification of one (1) Agency Fiscal Manager to a DCCECE Education Manager. The DCCECE Education Manager will provide training and professional development to providers, as well as, recruit experienced individuals in the field of early childhood education.

The division is requesting federally funded appropriation in Operating Expenses for completing criminal background checks to absorb the steady increase of cost and the number of annually completed background checks. These checks must be processed for all licensed facilities personnel to ensure the health and safety of children in the State of Arkansas.

The division is also requesting federally funded appropriation in Conference and Travel. This is to accommodate USDA mandated training and conferences for the Special Nutrition Program staff.

	<u>SFY2016</u>	<u>SFY2017</u>
Maintenance and Operations		
Commitment Item: 501:00:00 - Regular Salaries	\$339,192	\$339,192
Commitment Item: 501:00:03 - Personal Services Matching	\$124,190	\$124,190
Commitment Item: 502:00:02 - Operating Expenses	\$ 50,000	\$ 50,000
Commitment Item: 505:00:09 - Conference and Travel	\$ 7,500	\$ 7,500

Appropriation 898 - Child Care Grants

The Division of Child Care and Early Childhood Education requests federally funded appropriation to accommodate the growth in the federal voucher program. The division is also requesting additional other funded appropriation of \$500,000 for FY2016, and \$500,000 for FY2017. The division has received a grant from the Kellogg Foundation and will be acting as a pass through agency. Services will be provided by the Headstart Collaboration.

	<u>SFY2016</u>	<u>SFY2017</u>
Funded Appropriation Grants, Assistance and Aids Commitment Item: 510:00:04		
Temporary Employment Assistance and Extended Support Services	\$3,000,000	\$3,000,000
Headstart Grant Pass-Through	\$500,000	\$500,000

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

Audit findings are reported under the DHS Director's Office/Office of Chief Counsel.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual evaluation of the Arkansas Better Chance (ABC) For School Success Program	Act 49 of the Second Extraordinary Session of 2003	N	Y	1	The report will be an evaluation of the ABC Programs and is needed to ensure that the program goals and intended child outcomes are being achieved.	0	0.00
Annual Status report on the Arkansas Child Care Facilities Loan Guarantee Trust Fund	A.C.A. 20-78-505	N	Y	1	The division believes the reporting adds accountability to the Division's management of these monies. The fund is unique in that it allows the Division to place the monies in interest bearing CD's across the state to support start-up or expansion loans to child care facilities.	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Family Support Unit Policy Manual	n/a	N	N	1	Designed as the lead agency to administer federal funds available to Arkansas through the Child Care Development Fund (CCDF). The manual is utilized as a source guide for the Division staff that administers eligibility criteria for clients who are seeking services funded through the CCDF.	0	0.00
Getting Children Ready for Kindergarten	Act 825	N	Y	1	Division provides copies of the list to licensed child care facilities. Licensed child care facilities shall distribute the list to parents of each three-year old attending the child care facilities.	0	0.00
Minimum Licensing Requirements for Child Care Centers	A.C.A. 20-78-210-220	N	Y	1	The Child Care Facility Licensing act is the legal authority under which the Division prescribes minimum standards for a variety of child care facilities under the Act. The publication lists the licensing requirements for the Child Care Centers.	0	0.00
Minimum Licensing Requirements for Child Care Family Homes	A.C.A. 20-78-210 - 220	N	Y	1	The Child Care Facility Learning Act is the legal authority under which the Division prescribes minimum standards for a variety of child care facilities under the Act. The publication lists the licensing requirements for the Child Care Family Home.	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Minimum Licensing Requirements for Registered Child Care Family H0mes	A.C.A. 20-78-210	N	Y	1	The Child Care Facility Licensing Act is the legal authority under which the Division prescribes minimum standards for a variety of child care facilities under the Act. The publication lists the licensing requiriements for the Registered Child Care Family Home.	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
320 Child Care Development-Discretionary	25,678,650	0	25,469,372	0	25,469,372	0	25,469,372	0	28,469,372	0	28,469,372	0	25,469,372	0	28,469,372	0	28,469,372	0
890 Food Program	78,939,552	0	64,291,250	0	64,291,250	0	64,291,250	0	94,291,250	0	94,291,250	0	64,291,250	0	94,291,250	0	94,291,250	0
896 Division of Child Care/Early Childhood	17,569,210	197	23,686,421	203	23,389,321	194	23,320,516	194	23,841,398	203	23,841,398	203	23,329,760	194	23,850,642	203	23,850,642	203
898 Child Care Grant/Aids	24,750,156	0	29,630,656	0	29,630,656	0	29,630,656	0	33,130,656	0	33,130,656	0	29,630,656	0	33,130,656	0	33,130,656	0
929 Child Care-Treasury Paying	0	0	120,863	0	187,537	0	120,863	0	120,863	0	120,863	0	120,863	0	120,863	0	120,863	0
Total	146,937,568	197	143,198,562	203	142,968,136	194	142,832,657	194	179,853,539	203	179,853,539	203	142,841,901	194	179,862,783	203	179,862,783	203

Funding Sources		%		%		%		%		%		%		%		%	
General Revenue	4000010	7,440,432	5.1	7,440,880	5.2	7,445,647	5.2	7,445,647	4.1	7,445,647	4.1	7,446,106	5.2	7,446,106	4.1	7,446,106	4.1
Federal Revenue	4000020	136,857,491	93.1	133,190,153	93.0	132,809,698	93.0	169,330,580	94.1	169,330,580	94.1	132,817,541	93.0	169,338,423	94.1	169,338,423	94.1
Special Revenue	4000030	185,375	0.1	514,258	0.4	514,258	0.4	514,258	0.3	514,258	0.3	514,258	0.4	514,258	0.3	514,258	0.3
Cash Fund	4000045	0	0.0	120,863	0.1	120,863	0.1	120,863	0.1	120,863	0.1	120,863	0.1	120,863	0.1	120,863	0.1
Transfer to Medicaid Match	4000660	(45,820)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	2,500,090	1.7	1,932,408	1.3	1,942,191	1.4	2,442,191	1.4	2,442,191	1.4	1,943,133	1.4	2,443,133	1.4	2,443,133	1.4
Total Funds		146,937,568	100.0	143,198,562	100.0	142,832,657	100.0	179,853,539	100.0	179,853,539	100.0	142,841,901	100.0	179,862,783	100.0	179,862,783	100.0
Excess Appropriation/(Funding)		0		0		0		0		0		0		0		0	
Grand Total		146,937,568		143,198,562		142,832,657		179,853,539		179,853,539		142,841,901		179,862,783		179,862,783	

FY15 Budget and Positions exceed Authorized in (896) Child Care and Early Childhood Education due to a transfer from the Miscellaneous Federal Grant Holding Account.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
171	177	10	187	-16	-3.51 %	192	175	17	192	0	8.85 %	194	170	33	203	-9	12.37 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 282 of 2014 section 17(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).

Analysis of Budget Request

Appropriation: 320 - Child Care Development-Discretionary

Funding Sources: FWF - DHS Federal

The Child Care and Development Block Grant (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. Specifically, these funds are targeted for low income working families and those transitioning from the Temporary Assistance for Needy Families program (TANF) Program to obtain child care; thereby allowing parents to work or obtain the training necessary to obtain employment or attend educational programs that will lead to employment.

Funding for this appropriation includes 100% federal revenue consisting of Discretionary Child Care Development Block Grant funding.

The Agency Base Level request for this appropriation is \$25,469,372 each year of the biennium.

The Agency Change Level request is \$3,000,000 each year of the biennium for growth in the federal voucher program which provides childcare services for working families.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 320 - Child Care Development-Discretionary

Funding Sources: FWF - DHS Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	25,678,650	25,469,372	25,469,372	25,469,372	28,469,372	28,469,372	25,469,372	28,469,372	28,469,372
Total		25,678,650	25,469,372	25,469,372	25,469,372	28,469,372	28,469,372	25,469,372	28,469,372	28,469,372
Funding Sources										
Federal Revenue	4000020	25,678,650	25,469,372		25,469,372	28,469,372	28,469,372	25,469,372	28,469,372	28,469,372
Total Funding		25,678,650	25,469,372		25,469,372	28,469,372	28,469,372	25,469,372	28,469,372	28,469,372
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		25,678,650	25,469,372		25,469,372	28,469,372	28,469,372	25,469,372	28,469,372	28,469,372

Change Level by Appropriation

Appropriation: 320 - Child Care Development-Discretionary
Funding Sources: FWF - DHS Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	25,469,372	0	25,469,372	100.0	25,469,372	0	25,469,372	100.0
C01	Existing Program	3,000,000	0	28,469,372	111.8	3,000,000	0	28,469,372	111.8

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	25,469,372	0	25,469,372	100.0	25,469,372	0	25,469,372	100.0
C01	Existing Program	3,000,000	0	28,469,372	111.8	3,000,000	0	28,469,372	111.8

Justification

C01	The division is requesting funded appropriation for growth in the federal voucher program which provides childcare services for working families and continues to improve the quality of child care for all Arkansas children.
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Analysis of Budget Request

Appropriation: 890 - Food Program

Funding Sources: FWF - DHS Federal

The Child and Adult Care Food Program (CACFP) provides nutritious meals 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 25% of their clients. Residential programs are not eligible for participation in this food program. The CACFP assists with initiating, maintaining, and expanding nonprofit food service programs for children or adult participants in nonresidential institutions which provide care. The program is intended to enable such institutions to integrate a nutritious food service with organized care services for enrolled participants. The National School Lunch Program provides reimbursement to schools, licensed child care institutions, juvenile detention centers and hospitals serving lunches to eligible children. Participating schools and other institutions will serve lunches that are nutritionally adequate and ensure that participating children gain a full understanding of the relationship between proper eating and good health. The Special Milk Program provides reimbursement to schools and non-profit child care institutions for serving milk to eligible children. The Summer Food Service Program reimburses organizations for providing nutritious meals and snacks to children during the summer months. The program generally operates during the months of May through September at site locations where regularly scheduled food services are provided for children. Sites may also participate in the program from September through May if the school is closed because of an emergency situation. Service institutions operating food programs for children on school vacation under a continuous year-round calendar may apply for participation in other months.

Funding for this appropriation includes 100% federal revenue consisting of federal reimbursements from the U.S. Department of Agriculture.

The Agency Base Level request for this appropriation is \$64,291,250 each year of the biennium.

The Agency Change Level request is \$30,000,000 each year of the biennium. The increase will be used for the Special Nutrition Program with the goal of increasing meals to children in Arkansas each fiscal year in the uncapped federally funded program.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 890 - Food Program

Funding Sources: FWF - DHS Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	78,939,552	64,291,250	64,291,250	64,291,250	94,291,250	94,291,250	64,291,250	94,291,250	94,291,250
Total		78,939,552	64,291,250	64,291,250	64,291,250	94,291,250	94,291,250	64,291,250	94,291,250	94,291,250
Funding Sources										
Federal Revenue	4000020	78,939,552	64,291,250		64,291,250	94,291,250	94,291,250	64,291,250	94,291,250	94,291,250
Total Funding		78,939,552	64,291,250		64,291,250	94,291,250	94,291,250	64,291,250	94,291,250	94,291,250
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		78,939,552	64,291,250		64,291,250	94,291,250	94,291,250	64,291,250	94,291,250	94,291,250

Change Level by Appropriation

Appropriation: 890 - Food Program
Funding Sources: FWF - DHS Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	64,291,250	0	64,291,250	100.0	64,291,250	0	64,291,250	100.0
C01	Existing Program	30,000,000	0	94,291,250	146.7	30,000,000	0	94,291,250	146.7

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	64,291,250	0	64,291,250	100.0	64,291,250	0	64,291,250	100.0
C01	Existing Program	30,000,000	0	94,291,250	146.7	30,000,000	0	94,291,250	146.7

Justification

C01	The division is requesting additional appropriation to match the anticipated level of the 2016 and 2017 federal letters of credit for this continuously growing, 100% federal uncapped program.
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Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

This appropriation provides administrative support for the Division of Child Care and Early Childhood Education (DCCECE). The purpose of DCCECE is to enhance the coordination of child care and early childhood education programs within Arkansas. The Division was created to accommodate the transfer of the Early Childhood Commission and the administrative component of the Arkansas Better Chance (ABC) Program from the Department of Education.

Funding for this appropriation consists of general revenue (DCC - Childcare and Early Childhood Education Fund Account), federal revenue, special revenue and other revenues. Federal revenue primarily includes funding from the Department of Health and Human Services Child Care Development Block Grant, Title IV-E Foster Care, and USDA Child Nutrition. Special revenue is comprised of Child Care Provider License Fees. Other revenue which is indicated as various program support is funding from the Arkansas Better Chance Program.

Base Level Regular Salaries and Personal Services Matching includes continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Base Level request for this appropriation is \$23,320,516 in FY2016 and \$23,329,760 in FY2017 with 194 budgeted base level positions.

The Agency Change Level request is \$520,882 each year of the biennium for the following:

- Restore MFG Positions (9): Regular Salaries and Personal Services Matching of \$463,382. These positions were established through Miscellaneous Federal Grant. This request is due to the federal increases in meal rates, inclusion of additional meals, monitoring components by USDA, and increases in sponsor participation in the Health and Nutrition Program.
- Reclassify Position (1): A050C Agency Fiscal Manager (C121) to a 168X DCCECE Education Manager (C121). This position will be responsible for providing training and professional development to providers, as well as, recruit experienced individuals in the field of early childhood education.
- Conference and Travel of \$50,000 for staff to participate in mandated training and conferences for USDA Nutrition Programs.
- Professional Fees of \$7,500 due to costs associated with the increasing number of background checks completed annually for all licensed childcare facilities personnel.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,409,349	7,327,003	7,122,386	7,047,142	7,386,334	7,386,334	7,054,642	7,393,834	7,393,834
#Positions		197	203	194	194	203	203	194	203	203
Extra Help	5010001	98,983	153,795	153,795	153,795	153,795	153,795	153,795	153,795	153,795
#Extra Help		9	13	13	13	13	13	13	13	13
Personal Services Matching	5010003	2,473,066	2,715,788	2,623,303	2,629,744	2,753,934	2,753,934	2,631,488	2,755,678	2,755,678
Overtime	5010006	29	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,028,138	4,517,990	4,517,990	4,517,990	4,567,990	4,567,990	4,517,990	4,567,990	4,567,990
Conference & Travel Expenses	5050009	63,099	65,000	65,000	65,000	72,500	72,500	65,000	72,500	72,500
Professional Fees	5060010	5,496,546	8,901,845	8,901,847	8,901,845	8,901,845	8,901,845	8,901,845	8,901,845	8,901,845
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		17,569,210	23,686,421	23,389,321	23,320,516	23,841,398	23,841,398	23,329,760	23,850,642	23,850,642

Funding Sources										
General Revenue	4000010	1,175,434	1,175,882		1,180,649	1,180,649	1,180,649	1,181,108	1,181,108	1,181,108
Federal Revenue	4000020	14,248,412	20,097,147		19,716,692	20,237,574	20,237,574	19,724,535	20,245,417	20,245,417
Special Revenue	4000030	185,375	480,984		480,984	480,984	480,984	480,984	480,984	480,984
Transfer to Medicaid Match	4000660	(45,820)	0		0	0	0	0	0	0
Various Program Support	4000730	2,005,809	1,932,408		1,942,191	1,942,191	1,942,191	1,943,133	1,943,133	1,943,133
Total Funding		17,569,210	23,686,421		23,320,516	23,841,398	23,841,398	23,329,760	23,850,642	23,850,642
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		17,569,210	23,686,421		23,320,516	23,841,398	23,841,398	23,329,760	23,850,642	23,850,642

FY15 Budget amounts in Regular Salaries, Number of Positions and Personal Services Matching exceed Authorized due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: 896 - DHS--Admin Paying Account
Funding Sources: PWP - Administration Paying

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	23,320,516	194	23,320,516	100.0	23,329,760	194	23,329,760	100.0
C01	Existing Program	57,500	0	23,378,016	100.2	57,500	0	23,387,260	100.2
C06	Restore Position/Approp	463,382	9	23,841,398	102.2	463,382	9	23,850,642	102.2
C10	Reclass	0	0	23,841,398	102.2	0	0	23,850,642	102.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	23,320,516	194	23,320,516	100.0	23,329,760	194	23,329,760	100.0
C01	Existing Program	57,500	0	23,378,016	100.2	57,500	0	23,387,260	100.2
C06	Restore Position/Approp	463,382	9	23,841,398	102.2	463,382	9	23,850,642	102.2
C10	Reclass	0	0	23,841,398	102.2	0	0	23,850,642	102.2

Justification

C01	The division is requesting federally funded appropriation to absorb the steady increase of cost and number of annually completed background checks. These checks must be processed for all licensed childcare facilities personnel to ensure the health and safety of children in the state of Arkansas. The division is also requesting federally funded appropriation to allow the staff to attend mandated trainings and conferences for the USDA nutrition programs.
C06	The division is requesting to restore nine positions that were received through a MFG to meet the needs of the continuously growing USDA Food and Nutrition program as requested by the Governor.
C10	The Division requests the reclassification of one (1) Agency Fiscal Manager to DCCECE Education Manager to recruit individuals in the early childhood/child and family development field.

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The passage of the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193 established the Child Care Development Fund (CCDF). This fund allows maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within the State of Arkansas; promotes parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs; encourages States to provide consumer education information to help parents make informed choices about child care; assists States to provide child care to parents trying to achieve independence from public assistance; and assist States in implementing the health, safety, licensing and registration standards established in State regulations. A minimum of four percent (4%) of CCDF funds must be used to improve the quality of childcare. Quality activities include training, grants and loans to providers, and health and safety improvements.

In the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, specific funding is 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

Funding for this appropriation consists of general revenue (DGF - Department of Human Services Grants Fund Account), federal revenue, other revenue and special revenue. Federal revenues include Child Care Development Block Grant funding. Other revenue which is indicated as various program support consists of reimbursements. Special revenue was derived from Beer Tax collections due to the State before the sunset of the funding source.

The Agency Base Level request for this appropriation is \$29,630,656 each year of the biennium.

The Agency Change Level request is \$3,500,000 each year of the biennium. \$3,000,000 of this request is for growth in the federal voucher program while \$500,000 is due to the Division being a recipient of a grant from the Kellogg Foundation.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	24,750,156	29,630,656	29,630,656	29,630,656	33,130,656	33,130,656	29,630,656	33,130,656	33,130,656
Total		24,750,156	29,630,656	29,630,656	29,630,656	33,130,656	33,130,656	29,630,656	33,130,656	33,130,656
Funding Sources										
General Revenue	4000010	6,264,998	6,264,998		6,264,998	6,264,998	6,264,998	6,264,998	6,264,998	6,264,998
Federal Revenue	4000020	17,990,877	23,332,384		23,332,384	26,332,384	26,332,384	23,332,384	26,332,384	26,332,384
Special Revenue	4000030	0	33,274		33,274	33,274	33,274	33,274	33,274	33,274
Various Program Support	4000730	494,281	0		0	500,000	500,000	0	500,000	500,000
Total Funding		24,750,156	29,630,656		29,630,656	33,130,656	33,130,656	29,630,656	33,130,656	33,130,656
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		24,750,156	29,630,656		29,630,656	33,130,656	33,130,656	29,630,656	33,130,656	33,130,656

Change Level by Appropriation

Appropriation: 898 - DHS-Grants Paying Account
Funding Sources: PWE - Grants Paying

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	29,630,656	0	29,630,656	100.0	29,630,656	0	29,630,656	100.0
C01	Existing Program	3,500,000	0	33,130,656	111.8	3,500,000	0	33,130,656	111.8

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	29,630,656	0	29,630,656	100.0	29,630,656	0	29,630,656	100.0
C01	Existing Program	3,500,000	0	33,130,656	111.8	3,500,000	0	33,130,656	111.8

Justification

C01	The division is requesting funded appropriation to accommodate growth in the federal voucher program and due to grant received from the Kellogg Foundation.
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Analysis of Budget Request

Appropriation: 929 - Child Care-Treasury Paying

Funding Sources: NHS - Cash in Treasury

The Arkansas Child Care Facilities Loan Guarantee Fund was created to provide loan guarantees to assist with the development of new or to expand existing day care facilities with target areas specifically in low income, rural areas of the State that show demonstrated need for 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 replenish the fund when the balance reaches or falls below \$100,000.

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.

Arkansas Code Annotated §20-78-503 designates the Arkansas Child Care Facilities Loan Guarantee Fund as a Cash Fund Account. The Agency is authorized to accept moneys 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 non-refundable grants to child care facilities for start-up, development, training scholarships, or expansion.

The Agency Base Level and total request for this appropriation is \$120,863 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 929 - Child Care-Treasury Paying

Funding Sources: NHS - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Loan Guarantee/Grants 5900046	0	120,863	187,537	120,863	120,863	120,863	120,863	120,863	120,863
Total	0	120,863	187,537	120,863	120,863	120,863	120,863	120,863	120,863
Funding Sources									
Cash Fund 4000045	0	120,863		120,863	120,863	120,863	120,863	120,863	120,863
Total Funding	0	120,863		120,863	120,863	120,863	120,863	120,863	120,863
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	120,863		120,863	120,863	120,863	120,863	120,863	120,863

Expenditure of appropriation is contingent upon available funding.