

DHS - Child Care/Early Childhood Education

Enabling Laws

Act 92 of 2016

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. §20-78-201 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 five sections: one regulatory, three programmatic and one administrative. The Division currently has 190 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 30,000 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.

The Department of Human Services, Division of Child Care and Early Childhood was awarded a grant from the U S Department of Education - Race To The Top - Preschool Development Grants. Funds will be used for improving preschool education. The awards may be limited to activities that develop or enhance the State of Arkansas infrastructure and deliver high-quality preschool programs, including quality improvement activities for 4-year-olds from families at or below 200 percent of the Federal poverty line. The State of Arkansas may subgrant a portion of the grant funds to local education agencies and other early learning providers (including but not limited to Head Start programs and licensed child care providers) for implementation of high-quality preschool programs. The funding will allow the State of Arkansas to allocate additional slots and improve slots for the targeted audience (4 year olds).

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

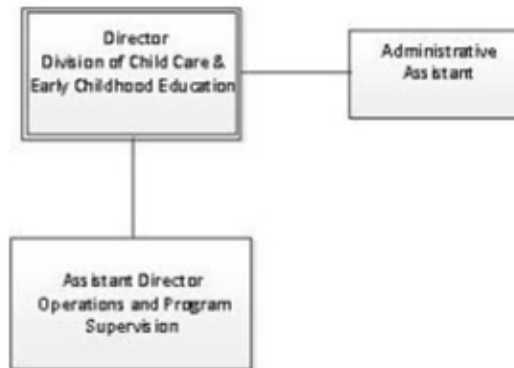
The Child Care Development Fund has two primary functions: providing support to qualifying families who need child care assistance and improving the quantity and quality of child care services within the state. The Family Support Unit is responsible for determining eligibility and authorizing child care assistance. Child Care Assistance is provided to approximately 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.

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).

Department of Human Services
Division of Child Care and Early Childhood Education



Agency Commentary

The Division of Child Care and Early Childhood Education requests the following adjustments for 2018 - 2019 biennial budget. The change requests are as follows:

SFY2018

Appropriation 320 - \$17,500,000 in unfunded federal appropriation

Appropriation 898 - \$14,816,523 in funded federal appropriation

Appropriation 896 - \$150,579 in funded federal appropriation

Appropriation 896 - \$878,527 in unfunded federal appropriation

Appropriation 896 - (\$846,169) in unfunded appropriation and (70,566) in SGR transferring out

SFY2018

Appropriation 320 - \$17,500,000 in unfunded federal appropriation

Appropriation 898 - \$14,816,523 in funded federal appropriation

Appropriation 896 - \$149,179 in unfunded federal appropriation

Appropriation 896 - \$879,989 in unfunded federal appropriation

Appropriation 896 - (\$846,169) in unfunded appropriation and (70,566) in SGR transferring out

Appropriation 320 - Child Care Grants/Aids

The Division of Child Care and Early Childhood Education requests unfunded appropriation to accommodate the anticipated growth in the federal program which provides child care services for working families and continues to improve the quality of child care for all Arkansas children.

The unfunded appropriation will be available should the Agency receive unanticipated funding through an increase in existing funding source or newly opportunities to secure additional funding.

Unfunded Appropriation

Grants, Assistance and Aids

Commitment Item: 510:00:04

SFY2018

\$17,500,000

SFY2019

\$17,500,000

Appropriation 898 - Child Care Grants/Aids

The Division of Child Care and Early Childhood Education requests funded appropriation in the amount of \$14,816,523 for each year of the biennium to accommodate the High Quality Preschool Program (HQPP) grant. The Division of Child Care and Early Childhood Education was awarded a grant from the US Department of Education. These funds will be used for improving and expanding preschool education for four-years old from families at or below 200 percent of the federal poverty line. The State of Arkansas may subgrant a portion of the grant funds to local education agencies and other early learning providers (including but not limited to Head Start Programs and licensed child care providers) for implementation of high-quality preschool programs. This funding will allow the State of Arkansas to allocate additional slots and improve existing slots for the targeted audience.

The HQPP fully aligns with the Arkansas Better Chance Program. The components consist of high-quality professional development; child-to-instructional staff ratio of no more than 10 to 1; a full-day program inclusion of children with disabilities to ensure access to and full participation in all opportunities and developmentally-appropriate curricula, culturally and linguistically responsive instruction and evidence-based curricula and learning.

Funded Appropriation

Grants, Assistance and Aids

Commitment Item: 510:00:04

SFY2018

\$14,816,513

SFY2019

\$14,816,513

Appropriation 896 - Operations

The Division is restoring two (2) positions received through Miscellaneous Federal Grant (MFG) to administer the High Quality Preschool Program (HQPP) grant. The two positions will assist with conducting research, making presentations and quality assessment of the program. The activities are vital to ensure quality improvements to maintain quality ratings and to conduct trainings for enrolled participants. In addition, the Division is requesting to restore 16 unbudgeted positions to administer the programs offered for health, education, and early

requested is \$1,029,106.00 for the first year and \$1,028,568.00 for the second year of the biennium.

The Division is transferring 16 positions as part of the Agency's reorganization to Shared Services for the operation of finance, procurement, information technology, human resources and other supportive services.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

Audit findings are reported under the DHS Administrative Services Division.

Cash Fund Balance Description as of June 30, 2016

Fund Account	Balance	Type	Location
NHS0110	\$350,000	CD	Merchants and Farmers Bank of Dumas, Bank of England

Statutory/Other Restrictions on use:

A.C.A. 20-78-503 - Arkansas Child Care Facilities Loan Guarantee Trust Fund A.C.A 20-78-501 - Moneys for Arkansas Child Care Facilities Loan Guarantee Trust Fund

Statutory Provisions for Fees, Fines, Penalties:

N/A

Revenue Receipts Cycle:

Revenue deposited per event. Interest deposited monthly.

Fund Balance Utilization:

Funds used to guarantee loans for the expansion or development of child care facilities in the state. Any interest at the end of the fiscal year which exceeds the amount necessary to cover loan defaults occurring during that fiscal year shall be made available for professional development and quality improvement activities and grants.

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. This is done electronically.	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
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

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 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
Minimum Licensing Requirements for Registered Child Care Family Homes	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 requirements for the Registered Child Care Family Home.	0	0.00

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES
 Fiscal Year 2016
 Required by A.C.A. 25-36-104

AGENCY: 0710 DHS - Child Care/Early Childhood Education

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
GODDESS PRODUCTS	\$18,639	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 1

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$32,032,365

% OF MINORITY CONTRACTS AWARDED 0.06 %

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	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	30,149,634	0	24,950,000	0	35,469,372	0	24,950,000	0	42,450,000	0	42,450,000	0	24,950,000	0	42,450,000	0	42,450,000	0
890 Food Program	70,149,779	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0
896 Division of Child Care/Early Childhood	18,559,247	204	21,469,725	190	23,850,642	206	21,472,761	188	21,655,698	190	21,619,221	190	21,475,973	188	21,658,372	190	21,623,295	190
898 Child Care Grant/Aids	32,736,783	0	45,173,527	0	40,130,656	0	40,130,656	0	54,947,179	0	54,947,179	0	40,130,656	0	54,947,179	0	54,947,179	0
929 Child Care-Treasury Paying	0	0	36,786	0	120,863	0	36,786	0	36,786	0	36,786	0	36,786	0	36,786	0	36,786	0
Total	151,595,443	204	171,921,288	190	179,862,783	206	166,881,453	188	199,380,913	190	199,344,436	190	166,884,665	188	199,383,587	190	199,348,510	190

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	7,345,194	4.8	7,429,455	4.3	7,908,435	4.7	7,837,869	4.3	7,837,869	4.3	7,908,610	4.7	7,838,044	4.3	7,838,044	4.3	
Federal Revenue	4000020	141,676,019	93.5	161,514,266	93.9	155,999,138	93.5	170,190,637	94.0	170,190,637	94.0	156,002,175	93.5	170,191,674	94.0	170,191,674	94.0	
Special Revenue	4000030	158,599	0.1	519,007	0.3	519,094	0.3	519,094	0.3	519,094	0.3	519,094	0.3	519,094	0.3	519,094	0.3	
Cash Fund	4000045	0	0.0	36,786	0.0	36,786	0.0	36,786	0.0	36,786	0.0	36,786	0.0	36,786	0.0	36,786	0.0	
Merit Adjustment Fund	4000055	0	0.0	3,774	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Various Program Support	4000730	2,415,631	1.6	2,418,000	1.4	2,418,000	1.4	2,418,000	1.3	2,418,000	1.3	2,418,000	1.4	2,418,000	1.3	2,418,000	1.3	
Total Funds		151,595,443	100.0	171,921,288	100.0	166,881,453	100.0	181,002,386	100.0	181,002,386	100.0	166,884,665	100.0	181,003,598	100.0	181,003,598	100.0	
Excess Appropriation/(Funding)		0		0		0		18,378,527		18,342,050		0		18,379,989		18,344,912		
Grand Total		151,595,443		171,921,288		166,881,453		199,380,913		199,344,436		166,884,665		199,383,587		199,348,510		

Budget exceeds Authorized in Child Care Grant/Aids (FC 898) due to a transfer from the Miscellaneous Federal Grant Holding Account.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
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	
194	176	27	203	-9	9.28 %	203	175	7	182	21	13.79 %	204	183	7	190	14	10.29 %

Budget Number of Positions may exceed the Authorized Number due to transfers from the Miscellaneous Federal Grant Holding Account during the 2015-2017 Biennium.

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 \$24,950,000 each year of the biennium.

The Agency Change Level request is \$17,500,000 each year of the biennium for anticipated growth in the federal voucher program.

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			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	30,149,634	24,950,000	35,469,372	24,950,000	42,450,000	42,450,000	24,950,000	42,450,000	42,450,000
Total		30,149,634	24,950,000	35,469,372	24,950,000	42,450,000	42,450,000	24,950,000	42,450,000	42,450,000
Funding Sources										
Federal Revenue	4000020	30,149,634	24,950,000		24,950,000	24,950,000	24,950,000	24,950,000	24,950,000	24,950,000
Total Funding		30,149,634	24,950,000		24,950,000	24,950,000	24,950,000	24,950,000	24,950,000	24,950,000
Excess Appropriation/(Funding)		0	0		0	17,500,000	17,500,000	0	17,500,000	17,500,000
Grand Total		30,149,634	24,950,000		24,950,000	42,450,000	42,450,000	24,950,000	42,450,000	42,450,000

Change Level by Appropriation

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

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	24,950,000	0	24,950,000	100.0	24,950,000	0	24,950,000	100.0
C05	Unfunded Appropriation	17,500,000	0	42,450,000	170.1	17,500,000	0	42,450,000	170.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	24,950,000	0	24,950,000	100.0	24,950,000	0	24,950,000	100.0
C05	Unfunded Appropriation	17,500,000	0	42,450,000	170.1	17,500,000	0	42,450,000	170.1

Justification

C05	The division is requesting unfunded appropriation for anticipated growth in the federal voucher program.
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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 and total request for this appropriation is \$80,291,250 each year of the biennium.

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			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	70,149,779	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250
Total		70,149,779	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250
Funding Sources										
Federal Revenue	4000020	70,149,779	80,291,250		80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250
Total Funding		70,149,779	80,291,250		80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		70,149,779	80,291,250		80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250

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 include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$21,472,761 in FY2018 and \$21,475,973 in FY2019 with 188 budgeted Base Level positions.

The Agency Change Level request is \$182,937 in FY2018 and \$182,399 in FY2019 with a transfer of general revenue to other divisions of (\$70,566) each year for the following:

- Restore Positions (18): Regular Salaries and Personal Services Matching of \$932,037 in FY18 and \$932,899 in FY2019. The 2 positions established via MFG will not be transferred and will administer the High Quality Preschool Development grant.
- Transfer Positions Out (16): Regular Salaries and Personal Services Matching of (\$846,169) each year of the biennium to support Shared Services Division due to agency reorganization.
- Extra Help of \$60,592 for each year of the biennium.
- Operating Expenses of \$19,921 in FY2018 and \$18,521 in FY2019 to support (HQPP).
- Conference and Travel Expenses of \$16,556 each year of the biennium to support (HQPP).

The Executive Recommendation provides for the Agency Request with the exception of \$19,921 in FY2018 and \$18,521 in FY2019 in Operating Expenses and \$16,556 each year in Conference & Travel Expenses.

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		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,941,549	6,690,155	7,393,834	6,693,355	6,750,577	6,750,577	6,695,955	6,753,877	6,753,877
#Positions		204	190	206	188	190	190	188	190	190
Extra Help	5010001	99,280	153,795	153,795	153,795	214,387	214,387	153,795	214,387	214,387
#Extra Help		9	13	13	13	13	13	13	13	13
Personal Services Matching	5010003	2,530,876	2,532,091	2,755,678	2,532,677	2,561,323	2,561,323	2,533,289	2,562,097	2,562,097
Overtime	5010006	21	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,016,132	4,566,890	4,567,990	4,566,890	4,586,811	4,566,890	4,566,890	4,585,411	4,566,890
Conference & Travel Expenses	5050009	87,500	73,250	72,500	72,500	89,056	72,500	72,500	89,056	72,500
Professional Fees	5060010	5,883,889	7,448,544	8,901,845	7,448,544	7,448,544	7,448,544	7,448,544	7,448,544	7,448,544
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		18,559,247	21,469,725	23,850,642	21,472,761	21,655,698	21,619,221	21,475,973	21,658,372	21,623,295

Funding Sources										
General Revenue	4000010	1,164,457	1,164,457		1,168,437	1,097,871	1,097,871	1,168,612	1,098,046	1,098,046
Federal Revenue	4000020	14,820,560	17,877,510		17,880,340	17,255,316	17,255,316	17,883,377	17,256,353	17,256,353
Special Revenue	4000030	158,599	480,984		480,984	480,984	480,984	480,984	480,984	480,984
Merit Adjustment Fund	4000055	0	3,774		0	0	0	0	0	0
Various Program Support	4000730	2,415,631	1,943,000		1,943,000	1,943,000	1,943,000	1,943,000	1,943,000	1,943,000
Total Funding		18,559,247	21,469,725		21,472,761	20,777,171	20,777,171	21,475,973	20,778,383	20,778,383
Excess Appropriation/(Funding)		0	0		0	878,527	842,050	0	879,989	844,912
Grand Total		18,559,247	21,469,725		21,472,761	21,655,698	21,619,221	21,475,973	21,658,372	21,623,295

Change Level by Appropriation

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

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	21,472,761	188	21,472,761	100.0	21,475,973	188	21,475,973	100.0
C01	Existing Program	36,477	0	21,509,238	100.2	35,077	0	21,511,050	100.2
C05	Unfunded Appropriation	878,527	16	22,387,765	104.3	879,389	16	22,390,439	104.3
C06	Restore Position/Approp	114,102	2	22,501,867	104.8	114,102	2	22,504,541	104.8
C07	Agency Transfer	(846,169)	(16)	21,655,698	100.9	(846,169)	(16)	21,658,372	100.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	21,472,761	188	21,472,761	100.0	21,475,973	188	21,475,973	100.0
C01	Existing Program	0	0	21,472,761	100.0	0	0	21,475,973	100.0
C05	Unfunded Appropriation	878,527	16	22,351,288	104.1	879,389	16	22,355,362	104.1
C06	Restore Position/Approp	114,102	2	22,465,390	104.6	114,102	2	22,469,464	104.6
C07	Agency Transfer	(846,169)	(16)	21,619,221	100.7	(846,169)	(16)	21,623,295	100.7

Justification

C01	The Division of Child Care and Early Childhood is requesting funded appropriation in the amount of \$36,477. This appropriation will be utilized for maintenance and operations and travel, as required for the administration of the High Quality Preschool Development Grant.
C05	The Division of Child Care and Early Childhood Education is requesting unfunded appropriation in the amount of \$878,527 in positions to administer and provide direct support to the various programs and services of the Division. Included in these positions is Position Number: 22130372 which is being transferred to Shared Services, as a part of the Agency's reorganization.
C06	The Division of Child Care and Early Childhood Education is requesting appropriation in the amount of \$114,102 for salaries for staff to administer the High Quality Preschool Development grant.
C07	The Division of Child Care and Early Childhood Education is transferring \$846,169 in unfunded appropriation to the Agency's shared services created through the Agency's reorganization.

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 \$40,130,656 each year of the biennium.

The Agency Change Level request is \$14,816,523 each year of the biennium to accommodate the HQPP program to provide quality child care services to four year olds who meet the income guidelines for the program.

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		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	32,736,783	45,173,527	40,130,656	40,130,656	54,947,179	54,947,179	40,130,656	54,947,179	54,947,179
Total		32,736,783	45,173,527	40,130,656	40,130,656	54,947,179	54,947,179	40,130,656	54,947,179	54,947,179
Funding Sources										
General Revenue	4000010	6,180,737	6,264,998		6,739,998	6,739,998	6,739,998	6,739,998	6,739,998	6,739,998
Federal Revenue	4000020	26,556,046	38,395,506		32,877,548	47,694,071	47,694,071	32,877,548	47,694,071	47,694,071
Special Revenue	4000030	0	38,023		38,110	38,110	38,110	38,110	38,110	38,110
Various Program Support	4000730	0	475,000		475,000	475,000	475,000	475,000	475,000	475,000
Total Funding		32,736,783	45,173,527		40,130,656	54,947,179	54,947,179	40,130,656	54,947,179	54,947,179
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		32,736,783	45,173,527		40,130,656	54,947,179	54,947,179	40,130,656	54,947,179	54,947,179

Budget exceeds Authorized Appropriation in Grants and Aid due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

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

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	40,130,656	0	40,130,656	100.0	40,130,656	0	40,130,656	100.0
C01	Existing Program	14,816,523	0	54,947,179	136.9	14,816,523	0	54,947,179	136.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	40,130,656	0	40,130,656	100.0	40,130,656	0	40,130,656	100.0
C01	Existing Program	14,816,523	0	54,947,179	136.9	14,816,523	0	54,947,179	136.9

Justification

C01	The Division of Child Care and Early Childhood Education is requesting funded appropriation to accomodate the High Quality Preschool Program for the state of Arkansas four year olds.
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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 \$36,786 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	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Loan Guarantee/Grants 5900046	0	36,786	120,863	36,786	36,786	36,786	36,786	36,786	36,786
Total	0	36,786	120,863	36,786	36,786	36,786	36,786	36,786	36,786
Funding Sources									
Cash Fund 4000045	0	36,786		36,786	36,786	36,786	36,786	36,786	36,786
Total Funding	0	36,786		36,786	36,786	36,786	36,786	36,786	36,786
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	36,786		36,786	36,786	36,786	36,786	36,786	36,786