

**APPENDIX B
ARKANSAS**

**Survey Results on the Status of State Implementation Efforts
October 1, 2002 to May 31, 2003**



Southern Regional Initiative on Child Care: Action Plan to Improve Access to Child Care Assistance for Low-Income Families in the South

**Survey Results on the Status of Implementation Efforts
Current Report Period: October 1, 2002 to May 31, 2003**

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Goal 1 - Federal, State, Local and Private Funds Should Be Sufficient to Meet 100% of Need for Direct Child Care Assistance, Based on Initial Eligibility Levels at 85% of the State Median Income. Re-determination Levels Should Allow Families to Retain Child Care Assistance Until They Reach 100% of State Median Income.

(Action Step 1.1) - Educate federal and state policymakers on the need for action.

2003 Response:

During the 84th Regular Legislative Session, Act 1332 was passed which creates the *Better Chance for School Success Program* under the *Arkansas Better Chance Program*. This program is defined as a developmentally appropriate early care and education program for children ages three and four whose family income falls below 200% of the Federal Poverty Level. The local school district is required to work with the Department and their local community to establish, promote, and assist in the development of a program if the following conditions exist:

1. The school district has 75% or more students scoring below proficient on the primary benchmark exams, or other exams designated by the Arkansas Department of Education (ADE) in the preceding two years, or
2. The school district has been designated by the ADE as being in academic distress.

Any licensed early childhood program accredited by the Department of Human Services and quality approved by the ADE may apply for funding. Parents are not mandated to send their children. If new monies become available in the fall session then priority consideration will be given to those school districts meeting the conditions above. If new monies are not appropriated, there is nothing in the bill that will change the priority of funding for the current ABC programs. There is an \$80 million appropriation bill filed to support this Act.

2002 Response:

The State Board of Education charged the Division of Child Care and Early Childhood Education, the administering agency for the ABC program, to study and make recommendations regarding the cost, quality and rate structure for the current program. A task force comprised of early childhood professionals, public school personnel, Legislators and parents spent eight months reviewing data and program issues and made recommendations to the State Board of Education in February 2002.

The Board approved a new ABC Core Quality Model for all pre-K programs that sets a reimbursement rate of \$4,995.85 per child for the center based model and \$1648.05 per family for HIPPIY and PAT.

There are two groups commissioned through legislation in Arkansas (Blue Ribbon Commission and the State Board Advisory Committee) studying the public education system as a result of the ruling by Judge Collins Kilgore in the Lakeview School District, No. 25 of Phillips County, et al vs. Mike Huckabee, Governor of the State of Arkansas, et al. that stated the school funding system now in place in the State of Arkansas is inequitable and inadequate under the Constitution. Judge Kilgore, in his opinion, stated that in order to provide our children with an adequate education as required by the Constitution the State must provide programs for those children of pre-school age that will allow them to compete academically with their peers. He went on to say that the urgency of this need equals that of the deficiency in teacher salaries.

The Next Step Plan by Governor Huckabee includes recommendations for early care and education. He wants to assure access to Head Start, ABC or other education-based quality pre-school programs.

Also, both Legislative groups studying the issues have made recommendations that a program of early childhood education shall be available for all four-year old children in Arkansas.

Now the House and Senate Education Committees will begin the work of analyzing the recommendations and deciding the funding priorities.

2001 Response:

Governor supported low-income working families by placing \$1 million in each year of the biennium for direct services. A TANF transfer of \$12 million will occur by October 1, 2001.

Act 1841 - The Child Care for Working Families Act. This places a 3% tax on beer to be used for two areas. The state pre-k (ABC) programs will receive 80% of the revenues. Direct services for low-income working families will receive 20% of the revenues. The estimated revenue is \$6.5 million in SFY 2002 and \$9.7 million SFY 2003.

Act 1271 established the Early Care Foundation, which will accept and match contributions from private business and individuals for child care. The Department of Human Services will provide \$1 million in match funds over the next two years to initiate this project.

We are currently working with Joint House and Senate Education Committees in an interim study. The first addressed early care and education policies and general questions. This study will address early care and education funding. We have provided our Federal Congressional Leaders with data and recommendations.

(Action Step 1.2) - Educate the business community on the need for leadership in achieving state, federal and community resources to meet 100% of need.

2003 Response:

In March of 2003 the Governor presented the first ever Arkansas Governor's Family Friendly Employer Awards. He believes that business and government together can be partners with families in the challenging task of raising children. Following is a list of the award winners by category:

Large employer

- Baptist Health-Diamond Recipient, Gold Winner
- Acxiom Corporation, Silver Winner
- University of Arkansas, Bronze Winner

Medium employer

- DaySpring Cards, Gold Winner
- US Able Life Insurance, Silver Winner
- Arkansas Foundation for Medical Care, Silver Winner
- Rich Mountain Community College, Bronze Winner

Small Employer

- I.C.E. Inc., Gold Winner
- Arkansas Single Parent Scholarship Fund, Silver Winner
- Tripp's Total Travel Management, Bronze Winner

Entergy, the state's largest utility company, endorsed high quality early childhood education as an investment in the future, especially for low-income children who face additional hurdles in overcoming the educational and employment disadvantages that poverty brings. They published a report, *The Economics of Education*, which documents a study of Arkansas, Louisiana, Mississippi, and Texas. The report conservatively estimates a \$9 return for every \$1 invested in early childhood education.

The Arkansas State Chamber of Commerce and Affiliated Industries Association drafted a very strong recommendation that supports the finding of The State's Blue Ribbon Commission on Education. They specifically recommended that the state provide quality preschool education for three and four-year olds in families with incomes less than 200% of the Federal Poverty Level.

A partnership with the Arkansas Department of Economic Development for distribution of \$1million in Community Development Block Grant funds for renovation/construction of child care facilities places the Division in a position of assisting county and local governments during planning stages of determining whether child care is necessary in the community. This involves local business leaders and establishes a strong public-private partnership.

Local Child Care Resource and Referral agencies (CHILDREN of North Central Arkansas and REACH of NE Arkansas) both have active outreach and cooperation from the business community. Both receive financial backing and have business and Chamber of Commerce representatives serving on their Boards. These CCR&R's receive support both financially and from CEO levels to continue the work of the R&R locally.

Child Care Resource and Referral agencies also collaborate with local United Way organizations to support Success by Six projects. Two agencies have been recipients of the Success by Six projects; one is a current site.

Funding from private foundations has extended the Division's ability to promote home visiting programs through the *Parents As Teachers* Program. Foundation funding supported the program for the past two years. Additionally, the Winthrop Rockefeller Foundation has provided a planning grant to be used for a comprehensive systems plan for development of a scientifically based research project to study the effects of early care and education interventions in the state.

2002 Response:

One of the recommendations of The Arkansas Corporate Champions for Children Task Force was to establish the Governor’s Family-Friendly Employer Award, which will recognize employers who have established policies and practices that address the growing concerns of employees trying to balance work and family life. In addition, the campaign will distribute business-oriented child care resource guides and information on programs and policies considered best practices to use as models for replication. The recommendations for implementation have been completed and we are in the process of establishing the Advisory Committee to oversee the process of selection. The award ceremony is scheduled for March 2003.

There are also business leaders that have served on both groups studying the public education system in this state.

2001 Response:

Act 1271 established the Early Care Foundation, which will accept and match contributions from private business and individuals for child care. The Department of Human Services will provide \$1 million in match funds over the next two years to initiate this project.

The Division in conjunction with the Governor’s office will develop an initiative with faith based community leaders to encourage participation in child care in their local communities. The first organizational meeting in October 4, 2001.

The Arkansas Corporate Champions for Children Task Force made recommendations to the Governor before the 2001 Legislative session. As a result ACT 1271 was passed, that established the Foundation for Early Care and Education. This foundation will accept and match contributions from private business and individuals for child care. Foundation resources will be used to enhance quality, affordability, and availability of child care and early education for children in the state.

(Action Step 1.3) - Increase federal funding for the Child Care and Development Fund to fulfill current policy allowing federal matching funds for child care assistance up to 85% of the state median income.

2003 Response:

During the 2003 Legislative session, special language was passed that requires that \$12 million in TANF funds be transferred to support child care subsidies. The waiting list for low-income families is 600 families. During the fall 2003 Special Session we are hopeful that state general revenue will be added to serve three and four year olds up to 200% of the FPL. We are still serving families at 60% of the state median income. However, we do plan to raise reimbursement rates to meet the current 75% level of the 2003 market rate survey.

2002 Response:

Because of the Governor’s additional \$1 million in SGR, TANF transfer and beer tax revenues we have drastically reduced our waiting list from 4,631 to 894 families as of August 2002. We are still serving families at 60% of the state median income.

2001 Response:

Although we have received an increase in Federal funding for the CCDF Block grant it does not allow us to raise our eligibility level to 85% of the state median income. We are currently serving families at, or below 60% of the state median income with a waiting list of 4,631 families.

(Action Step 1.4) - Increase state funding to provide child care subsidies to all eligible families who seek child care assistance.

2003 Response:

Act 272 was passed in the 2003 Regular Session. It extends the current 3% excise tax on retail beer sales until June 2005. The revenues (20%) generated from this tax are utilized for eligible low-income working families who seek child care assistance. Please refer to response in 1.1 as well.

2002 Response:

Because of the Governor's additional \$1 million in SGR, TANF transfer and beer tax revenues we have drastically reduced our waiting list from 4,631 to 894 families as of August 2002. We are working to eliminate the waiting list for services.

2001 Response:

State funding was increased this year through two new sources. The Governor supported a \$1 million increase in funding in 2002-2003 to address child care accessibility for low-income working families. Secondly, Act 1841, The Child Care for Working Families Act, was passed that placed a 3 percent retail excise tax on beer. Revenues from this tax are dedicated to child care and early childhood education. The tax is expected to generate \$6.6 million during FY 2002 and \$9.7 million in FY 2003.

(Action Step 1.5) - Mobilize federal, state and community resources in support of families who need child care assistance.

2003 Response:

Beginning in September 2003 the plan to reform K-12 Education in Arkansas will be developed and Legislation passed to implement changes. One of the bills introduced is the \$80 million Appropriation Bill that supports Act 1332 - The Better Chance for School Success Program. This program is defined as a developmentally appropriate early care and education program for children ages three and four whose family income falls below 200% of the Federal Poverty Level. Please refer to 1.2 as well.

2002 Response:

All forces are mobilized in this state around early care and education due to the tremendous impact of the Lakeview lawsuit. "Speak Up Arkansas" Forums held in all 75 counties in Arkansas enabled communities to give their input regarding the recommendations by the Blue Ribbon Commission. Early care and education was a top priority in most counties across the state.

2001 Response:

Kids Count Coalition, sponsored by Arkansas Advocates, successfully energized and empowered providers and parents during the last session and they were a large reason that numerous child care bills were passed. Kids Count provided training at the local level on “how to tell the story” and set up an information network to keep everyone on the same page. This is a strong group that will move forward in the 2003 session.

Goal 2: States and Communities Should Broaden Their Child Care Eligibility and Subsidy Policies to Meet the Economic, Work and Education Needs of Families

(Action Step 2.1) - Establish co-payments not to exceed 10% of gross family income.

2003 Response:

We are looking at our co-payment structure at this time. Only 6-7% of Arkansas families pay any percentage of the cost of care.

2002 Response:

No new information.

2001 Response:

Only 6-7 % of the families pay a co-payment in Arkansas.

(Action Step 2.2) - Provide child care assistance to students who qualify under the income guidelines.

2003 Response:

Changes have been made to the State Plan that gives students the same priority as working families. Previously, they were the lowest priority.

2002 Response:

Because of the Governor’s additional \$1 million in SGR, TANF transfer and beer tax revenues we have drastically reduced our waiting list from 4,631 to 894 families as of August 2002. Students are receiving services.

2001 Response:

All students (vocational, 2 yr., 4 yr., etc.) qualify in this category with High School students given top priority. Changes were made in the approved State Plan, which reduce the number of required college hours from 15 per semester to 12. As TANF transfer money becomes available, these families will receive services.

(Action Step 2.3) - Explore broad use of income exemptions to address affordability of child care.

2003 Response:

No changes have been made in this category. All previous exemptions are still in effect.

2002 Response:

TANF cash assistance is not counted as income. The definition of “work” has been reduced from 35 hours to 32 hours per week.

2001 Response:

Each adult household member who is employed at least 35 hours per week will have a \$100.00 work related deduction made from their gross income to account for withholding and other mandatory work-related expenses.

A Casehead receiving SSI is disregarded.

Other miscellaneous income such as bonuses, income tax returns, insurance settlements, etc. are disregarded.

(Action Step 2.4) - Eliminate asset testing (e.g. automobile or savings account) from criteria for child care assistance.

2003 Response:

No new information.

2002 Response:

No new information.

2001 Response:

We have eliminated the asset test.

(Action Step 2.5) - Index income eligibility levels for inflation.

2003 Response:

No new information.

2002 Response:

No new information.

2001 Response:

The sliding fee scale was adjusted to reflect the current level of 60% of the state median income.

Goal 3: Outreach Initiatives Should Be Designed and Aggressively Implemented to Assure That Families Have Accessible and Easy-To-Understand Information on Child Care Assistance and Are Provided Assistance in Applying.

(Action Step 3.1) - Provide information on child care subsidies through multiple sources, venues and the media.

2003 Response:

We continue to utilize the methods described last year to reach eligible families. The last two months we've received an average of 1,200 new applications.

2002 Response:

We have utilized many outreach avenues to reach eligible families. Television commercials have run on the importance of quality and literacy for young children. Easy to understand brochures have been made available in communities, large group sessions have been held to explain the eligibility system. Public service announcements have been completed in some counties. Now that money is available for low income working families, we are receiving between 700-800 new applications on a monthly basis.

2001 Response:

Applications placed on-line now for use by parents.

(Action Step 3.2) - Ensure that information is accurate, family friendly, employer friendly, culturally sensitive and provided in multiple languages, as appropriate.

2003 Response:

We have expanded the Nuestra Familia project for two more years. Communities with high concentrations of non-English speaking families will be empowered to establish networks of community resources. The evaluation of this project was excellent. We received Appropriation authority for translation services in the 2003 Regular Session. Licensing regulations and applications will be given top priority for translation.

2002 Response:

Our Nuestra Familia project designed to focus on cultural differences and how to work with children in the classroom has been piloted and is now being implemented in communities across the state. Communities with high concentrations of non-English speaking families will be empowered to establish support personnel to serve as resources in the community. We are also incorporating an evaluation component of this model involving parents.

2001 Response:

On September 18-20, 2001 our first ESL Academy for Pre-school teachers will be held in conjunction with the State Department of Education. The participants from local communities will be discussing cultural sensitivity and how to engage parents in the local community. Also, utilizing technology to "get the word out" about services we offer will be a strong component of the training.

(Action Step 3.3) - Present information in a manner that would remove the stigma associated with receiving subsidies.

2003 Response:

Resource and Referral Agencies work with parents to locate child care settings most appropriate for their needs. They also help parents applying for assistance. Our state workers have conducted weekend and evening interviews in order to accommodate work schedules.

Family Connection Packets (based on the Early Childhood Frameworks) are now distributed to every parent, through all Licensed and Registered Child Care Facilities as required by Act 825 passed in the 2003 Regular Session. The intent is to make sure that all parents see the Readiness skills necessary for Kindergarten success. Family Connection Packets based on the Infant-Toddler Frameworks are being printed and will also be distributed to parents.

2002 Response:

Family Connection Kits are available for child care programs linking child care activities to family activities. This kit addresses the early childhood framework/early learning guidelines. Materials are available to all parents in our state.

2001 Response:

We have developed child care information pamphlets for parents regarding all the services offered through the Division. Through the resource and referral agencies information is also given out in a manner that removes the stigma. We have also just completed a Customer Satisfaction survey with parents and providers that strongly supports the fact that parents are treated with respect when dealing with DHS and that they are getting their needs met.

(Action Step 3.4) - Provide literature and assistance to help parents make informed provider choices.

2003 Response:

The Parent's Guide to Child Care is available in all DHS offices throughout the state. Resource and Referral Agencies assist parents in making informed provider choices. Parents may also access facility information by contacting the Licensing unit or visiting the web site.

2002 Response:

The Division issued a "Parent's Guide to Child Care" which is distributed by eligibility specialists throughout the state. The guide gives basic information on types of care available, subsidy opportunities, and what to look for in high quality care settings.

2001 Response:

Please see response to action step 3.3.

(Action Step 3.5) - Coordinate ongoing and strategic outreach activities among common organizations and providers.

2003 Response:

Voluntary provider training regarding the new Provider Participant Voucher Agreement was conducted in 20 sites across the state this year for the first time. These meetings were held weekends and evenings. Positive feedback was received from the providers and many of the questions regarding the contract with the State were answered.

Special Nutrition Programs have completed community outreach meetings in several strategic places across the state where there are no providers signed up for the food program. A survey was conducted in coordination with Arkansas Advocates for Children and Families to determine why more providers do not participate in the USDA program. A plan was developed to increase participation in areas of low or no participation.

The Nutrition Advisory Council was re-established with representatives from several Agencies working as participants. There are several goals of this group including coordination, outreach, nutrition, obesity prevention and increased participation in the SNP programs that reimburse providers for food costs.

Through consultation with the Transitional Employment Board (TEB) discussion has begun regarding how parents access child care services. Plans are being drafted for better utilization of the "One Stops" across the state. These were Federally mandated offices originally set up outside the DHS offices where parents needing assistance could locate all of the services for which they qualify. We will determine if parents can be better served by housing staff in those locations. The correlation between workforce issues and child care is high so this could be a good solution for our staffing issues.

2002 Response:

Training is provided regarding Division services at training conferences and Professional organizational meetings across the state. Town meetings will be held across the state to discuss eligibility issues and the upcoming proposed legislative agenda. Coordination within the Division has increased participation in both the child care assistance program and the USDA Food Program.

2001 Response:

Within the division we have developed a new policy that states that when any application from a new provider comes in that information will be forwarded to the unit administrators and someone will be designated to call the providers and let them know what services are

available through the division.

I am also attending all of the Governor's Forums across the state where issues surrounding child care usually come up. I will be able to readily give the participants contact information. We are also participating in the Arkansas Department of Economic Development forums across the state. The message that child care is a workforce issue is the top priority.

(Action Step 3.6) - Offer cross-training and information to providers, community organizations, faith organizations, and state agencies to inform them about child care assistance programs and how to assist families in filing applications.

2003 Response:

No new information.

2002 Response:

Training is offered to major organizations and communities (including for-profit, non-profit and faith-based) across the state regarding information and assistance for parents related to the subsidy program. Division staff served on a panel at the Community Action Agencies Conference to discuss all services provided by our Division. The Director of the Division of Child Care and Early Childhood Education meets monthly with the Head Start Directors and is a member of the state-wide Faith Based Initiative sponsored by the Governor's office.

2001 Response:

See see responses to action steps 1.2 and 3.5.

Goal 4: The Child Care Application and Redetermination Processes Should Be Uncomplicated and Family Friendly.

(Action Step 4.1) - Simplify applications for child care assistance.

2003 Response:

Parents may apply by internet, fax, phone or mail. Face-to-face interviews are not required at re-determination time. The application has been simplified and coordinated with the TEA application so that there is less confusion when the parents move from one program to the next.

2002 Response:

We are currently examining application policies. The provider contract will be reviewed this year and input will be solicited from parents and providers.

2001 Response:

We are examining application policies currently.

(Action Step 4.2) - Allow filing by mail, phone, fax or internet.

2003 Response:

No new information.

2002 Response:

No new information.

2001 Response:

Applications can be made through all above methods.

(Action Step 4.3) - Minimize requests for documentation at initial application and utilize documents already on file.

2003 Response:

We actually have a meeting set up this week with the Child Support Enforcement Agency. This is the area that seems to be the most frustrating for parents and we are trying to develop a plan to share information so that parents do not have to respond to two different agencies. Depending on the cost of implementing access to the data base, we will develop a plan to utilize the documents they have on file.

2002 Response:

We are currently examining application policies.

2001 Response:

We are examining application policies currently.

(Action Step 4.4) - Provide applications at multiple sites.

2003 Response:

No new information.

2002 Response:

No new information.

2001 Response:

Applications are provided at multiple sites including DHS offices, all resource and referral locations and on-line.

(Action Step 4.5) - Offer non-conventional hours of operation for eligibility offices and provide toll-free phone lines to include evening and weekend hours.

2003 Response:

Eligibility staff conducted interviews during evening and weekend hours this year. Toll-free phone lines are available for parents to call and those numbers are published on all informational brochures.

2002 Response:

Some of our workers have arranged times outside the normal operating hours if necessary, but this is not required by policy.

2001 Response:

Until we begin to receive additional funding from our Legislative efforts this will not be necessary.

(Action Step 4.6) - Explore presumptive eligibility or otherwise provide immediate eligibility contingent upon final approval.

2003 Response:

We have not incorporated this action step at this time.

2002 Response:

No new information.

2001 Response:

We are examining application policies currently.

(Action Step 4.7) - Eliminate requirements for a face-to-face interview both for initial application and for redetermination.

2003 Response:

No new information.

2002 Response:

Face-to-face interviews are held for the initial determination but not required for redetermination.

2001 Response:

We are examining application policies currently.

(Action Step 4.8) - Provide consultation on making appropriate choices when excessive requests for provider changes are filed.

2003 Response:

This is completed by the caseworker if necessary.

2002 Response:

This is completed by the caseworker if necessary.

2001 Response:

This is currently completed by the caseworker if necessary.

(Action Step 4.9) - Establish a 12-month redetermination period where there are no changes in income or job status.

2003 Response:

After review, we continued with our policy of 6-month redetermination.

2002 Response:

We are currently examining application and redetermination policies. The provider contract will be reviewed this year and input from parents and providers will be solicited.

2001 Response:

We are examining application and redetermination policies currently.

(Action Step 4.10) - Continue eligibility for full subsidy for 12 weeks if family loses employment but can document that a job search is underway.

2003 Response:

Families that lose employment can continue eligibility for three weeks if they document that a job search is underway.

2002 Response:

Families that lose employment can continue eligibility for three weeks if they document that a job search is underway.

2001 Response:

We are examining these policies currently.

Goal 5: Establish a Coordinated, Seamless Eligibility System So That Funding Sources Are Invisible to Families and Support Continuity of Child Care.

(Action Step 5.1) - Eliminate the need for families to reapply when eligibility categories change by automatically searching to exhaust all eligibility categories before closing cases.

2003 Response:

There are no requirements for families to reapply when eligibility categories change.

2002 Response:

Category changes are made without closure if TEA parents are moving into Transitional care. The same procedure is utilized when parents move into Low-income Working care. Both systems are open at this time due to increased revenues.

2001 Response:

Category changes are made without closure if TEA parents are moving into transitional care.

(Action Step 5.2) - Explore the potential for policy and procedural changes to achieve linkages with or combined applications for child care assistance, Head Start, Pre-K and Title I.

2003 Response:

Our public Pre-K income eligibility standards match those of the CCDF Block Grant. This increases the number of children eligible under the income category for the public Pre-K program.

2002 Response:

We have adjusted our public pre-K income eligibility standards to match those of the CCDF Block grant. This increased the number of children eligible under the income category for the public pre-K program.

2001 Response:

We are still working on this.

(Action Step 5.3) - Continue eligibility in programs with multiple funding sources to assure continuity of care in the event that eligibility has expired or terminated in one program.

2003 Response:

Because of our strong partnerships with Head Start and Department of Education and Special Education, we effectively utilize multiple funding streams to create options for early care and education services for children.

2002 Response:

We have strong linkages with Head Start and Department of Education and effectively utilize multiple funding streams to create options for early care and education services for children.

2001 Response:

We are still working on this.

(Action Step 5.4) - Work collaboratively with all public and private programs and funding sources to assure that children receive stable and consistent early child care services.

2003 Response:

Entergy, the state's largest utility company, endorsed high quality early childhood education as an investment in the future, especially for low-income children who face additional hurdles in overcoming the educational and employment disadvantages that poverty brings. They published a report, *The Economics of Education*, which documents a study of Arkansas, Louisiana, Mississippi, and Texas. The report conservatively estimates a \$9 return for every \$1 invested in early childhood education.

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Funding from private foundations has extended the Division's ability to promote home visiting programs through the *Parents As Teachers* Program. Foundation funding supported the program for the past two years. Additionally, the Winthrop Rockefeller Foundation has provided a planning grant to be used for a comprehensive systems plan for development of a scientifically based research project to study the effects of early care and education interventions in the state.

2002 Response:

We have strong linkages with Head Start and Department of Education and effectively utilize multiple funding streams to create options for early care and education services for children.

2001 Response:

We are still working on this.

Goal 6: Establish Customer Service Outcome Goals and Set Standards to Ensure that All Families are Treated With Dignity and Respect and Are Served in an Efficient Manner.

(Action Step 6.1) - Provide professional and well-trained eligibility staff who are culturally and linguistically sensitive.

2003 Response:

We will conduct a Customer Satisfaction Survey this year. The last one was completed in 2001 and parents and providers gave favorable responses.

2002 Response:

Plans are being made to allow staff participation in our *Nuestra Familia* training. This project focuses on cultural differences and is now being implemented across the state.

2001 Response:

Efforts have been made to provide professional and well-trained staff. According to the recent Customer Satisfaction Survey parents and providers were pleased.

(Action Step 6.2) - Facilitate quick eligibility determination through reasonable caseloads and/or administrative structure.

2003 Response:

We have increased our eligibility staff from 16 to 22. We are looking at ways to utilize existing positions within Division of County Operations and the "One Stops" to facilitate quicker eligibility determination.

2002 Response:

We have received approval for seven additional eligibility caseworkers and one supervisor in order to lower the caseloads.

2001 Response:

Our caseloads have been at the same level since September of 1999 due to limited funding. This is not an issue for us.

(Action Step 6.3) - Conduct periodic, independent and thorough consumer satisfaction assessments, assuring the confidentiality of information collected.

2003 Response:

We will conduct a Customer Satisfaction Survey in 2003.

2002 Response:

We have plans to conduct another Customer Satisfaction Survey in 2003.

2001 Response:

See response 3.3 for Customer Satisfaction Survey results.

(Action Step 6.4) - Provide adequate support for child care resource and referral services.

2003 Response:

No new information.

2002 Response:

The state currently supports four local child care resource and referral networks and offers state-wide services through the central office. A council of representatives from the resource and referral agencies meets quarterly to develop plans to expand and upgrade services.

2001 Response:

Grants have always been provided to support the child care resource and referral organizations.

Goal 7: Design the Subsidy System So That Rate Structures Assure That Families Receiving Child Care Assistance Have Access to All Types of Child Care and Disallow Charges Above Established Co-Payments.

(Action Step 7.1) - States should cap reimbursement rates at no less than the 75th percentile based on a market rate survey conducted every two years that accurately reflects the price of all types of care in communities across the state.

2003 Response:

We will continue to cap reimbursement rates at the 75th percentile based on the market rate survey conducted every two years. This year the market rate surveys were completed through contract with the Child Care Resource and Referral Agencies. Seventy-five percent of the providers responded as compared to thirty- seven percent the last time the survey was completed.

2002 Response:

Rates are capped at the 75th percentile based on a market rate survey conducted every two years.

2001 Response:

We raised reimbursement rates beginning July 1, 2001 to reflect the current market rate survey of rates at the 75th percentile (\$2.6 million increase).

(Action Step 7.2) - Establish and evaluate reimbursement policies that encourage provider participation and are responsive to family needs.

2003 Response:

Meetings were held with providers to review reimbursement policies. Major changes will be made effective July 1, 2003 due to the input. Providers will be paid for Holidays and the rate structure was simplified to Full-Time, Half-Time and Part-Time rates.

2002 Response:

We will address reimbursement policies this year during review of the provider contract. Input will be solicited from providers and community leaders.

2001 Response:

State planning process allowed input from providers and community leaders regarding reimbursement policies. Also we made personal contacts with providers during the "market rate survey" period in order to get the price sheets that they were giving to parents.

(Action Step 7.3) - Prohibit providers from charging above the established co-payments.

2003 Response:

We do not allow additional charges unless approved by our agency.

2002 Response:

We do not allow additional charges unless approved by our agency.

2001 Response:

We do not allow additional charges.

Goal 8: Create Partnerships With Employers to Expand Child Care Assistance for Working Families.

(Action Step 8.1) - Educate employers about the bottom line benefits associated with public and private child care assistance.

2003 Response:

Please see response to action step 1.2.

2002 Response:

One of the recommendations of The Arkansas Corporate Champions for Children Task Force was to establish the Governor's Family-Friendly Employer Award, which will recognize employers who have established policies and practices that address the growing concerns of employees trying to balance work and family life.

In addition, the campaign will distribute business-oriented child care resource guides and information on programs and policies considered best practices to use as models for replication. The recommendations for implementation have been completed and we are in the process of establishing the Advisory Committee to oversee the process of selection. The award ceremony is scheduled for March 2003.

There are also business leaders that have served on both groups studying the public education system in this state. They have looked at the issue of quality care for young children and made a recommendation to include that in the plan.

2001 Response:

See response to action step 1.1 for public private initiative information.

(Action Step 8.2) - Enlist business leaders to champion the involvement of southern businesses and to serve as mentors to other businesses.

2003 Response:

We have no representation on the Southern Business Council initiated by the Southern Institute, but do have the Governor's Family Friendly Awards that is listed in 1.2.

2002 Response:

We have asked two representatives to serve on the Southern Business Council initiated by the Southern Institute.

2001 Response:

See response 1.1 for business participation through public private initiative.

(Action Step 8.3) - Provide information to employers on all available tax benefits related to child care assistance, including deductions for donations to tax-exempt child care organizations, capital costs for constructing a child care center and establishing a pre-tax dependent care assistance plan.

2003 Response:

Business child care kits were distributed at the Governor's Family Friendly Award Breakfast in March 2003. They are also available upon request to all employers. Arkansas has a current law that provides tax exemptions to employers constructing a child care center on site.

2002 Response:

Business child care kits are available to all employers. The Arkansas Department of Economic Development conducted a survey of all businesses with less than 200 employees to ascertain the level of involvement in child care issues.

2001 Response:

We have developed a “child care kit” that is available to employers that explains all of above plus additional information.

(Action Step 8.4) - Facilitate collaborative initiatives that enable employers to share ideas as well as pool their resources to address child care needs.

2003 Response:

During the Governor’s Family Friendly Awards Ceremony the emcee described each winning business plan for balancing work and family life issues. Each business was also written up in Arkansas Business Magazine which is distributed state-wide. Several of the employers present were talking as they left about ideas they had heard that they felt would be easy to implement for the next year. In addition, business oriented child care resource guides and information on programs and policies considered best practices were distributed as models for replication. This initiative received television coverage and there is a very competitive atmosphere already established for next year. Please refer to action step 1.2 as well.

2002 Response:

One of the recommendations of the Arkansas Corporate Champions for Children Task Force was to establish the Governor’s Family–Friendly Employer Award, which will recognize employers who have established policies and practices that address the growing concerns of employees trying to balance work and family life. In addition, the campaign will distribute business-oriented child care resource guides and information on programs and policies considered best practices to use as models for replication. The recommendations for implementation have been completed and we are in the process of establishing the Advisory Committee to oversee the process of selection. The award ceremony is scheduled for March 2003.

2001 Response:

This is part of the Early Care Foundation Act as well as the Governor’s Faith based initiative in conjunction with the Division.

(Action Step 8.5) - Provide matching funds or other tax or financial incentives for employers to invest in child care.

2003 Response:

The Child Care Apprenticeship project supported by the Division of Child Care and Early Childhood Education and funded by the Department of Labor provide financial incentives for employer involvement in child care and training for early care and education staff. We have seven registered apprenticeship sites now in Arkansas.

2002 Response:

The Child Care Apprenticeship projects supported by the Division of Child Care and Early Childhood Education and funded by the Department of Labor provide a financial incentive for employer involvement in child care and training for early care staff.

2001 Response:

The Early Care Foundation provides for \$1million to be utilized for matching funds. See action step 1.1.

(Action Step 8.6) - Establish incentives for employers to create child care benefit programs for their employees or to contribute to child care purchasing pools in their state or community.

2003 Response:

The Early Care Foundation was not implemented due to budget constraints.

2002 Response:

Due to budget cuts the state matching dollars for the Early Care Foundation are not available at this time.

2001 Response:

Please see response to action step 1.1.

(Action Step 8.7) - Reduce the administrative burden on employers participating in any joint public/private child care assistance program.

2003 Response:

We have several employers who have contracted with private providers to manage the child care operation for them on site. This reduces the administrative burden on the employer.

2002 Response:

Due to budget cuts, the implementation of the Public-Private Initiative was delayed.

2001 Response:

Please see response to action step 1.1.

Goal 9: Provide Child Care Assistance to Working Families Through Federal and State Tax Laws.

(Action Step 9.1) - Make the federal child dependent care tax credit refundable.

2003 Response:

Not applicable to states.

2002 Response:

N/A

2001 Response:

N/A

(Action Step 9.2) - Establish refundable child and dependent care tax credits in states with income taxes.

2003 Response:

No new information.

2002 Response:

No new information.

2001 Response:

Arkansas has a refundable child care tax credit available to parents.

(Action Step 9.3) - Raise federal and state child care tax credit expense limits to accurately reflect the price of quality care.

2003 Response:

Due to budget cuts, no legislation was introduced in the 2003 session. There were no changes made regarding child care tax credit limits.

2002 Response:

The Interim Study on Child Care Financing has established a tax work group to address Federal and State Tax issues in preparation for the 2003 Legislative session. Plans to introduce new legislation are being finalized.

2001 Response:

N/A

(Action Step 9.4) - Index for inflation the state and federal child and dependent care tax credit income eligibility and expense limits.

2003 Response:

Due to budget constraints, the Legislation was not introduced in the 2003 Session.

2002 Response:

The Interim Study on Child Care Financing has established a tax work group to address Federal and State Tax issues in preparation for the 2003 Legislative session. Plans to introduce new legislation are being finalized.

2001 Response:

N/A

(Action Step 9.5) - Ensure that child and dependent care tax credits are clearly identified and easy to claim by filers using either the short or long form.

2003 Response:

The Division has worked with the Department of Finance and Administration (DFA) to ensure that parents can file easily.

2002 Response:

The Division has worked with Department of Finance Administration (DFA) to ensure that parents can file easily.

2001 Response:

N/A

(Action Step 9.6) - Encourage the use of effective state tax strategies to provide financial support for child care.

2003 Response:

The 3% excise tax on beer was extended to June 2005.

2002 Response:

Currently we have a 3% excise tax on beer to support Early Care and Education in our state.

2001 Response:

We have tax strategies in place currently and will be examining others during the next year for possible Legislative action in 2003.

Goal 10: States Should Have Effective, Coordinated Systems to Guide Child Care and Early Childhood Policy Decisions and Direct Use of Resources.

(Action Step 10.1) - Facilitate greater coordination in eligibility policies across child care and early childhood education programs at state and local levels.

2003 Response:

The Division of Child Care and Early Childhood Education works closely with the Transitional Employment Assistance Board that was established by state law to oversee the management of the State's Temporary Employment Assistance (TEA) for Needy Families program. The Division updates the Board periodically with statistics and expenditure projections concerning child care services to families who are participating in or transitioning from welfare assistance. This Board has authority over the transfer of TANF funds. During the past two years they have approved the transfer of \$12 million dollars for subsidized child care services. This Board is legislatively mandated to ensure prioritized, subsidized child care services to those TEA and Transitional families. If a shortfall in revenue was to occur that would affect these services, the Division would work with the Board to consider options such as locating additional revenue, reducing monies budgeted for low-income working families, changing eligibility guidelines or co-payment levels.

In addition to working closely with the TEA Board, the Division coordinates subsidized services with its sister Division-the Division of County Operations. This Division is charged with the actual management of the TANF program for the State. Division Directors and program administrators meet monthly to ensure coordination of services.

Arkansas Better Chance Programs are administered by several differing entities that include: Local School Districts (LEA's), Regional Educational Service Cooperatives, Head Start Grantees; Community Based non-profit Organizations (CBO); Hospitals; and the Economic Opportunity Corporation (EOC). Coordination and collaboration is seen in all operations. The expected outcome is assurance that programs operate at a level of high quality and fiscal soundness to ensure high quality of early education for young children.

Numerous Head Start Grantees participate and offer both child care voucher and ABC services to eligible children. The blending of these services provide a wide range of services to all children. ABC programs may serve children from birth to 5 years of age. The Division serves as grantee for the Arkansas Head Start Collaboration Grant. Cooperation and coordination of services occurs at the state and local levels.

In coordination with the Arkansas Department of Education/Early Childhood Special Education (part C/IDEA) office, children with special needs are served in Head Start, ABC and voucher programs. Additional services may be provided by local school districts or through the Regional Educational Services Cooperatives. In coordination with Child Health Management Services (CHMS), intensive medical early intervention care is provided to children with special health care needs, ages six (6) months to four(4) years of age. This program results in individually designed programs of speech, occupational and physical therapy and it provides parent education and support networks. All CHMS programs are licensed as child care settings, and the majority meet the State Quality Approval/Accreditation standards.

Reimbursement for special needs is not subject to the county cap rate. The rates are individually set based on the needs of the child.

The Division Director serves on the Interagency Coordinating Council on Early Intervention.

Coordination occurs between multiple programs in the Public Education sector and the Division. These include:

1. The Division administers the public pre-K program on behalf of the Department of Education (DOE). Funding for the Arkansas Better Chance (ABC) program is included in the budget of the DOE. Through an agreement, the Division provides programmatic oversight of the ABC program, reporting to the State Board of Education.
2. Programs operating under the ABC program are managed by local school districts (LEA's), Regional Cooperatives and by Institutions of Higher Learning. These programs provide matching funds for the ABC program, which include Title I funds, Early Childhood Special Education funds (IDEA), Even Start and District poverty funding. Programs are collaborative in nature and ensure that high quality services are available to a broad number of children.
3. Coordination between the ABC program and Even Start programs includes site visits made jointly by staff from the Division and the Department of Education, joint reviews of grant and budget proposals and both programs require completion of State Accreditation/Quality Approval process for continuation of funding.
4. Development of the Kindergarten skills checklist and assessment was a joint project of the DOE, the Division of Child Care and the School Readiness Indicators task force. A Kindergarten Assessment tool will be piloted in the fall of 2003 in 36 local schools. The Assessment is based on the Arkansas Early Childhood Education Frameworks (Early Learning Guidelines), the Head Start Child Outcome Performance Indicators, HIPPY (Home Instruction for Parents of Preschool Youngsters) outcomes and the Arkansas Kindergarten Benchmarks. Upon completion of the pilot, the Kindergarten Assessment will be required of all entering Kindergarten children in the fall of 2004. The Kindergarten teacher may accept assessments for children who have attended an ABC program, Head Start program or a State Accredited/Quality Approved program completed by the early childhood professional.
5. Pre-K ELLA (Early Literacy Learning in Arkansas) contractors include Education Service Cooperatives, Local School Districts, and Universities.

2002 Response:

We continue to work collaboratively in Arkansas to address early care and education issues. During the past year we have focused on the following projects:

- Early Learning Literacy Training in Arkansas (pre-K ELLA) is implemented in 75 counties.
- ABC Core Quality Component Model adopted by the State Board of Education in February, 2002 and implemented July 1, 2002.
- School Readiness Initiative to develop school readiness indicators and the assessment process for incoming kindergarten children.
- The Nuestra Familia Project provides training for pre-school teachers working with children and families who have English as a second language.
- Program Accountability across all agencies working with early care and education programs in order to maximize the use of limited resources.

2001 Response:

We have several collaborative projects in Arkansas. I have listed just a few below:

- The Arkansas Early Literacy Learning Training Program for pre-school teachers.
- Arkansas Corporate Champions for Children, the public-private initiative.
- The English as a Second Language Early Learning Academy for Pre-school teachers.
- The state accreditation program.
- A comprehensive funding source database including all Arkansas Department of Education funding, the Head Start funding, and DHS early care and education funding.
- The Readiness Initiative, which will include setting readiness benchmarks for entry to Kindergarten and developing an assessment tool to evaluate incoming students thirty days prior to entering kindergarten.
- Transition initiative.

(Action Step 10.2) - All southern states and the District of Columbia should participate in a collaborative effort to develop and collect common data elements across states.

2003 Response:

No new information.

2002 Response:

No new information.

2001 Response:

We participate in the data collection efforts of the Southern Institute on Children and Families.