

RESOLUTION #672

PROPOSING A CHANGE IN ALASKA STATUTES TO ESTABLISH A STABLE AND ADEQUATE ADMINISTRATIVE FEE FOR ADMINISTRATION OF THE DAY CARE ASSISTANCE PROGRAM.

WHEREAS, the Day Care Assistance Program was created to help low and moderate income parents work or train for work by paying for childcare costs; and

WHEREAS, to accomplish this goal certain administrative tasks are required and costs incurred; and

WHEREAS, the current law provides for a reimbursement to local program administrators for costs of administration based on actual subsidy expenditures; and

WHEREAS, a change from the reimbursement method to a flat rate of program allocation would enable more dollars to be used for parent subsidies rather than lapse (unspent) at year end; and

WHEREAS, the direct operational costs (such as rent, salaries, supplies) of determining and monitoring parent eligibility, and processing provider billings is 12% - 13% of the subsidies expended, therefore, the local governments are making up the dollars to keep the program stable; and

WHEREAS, it is in the best interest of the State to continue to have the Day Care Assistance Program administered at the local level; and

WHEREAS, the State is responsible to provide funds for administration sufficient to:

1. pay the total cost of direct program operations (administration), and
2. maximize the funding available for parent subsidies.

NOW, THEREFORE BE IT RESOLVED that the City of Bethel supports amending A.S. 44.47.260 to read:

Section 44.47.260 Payment to municipality or organization. When a contract is made under AS 44.47.250 (b)(2) or (b)(4) between the department and a municipality or an organization, the department shall pay to that municipality or organization the greater of

(1) an amount equal to 13 (10) percent of the total annual contract award to (day care benefits paid to day care facilities in the geographic area administered by) that municipality or organization, or

(2) \$1,000 per year.

Resolution #672
Page 2

PASSED AND APPROVED THIS 26 DAY OF February, 1991.

Gary Vanasse
Gary Vanasse, Mayor

ATTEST:

Anna McGowan
Anna McGowan, City Clerk