

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

SENATE BILL

71

By: Senators Beebe, Hardin, Harriman, S. Bell,  
Gordon, Hopkins and Fitch

For An Act To Be Entitled

"AN ACT TO AMEND THE ARKANSAS CODE OF 1987, TITLE 20, CHAPTER 78, TO CREATE THE ARKANSAS EARLY CHILDHOOD COMMISSION; TO ESTABLISH A LOAN GUARANTEE FUND TO ASSIST IN FINANCING CHILD CARE FACILITIES; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Title 20, Chapter 78 of the Arkansas Code of 1987, is hereby amended by adding a new subchapter to read as follows:

"Subchapter 5.

20-78-501. (a) There is hereby established the Arkansas Early Childhood Commission to be composed of seventeen members appointed by the Governor, subject to confirmation by the Senate. The members of the Commission shall serve for three year terms. The terms of the members of the Commission shall begin on July 1. In making the initial appointments to the Commission, the Governor shall designate five members to serve one year terms; seven members to serve two year terms and five members to serve three year terms. The Governor shall designate one of the initial members as Chairman of the Commission who shall serve a one year term. Effective July 1, 1990, the Chairman of the Commission shall be selected annually by majority vote of the Commission.

(b) The membership of the Commission shall be as follows:

- (1) Two members affiliated with child care provider agencies, organizations, or programs.
- (2) One member affiliated with a Head Start program.
- (3) One member affiliated with a HIPPIY program.
- (4) One member employed as an administrator by a public school district.

(5) One member employed by a public school district as a teacher with early childhood responsibilities.

(6) One member representing the Department of Health who shall be an employee of the Department of Health.

(7) One member representing the Division of Children and Family Services of the Department of Human Services who shall be an employee of the Division of Children and Family Services.

(8) One member trained as an early childhood education professional.

(9) One member who is the parent of a child under age six.

(10) One member representing the Division of Vocational-Technical Education of the Department of Education who shall be an employee of the Division of Vocational-Technical Education.

(11) One member representing the General Education Division of the Department of Education who shall be an employee of the General Education Division.

(12) Three members representing the business community who have an interest in early childhood education.

(13) Two members representing the general public.

(c) The Commission shall meet at least quarterly and at such other times as may be deemed necessary for the performance of the duties of the Commission. Special meetings of the Commission may be called by the Chairman or by agreement of a majority of the members of the Commission. The members of the Commission shall serve without compensation or per diem but shall be entitled to reimbursement for actual expenses incurred in the performance of duties as members of the Commission. Expense reimbursement shall be in accordance with state travel and official business expense reimbursement procedures and regulations. Expense reimbursement shall be paid from funds appropriated to the General Education Division of the Department of Education for such purposes.

20-78-502. (a) The Arkansas Early Childhood Commission shall have the following duties and responsibilities:

(1) Administer the Arkansas Child Care Facilities Loan Guarantee Trust Fund.

(2) Provide technical assistance in brokering of training programs to enhance the skills of professionals in early childhood

programs.

(3) Develop a comprehensive long range plan for expansion, development, and implementation of early childhood programs in Arkansas including recommending allocation and expenditures of funds appropriated to the Arkansas Better Chance Program.

(4) Facilitate coordination and communication among state agencies providing early childhood programs to promote non-duplication and coordination of services in such programs.

(5) Advise the General Education Division of the Department of Education and other appropriate state agencies on the development of programmatic standards for early childhood programs to be funded with funds appropriated to the General Education Division or to such other state agencies as may receive appropriations for such purposes.

(6) Promote strong local community support for early childhood education programs.

(7) Promote public awareness of child care and early childhood programs.

(8) Provide consultative resources for the private sector in developing child care programs.

(9) Solicit grant funds for exemplary early childhood and child care programs.

(b) (1) The Director of the General Education Division of the Department of Education shall assign staff of the General Education Division to assist the Commission in carrying out its duties and responsibilities.

(2) The Chairman of the Commission may request staff support and assistance from other appropriate state agencies. Any director of a state agency receiving a request for assistance and support from the Commission shall, within the limits of available resources, provide such assistance to the Commission.

20-78-503. (a) There is established a cash fund account of the Arkansas Early Childhood Commission to be known as the 'Arkansas Child Care Facilities Loan Guarantee Trust Fund'. This cash fund account is to be maintained in one or more financial institutions of the state and shall be administered in accordance with the provisions found herein.

(b) The commission is hereby authorized to accept monies for the Arkansas Child Care Facilities Loan Guarantee Trust Fund from any source

including but not limited to allocations from the State Treasurer as hereinafter provided.

(c) The fund shall be a continuing fund, not subject to fiscal year limitations, and shall be used to guarantee loans for the expansion or development of child care facilities in this state and as provided in (d) below.

(d) 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 nonrefundable grants to child care facilities for start-up, development or expansion.

(e) This fund shall be administered by the Arkansas Early Childhood Commission with technical assistance from the Small Business Development Division of the Arkansas Industrial Development Commission.

20-78-504. Monies for Arkansas Child Care Facilities Loan Guarantee Trust Fund.

(a) After providing for the exclusion of the interest income classified as special revenues as authorized by Ark. Code §§ 15-41-110 and 27-70-204, and the first two million dollars (\$2,000,000) of interest income received each fiscal year by the State Treasurer as authorized in Arkansas Code § 15-5-422, the next one hundred thousand dollars (\$100,000) of interest income received each fiscal year in the State Treasury beginning with the fiscal year commencing July 1, 1989 and continuing as set forth in (b) below, from the investment of state funds as authorized by the State Treasury Management Law are declared to be cash funds restricted in their use and dedicated to be used solely as authorized in Arkansas Code § 20-78-503. Such cash funds as received by the State Treasurer shall not be deposited or deemed to be a part of the State Treasury, for purposes of Arkansas Constitution Article 5, § 29; Arkansas Constitution, Article 16, § 12; Arkansas Constitution, Amendment 20; or any other constitutional or statutory provision. The State Treasurer shall pay such cash funds to the Arkansas Early Childhood Commission for depositing those amounts in the Arkansas Child Care Facilities Loan Guarantee Trust Fund for the purposes authorized by Ark. Code § 20-78-503. The interest earnings transferred directly to the commission are declared to be cash funds restricted in their use and dedicated to be used solely as authorized in Ark. Code § 20-78-503.

(b) The State Treasurer shall continue to pay the cash funds as authorized in (a) above until the balance of the fund reaches three hundred

fifty thousand dollars (\$350,000). After that time, the Arkansas Early Childhood Commission shall review the fund balance at least quarterly and report to the State Treasurer when the balance reaches or falls below one hundred thousand dollars (\$100,000). At that time the State Treasurer shall again pay cash funds as authorized in (a) above until the balance of the fund reaches three hundred fifty thousand dollars (\$350,000).

20-78-505. (a) The Arkansas Early Childhood Commission is authorized to develop and implement with the technical assistance of the Small Business Development Division of the Arkansas Industrial Development Commission, necessary rules and regulations to receive, review and approve applications for loan deficiency guarantee assistance for expansion or development of child care facilities in this state.

(b) The maximum loan guarantee amount approved by the commission shall be established annually by the commission.

(c) In guaranteeing loans under this subchapter, considerations shall be given to:

- (1) Geographic distribution;
- (2) Community need;
- (3) Community income, with priority given to those communities with the lowest median family income;
- (4) Proof of viable administrative and financial management;
- (5) Intended licensure of the facility; and
- (6) Attainment of the goal that twenty-five percent (25%) of the potential market for the facility will be comprised of families at or below the median income for the state.

(d) The commission shall report each October to the Legislative Council on the status of the Arkansas Child Care Facilities Loan Guarantee Trust Fund.

20-78-506. The Arkansas Early Childhood Commission is authorized to develop and implement criteria for grant approval of interest monies to be used as authorized in  20-78-503 (d)."

SECTION 2. All laws and parts of law in conflict with this act are hereby repealed.

SECTION 3. All provisions of this Act of a general and permanent

nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 4. EMERGENCY CLAUSE. It is hereby found and determined by the General Assembly that expanded development and coordination of early childhood programs is essential to meeting the developmental and educational needs of young children in Arkansas. Therefore, an emergency is hereby declared and this Act being necessary for the immediate preservation of the public peace, health, and safety shall be in full force and effect of July 1, 1989.