Supporting Families, Providers, and the Alaska Economy

Assembly Worksession, May 10, 2024
Assembly Member Sponsors Anna Brawley & Kameron Perez-Verdia

www.careforkidsanchorage.com
Our Team

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ACCEE Fund
This project has been funded with $100K of municipal funds, approved through AM 77-2024, As Amended, and approximately $50K from Alaska Children’s Trust. Project scope was laid out in Assembly Resolution No. 2023-404.

Thank you to the Assembly and to Alaska Children’s Trust!
PROPOSITION NO. 14
AMENDING THE ANCHORAGE MUNICIPAL CHARTER REGARDING THE MARIJUANA RETAIL TAX AND DEDICATING TAX PROCEEDS TO CHILD CARE AND EARLY EDUCATION

This proposition would establish dedicated funding for child care and early education, an Accountability Board of Child Care and Early Education, dedicate the net retail marijuana sales tax revenues to this board’s budgeted activities, and move the marijuana sales taxes from under the tax increase limitation (“tax cap”) calculation to be above the tax cap and lower the tax cap one time by one million dollars in 2024.
Proposition 14 passed in April 2023 by 12-point margin

- Dedicates marijuana tax to child care & early education
- Establishes Accountability Board to oversee the fund
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- **Proposition 14** passed in April 2023 by 12-point margin
- Dedicates marijuana tax to child care & early education
- Establishes **Accountability Board** to oversee the fund

- Funding decisions made by Anchorage Mayor and Assembly
- Funds are dedicated as of Jan. 1, 2024. Funds available in **2025**.
- Expect about **$5 million** annually
Allowed Uses of the Fund

Funding from marijuana sales tax (net proceeds*) is dedicated to:
- Create access to child care and early education programs for Anchorage kids
- Funding for reading programs for child care & early ed programs
- Resources to increase funding, livable wages, training and staffing for child care & early ed programs
- Prioritize utilization first of existing school facilities (closed, scheduled to be closed, or underutilized) for child care & early ed programs

* “net proceeds” allows for a certain amount (up to 10%) of funding for administration

- Ref. Charter, Section 6.06(a)
1) Create access to child care
2) Create access to early childhood development programs
3) Administration

Child Care & Early Childhood Education access can include:
• Facilities - prioritize using ASD
• Wages & Benefits
• Stipends to families
• Workforce development (training, internships)
Early Education
Formal and informal programs that guide education for children birth-5. Includes literacy programs and home visiting programs, as well as formal programs, such as pre-kindergarten.

Child Care
Birth-12. Formal programs that provide supervision and activities for children when not in the care of their parents or guardian. Includes before and after school care and summer care.
Based on 2023 revenue updates and 2024 revenue projections, the Fund will have approximately **$5 million annually**. Up to 10% can be used on administration.

### Highlights of Select Major Revenues: Outlook or Trend (as of 4/15/2024)

<table>
<thead>
<tr>
<th>Marijuana Tax (SAP acct 401105)</th>
<th>2023 Actual</th>
<th>2024 Budget</th>
<th>2024 YTD posted rev in SAP</th>
<th>2024 YTD Realization</th>
<th>Baseline info for projection</th>
<th>Current Outlook or Trend vs. Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5.22M</td>
<td>$5.2M</td>
<td>$1.47M</td>
<td>28.3%</td>
<td>Based on SAP postings as of 4/15/24.</td>
<td>2023 totals were $480K under budget.</td>
<td></td>
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</tbody>
</table>
• Since 2019, the number of licensed child care programs in Alaska has **dropped by 20%**

• For the first time in 20 years, fewer than 200 licensed programs in Anchorage

• **51% of Alaskan families cannot fully participate in the labor force** due to cost, availability, or quality of child care
• Average cost for Alaskan households using child care per month was $982, with higher income families paying an average of $1,167
• Many spots in Anchorage cost up to $1800/month
• Cost of licensed care represents 15% of Alaskan parents’ annual income
• This jumps to 20% of a single male household, or 35% of a single female household
Access to quality early education programs is limited in Anchorage. The fund can help us improve access and affordability of quality programs.

Providing a high-quality education for children before they turn five yields significant medium- and long-term benefits for students. Children in early childhood education programs are:

- Less likely to repeat a grade
- Less likely to be identified as having special needs
- More prepared academically for later grades
- More likely to graduate from high school
- Higher earners in the workforce
Early Care & Education Workforce Essential but Underpaid:

Wages in the ECE sector are among the lowest in the economy, yet people employed in this sector are entrusted with children’s care and education at a critical time of development.

Average monthly wages by sector:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Monthly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$7,090</td>
</tr>
<tr>
<td>Seafood Processing</td>
<td>$5,705</td>
</tr>
<tr>
<td>Health Care &amp; Social Assistance</td>
<td>$5,642</td>
</tr>
<tr>
<td>Government</td>
<td>$5,448</td>
</tr>
<tr>
<td>All Industries, Average</td>
<td>$5,392</td>
</tr>
<tr>
<td>Educational Services</td>
<td>$3,577</td>
</tr>
<tr>
<td>Nursing &amp; Residential Care</td>
<td>$3,365</td>
</tr>
<tr>
<td>Personal Care Services</td>
<td>$2,997</td>
</tr>
<tr>
<td>General Retail</td>
<td>$2,927</td>
</tr>
<tr>
<td>Gasoline Stations</td>
<td>$2,647</td>
</tr>
<tr>
<td><strong>Child Care</strong></td>
<td><strong>$2,457</strong></td>
</tr>
<tr>
<td>Arts, Entertainment, &amp; Recreation</td>
<td>$2,379</td>
</tr>
<tr>
<td>Food Services &amp; Drinking Places</td>
<td>$2,324</td>
</tr>
</tbody>
</table>

Note: Most recently available data from Alaska Department of Labor and Workforce Development, 2023.
The average provider in Alaska makes under $30k a year

Not a living wage and often not enough to support their own families

Families of child care workers are twice as likely to live in poverty
Benefits of Available Care

Good for families, employers, and the economy

Average two-parent household income increases by $41k annually if childcare is available

Supports working families, especially working women

For child-free adults, American labor force participation is 79% for women and 84% for men. After men and women have children, labor force participation for men rises to 96% and drops for women to 67%.
About the Implementation Team

• Meeting monthly since July 2023 to evaluate trends & best practices, hear from experts, and will make recs to the Assembly, Mayor, and the Accountability Board

• Made up of two Assembly Members, a School Board Member, representatives from Head Start, thread Alaska, JBER, the Anchorage Health Department, community leaders, child care and early education the Anchorage Chamber, providers, and parents.
Building a Foundation for Success

Fall 2023

• Framework for engagement plan

• Established Implementation Team

• Built website (www.careforkidsanchorage.com) and community awareness
Building a Foundation for Success

Winter 2024

• Robust public engagement
• Researched best practices and trends in the sector
• Heard from experts & explore other programs
Spring/Summer 2024

• Develop & introduce Accountability Board ordinance

• Develop a draft three-year strategic plan & draft budget for 2025
Public Engagement

- **10 public presentations** for businesses, parents, providers, and orgs in Anchorage, Girdwood, Eagle River, plus virtual (Jan-Feb)
- **Numerous meetings** (Oct-Feb)
- Survey taken by **425 individuals** (Jan-March). Shared via social media/newsletters/website, sent to providers, fliers around town, in schools, and in CC/EE programs.
- **Outreach** to dozens of entities: churches, diaper pantries, WIC, associations, Covenant House, AWAIC, ASD schools/pre-k, etc. (Jan-Feb)
- Direct communication via **website** (Jan-March)
Survey Results

- Survey open Jan 23, 2024 to March 11, 2024
- 425 responses
  - All Anchorage residents
  - 81% parents (4/5 had kids under 8)
  - 20% providers/care givers
  - 8% business owners
  - 14% other: teachers, community members, elected officials, child care board members, expecting babies
  - (more than 100% because some are more than one!)
  - 78% White; other 22% made up of Hispanic/Latinx, Asian, Pacific Islander, Black/African American, Alaska Native/Indigenous, and mixed race
  - 85% women
  - Age range from 18-56+; most common age 35-44
Parents
92% used child care services in last 3 years
68% said cost of child care was unreasonable
80% said they would be more likely to use child care if it were cheaper
53% have chosen to stay home instead of work outside of the home because of child care issues
Survey Results

- **Providers**
  - 51% been providers for 10+ years
  - 100% said they like being a provider
  - Only 38% said their pay is sufficient to pay monthly bills – those 38% are mostly EDs/admins
  - 62% think they’ll stay in their career field

“Other” issues in Q13 include: lack of staff, unstable work environment, risk of exposure to disease (COVID or otherwise), unfair sick leave, lack of funding, unfair wages, difficult behavior by children, not enough time off, inconsiderate and inconsistent management
Q13 What if any challenges do you have with your current job? (check all that apply)

Answered: 38   Skipped: 387

- Insufficient pay
- Lack of training or...
- Lack of health care or othe...
- Working too many hours
- Lack of appreciation
- None
- Other (please specify)
Survey Results
All respondents on “best use” of ACCEE Fund

- Pay child care providers more
- Provide health care and other benefits
- Increase the income limit to make more families eligible for child care assistance
- Increase the monthly amount of child care assistance a family receives
- Allow families to utilize child care assistance payments to offset personal income so a parent/caregiver can remain at home instead of work outside the home
- Fund new child care facilities or major upgrades to facilities
- Fund training/ professional opportunities
- Provide TA to new child care businesses
- Support care for nontraditional hours
- Support mobile child care or other part-time, pop-in care
Q26 What do you believe is the best use of the ACCEE Fund? Please rank in order.

Answered: 294   Skipped: 131

- Pay child care providers more
- Provide health care and other services
- Increase the income limit
- Increase the monthly amount
- Allow families to utilize
- Fund new child care facilities
- Fund training or other
- Provide technical assistance
- Support establishing
- Support mobile child care options
So now what?

- Ensure ACCEE Fund is informed by best practices & **implemented strategically**.

- IT has engaged with parents, employers, businesses, providers, and the broader community as it shapes recommendations. Also closely monitoring the work of the Governor’s Task Force.
• Recommendations should direct funding and policy changes to address **current needs** and long-term **sustainability** of sector
Next Steps

• Introduce **Accountability Board ordinance** and hold a **worksession** to gather input from the Assembly.

• Accountability Board will likely be **seated** this summer. Mayor will appoint, Assembly will confirm.
Next Steps

- IT will develop strategic direction and a **draft budget for 2025**

- Recommendations will be based on months of work the IT has done researching, evaluating options, and creating a matrix based on ideas produced in consultant’s white paper

- To be delivered to the Accountability Board once it is seated

- The IT’s Goal: Put together the most **strategic** and **effective** package possible for the Accountability Board
Thank you, Implementation Team!

Members of the Implementation Team bring a range of experiences, perspectives, and backgrounds, supporting the goal of effectively advancing and supporting a more sustainable child care and early education system in Anchorage.

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