MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 483-2024

Meeting Date: May 21, 2024

From: Assembly Member Brawley and Assembly Member Perez-Verdia

Subject: An Ordinance of the Anchorage Assembly Amending Anchorage Municipal Code Chapter 4.60 to add a new section, amending AMC Title 16 to add a New Chapter, and amending AMC Sections 1.35.010, 3.20.010, 3.30.012, and 3.30.172 to establish the Accountability Board for Child Care and Early Education and the Principal Executive Officer for the Child Care And Early Education Fund, to implement Charter § 6.06.

In April 2023, Anchorage voters approved Proposition 14, establishing the Anchorage Child Care & Early Education (ACCEE) Fund. This initiative directs all marijuana tax revenue collected by the Municipality of Anchorage, after payment of the costs of tax administration, collection and audit to the municipality (the “net receipts”), to fund child care and early education programs. Proposition 14 responds to Anchorage's urgent need for affordable and accessible child care, which supports working families, boosts the economy, and equips children with critical tools for future success. The ACCEE Fund is expected to generate approximately $5 million annually, starting in January 2024.

The fund addresses a significant child care crisis characterized by a shortage of affordable options, long waitlists, and staff shortages. The revenue will be used to enhance access to child care, support early education programs, and improve the quality of services through grants, studies, and professional development initiatives.

Summary of the Ordinance

This ordinance establishes the Accountability Board for Child Care and Early Education, which will oversee the ACCEE Fund. The ordinance includes several key components including establishment of the board, the board’s responsibilities and operations, hiring of an executive director, and transitional measures.

Establishment of the Accountability Board: The ordinance proposes a nine-member board appointed by the Mayor and confirmed by the Assembly. Board members must be U.S. citizens, residents of Anchorage, and registered voters in the municipality. The board's composition will reflect a broad range of stakeholders in early education and child care, including professionals, parents, and social services representatives.

It is best practice within publicly funded systems, including those that serve children and families, to include those who are most impacted by these systems and programs as members of the decision-making bodies. In the field of early childhood
and child care, these stakeholders include early childhood educators, child care providers, and parents. Research demonstrates that the benefits of including those with lived experience as members of decision-making teams developing public policy may include increased equity and diversity in programs, a shifting of unequal power dynamics, identification of creative solutions to problems, and more impactful systems. The proposed board composition is not overly prescriptive, instead opting to express its intent for the makeup of the board within this framework, while still allowing the Mayor and Assembly latitude and flexibility in filling the seats appropriately.

The ordinance proposes board responsibilities to include:
- Advising the Assembly and Mayor on child care and early education issues;
- Administering the ACCEE Fund;
- Overseeing procurement processes, including grants and evaluations;
- Developing strategic plans and budget recommendations; and
- Promoting community support and awareness of child care and early education initiatives.

The ordinance proposes the following board operations:
- Adoption of policies related to fund management;
- Regular public hearings to gather community input;
- Annual evaluations to ensure program effectiveness and accountability; and
- Coordination with other entities to avoid duplication and enhance service delivery.

Executive Director: The board may appoint an Executive Director in consultation with the Mayor, who will serve at the board’s pleasure. The Executive Director can hire additional staff as needed to support the board’s functions. The labor costs are included within the administrative costs limit of 10% established by the initiative, in Charter § 6.06(d).

Transitional Measures: Until the Executive Director is appointed, the Municipal Manager, Anchorage Health Department, and Assembly Legislative Services Office will provide interim support to the board.

Implementation Timeline:
- January 2024: ACCEE Fund revenue collection begins.
- Summer 2024: Appointment and confirmation of Accountability Board members.
- Summer 2024: Board conducts initial strategic planning and public hearing(s).
- Fall 2024: Board proposes the first budget for FY2025.
- Early 2025: Funds start being dispersed based on approved budget and strategic plan.

The passage of this ordinance is a critical step in addressing Anchorage's child care crisis. By establishing a dedicated Accountability Board and a structured process
for managing the ACCEE Fund, the Municipality of Anchorage can ensure that the
resources generated from marijuana tax revenue are effectively used to support
child care and early education. This initiative will help working families, strengthen
our local economy, and provide young children with essential early learning
opportunities.

The ACCEE Fund Implementation Team has spent the past seven months engaging
with providers, parents, businesses and the broader community to gather input in
support of its goal to effectively advance and support a more sustainable child care
and early education system in Anchorage. The Implementation Team recommends
the Assembly approve the proposed ordinance to implement Proposition 14 and
establish the necessary framework for the Accountability Board for Child Care and
Early Education.

We request your support for the ordinance.

Prepared by: Legislative Services Office
Reviewed by: Assembly Counsel’s Office

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