

Anchorage's New Child Care & Early Education Fund

*Supporting Families, Providers,
and the Alaska Economy*



ANCHORAGE

CHILD CARE &

EARLY EDUCATION **FUND**



alaska children's trust



*Prepared by: Austin Quinn-Davidson
February 18, 2024*



Austin Quinn-Davidson

- Former Anchorage Assembly member and Acting Mayor
- Contractor supporting ACCEE Fund implementation
- Reach out from our website: www.careforkidsanchorage.com

ANCHORAGE
CHILD CARE &
EARLY EDUCATION **FUND**



Before We Dive In

THANK YOU! Thank you for being here, for spending your evening with me when I know you have so many other things to do, for caring about child care and early education, and for raising our next generation. THANK YOU.

The Problem

- 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



Benefits of Available Care

- **Good for families, employers, and the economy**
 - Average two-parent household income increases by \$41k annually if child care 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%.

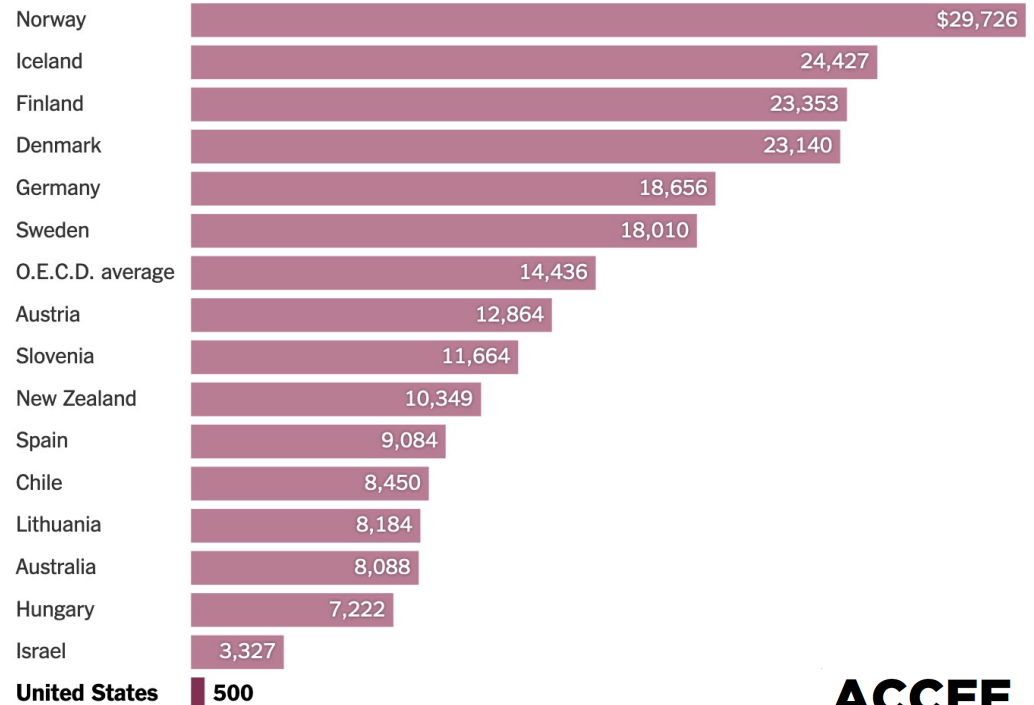


*If care is good
for families and
the economy,
why isn't there
more of it?*

*If care is good
for families and
the economy,
why isn't there
more of it?*

How Much Governments Spend on Child Care for Toddlers

Annual public spending per child on early childhood care.



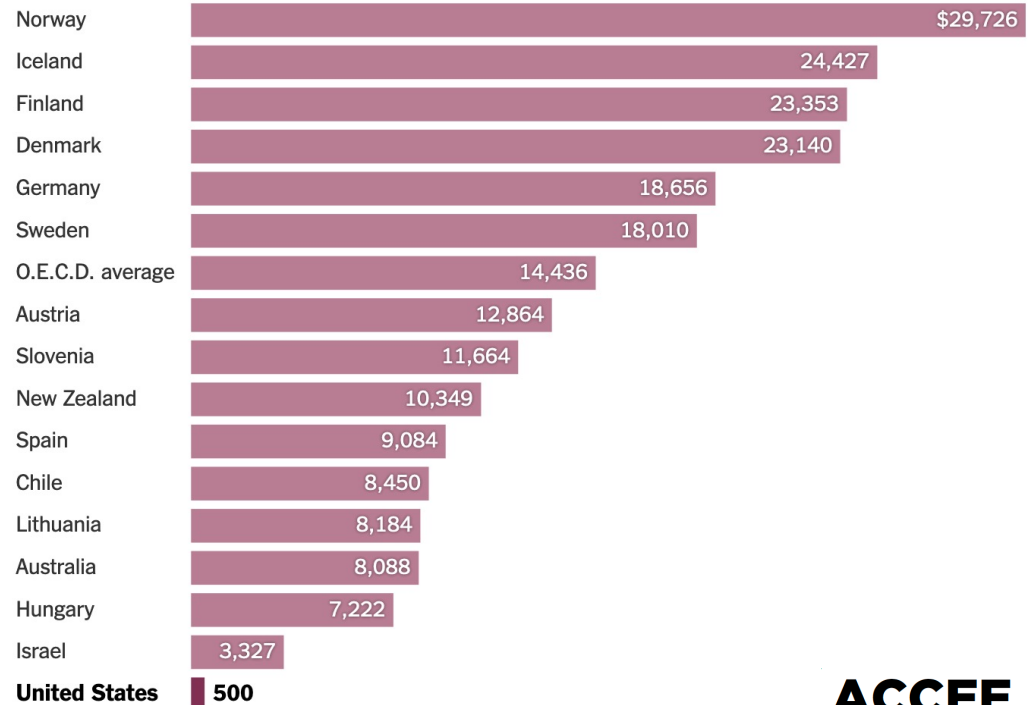
*If care is good
for families and
the economy,
why isn't there
more of it?*

Compare to K-12 investment:

- \$16,390 per student annually
- In Alaska, \$21,325 per student

How Much Governments Spend on Child Care for Toddlers

Annual public spending per child on early childhood care.



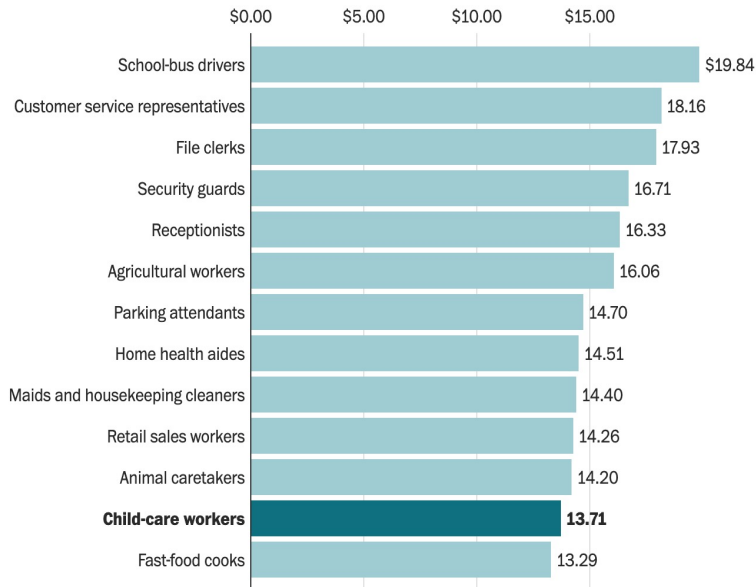
The Problem: High cost to parents, low pay for providers

- 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



The Problem: High cost to parents, low pay for providers

U.S. median hourly wage for select occupations, 2022



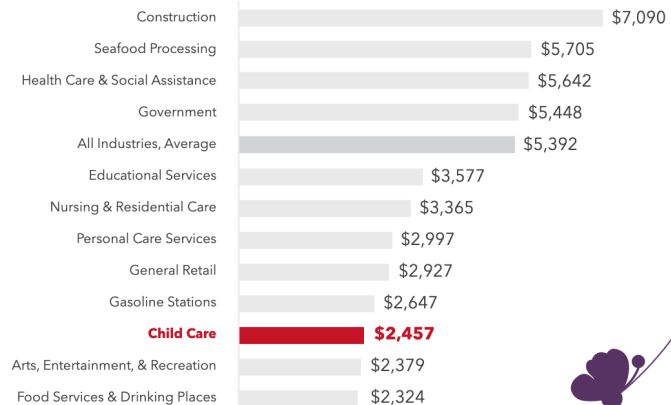
Source: U.S. Bureau of Labor Statistics

THE WASHINGTON POST

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:



Note: Most recently available data from Alaska Department of Labor and Workforce Development, 2023.



ACCEE
FUND



*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*

More than 70,000 child care programs around the country will close, resulting in the closure of more than half of licensed programs in some states.



More than 70,000 child care programs around the country will close, resulting in the closure of more than half of licensed programs in some states.

We need to change this system, now.



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 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

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

- Funding decisions made by Anchorage Mayor and Assembly
- Funds are dedicated as of Jan. 1, 2024. First budget in October 2024. Funds available in **2025**.
- Expect **\$4-5 million** annually

Allowed Uses

- Create **access** to CC & EE (age 0-12) programs
- Fund **reading programs**
- Fund **livable wages, training, and staffing** for CC & EE programs
- Fund facilities - prioritize using underutilized or closed **ASD buildings**



So now what?



ACCEE
FUND

So now what?

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



So now what?

- Ensure ACCEE Fund is informed by best practices & **implemented strategically**
- Formed ACCEE Fund **Implementation Team (IT)**



So now what?

- Ensure ACCEE Fund is informed by best practices & **implemented strategically**
- Formed ACCEE Fund **Implementation Team (IT)**
- IT made up of Muni reps, School Board, SMEs, JBER rep, Head Start programs, providers, parents, Chamber, original Prop 14 team



So now what?

- Meet monthly to evaluate **trends & best practices**, hear from **experts**, **make recs** to Accountability Board



So now what?

- Meet monthly to evaluate **trends & best practices**, hear from **experts**, **make recs** to Accountability Board
- Recs should address **current needs** and long-term **sustainability** of sector



So now what?

- Meet monthly to evaluate **trends & best practices**, hear from **experts**, **make recs** to Accountability Board
- Recs should address **current needs** and long-term **sustainability** of sector
- IT wants to hear from parents, employers, businesses, providers, & the broader community as it shapes recs



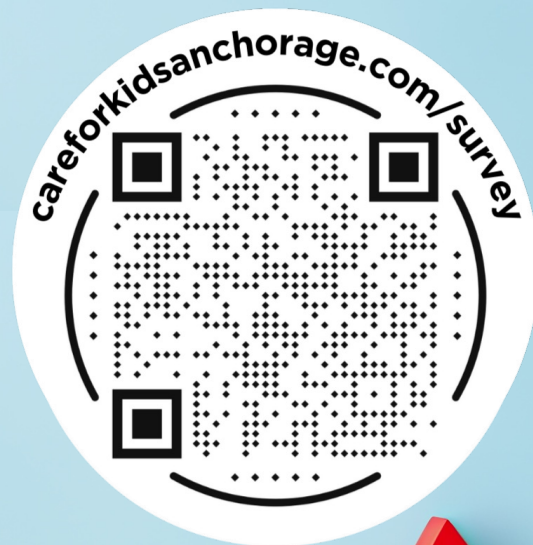


Implementation Timeline

- **Winter 2024**
 - Research best practices and trends in the sector
 - Hear from experts & explore other programs
 - Public engagement
 - Develop approach to strategic implementation
- **Spring/Summer 2024**
 - Develop & introduce Accountability Board ordinance
 - Develop a draft three-year strategic plan & draft budget
 - Accountability Board seated

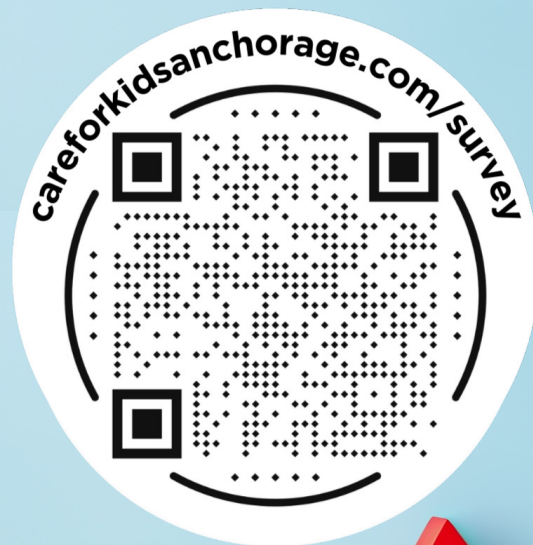
Ways to Engage

- **Complete our online survey!** Contains specific questions for parents, providers, businesses, and others. Enter to win one of four gift cards! Complete by March 8th.
- Six **community conversations** for parents and providers. More info at www.careforkidsanchorage.com/events
- **Contact me** with ideas or questions: aqdstrategies@gmail.com or via our website



Plan for the Next Hour

- **We are here to learn from you!** You are the experts.
- We want to hear the **challenges** you've experienced in finding care
- We want to hear **your ideas for solutions**. How can we use the ACCEE Fund to solve the challenges parents are facing?



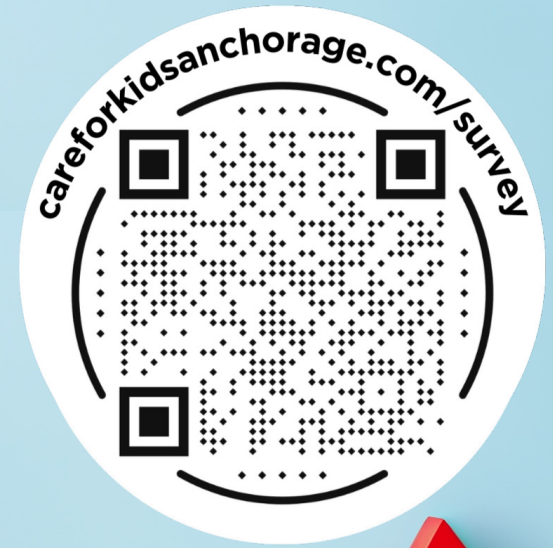
Plan for the Next Hour

- I will share some questions about challenges and solutions to get you started
- Take **5-10 minutes on your own** to think about challenges and solutions
- We will spend **45 minutes discussing together**



Questions

- What has been the most difficult aspect of finding care?
- Is the cost of care reasonable for your family? What percentage of your income do you spend on child care?
- Has anyone in your family chosen to stay home from work or school to care for a child? How else has lack of care impacted your family?
- How do you think we could make finding or retaining care easier for Anchorage families?
- What do you believe is the best use of the ACCEE funds?





Thank you!
aqdstrategies@gmail.com

