



MUNICIPALITY OF ANCHORAGE

Assembly Information Memorandum

No. AIM 45-2024

Meeting Date: April 9, 2024

Municipal Clerk's Office

Accepted

Date: **April 9, 2024**

1 **From: ASSEMBLY MEMBERS BRAWLEY AND PEREZ-VERDIA**

2
3 **Subject: UPDATE ON THE ANCHORAGE CHILD CARE AND EARLY**
4 **EDUCATION (ACCEE) FUND IMPLEMENTATION**

5
6 The Anchorage Child Care and Early Education (ACCEE) Fund was approved by
7 voters during the April 2023 Municipal Election, thereby dedicating Anchorage's
8 annual marijuana sales tax revenue to child care and early education. Tax
9 collection began in January 2024 and all revenue is being placed in a dedicated
10 fund. It is estimated the fund will accrue a total of \$5 to \$6 million annually, and
11 distribution of funds will begin in 2025, following approval of the FY25 budget in
12 late 2024.

13
14 On November 21, 2023, the Assembly approved AR No. 2023-404, As Amended,
15 establishing an implementation plan and timeline for the ACCEE Fund and seating
16 of the Accountability Board of Child Care and Early Education. Subsequently, the
17 Assembly approved AM 77-2024, As Amended, authorizing a grant agreement
18 with Alaska Children's Trust (ACT) to provide continued support for ACCEE Fund
19 implementation. This funding has and will continue to enable the Implementation
20 Team (IT) and its contractor to strategically implement Anchorage's most reliable
21 and comprehensive child care and early education funding source to date. ACT
22 has leveraged the Municipal investment by contributing additional funds towards
23 this effort. The public-private partnership between the Municipality and ACT has
24 provided the IT with the opportunity to approach the establishment of the ACCEE
25 Fund with intentionality, thoughtfulness, and a focus on hearing from and working
26 with the public to make this a strategic and sustainable fund that can transform the
27 child care and early education sector.

28
29 The ACCEE Fund website, www.careforkidsanchorage.com, includes information
30 and updates about the ACCEE Fund itself, IT membership, meeting dates through
31 June, and notes from past meetings, as well as information about public events.
32 The website is a great resource for residents and will continue to be updated as
33 the IT continues with implementation efforts.

34
35 **A summary of work done in first quarter of 2024:**

- 36
- The ACCEE Fund contractor produced and presented to the IT a draft 32-

1 page white paper. The paper describes challenges related to the child care
2 and early education sector, details what other jurisdictions are doing to
3 address these challenges, and includes some initial ideas on how the
4 ACCEE Fund might be used to solve challenges here in Anchorage.

- 5 • The ACCEE Fund contractor and ACT staff organized four in-person events
6 for parents and providers. At each of these events, the contractor presented
7 and then facilitated a discussion to collect feedback that will inform the
8 implementation process. Two additional Zoom presentations and dialogues
9 were organized.
- 10 • The ACCEE Fund contractor presented at the Anchorage Chamber's Make
11 It Monday, focusing on current implementation efforts as well as the
12 economic impacts of lack of available child care. Nolan Klouda and Eric
13 Croft served as co-presenters, and IT member and Anchorage Chamber
14 President & CEO Kathleen McArlde introduced the presentation.
- 15 • The ACCEE Fund contractor organized and, with the help of ACT staff,
16 advertised an online survey to gather feedback from parents, providers,
17 businesses, and other community members about child care and early
18 education and the ACCEE Fund. More than 400 responses were received.
19 The content received will inform IT recommendations to the Accountability
20 Board.
- 21 • The ACCEE Fund contractor gave additional presentations to other groups,
22 including the Early Childhood Coalition & Federation of Community
23 Councils.
- 24 • The ACCEE Fund contractor, IT, and ACT staff ran almost 500 total radio
25 ads on six different stations sharing ACCEE Fund events and the survey,
26 created Facebook events for the public events, shared social media blurbs,
27 shared email updates to all licensed providers with the help of Anchorage
28 Health Department Childcare Licensing Supervisor Dawn Skeete, put up
29 fliers soliciting survey responses and event participation at local elementary
30 schools, churches, diaper pantries, cultural associations, hospitals, birthing
31 centers, the library, Ninestar, the Anchorage Equity Committee of the
32 Assembly, and more. The FCC shared event information and survey flier
33 with its list of 8,000 people.
- 34 • IT members Nora Matell and Jessica Simonsen wrote and published an op-
35 ed about the ACCEE Fund implementation process, published in the
36 Anchorage Daily News on February 20, 2024.¹
- 37 • The ACCEE Fund contractor spoke with and provided implementation
38 updates to Assembly members and other leaders, including State of Alaska
39 Department of Health Commissioner Heidi Hedberg and the City and
40 Borough of Juneau, which runs an excellent child care and early education
41 program Anchorage can learn from.
- 42 • The ACCEE Fund contractor held a number of individual meetings with
43 people in the sector, such as school-aged providers (before-school care,
44 after care, summer programs, etc.) and did specific outreach to Girdwood
45 and Eagle River providers.
- 46 • The ACCEE Fund contractor, with the support of ACT staff, worked to
47 schedule IT members to join local podcasts to get the word out about

1 <https://www.adn.com/opinions/2024/02/20/opinion-help-us-improve-anchorage-child-care-situation/>

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47

ACCEE Fund implementation.

- The ACCEE Fund contractor staffed the IT before, during, and after its monthly meetings, where the IT discussed events, communications, its strategic approach, and research around best practices and trends, as well as hearing from experts and partners in the field.
- The Implementation Team, with the support of the ACCEE Fund contractor, began initial talks about the Accountability Board ordinance that will come to the Assembly for consideration soon, likely in May. The Accountability Board will be seated thereafter (appointed by the mayor and confirmed by the Assembly) and make recommendations to the Assembly and to the Mayor on annual expenditures from the Fund.
- The IT discussed development of a strategic framework that will enable the group to make informed, thoughtful recommendations regarding the ACCEE Fund, and possible uses of it, to the Accountability Board once it is seated. The contractor began development of a matrix to inform and guide strategic implementation.
- The ACCEE Fund contractor and members of the IT responded to numerous inquiries from the public.

Over the next few months the IT will continue its implementation work, which will culminate in specific recommendations provided to the Accountability Board. In April, the IT will finish its discussion and development of the Accountability Board ordinance and present it to the Assembly for consideration. It will also begin work on a strategic framework, which will inform and shape the draft strategic plan and proposed budget recommendations. During May and June, the IT will finalize development of a draft strategic plan and proposed FY2025 budget recommendations to present to the Accountability Board once it is seated.

Accountability Board members will be appointed by the Mayor and confirmed by the Assembly. Once the board is constituted, it will meet to consider the IT recommendations and prepare a proposed budget for FY25, to be forwarded to the Mayor and Assembly for consideration during the FY25 budget process.

Attachments:

1. Survey flier
2. Example of presentation given at events

Prepared by: Legislative Services Office

Respectfully submitted: Anna Brawley, Assembly Member
District 3, West Anchorage

Kameron Perez-Verdia, Assembly Member
District 3, West Anchorage

Anchorage CHILD CARE

SURVEY

Are your child care costs reasonable for your family? Have you had to make difficult decisions to be able to find quality, safe, and affordable care for your kids?

Share your thoughts on how child care access and costs impact your family, job, and Anchorage's businesses in our survey and be entered to win!

DEADLINE: MARCH 8

**WE NEED YOUR
INPUT ON HOW
TO CREATE A
THRIVING CHILD
CARE SYSTEM
FOR ANCHORAGE!**



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 13, 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, and for spending time with me when you have so many other things you could be doing. Thank you for enduring many challenges: lack of workforce, COVID, financial hardships. Most importantly, thank you for caring for kids during the most important time of their lives. 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%.

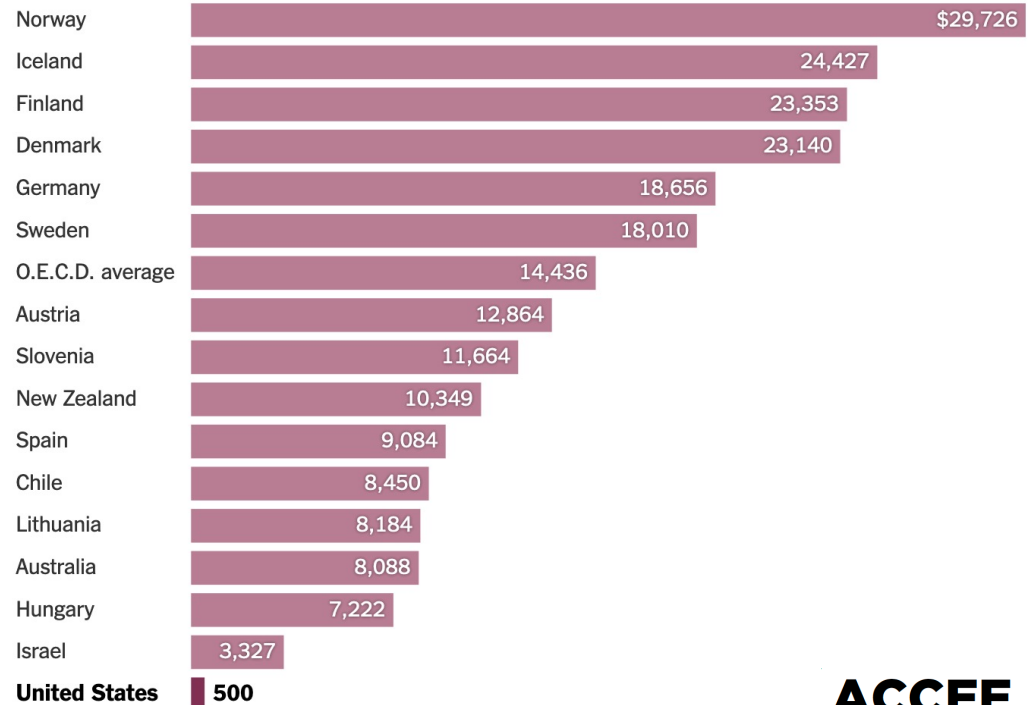


*If care is good
for families and
the economy,
why isn't there
more of it?*

*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.



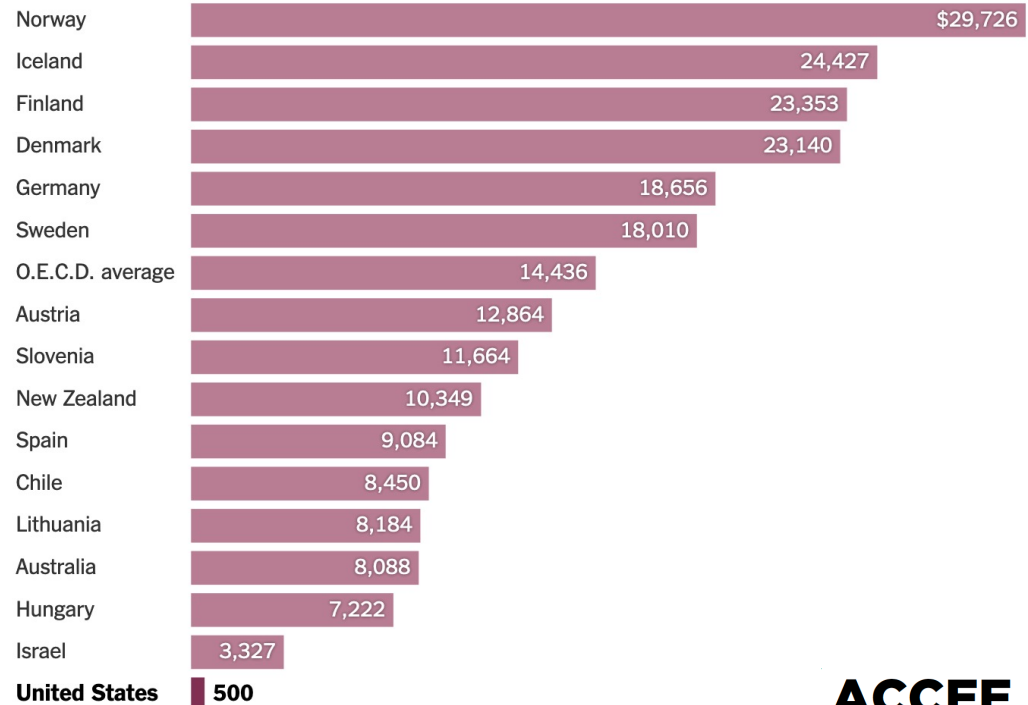
*If care is good
for families and
the economy,
why isn't there
more of it?*

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.



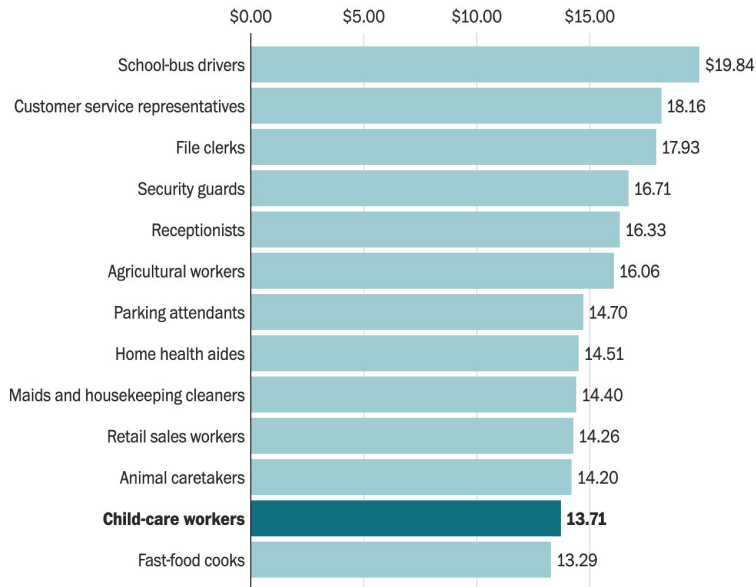
The Problem: High cost to parents, low pay for providers

- 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



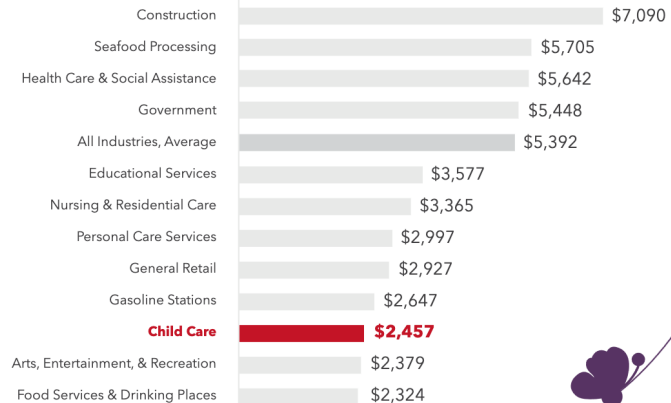
Source: U.S. Bureau of Labor Statistics

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.



*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?



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



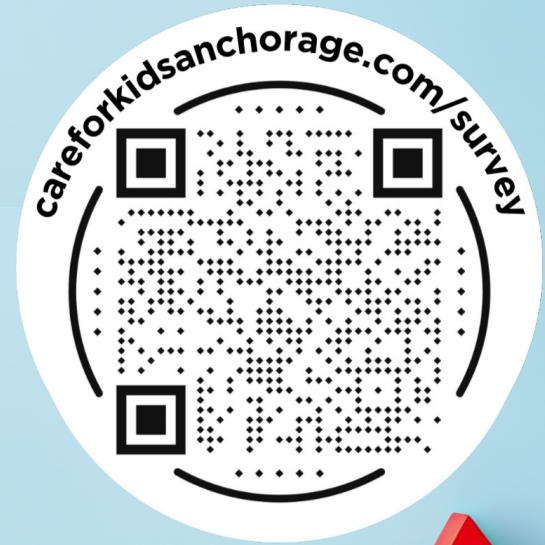
Plan for the Next Hour

- **We are here to learn from you!** You are the experts.
- We want to hear the **challenges** you've experienced in your work providing early education or child care.
- We want to hear **your ideas for solutions**. How can we use the ACCEE Fund to solve the challenges providers 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

- Is your pay enough to pay your bills/live comfortably?
- What challenges do you have at your job? Issues with pay, benefits, time off, availability of training/professional development, feeling appreciated, something else?
- Do you think you will stay in your career field?
- What would make this sector more sustainable?
- How can the ACCEE funds better support you in your work caring for children?





Thank you!
aqdstrategies@gmail.com

