

Anchorage's New Child Care & Early Education Fund

*Supporting Families, Providers,
and the Alaska Economy*



ANCHORAGE
CHILD CARE &
EARLY EDUCATION **FUND**



*Prepared by: Austin Quinn-Davidson
Federation of Community Councils
February 21, 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**



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%.

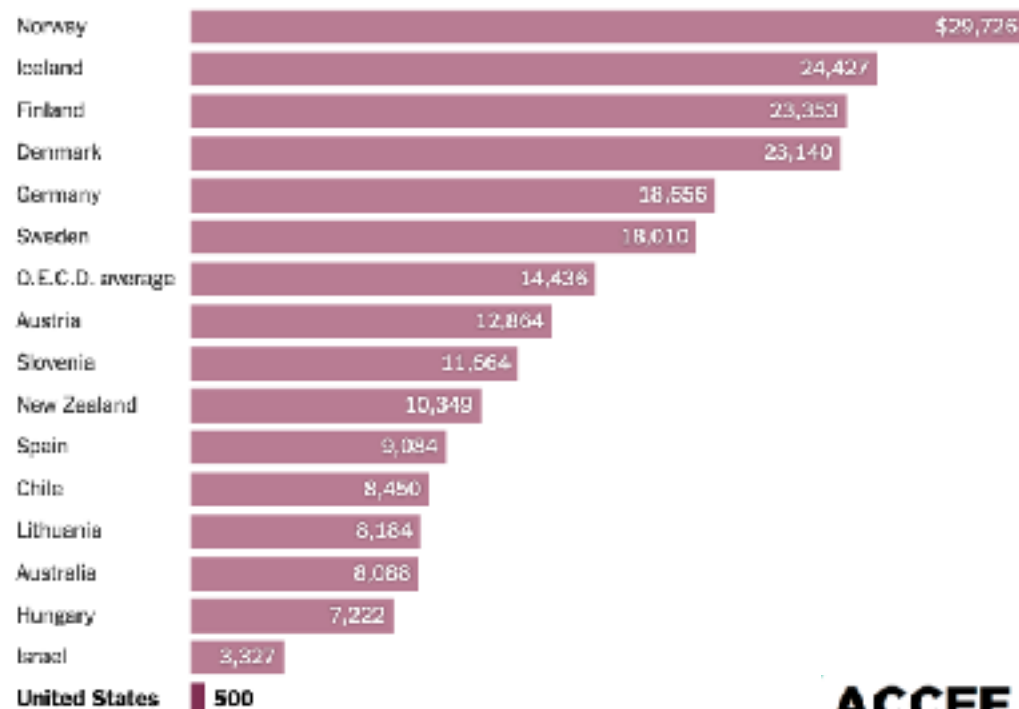


If care is good for families and the economy, why isn't there more of it?

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.



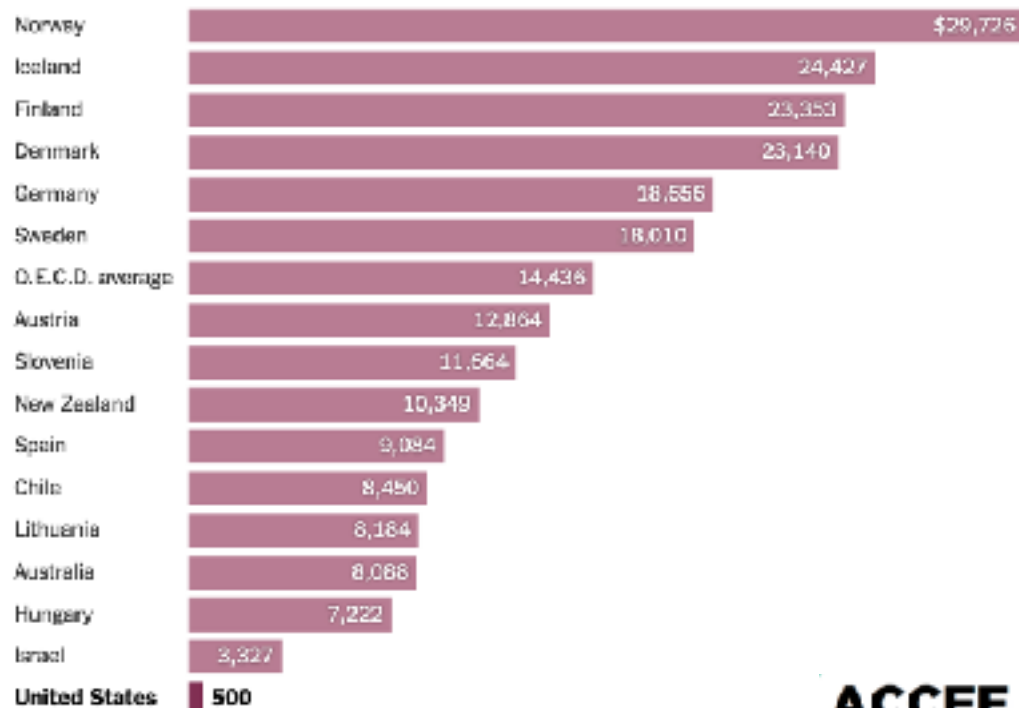
If care is good for families and the economy, why isn't there more of it?

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



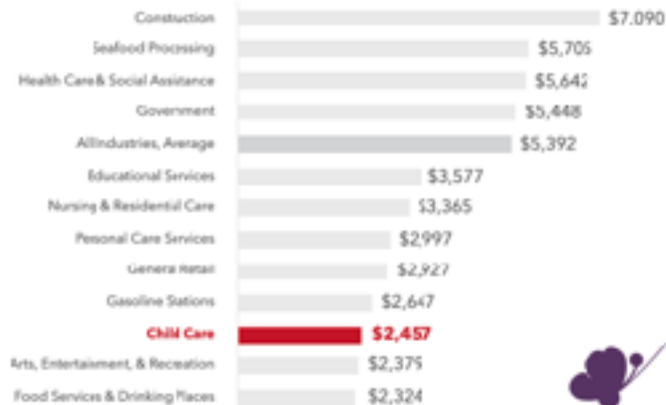
Source: U.S. Bureau of Labor Statistics

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

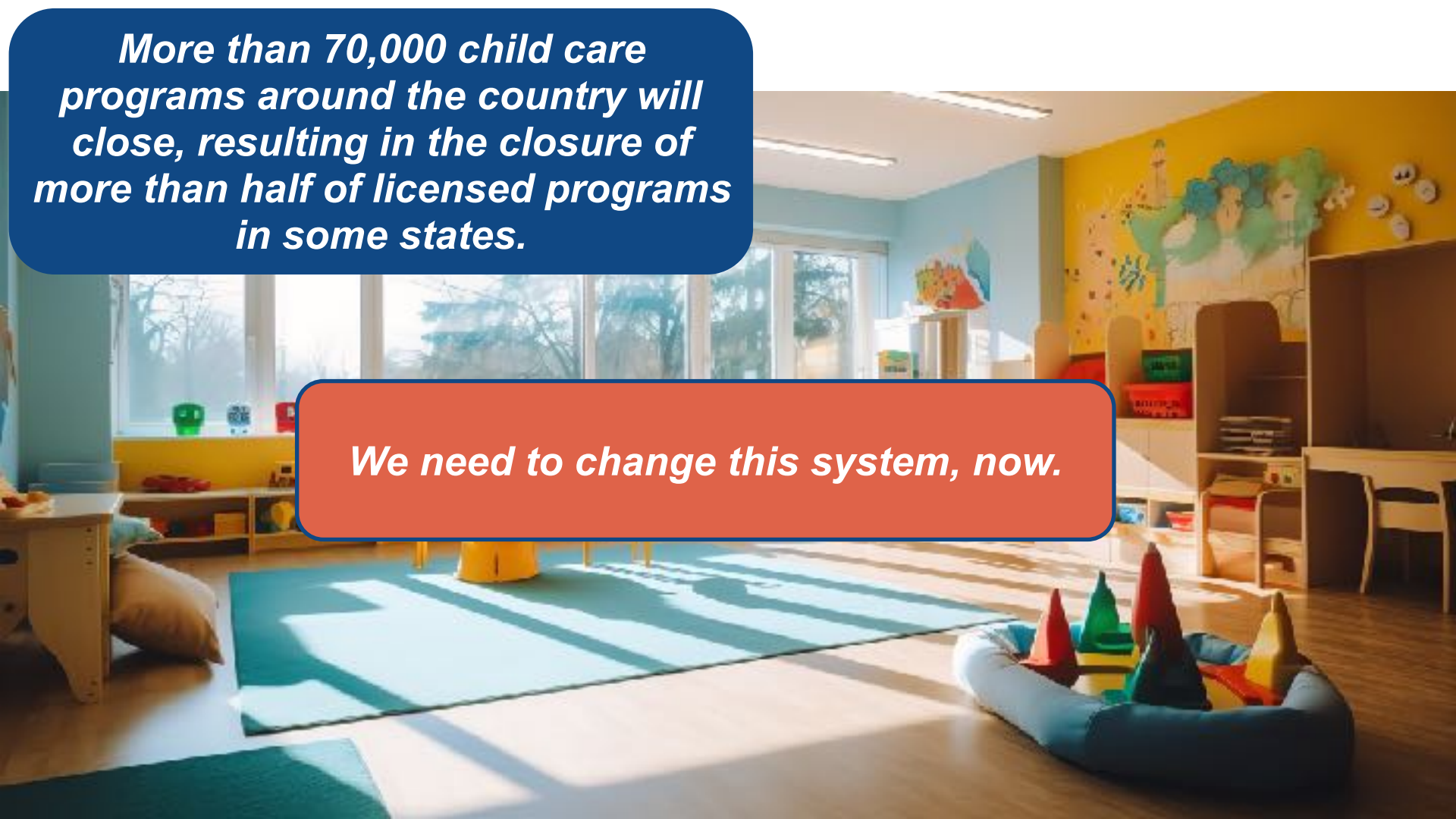
Families of child care workers are twice as likely to live in poverty

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





Thank you!
aqdstrategies@gmail.com

