## REPRESENTATIVE JULIE COULOMBE

ALASKA STATE LEGISLATURE

SESSION Alaska State Capitol Juneau, AK 99801 Phone: (907) 465-3879



DISTRICT 1500 W Benson Blvd. Anchorage, AK 99503 Rep.Julie.Coulombe@akleg.gov

## **Sponsor Statement**

HBCS Version 33-LS0518\R April 23, 2024

House Bill 89 is a workforce bill that aligns with the Governor's Child Task Force on Child Care recommendations. This bill will incentivize the private sector to offer child care benefits to their employees to fill jobs essential for economic growth, expand the number of families that can access assistance, and align funding to the actual cost of care.

HB 89 strengthens the childcare system in several ways:

- Creates a tax credit for employers who incur child care expenditures, cash or equipment, or payments to employees and increases the amount that can be deducted.
- Adds a person to the Child Care Program Office to assist employers in instituting a child care benefit to their employees.
- Expands the number of families who can access assistance by raising the income level to qualify and raises the cap on the percentage of income a family spends on child care.
- Offers an option for the Child Care Program Office to give grants to high performing, high quality child care providers.
- Provides that the Department will develop a sliding fee scale for families who increase their household income without losing all the child care assistance at once.
- Requires facilities to be designated as a "quality child care facility" by the department.
- Prohibits a child care facility receiving a grant under this program to deny a child attendance based on disability or socioeconomic status.
- Provides that low income families will receive preference for the grant.

I have a vision of making Alaska more affordable for families. Part of accomplishing this vision is affordable quality child care that is accessible to families. Child care affects our workforce which in turn affects our ability to grow the economy. It is estimated that the lack of reliable child care costs Alaskan employers \$152 million in employee absences and turnover. This is an issue we can help solve. HB 89 is a call to the private sector to look at child care as an employee benefit, to encourage people to open up child care services, and an initiative to help families find safe affordable, high quality child care. As long as Alaska's energy, housing and grocery costs keep growing, parents will have to work to keep up. It's time for us to work with the Governor and act on this pressing issue.

## REPRESENTATIVE JULIE COULOMBE

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DISTRICT 1500 W Benson Blvd. Anchorage, AK 99503 Rep.Julie.Coulombe@akleg.gov

## **Sectional Analysis**

SCS CSHB 89 (HSS) 4.23.24

- **Sec. 1.** AS 21.96.070(a): Change in drafting convention to add "contributions of cash or equipment accepted for" to each of the subsections of the insurance business tax education credit statutes rather than being in the main section (a), and adds the child care tax credit.
- Sec. 2. Increases the education and child care tax credit to \$3 million (currently \$1 million).
- **Sec. 3.** Insurance business tax. Adds "On January 1, 2030, and every 5 years afterwards, adjusts the dollar limit on tax credits for inflation, using 100% of the change over the preceding 5 calendar years."
- **Sec. 4.** AS 43.20.014(a): Change in drafting convention to add "contributions of cash or equipment accepted for" to each of the subsections of the Income tax education credit statutes rather than being in the main section (a), and adds the child care tax credit.
- Sec. 5. AS 43.20.014(d): Increases the maximum allowable tax credit to be \$3 million.
- **Sec. 6.** AS 43.20.014(h): New subsection adds the inflation adjustment language to the income tax education credit statute.
- **Sec. 7.** AS 43.55.019(a): Change in drafting convention to add "contributions of cash or equipment accepted for" to each of the subsections of the Oil and gas production tax credit statutes rather than being in the main section (a), and adds the child care tax credit.
- Sec. 8. AS 43.55.019(d): Increases the maximum allowable tax credit to be \$3 million.
- **Sec. 9.** AS 43.55.019(i): New subsection adds the inflation adjustment language to the oil and gas production tax education credit statute.

- **Sec. 10.** AS 43.56.018(a): Change in drafting convention to add "contributions of cash or equipment accepted for" to each of the subsections of the oil and gas exploration, production, and pipeline transportation property tax education credit statutes rather than being in the main section (a), and adds the child care tax credit.
- **Sec. 11.** AS 43.56.018(d). Increases the maximum allowable tax credit to be \$3 million.
- **Sec. 12.** AS 43.56.018(h). New subsection adds the inflation adjustment language to the oil and gas exploration, production, and pipeline transportation property tax education credit statute.
- **Sec. 13.** AS 43.65.018(a). Change in drafting convention to add "contributions of cash or equipment accepted for" to each of the subsections of the mining business tax education credit statutes rather than being in the main section (a), and adds the child care tax credit.
- **Sec. 14.** AS 43.65.018(d). Increases the education and child care tax credit to \$3 million (currently \$1 million).
- **Section 15.** AS 43.65.018(h). New subsection adds the inflation adjustment language to the mining business tax education credit statute.
- **Sec. 16.** AS 43.75.018(a). Change in drafting convention to add "contributions of cash or equipment accepted for" to each of the subsections of the fisheries tax education credit statutes rather than being in the main section (a), and adds the child care tax credit.
- **Sec. 17.** AS 43.75.018(d). Increases the education and child care tax credit to \$3 million (currently \$1 million).
- **Sec. 18.** AS 43.75.018(h). New subsection adds the inflation adjustment language to the fisheries tax education credit statute.
- **Sec. 19.** AS 43.77.045(a). Change in drafting convention to add "contributions of cash or equipment accepted for" to each of the subsections of the floating fisheries business tax education credit statutes rather than being in the main section (a), and adds the child care tax credit.
- **Sec. 20.** AS 43.77.045(d). Increases the education and child care tax credit to \$3 million (currently \$1 million).
- **Sec. 21.** AS 43.77.045(g). New subsection adds the inflation adjustment language to the floating fisheries business tax education credit statute.
- **Sec. 22.** AS 47.05.030(a). Corrects the terminology in existing statute from "day care" to "child care."

- **Sec. 23.** AS 47.05.085(a). Corrects the terminology in existing statute from "day care" to "child care."
- **Sec. 24.** AS 47.25.001(a). Changes the maximum monthly household income for eligibility to 105% of the Alaska Median Income, adjusted for family size. Also corrections "child care" terminology.
- **Sec. 25.** AS 47.25.011. Corrects the terminology in existing statute from "day care" to "child care."
- **Sec. 26.** AS 47.25.021. Corrects the terminology in existing statute from "day care" to "child care."
- **Sec. 27.** AS 47.25.031. Corrects the terminology in existing statute from "day care" to "child care."
- **Sec. 28.** AS 47.25.041. Establishes the parent or guardian contribution rate for child care not exceed 7% of the family monthly income.
- **Sec. 29.** AS 47.25.051. Corrects the terminology in existing statute from "day care" to "child care."
- **Sec. 30.** AS 47.25.051. Corrects the terminology in existing statute from "day care" to "child care."
- **Sec. 31.** AS 47.25.071(b). Corrects the terminology in existing statute from "day care" to "child care." This section also requires a child care facility to be designated as a "quality child care facility" by the department.
- **Sec. 32.** AS 47.25.071(g). Corrects the terminology in existing statute from "day care" to "child care." This section also requires prioritization of children from low-income families when filling available spaces in the facility.
- **Sec. 33.** AS 47.25.071(h). Directs the department to promulgate regulations for criteria used to designate a facility as "high quality."
- **Sec. 34.** AS 47.25.071(i-j). Allows the department to provide grants to highest performing and highest quality child care facilities in the state, and prohibits a child care facility from denying a child acceptance to the facility based on disability or socioeconomic status.
- Sec. 35. AS 47.25.095(2). Definition of "child care facility."
- Sec. 36. Corrects the terminology in existing statute from "day care" to "child care."

- **Sec. 37.** AS 47.25.071(c) and AS 47.25.095(4) repealers. Removes the \$50 per child grant to facilities. Deletes the definition of "daycare facility."
- Sec. 37. Aligns the education and child care tax credits to expire on January 1, 2028.
- **Sec. 38.** Codifies that the department shall receive federal approval for the state plan for the child care assistance program.
- Sec. 39. Codifies that the Act takes effect on January 1, 2026, following federal approval.
- Sec. 40. Aligns the education and child care tax credits to sunset on January 1, 2028.
- Sec. 41. The child care assistance program takes effect the day following federal approval.
- **Sec. 42.** All other sections of the bill take effect immediately.

## CHILD CARE: TAX CREDITS/ASSISTANCE/GRANTS

SENATE FINANCE COMMITTEE 4.23.2024
REPRESENTATIVE JULIE COULOMBE

# **OVERVIEW**

- I. How the Child Care Assistance Program Works Currently
- 2. HB 89 New Provisions
- 3. How the Child Care Tax Credits Work
- 4. Wrap-up

## **CURRENT PROGRAM**

- Provides a monthly subsidy to help with child care expenses based on a sliding fee scale for eligible low-moderate income families – up to 9%.
- The family benefit is based on geographic location, type of care, age of child(ren), unit of care authorized, and attendance at the child care facility.
- Parents must be participating in an eligible activity of working, attending school or a job training program, and meet non-financial and financial criteria set by the department.
- The income limit is 85% of adjusted median income for Alaska.
- Children between infancy and 12 years old are eligible.
- Provides a \$50 grant per child to child care facilities.

## **HB 89 ~ PROVISIONS & SECTIONS**

- Provides for the child care tax credit, increases education and child care tax credits to \$3 million annually, and extends the tax credit sunset to January 1,2028. (Secs. 1-21)
- Changes terminology throughout statute from "day care" to "child care." (Secs. 22-27, 29-32, and 36)
- Increases the income eligibility to 105% of the State Median Income. (Sec. 24)
- Caps the family contribution at 7% (currently 9%). (Sec. 28)
- Requires facilities to be designated as "high quality" to receive child care assistance funds. (Sec. 31)
- Requires the prioritization of low income children for the child care assistance program. (Sec. 34)
- Prohibits a child care facility from denying a child for acceptance at a facility based on disability or socioeconomic status. (Sec. 34)
- Definition of "child care facility" (Sec. 35)
- Eliminates the \$50 per child grants to child care facilities. (Secs. 37 & 40)
- Effective Dates Tax credits sunset 1/1/2028 (Sec. 37); the Act takes effect 1/1/2026 (Sec. 39 & 41);
   All other sections effective immediately (Sec. 42)

## **Child Care Tax Credits**

- Insurance Tax Credit Authorized Insurers in the state (Sec. 1-3)
- Income Tax (Sec. 4-6)
- Oil & Gas Production Tax (Sec. 7-9)
- Oil & Gas Exploration, Production, and Pipeline Property Tax (Sec. 10-12)
- Mining Business Tax (Sec. 13-15)
- Fisheries Tax (Sec. 16-18)
- Floating Fisheries Business Tax (Sec. 19-21)
- Raises the maximum tax credit (in combination with the education tax credit) to \$3 million annually.
- > Provides an inflation increase every 5 years beginning in 2030.
- Includes contributions of cash or equipment to a child care facility, expenditures made to a child care facility for the tax payer's employees, or payments made to an employee by the taxpayer to offset child care costs.
- > Education and Child Care Tax Credits sunset January 1, 2028

# IN WRAP-UP, - HB 89 WILL...

- Incentivize the private sector to contribute to child care for their employees
  - It does this by increasing the maximum contribution
  - Extends the sunset date to 2028
- Broaden access to the program for families, helping parents return or enter the workforce, thus increasing the number of children attending child care facilities, growing the industry and increasing the seats available
- Lower the amount of the maximum contribution for families to 7% of income
- Increase the eligibility threshold to 105% of the State Median Income

# Questions?

Rep.Julie.Coulombe@akleg.gov (907) 465-3879

April 22, 2024

The Honorable Julie Coulombe Alaska House of Representatives Capitol Building, Room 502 Juneau, Alaska 99801

RE: House Bill 89



Credit Union 1

Dear Representative Coulombe,

Credit Union 1 is a state-chartered credit union proudly serving Alaskans since 1952. We're honored to call Alaska home and only serve members who live or work in Alaska, of whom we now serve over 95,000 members.

For the last 18 years our credit union has run our own childcare facility for our employees children. It was started by our previous CEO, Leslie Ellis, who saw the growing need for quality care in Alaska. That need has only continued to grow since then.

Our childcare facility continues to operate today under a partnership with Providence and is a benefit to our employees. The children who are enrolled experience a safe, accredited, and stimulating environment. Their parents get a subsidized rate, longer hours that match our business hours, and peace of mind that their children are cared for in our HQ building.

We've recently been exploring options to expand our facility to include additional children because the need has been so great. However, lack of facilities, grants, and the cost of retrofitting buildings up to childcare code have been large hurdles we have yet to overcome.

We believe that we have greatly benefited from offering quality childcare to our employees through attracting new employees to retaining existing employees. We even hired one of the first children to attend the facility as a teller before they went off to college.

House Bill 89 lowers the barrier to entry for employers who are seeking to offer this benefit to their employees. There is significant cost to not only the operation of the facility but also the outfitting of a building and bringing the space up to safety code for childcare.

Credit Union 1 is in full support of House Bill 89 and welcome any questions

Sincerely,

Mark Burgess

President and CEO

Credit Union 1

burgessm@cu1.org or 907-339-8104

State of Alaska

2024 Legislative Session

Bill Version: CSHB 89(FIN)

Fiscal Note Number: 2

(H) Publish Date: 2/12/2024

Identifier: CSHB089-DOH-CCB-02-07-24

Title: CHILD CARE: TAX

CREDITS/ASSISTANCE/GRANTS

CREDITS/ASSISTANCE/GRAINTS

Sponsor: COULOMBE Requester: (H) FIN Department: Department of Health Appropriation: Public Assistance

Allocation: Child Care Benefits

OMB Component Number: 1897

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

		included in								
	FY2025	Governor's								
	Appropriation	FY2025	Out-Year Cost Estimates							
	Requested									
<b>OPERATING EXPENDITURES</b>	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030			
Personal Services	203.8		203.8	203.8	203.8	203.8	203.8			
Travel										
Services	28.0		28.0	28.0	28.0	28.0	28.0			
Commodities	8.0		2.0	2.0	2.0	2.0	2.0			
Capital Outlay										
Grants & Benefits	5,858.4		5,858.4	5,858.4	5,858.4	5,858.4	5,858.4			
Miscellaneous										
Total Operating	6,098.2	0.0	6,092.2	6,092.2	6,092.2	6,092.2	6,092.2			

**Fund Source (Operating Only)** 

1002 Fed Rcpts (Fed)	228.1		225.1	225.1	225.1	225.1	225.1
1003 GF/Match (UGF)	228.1		225.1	225.1	225.1	225.1	225.1
1004 Gen Fund (UGF)	5,642.0		5,642.0	5,642.0	5,642.0	5,642.0	5,642.0
Total	6,098.2	0.0	6,092.2	6,092.2	6,092.2	6,092.2	6,092.2

#### **Positions**

Full-time	2.0	2.0	2.0	2.0	2.0	2.0
Part-time						
Temporary						

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Estimated SUPPLEMENTAL (FY2024) cost:** 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2025) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No

(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

**ASSOCIATED REGULATIONS** 

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes

If yes, by what date are the regulations to be adopted, amended or repealed?

01/01/25

Why this fiscal note differs from previous version/comments:

Updated to correct an error relating to personal services costs and provided additional details on the cost breakdown for clarity.

Prepared By:Leslie Brewer, Administrative Operations Manager 2Phone:(907)500-3306Division:Public AssistanceDate:02/05/2024

Approved By: Raquel Solomon-Gross, Acting Assistant Commissioner

Agency: Department of Health

HFC 02/09/2024 Control Code: MTUNm

Date:

# Selections from HB 89, 4/23/24, Prepared by the Office of Rep & iscal Note 2

#### FISCAL NOTE ANALYSIS

#### STATE OF ALASKA 2024 LEGISLATIVE SESSION

#### **Analysis**

The Child Care Assistance Program currently pays child care providers on behalf of participating families who receive a subsidy. Federal Child Care and Development Fund (CCDF) rules require family income limits not exceed 85% of the state median income and that families pay a portion of their child care cost, or co-payment (co-pay) to their child care provider. Family co-pays are based on a sliding fee scale (Child Care Assistance Family Income and Contribution Schedule).

If the income eligibility standards were increased to 105 percent of the state median income, approximately 18,000 additional children age 12 and under would meet the eligibility criteria. Currently, about 7 percent of income eligible families are utilizing the Child Care Assistance Program. If utilization patterns remained the same, an additional 1,200 - 1,300 children may use the Child Care Assistance Program. Any subsidy that is approved based on eligibility above 85 percent of state median income cannot be covered by the federal Child Care Development Fund and would need to be covered by state general fund dollars.

	Parer	nt						
% of State Median Income for Family	Mont	hly SMI	7% Famil	у Сорау	Avg.	State Rate	Suk	osidy Amt
Number of Children 86-90% SMI	\$	8,235	\$	576	\$	993	\$	417
Number of Children 91-95% SMI	\$	8,693	\$	609	\$	993	\$	384
Number of Children 96-100% SMI	\$	9,150	\$	641	\$	993	\$	352
Number of Children 101-105% SMI	\$	9,608	\$	673	\$	993	\$	320
	# of C	hildren	Est # Chil	dren				
	0-12		utilizing		Mor	nthly	An	nually
Number of Children 86-90% SMI		3,115		218	\$	90,927	\$	1,091,122
Number of Children 91-95% SMI		7,461		522	\$	200,552	\$	2,406,620
Number of Children 96-100% SMI		4,100		287	\$	101,024	\$	1,212,288
Number of Children 101-105% SMI		3,467		243	\$	77,661	\$	931,931
Totals				1,270	\$	470,163	\$	5,641,960

The projected cost to provide a subsidy to families above 85% of state median income, and up to 105% state median income is approximately \$5,641,960.

To administer the increase to eligibility standards, the Child Care Program Office requires one Accounting Technician 1 and one Program Coordinator 1 to manage the additional work and process requests for payment. This also requires increasing grant funding to four Child Care Assistance Program grantees so each grantee can fund one new Eligibility Technicians to administer the program on behalf of the state.

#### **Personal Services:**

One full-time, range 12, step B, Anchorage Accounting Technician 1 for \$83.7 annually including benefits One full-time, range 18, step C, Anchorage Program Coordinator 1 for \$120.1 annually including benefits

Services: \$28.0 annually or \$14.0 per position for chargeback costs.

Commodities: \$2.0 annually or \$1.0 per position.

One-time commodities costs: \$6.0 or \$3.0 per position in the first year for computers, software, and office equipment.

Grants: \$216.5 to support grantee staffing to process additional applications and \$5,642.0 additional increased subsidy benefit.

(Revised 10/31/2023 OMB/LFD) Page 2 of 2



February 16, 2024

Representative Julie Coulombe

Re: House Bill 89, Day Care Assist./Child Care Grant Program

Dear Representative Coulombe,

The Alaska Chamber (the Chamber) writes in support of House Bill 89, an Act relating to the day care assistance program and the child care grant program; and providing for an effective date.

The Alaska Chamber was founded in 1953 and is Alaska's statewide business advocacy organization. Our mission is to promote a healthy business environment in Alaska. The Chamber has more than 700 members and represents businesses of all sizes and industries from across the state, representing 58,000 Alaskan workers and \$4.6 billion in wages.

The Chamber has a long-standing policy position to support an increase in the availability of and access to child care in Alaska. In 2021 the Chamber collaborated with the U.S. Chamber of Commerce Foundation to produce a report entitled "Untapped Potential in Alaska – How Child Care Impacts Alaska's Workforce Productivity and the State Economy." The report found that child care issues resulted in an estimated loss of \$165 million annually for Alaska's economy. With an estimated cost of \$152 million annually to Alaska employers due to absences and employee turnover as a result of a lack of child care. Seventy-seven percent of parents reported missing work due to child care issues in the past 3 months.

The Chamber is proud to be a member and active participant on the Governor's Task Force on Child Care over the past year. House Bill 89 would help to address some of the challenges identified by the Task Force and put forward in their recommendations. Specifically the recommendation to consider tax credits or incentives to encourage the private sector transform existing spaces into child care facilities.

In our annual public opinion survey, thirty-six percent of working Alaskans with children have chosen not to participate in the workforce due to lack of access to available and affordable child care. House Bill 89 would increase eligibility for the child care assistance program and include a cost of care model in the determination of provider reimbursements. Currently, the income eligibility limit for participating in child care assistance is 85% of state median income. Increasing this eligibility limit, as House Bill 89 proposes, would allow more families to participate in the child care assistance program reducing their child care costs. This change has the potential to increase workforce participation across multiple industry sectors.

We have heard loud and clear from our members that the lack of available and affordable child care directly correlates to their ability to recruit and retain their workforce. This is extremely concerning to the business community given the already challenging environment that exists to recruit and retain workers.

HB89 is a step in the right direction to solving our child care crisis and is a good-for-business bill, and we encourage swift passage. Thank you for considering the Alaska Chamber's comments.

Sincerely,

Kati Capozzi
President and CEO

2550 Denali Street, Suite 530 Anchorage, AK 99503





#### State of Alaska

#### Task Force on Child Care

Public Comment Opportunity: Deadline 5pm November 27, 2023

The Governor's Task Force on Child Care, per the State of Alaska <u>Administrative Order AO 346</u>, is charged with delivering two reports to the Governor. The first report is due on December 31, 2023, and focuses on **background checks**, **licensing**, **and workforce**. The second report is due on July 31, 2024, and will focus on **access**, **quality**, **and subsidies**.

The Task Force is seeking **public comment** on preliminary recommendations for inclusion in the December 2023 report.

#### PROVIDE WRITTEN COMMENT

Written comment can be submitted by clicking on the following link: <u>HERE</u>
All recommendations are listed in the form with text boxes to provide comments on individual recommendations. This document provides a readable version of the recommendations.

#### VIRTUAL PUBLIC COMMENT HEARING

November 29, 2023 5:30 to 7:30PM

**REGISTRATION REQUIRED:** Members of the public must register to receive the meeting link. Register <u>HERE</u> or visit the project website at ddaalaska.com/alaskachildcaretaskforce/

\_\_\_\_\_

#### PRELIMINARY RECOMMENDATIONS

#### **Background Checks**

Increase timely, efficient, and affordable background checks.

#### Recommendation

Implement livescan digital fingerprinting at State office buildings to increase accessibility and improve reliability; decreasing processing time and cost to providers and applicants.

Expand access to mobile livescan digital fingerprinting to increase accessibility for rural communities without a state office.

Establish a secure online portal for submitting background check applications to eliminate whitelisting requirements.

Evaluate barrier crimes matrix and identify differences between state and federal background check requirements. Determine appropriate changes to state regulations.

Evaluate the ability to use Child Care Development Fund (CCDF) or other funding sources to cover processing fees for background checks.

#### Licensing

Increase training for child care licensing staff to support consistent technical assistance and accountability to meet child care regulations.

#### Recommendation

#### **Technical Assistance**

Develop coaching or navigation services to guide current and prospective applicants through the licensing process.

Develop an online application process that can track progress, submissions, and approvals to increase communication transparency.

Improve navigation, usability, and accessibility of the Child Care Program Office (CCPO) website.

Develop web-based forms that can be digitally filled out for the convenience of all users.

Develop educational materials about the variance process that are accessible on the improved CCPO website.

Increase awareness and visibility of current resources on business plans, tax implications, and startup costs to meet the need for education and training to start a child care business.

#### **Remove Barriers**

Provide funding to offset the costs of the licensing process, particularly for startup support.

Remove the Child Care Associate requirement.

#### Workforce

Elevate a professionally paid and supported workforce ensuring access to benefits, professional development, and pathways to advancement.

#### Recommendation

#### **Pathways**

Develop an occupational endorsement to meet the Administrator qualifications through educational institutions and ensure that virtual options are available.

Build apprenticeship programs to support the educational pipeline for early childhood education.

Update regulations to broaden Administrator qualifications.

Update child care assistance regulations to remove diploma or GED requirement for relative and inhome care.

Update regulations to allow Administrators to delegate authority to appropriate staff in their absence.

Continue supporting access to affordable professional development, continuing to build on strengths of current investment and proven success.

Provide leadership, management training, and professional development to support current and new child care Administrators and business owners.

Enhance consultation support and access to Infant Early Childhood Mental Health and behavioral health services to build early educator skills to address challenging behaviors.

#### **Benefits**

Create a sustainable wage subsidy/award for licensed child care professionals to support a living wage in Alaska.

Develop an option for child care professionals to become part of a health insurance network.

Explore a child care substitute pool to bolster the child care workforce and provide wellness breaks and coverage for child care programs.

Establish categorical eligibility for subsidized child care for employees of licensed childcare facilities.

#### **Recognize the Profession**

Recognize child care professionals as essential workers in Alaska.

Recognize child care as a profession and adopt best practice language when addressing the child care sector in all state written and verbal communication. This includes for individuals: child care professional/early childhood educator (early educator). And for program businesses: child care program/early childhood education program.

#### **Employers**

Increase collaboration between the business sector and state government to design a child care system that meets the needs of Alaska's current and potential workforce.

#### Recommendation

Inventory state owned, school districts, and private sector facilities to identify space that may be available for employer sponsored child care programs.

Consider tax credits/incentives to encourage the private sector to transform existing spaces into child care facilities.

Establish a position or contractor to assist employers and/or businesses with technical assistance to provide on-site or near-site child care.

Consider capital funding options for remodeling spaces to meet child care health and safety requirements for employer programs.

#### **Tribal Authority**

Recognize Tribal authority and create pathways for tribal providers and parents to access state subsidies.

#### Recommendation

#### **Tribal Coordination**

The State of Alaska should request approval from the Administration of Children and Families to allow the Alaska Child Care Program Office (CCPO) to accept tribally approved health and safety standards and background checks; creating pathways for tribal providers and parents to access state subsidies.

Work with federal partners to recognize tribally approved background check processes.



Main Office 130 Seward St. #214 Juneau, Alaska 99801 Phone: (907) 586-3650

Phone: (907) 586-3650 Fax: (907) 747-7547 Sitka Office

408 Oja Way, Suite A Sitka, Alaska 99835 Phone: (907) 747-7545 Fax: (907) 747-7547 **Anchorage Office** 

750 West 2<sup>nd</sup> Ave, Ste 105 Anchorage, AK 99501 Phone: (907) 297-2860 Fax: (907) 279-2451

## HB 89: DAY CARE ASSISTANCE/CHILD CARE GRANT PROGRAM April 2023

Please accept this statement as support for passage of HB 89. The Alaska Network on Domestic Violence and Sexual Assault (ANDVSA) is Alaska's state coalition of victim services providers. Twenty-three programs across the state focus on services to victims/survivors of sexual assault, stalking and domestic violence.

Access to childcare is one of the main barriers that many survivors face when seeking to leave an abusive partner. In a <u>survey</u> asking the most common financial factors for staying with or returning to an abusive partner, 83 percent of respondents stated they were unable to support themselves or their children on their income, and 50 percent of respondents stated they would have problems affording childcare. Lacking access to childcare can also force a parent in an abusive relationship to leave a child alone with their abusive partner, putting children in danger.

For a family who has experienced domestic violence, access to affordable and quality childcare is an essential component in the journey of recovery and healing. Survivors need to know that their children are safe and cared for while they navigate the aftermath of abuse or assault—whether it be attending court hearings, receiving healthcare and mental services, working to support their families, or simply finding time to heal.

Additionally, improving access to childcare would help address the workforce shortages at many of our member programs. Staff working at our programs often struggle to find or afford childcare, and qualified individuals may turn down working at shelters due to difficulties securing childcare during job hours.

When speaking to our member programs, many of them cite childcare as a key difficulty in their region. Several communities have had daycare centers close down during the pandemic, or prices have increased such that program clients and employees cannot afford childcare services. HB 89 would address some of the foundational causes of the declining state of childcare in Alaska—it would increase the number of families able to afford childcare services, and it would keep more providers up and running.

Access to affordable and quality childcare is essential if we are to put an end to domestic and sexual violence. HB 89 would improve the lives of survivors, their children, those working at our member programs, and families all across the state of Alaska.

<sup>&</sup>lt;sup>i</sup> Hess, C.; Del Rosario, A. Dreams Deferred: A Survey of the Impact of Intimate Partner Violence on Survivors' Education, Careers, and Economic Security. Institute for Women's Policy Research 2018.