

# ALASKA STATE LEGISLATURE

## SENATE HEALTH & SOCIAL SERVICES COMMITTEE



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### **SPONSOR STATEMENT** **SB 95 CHILD CARE: ASSISTANCE/GRANTS** **34-LS0446 Version A**

Senate Bill 95 is a bill that affirms policy originally contained within House Bill 89 in the 33rd Legislature.

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

SB 95, by affirming 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.

We 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.