

REPRESENTATIVE JULIE COULOMBE
ALASKA STATE LEGISLATURE

SESSION
Alaska State Capitol
Juneau, AK 99801
Phone: (907) 465-6879



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

Sponsor Statement HB 89

House Bill 89 is based on childcare reform best practices developed in other states with bipartisan and business support. This bill will help families get back to work, help employers fill jobs essential for economic growth, and help ensure our children have safe care and are prepared to learn when they enter the public education system.

HB 89 strengthens the childcare system in two ways:

- Expands the number of families who can afford childcare by making subsidies more inclusive.
- Aligns the subsidy level to reflect the actual cost of care.

Alaska's childcare system is in crisis because of low wages, labor shortages, and a declining number of childcare providers. For too long, child care subsidies (which are paid with federal dollars managed by the Child Care Program Office within the Department of Health) have not reflected the actual cost of providing care. Inadequate subsidy rates mean providers lose money by providing care to poorer children and must raise rates on middle class parents to compensate. Inadequate subsidy rates also limit the number of providers accepting kids whose families depend on subsidies to afford care.

Historically, the state of Alaska has administered federal funds that support childcare subsidies, and to a lesser extent pay for development of childcare training. However, federal regulations limit use of childcare subsidy funds to families earning less than 85% of the state median wage, meaning that subsidies only assist with childcare for two-income households earning approximately \$68,000 or less per year. This leaves many hard-working middle-class families unable to pay for care, which forces parents out of the workforce and is exacerbating labor shortages faced by employers.

I request the support of my colleagues on HB 89 and look forward to constructive conversations during the committee process.