

ALASKA STATE LEGISLATURE
SENATE HEALTH, EDUCATION AND SOCIAL SERVICES STANDING COMMITTEE

February 26, 2007

1:33 p.m.

MEMBERS PRESENT

Senator Bettye Davis, Chair
Senator Joe Thomas, Vice Chair
Senator John Cowdery
Senator Kim Elton
Senator Fred Dyson

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE JOINT RESOLUTION NO. 1

Relating to reauthorization of federal funding for children's health insurance; and encouraging the Governor to support additional funding for and access to children's health insurance.

MOVED SJR 1 OUT OF COMMITTEE

PRESENTATION: Investing in Alaska's Children

PREVIOUS COMMITTEE ACTION

BILL: SJR 1

SHORT TITLE: MEDICAL ASSISTANCE FOR CHILDREN

SPONSOR(S): SENATOR(S) DAVIS

02/07/07	(S)	READ THE FIRST TIME - REFERRALS
02/07/07	(S)	HES, FIN
02/19/07	(S)	HES AT 1:30 PM BUTROVICH 205
02/19/07	(S)	Bill Postponed To 2/26/07
02/26/07	(S)	HES AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

Richard Benavides, Aide
to Senator Davis
Alaska State Capitol
Juneau, AK

POSITION STATEMENT: Presented SJR 1 on behalf of the sponsor.

Karleen Jackson, Commissioner
Department of Health & Social Services
Juneau, AK

POSITION STATEMENT: In support of SJR 1.

Carol Prentice, Project Manager
System for Early Education Development (SEED)
Juneau, AK

POSITION STATEMENT: Participated in overview.

Jim Calvin, Partner
McDowell Group
Anchorage, AK

POSITION STATEMENT: Participated in overview.

Joy Lyon, Director
Southeast Alaska Association for the Education of Young Children
Juneau, AK

POSITION STATEMENT: Participated in overview.

Abbe Hensley, Executive Director
Ready to Read, Ready to Learn Initiative
Juneau, AK

POSITION STATEMENT: Participated in overview.

Debbie Baldwin, Child Development Division Director
Rural Alaska Community Action Program
Anchorage, AK

POSITION STATEMENT: Participated in presentation.

Anne Shade, President
Alaska Head Start Association
Juneau, AK

POSITION STATEMENT: Participated in presentation.

Tiffany Ryan, Executive Director
Alaska Association for the Education of Young Children
Juneau, AK

POSITION STATEMENT: Participated in overview.

ACTION NARRATIVE

CHAIR BETTYE DAVIS called the Senate Health, Education and Social Services Standing Committee meeting to order at [1:33:31 PM](#). Present at the call to order were Senators Dyson, Cowdery,

Elton, and Chair Davis. Senator Thomas arrived during the course of the meeting.

SJR 1-MEDICAL ASSISTANCE FOR CHILDREN

[1:33:49 PM](#)

CHAIR DAVIS announced SJR 1 to be up for consideration.

RICHARD BENAVIDES, aide to Senator Davis, sponsor of SJR 1, explained that the resolution urges the congressional delegation to achieve a timely reauthorization of the state children's health insurance program, and to continue federal medical assistance percentages for the Denali Kid Care program. Denali Kid Care is Alaska's version of the State Children's Health Insurance Program (SCHIP) which was created in 1997 and is slated for reauthorization this year. It has been and continues to be a successful state partnership now covering over four million low-income children, and enjoys bi-partisan support. However, in the upcoming fiscal year, 17 to 18 states, including Alaska, are predicted to have insufficient federal funding to sustain the existing SCHIP programs. According to various estimates, these states will face an estimated \$800 to \$950 million shortfall in 2007. In Alaska, that could total over \$12 million. Without additional federal funding to avert these shortfalls, Alaska may have to reduce SCHIP enrollment. States may also be forced to curtail benefits, increase cost-sharing, or reduce provider payments. Congress has successfully acted in the past to address these shortfalls and can do so again; to that end, on February 23rd a bipartisan group of lawmakers announced their proposal to extend health insurance to an additional nine million children in the US. Backed by a broad consumer and industry coalition, the Healthy Kids Act of 2007 would authorize over \$50 billion over five years to expand SCHIP and Medicaid programs. The proposal would also provide \$10 billion to help families with annual incomes of up to 350 percent of the Federal Poverty Level to purchase health insurance that covers children if they are not eligible for their state's SCHIP program.

He asked for the committee's support of SJR 1 to add the Alaska State Legislature to the many voices urging the state's congressional delegation and the rest of Congress to enact legislation immediately that provides additional funding to ensure that all states have sufficient federal funding to sustain their existing SCHIP programs in fiscal year 2007.

He added that the National Governor's Association had a meeting the previous day on the same program, and that there is an

upcoming roundtable discussion on the SCHIP program in Washington DC.

[1:37:57 PM](#)

KARLEEN JACKSON, Commissioner for the Department of Health and Social Services (DHSS), said that both the governor and Senator Murkowski support the resolution.

SENATOR ELTON said that the problem appears to be two-pronged, with the 2007 shortfall and insufficient future funding, and asked if the resolution should address this.

MR. BENAVIDES replied that these were separate issues but that a bipartisan bill would cover future funding shortfalls.

COMMISSIONER JACKSON said that the redistribution issue is also being discussed in Congress and Alaska will not necessarily be penalized for a nationwide insufficient effort.

SENATOR ELTON asked if any wording should be added to the resolution.

[1:40:37 PM](#)

COMMISSIONER JACKSON said she could not speak to that issue.

CHAIR DAVIS said that the resolution deals only with reauthorization and not funding.

SENATOR COWDERY asked if funding is expected to be federal or state-based.

MR. BENAVIDES replied that the money will come from the general fund.

SENATOR COWDERY commented that there is a lot of money in the Permanent Fund account and this would be a worthy expenditure.

CHAIR DAVIS said that funding will be addressed at a later time.

[1:43:35 PM](#)

SENATOR DYSON said that his family members have received funding from this act, and he didn't believe he had a conflict of interest with the bill.

CHAIR DAVIS agreed.

SENATOR ELTON moved to report SJR 1 from committee with individual recommendations and attached fiscal note(s). There being no objection, the motion carried.

PRESENTATION: INVESTING IN ALASKA'S CHILDREN

CHAIR DAVIS announced the next order of business was a presentation.

[1:45:13 PM](#)

CAROL PRENTICE, Project Manager for the System for Early Education Development (SEED), introduced herself and her co-presenters. The SEED council is in its final year of funding and decided to do an economic impact report this year.

JIM CALVIN, partner with the McDowell Group, said his group has studied the economic impact of nearly every industry in Alaska, and the DEED study was the first of its kind in the state. He said that the childcare studied was for children six years of age and under, and did not include summer or other types of camps. Household expenditures, government expenditures, and the availability of service were all considered in the study.

He listed the demographics for the study group, including age, occupation and household size. One in eight Alaskan households has a child under the age of six in a childcare setting, and this demographic is growing faster than all others. The availability of child care services in Alaska means an enlarged labor force and thus a significant economic impact: 7,400 jobs in Alaska are related to the child-care sector, generating \$124 million yearly in payroll. The wages for workers in this sector are, however, relatively dismal: a full-time worker will earn \$21,000 yearly, while the average wage for the Alaskan economy is around \$38,000.

He cited national surveys to show that children in quality childcare programs have higher graduation and college attendance rates, and ultimately earned more; lower rates of crime and welfare dependence result as well. The study also asked questions about the government and its approach to childcare.

He then showed a table of different child-care settings and their incidence among the sample pool, and another slide showing the difficulty in obtaining child care. 35 percent of households said that the cost, quality, or non-availability of childcare

services prevented them from working as much as they would like. Rural Alaska showed a significant difficulty in obtaining good quality child care. He explained that the average child-care cost for a kid under 6 years of age is \$400 to \$700 per month.

[2:03:58 PM](#)

SENATOR COWDERY asked if childcare for infants is more costly than for older children.

MR. CALVIN replied that it is. He said that the study also showed that 87 percent of Alaskans think it is important for the government to provide aid for childcare and early education. Invariably, however, K-12 funding is considered the most important.

He explained that Alaskan households spend \$150 million yearly on childcare services, with an additional \$75 million in federal and \$13.3 million in state funding. Roughly half of state and federal funding is spent on Head Start programs; of the total \$238 million spent yearly on child care, \$226 million goes to providers.

[2:08:19 PM](#)

MS. PRENTICE said that Alaska is one of only 10 states without a state-funded early childhood education system.

SENATOR DYSON asked how the study tracked the positive outcomes of early childhood education.

MR. CALVIN replied that such studies have been done nationally, but not in Alaska.

SENATOR DYSON asked how the national studies were controlled.

MR. CALVIN said that he did not know the specifics of the studies, but they are considered to be credible.

SENATOR DYSON asked how positive economic impact in Alaska was defined by the study.

MR. CALVIN restated the positive impacts, and said that there is no specific data for Alaska that shows child data.

SENATOR DYSON said that good parenting can have just as positive an impact as early child education, and children who do not

receive early education are not necessarily at a disadvantage. He commented that few people would not find childcare to be a high priority, and asked how the study accounted for this.

MR. CALVIN explained that the data is properly weighed to represent a cross-section of Alaskans, including those without children.

SENATOR DYSON asked if comparative questions were asked.

MR. CALVIN said that the study was primarily economically based.

2:15:20 PM

SENATOR ELTON asked for the number of people providing unpaid childcare services in Alaska, such as family members and friends.

MR. CALVIN said that such work is not documented because the criteria are unclear.

SENATOR ELTON said that he suspects there is a high number of such providers in the state.

2:17:10 PM

CHAIR DAVIS thanked Mr. Calvin and asked to hear the second part of the presentation.

MS. PRENTICE directed the committee's attention to a document outlining the effort of five groups, including the Alaska Childcare Resource and Referral Network; the Ready to Read, Ready to Learn Initiative (RTR/RTL); the Alaska Association for the Education of Young Children; Alaska Head Start Directors Association; and the System for Early Education Development, to improve childcare in Alaska. She said the presentation would be addressing these groups' recommendations for early care and education.

ABBE HENSLEY, Executive Director for the RRRLI, said that the initiative is co-managed by the Alaska Humanities Forum and United Way. The initiative was started to combat low literacy rates, and results in long-term economic benefits.

She said that the majority of Alaskans support early child education, and families have been at the heart of the RRRLI effort; increasing their engagement is the first recommendation

of the initiative. The second recommendation is to increase access to voluntary and affordable child care and early education. A third recommendation is the establishment of a sustainable early childhood literacy and learning system with accountability for outcomes. In 2006 the legislature appropriated \$250,000 to the initiative, and currently the governor's budget includes \$1.5 million in funding for the RRRLI recommendations; the initiative is planning work on early learning guidelines, which outline expectations for children's progress up to five years of age. The RRRLI wishes to see these guidelines made available in other languages for parents, and to see community conversations held to bring families together. They also wish to see support for the RRRLI offices, and the implementation of a quality ratings system to support early care and education systems as they improve in quality.

She cited a quote from the Early Childhood Comprehensive Systems Plan to explain the RRRLI's ultimate goals for child care in Alaska. She said that parents are a child's first and best teacher, and they need to be taught simple, quick methods for improving early learning.

JOY LYON, Director for the Southeast Alaska Association for the Education of Young Children, said that child care involves a lot of parent decision-making, and resources for these parents are incredibly important. A quality ratings system, including teacher quality ratings, would be highly beneficial for consistency in childcare. In 2007 the RRRLI launched a pilot quality rating system to measure the improvements within the system. Measuring program quality is critical to improving the system as whole, and shaping it into a learning tool for parents.

[2:39:23 PM](#)

SENATOR DYSON said that the ratings system assumes that parents are incapable of analyzing child care themselves, and that in many parts of Alaska there is a family tradition of childcare that wouldn't mesh with the system.

MS. LYON agreed that there are many variations throughout different communities, but that studies show that even rural communities have problems with child care services.

MS. HENSLEY added that the system would be voluntary.

[2:44:07 PM](#)

DEBBIE BALDWIN, Child Development Division (CDD) Director for the Rural Alaska Community Action Program, said that the CDD serves over 24 communities, predominately in rural Alaska, using Head Start and Parents as Teachers programs.

[2:44:39 PM](#)

ANNE SHADE, President of the Alaska Head Start Association, said that Head Start has 17 grantees in all corners of the state, serving 3600 children, and it promotes social readiness for at-risk children through educational, health, and social services. Several different models of Head Start are used, serving different age levels. Over 800 children are on the Head Start waitlist.

[2:48:02 PM](#)

MS. BALDWIN said that Head Start has 42 years of experience across the nation, with 1,800 performance standards and congressionally mandated outcomes. It provides parent training programs, based on the theory of shared governance; cultural differences are accounted for and accommodated. Head Start receives federal and state aid, but funding has flat-lined in the past several years. 728 Alaskan Head Start students are English language learners, and 113 required mental health assessment. Over 400 students are special needs, half of whom had not been previously identified. Head Start students experience a 16 to 48 percent learning gain through the program.

She said that the major challenge facing Head Start is flat-lined funding, which has led to an 11 percent decrease in purchasing power. There has also been a reduction in the number of children served, especially in rural Alaska. Six communities have closed Head Start services completely. A more economical model of services has been developed to place more emphasis on home-based services, which are less costly. Still, 12,000 to 15,000 children are income-eligible for Head Start across the state but are not being served.

[2:58:51 PM](#)

CHAIR DAVIS asked if Head Start is requesting funds in the current year's budget.

MS. LYON said that the group would like to see a 10 percent increase in funding.

CHAIR DAVIS said that the committee would not discuss funding at that time but that she would like to see the proposal.

SENATOR DYSON asked if employees are being trained regarding child abuse and neglect reporting.

MS. LYON said that they are.

SENATOR DYSON asked for the numbers of such reports across the state.

MS. LYON said she did not have those numbers with her.

[3:00:55 PM](#)

TIFFANY RYAN, Executive Director for the Alaska Association for the Education of Young Children (AAEYC), said that the association's mission is to lead, facilitate, and support the efforts of early childhood educators.

She referenced a document to explain that early educators need professional development opportunities, and said that early learners develop better with adequately prepared teachers. SEED implemented a scholarship program to help early education teachers have Associate degrees, and the percentage of thus qualified teachers has doubled but the funding for the program will be ending in autumn 2007. Additionally, a proposed federal mandate will raise this standard to a Bachelor's degree.

She said that the AAEYC is proposing funding to continue the professional scholarship system, which is crucial for teachers who don't have the personal resources for continuing their education. The current educator turnover rate in Alaska is 44 percent, which is an indicator of poor program quality in terms of wages. SEED had a retainment system which has been de-funded but stipend provision would help to reduce the turnover rate of early educators.

CHAIR DAVIS thanked the presenters and, finding no further business to come before the committee, adjourned the meeting at [3:08:09 PM](#).