

**ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

February 13, 2023

3:17 p.m.

MEMBERS PRESENT

Representative Jesse Sumner, Chair
Representative Justin Ruffridge, Vice Chair
Representative Mike Prax
Representative Dan Saddler
Representative Ashley Carrick
Representative Zack Fields

MEMBERS ABSENT

Representative Stanley Wright

COMMITTEE CALENDAR

PRESENTATION(S): CHILD CARE OVERVIEW IN ALASKA

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

DAN BEUTEL, representing self
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony during the overview on child care in Alaska.

STEPHANIE BERGLUND, CEO
thread Alaska
Anchorage, Alaska

POSITION STATEMENT: Presented the PowerPoint, titled "Child Care- Then, Now, Next" during the overview of child care in Alaska.

ELIZABETH SCHULTZ, Community Relations Manager
Help Me Grow Alaska
Anchorage, Alaska

POSITION STATEMENT: Co-presented a PowerPoint on Help Me Grow Alaska during the overview on child care in Alaska.

MARCY ASH, Community Relations Coordinator
Help Me Grow Alaska
Anchorage, Alaska

POSITION STATEMENT: Co-presented a PowerPoint on Help Me Grow Alaska during the overview on child care in Alaska.

DEB ETHERIDGE, Director
Division of Public Assistance
Department of Health
Juneau, Alaska

POSITION STATEMENT: Gave a PowerPoint, titled "Child Care Program Overview" during the overview on child care in Alaska.

CHRISTINA HULQUIST, Public Assistance Programs Officer
Alaska Department of Education and Early Development
Anchorage, Alaska

POSITION STATEMENT: Answered questions on behalf of the Alaska Department of Education and Early Development during the presentation overview on child care in Alaska."

ACTION NARRATIVE

[3:17:01 PM](#)

CHAIR JESSE SUMNER called the House Labor and Commerce Standing Committee meeting to order at 3:17 p.m. Representatives Carrick, Fields, Ruffridge, Prax, Saddler, and Sumner were present at the call to order.

PRESENTATION(S): CHILD CARE OVERVIEW IN ALASKA

[Contains discussion of HB 46.]

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CHAIR SUMNER announced that the only order of business would be an overview on child care in Alaska.

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DAN BEUTEL, representing self, provided invited testimony on child care in Alaska. He shared that he had to leave his job the previous year because of the inability to find child care for his three children. He stated that the cost of child care outweighed the benefit of having a second income for his family.

He expressed the opinion that child care workers should be paid more for the work they do.

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STEPHANIE BERGLUND, CEO, thread Alaska, gave a PowerPoint presentation, titled "Child Care- Then, Now, Next," [hard copy included in the committee packet].

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The committee took an at-ease from 3:23 p.m. to 3:25 p.m.

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MS. BERGLUND, moving to slide 2, stated that the goal of thread Alaska is to promote child care and early childhood education. On slide 3, she outlined the services provided by thread Alaska, including child care referrals, training early child care educators, and providing child care advocacy and research. She moved to slide 5 and slide 6 and gave an overview of child care access in the state. She said that one out of five working families are inhibited from fully participating in the workforce because of issues finding child care, and 61 percent of Alaskans are "in crisis" when it comes to access. She explained that this statistic uses the metrics of fifty children who are five years of age or older with no providers or when the ratio of children in need of child care to child care providers is three to one.

MS. BERGLUND moved on to slide 7 and outlined the issues with child care affordability. She stated that the average family spends 17 percent of its yearly income, and for families with two or more children, the cost is often greater than the cost of housing. She stated that child care in Alaska is more expensive than in-state college tuition. Continuing to slide 8, she stated that child care workers are some of the lowest paid workers in the state. She expressed the understanding that, although child care providers would like to pay higher wages, they cannot, as the cost would be "pushed" to parents, and this would make child care unaffordable. She added that reduced working hours during the COVID-19 pandemic caused child care to become even more unaffordable for some families.

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MS. BERGLUND moved to slide 11 and slide 12 and gave a brief overview of the issues currently facing the child care sector. In part because of the COVID-19 pandemic, she said, a fifth of Alaskan child care centers have permanently closed and 90 percent of those operating are doing so below capacity. She added that low wages are contributing to burnout among employees, furthering the staffing shortages centers are already facing. She argued that the lack of sufficient child care is a contributing factor to the slowing economic growth across the state, as 77 percent of parents across the U.S. reported missing work because of this issue; 36 percent have postponed higher education or training; and 7 percent of families have had a parent leave a job to stay home and care for the children.

MS. BERGLUND continued to slide 13 and said that over \$50 million in grants have been distributed to child care providers for the purpose of helping centers remain open. She added that the federal aid for child care centers is nearing its sunset date; therefore, challenges faced by providers will continue to grow. She offered her opinion that public funding for child care is necessary to reduce outmigration from the state.

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MS. BERGLUND continued to slide 15 and slide 16 and stated that only one-third of children are considered to be ready for kindergarten, and child care is playing a role in this. She expressed the opinion that there is "a lack of respect" for child care employees, and this underestimates their role in preparing children to succeed in school. She added that only one in six members of the state's workforce are able to participate because of access to child care.

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REPRESENTATIVE FIELDS commented that North Dakota is pursuing wage increases for child care workers to compensate for increased training. He suggested that Alaska should consider this model.

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REPRESENTATIVE SADDLER questioned the "ideal" situation for the child care sector, and he questioned whether the state has had such a situation in the past.

MS. BERGLUND answered that in her 16 years working at thread Alaska she has not met a family who has found "accessible, affordable care that meets their needs." She stated that access to affordable child care has been a challenge for decades across the U.S. In response to a follow-up question, she suggested that there are other places to look to for inspiration when it comes to achieving accessible and affordable child care.

REPRESENTATIVE SADDLER asked Ms. Berglund who she believes should pay for child care.

MS. BERGLUND expressed that thread Alaska believes it is the responsibility of everyone. Parents have the greatest responsibility for the cost currently, but thread Alaska is looking to businesses and the government to help reduce the cost to parents. In response to a follow-up question, she defined "all of us" to mean all of the people of Alaska.

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REPRESENTATIVE CARRICK noted that the federal government contributes \$84 million towards child care in Alaska, while the state contributes \$36 million. She asked whether there were other states where those two figures were closer.

MS. BERGLUND answered that Alaska contributes relatively less than most other states.

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REPRESENTATIVE PRAX questioned the investment the state would need to make in order to "close the gap."

MS. BERGLUND answered that \$30 million would be needed to solve the problem in the short term.

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ELIZABETH SCHULTZ, Community Relations Manager, Help Me Grow Alaska, co-presented the PowerPoint on Help Me Grow Alaska [hard copy included in the committee packet]. She stated that Help Me Grow Alaska is the call center part of the All Alaska Pediatric Partnership. She stated that the organization talks to families around the state about challenges they face when it comes to accessing child care. On slide 2, she stated that families are facing difficulties balancing the demands of jobs while caring for children.

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MARCY ASH, Community Relations Coordinator, Help Me Grow Alaska, co-presented the PowerPoint on Help Me Grow Alaska. She moved to slide 3 and addressed the difficulty military families have finding child care. She said that many military families are single-parent or dual-income families, with the second parent working outside of the home or also being a member of the military. Both child care facilities on Joint Base Elmendorf Richardson have waiting lists long enough to cause military families to look for off-base child care facilities. She stated that Alaska is considered by the military to be an overseas assignment, and for military families to receive a permanent change of station (PCS), the service providers for their dependents must be screened by the Exceptional Family Member Program, and this is to ensure the new station will be able to provide for the needs of the dependent. If a sudden change in availability for care occurs, some families may be unable "to PCS" to the state of Alaska, or they may have to be reassigned away from Alaska. She added that the Valdez Coast Guard base is at risk of losing its "family friendly" designation because of the lack of child care options in the community.

MS. ASH continued to slide 4 and stated that for military families with a child with asthma, going to Fairbanks is a challenge because of the lack of access to pulmonary treatment. If a family must travel to Anchorage to see a specialist, it is not considered to be available care. She said that it is also difficult to recruit doctors in the state because doctors also have issues with finding child care.

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MS. SCHULTZ moved to slide 6 and suggested that the legislature take these three steps to mitigate the problem of the lack of child care access in the state: use the data provided by Help Me Grow Alaska regarding the needs of children and families; establish a legislative child care policy workgroup; and provide additional funding for the Head Start and Early Head Start programs.

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DEB ETHERIDGE, Director, Division of Public Assistance, Department of Health (DOH), gave a PowerPoint presentation titled "Child Care Program Overview" [hard copy included in the

committee packet]. On slide 2, she stated that the Child Care Program Office's mission is to support families looking to access child care. She continued to slide 3 and gave an overview of the Child Care Development Fund. She stated that the fund is authorized through the Child Care and Development Block Grant Act and administered by the Child Care Program Office. The purpose of the fund is to promote healthy child development and school success, support working parents and parents who are continuing their education, help low-income families pay for child care, and provide support to the child care system.

MS. ETHERIDGE continued to slide 4 and slide 5, presenting the structure of the Child Care Program Office. The office provides licensing for child care providers, administers subsidy programs, and works to improve the quality and capacity of Alaska's child care programs.

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MS. ETHERIDGE, in response to Representative Saddler, stated that this is funded by a block grant provided to the state by the federal government.

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CHRISTINA HULQUIST, Public Assistance Programs Officer, Alaska Department of Education and Early Development, added that the amount the fund received for fiscal year 2023 was \$22 million. She explained that the amount of money granted by the federal government has a match requirement by the state. She said that 70 percent of the grant must be used to subsidize the cost of child care for low-income families.

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REPRESENTATIVE FIELDS commented that the Childcare Development Fund is not something that exists in Alaska; instead, a plan is submitted to the federal government detailing how the state will use the federal grants.

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MS. ETHERIDGE continued to slide 6 and slide 7 and gave an overview of child care licensing. She stated that DOH issues licenses for three types of child care providers: home providers, which is a single child care provider who cares for

up to eight children in a home; a child care group home, which requires two providers and can care for up to 12 children; and a child care center which cares for 13 or more children and requires a qualified administrator and a caretaker for every 30 children enrolled in the center. She said that the two exceptions to needing a license for child care while benefitting from the Childcare Assistance Program are relatives and in-home providers. She gave the example of a grandparent caring for a grandchild and a provider who goes into the children's home, both of which would still be required to meet the standards of the Childcare Assistance Program to benefit.

MS. ETHERIDGE moved to slide 8 and gave an overview of the eligibility for the subsidies and benefits of the Childcare Assistance Program. She stated that there are 2,832 children in Alaska enrolled in child care services, and these children are spread between 379 licensed providers and 9 approved providers. She said that the grants cover the subsidies for eligible families, providers who accept subsidized children, and providers who care for children with special needs.

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REPRESENTATIVE SADDLER expressed confusion that there are only 9 approved providers. He asked for clarification of the difference between the approved and licensed providers.

MS. ETHERIDGE answered that an approved provider is an in-home provider who is eligible for the Childcare Assistance Program but covered by the exceptions for family and in-home providers. These providers are required to meet standards which are different than licensed providers.

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MS. ETHERIDGE continued with slide 8 and stated that child care providers have multiple ways to use the grant for the purposes of improving programs. She said that the Alaska Inclusive Child Care Program provides grants to child care providers who care for children with special needs. She moved to slide 9 and stated that DOH has a goal of improving the quality and capacity of child care programs in the state. This is done through promoting childhood development, supporting parents who are working or continuing education, supporting child care employee training and professional development, and increasing education to the public on the subject.

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MS. ETHERIDGE, in response to a question from Representative Prax, stated that the numbers of providers does include those not accepting subsidized children. In response to a follow-up question, she said the number does not include providers who cared for four or less children, as those providers do not require licensure.

MS. HULQUIST added that the state does not have a way of knowing the number of children being cared for by providers who do not require licensure.

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REPRESENTATIVE CARRICK asked if the state currently has an early childhood strategic plan, and if so, who puts the plan together.

MS. ETHERIDGE answered that there is a comprehensive plan in place for early childhood care.

MS. HULQUIST added that private and public stakeholders across the state participated in putting the plan together, including state government agencies, parents, and child care providers.

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ADJOURNMENT

There being no further business before the committee, the House Committee of Labor and Commerce meeting was adjourned at 4:16 p.m.