

**HB**

**266**





# Representative Beth Kerttula

House Minority Leader

Representative Andrea Doll  
State Capitol  
Juneau, AK 99801

March 20, 2008

Dear Representative Doll:

During the House State Affairs Committee meeting on March 20, 2008, you asked whether the child care center located in the Federal Building in Juneau was less expensive than other child care options in Juneau. My answer was that it was and that the fees were assessed on a sliding scale based on income. This information is not correct. Upon further research, we learned that the price for child care at that center is typical of other large child care providers in Juneau. It is slightly less than some and more than others.

Additionally, fees are not set on a sliding scale based on income. At this center, there is one set rate for child care. However, parents can petition the board in order to reduce their child care costs. The effect, then, is that parents with lower incomes can benefit from reduced child care costs at this child care facility.

I'm sorry for the incorrect information and I hope this makes it clear. If you have any further questions, please feel free to contact me or my aide.

Sincerely,

Representative Beth Kerttula

Cc: Representative Lynn, Chair  
Representative Roses, Vice-Chair  
Representative Coghill  
Representative Johansen  
Representative Johnson  
Representative Gruenberg



# **Representative Beth Kerttula**

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House Minority Leader

## **HB 266 State Employee Dependents Child Care Centers**

### **Explanation of Changes**

#### **Version C to Version E**

Version E adds subsection (b) to AS 39.90.200 on page 2, lines 3-6. This subsection requires the Department of Administration to do a needs assessment in the community to determine whether or not there is a need for child care in the community before approving requests for onsite child care centers.

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*A Communication From*  
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Re: HB 266 State Employee Dependents Child Care Centers

3-20-08

HB 266 25-LS0846E passed out of committee as amended. Please draft a final CS to reflect the changes. Thank you.

Conceptual Amendment #1 (Roses)

Page 3 *delete* Lines 3-8

Page 3 *delete* on Lines 13 starting with the word "Neither" thru Line 15



25-LS0846E  
Wayne/Mischel  
3/17/08

**CS FOR HOUSE BILL NO. 266( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FIFTH LEGISLATURE - SECOND SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): REPRESENTATIVES KERTTULA, Wilson**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the approval and administration of child care services by the**  
2 **Department of Administration primarily for the benefit of state officers and employees;**  
3 **and providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **\* Section 1. AS 39.90 is amended by adding new sections to read:**

6 **Article 3. Child Care Services.**

7 **Sec. 39.90.200. Duties of department.** (a) Under AS 39.90.200 - 39.90.290,  
8 the Department of Administration shall approve, administer, and coordinate child care  
9 services for state officers' and employees' children and dependents and for other  
10 children as provided in AS 39.90.210. The department shall

11 (1) review and approve requests from state agencies for child care  
12 services;

13 (2) provide technical assistance on child care program startup and  
14 operation under AS 39.90.200 - 39.90.290; and

1 (3) assist other agencies in conducting needs assessments for child care  
2 services, designing child care centers, and selecting child care service providers.

3 (b) Before approving the establishment of a program that provides child care  
4 services under AS 39.90.200 - 39.90.290, the department shall review the availability  
5 of state-licensed child care services in the municipality in which the program would be  
6 located to determine if there is a lack of availability sufficient to justify the approval.

7 **Sec. 39.90.210. Children served.** The department shall give primary emphasis  
8 to providing child care services to state officers' and employees' children and  
9 dependents who are not subject to compulsory school attendance, and, to the extent  
10 possible, emphasis shall be placed on child care for children under the age of four. The  
11 department may allow other parents to use the child care services, but shall give  
12 priority to the children and dependent of state officers and employees.

13 **Sec. 39.90.220. Location of programs; operating costs.** (a) Child care  
14 programs under AS 39.90.200 - 39.90.290 may be located in state-owned office  
15 buildings, educational facilities and institutions, custodial facilities and institutions,  
16 and, with the consent of the president of the senate and the speaker of the house of  
17 representatives, in buildings or spaces used for legislative activities. In addition,  
18 centers may be located in privately owned buildings conveniently located to the place  
19 of employment of the officers and employees to be served by the centers.

20 (b) If a child care program under AS 39.90.200 - 39.90.290 is located in a  
21 state-owned office building, educational facility or institution, or custodial facility or  
22 institution, or in a privately owned building leased by the state, the sponsoring state  
23 agency may be responsible for the maintenance, utilities, and other operating costs  
24 associated with the child care center, in accordance with regulations of the department.

25 **Sec. 39.90.230. Costs of care.** The cost of child care services provided under  
26 AS 39.90.200 - 39.90.290 shall be offset by fees charged to the state officers and  
27 employees or other parents who use the child care services. The department may  
28 provide for a sliding fee schedule, with fees charged on the basis of household income.

29 **Sec. 39.90.240. Selection of providers.** (a) The provider of proposed child  
30 care services under AS 39.90.200 - 39.90.290 shall be selected by the department,  
31 using the procedures in AS 36.30 (State Procurement Code). Management of the

1 contract with the service provider shall be the responsibility of the sponsoring state  
2 agency.

3 (b) Upon approval of the department, the sponsoring state agency may be  
4 responsible for the operation of the child care center when

5 (1) procedures under AS 36.30 fail to procure a qualified service  
6 provider; or

7 (2) the service provider's contract is cancelled and attempts to procure  
8 another qualified service provider are unsuccessful.

9 **Sec. 39.90.250. Requirements for service providers.** An operator selected to  
10 provide services under AS 39.90.200 - 39.90.290 shall comply with all state and local  
11 standards for the licensure and operation of child care facilities, maintain adequate  
12 liability insurance coverage, and assume financial and legal responsibility for the  
13 operation of the program. Neither the operator nor any personnel employed by or at a  
14 child care facility shall be considered to be employees of the state unless a state  
15 agency operates the facility under AS 39.90.240(b).

16 **Sec. 39.90.260. Consortiums.** In the areas where the state has an insufficient  
17 number of officers and employees to justify a work site child care center, a state  
18 agency may join in a consortium arrangement with other public employers to provide  
19 child care services.

20 **Sec. 39.90.270. Regulations.** The department may adopt regulations necessary  
21 to achieve the purposes of AS 39.90.200 - 39.90.290.

22 **Sec. 39.90.290. Definitions.** In AS 39.90.200 - 39.90.290,

23 (1) "department" means the Department of Administration;

24 (2) "sponsoring agency" means a state agency that requests the  
25 assistance of the department in providing child care services to the children and  
26 dependents of the agency's officers and employees.

27 \* Sec. 2. This Act takes effect July 1, 2008.

**Bill History/Action for 25th Legislature**

BILL: HB 266

SHORT TITLE: STATE EMPLOYEE DEPENDENTS CHILD CARE CTRS

BILL VERSION:

CURRENT STATUS: (H) STA

STATUS DATE: 01/15/08

THEN HES, FIN

SPONSOR(S): REPRESENTATIVE(S) KERTTULA, Watson

HEARING: (H) STA Mar 18 8:00 AM CAPITOL 106 TELECONFERENCE

TITLE: "An Act relating to the approval and administration of child care services by the Department of Administration primarily for the benefit of state officers and employees, and providing for an effective date."

Bill Number:  [Display Bill](#) [Next Bill](#)  
[Full Text](#)

[Sponsor Statement](#)

[Display Committee Action with Bill History](#)

Jm-Date	Jm-Page	Action
01/04/08	1690	(H) PREFILE RELEASED 1/4/08
01/15/08	<u>1690</u>	(H) READ THE FIRST TIME - REFERRALS
01/15/08	1690	(H) STA, HES, FIN
01/15/08	1690	(H) REFERRED TO STATE AFFAIRS

Similar Subject Match or Exact Subject Match  
DAY CARE  
MINORS  
PUBLIC EMPLOYEES

Bill Number:  [Display Bill](#)  
[Next Bill](#)

[Return to Basis Main Menu \(25th Legislature\)](#)



**Representative Beth Kerttula**

**House Minority Leader**

**House Bill 266**

**Sponsor Statement**

**State Employee Dependents Child Care Centers**

House Bill 266 would allow child care centers to be located in office buildings owned or leased by the State of Alaska. Agencies interested in on-site child care facilities would work with the Department of Administration to determine need and feasibility. This bill provides important benefits to the State as an employer, employees and their children, and child care providers. Passage of HB 266 would reaffirm Alaska's commitment to children and families.

As an employer, the State will greatly benefit from the passage of this bill. Two decades of research shows that addressing work/life concerns can improve recruitment and retention, reduce absenteeism and tardiness, and increase job satisfaction and loyalty. With recruitment and retention of employees being major concerns in today's economy, this bill will help to attract more prospective employees to the State. On-site child care will not only provide better benefits to employees, resulting in less turnover, it will also provide a higher quality of care for our children.

The time has come to provide the State, employees, and children with the resources necessary to succeed. I greatly appreciate your support of House Bill 266.



# Representative Beth Kerttula

House Minority Leader

## House Bill 266

### Sectional Analysis

#### State Employee Dependents Child Care Centers

**Section 1:** Adds new Article 3 to AS 39.90.

**39.90.200 Duties of Department:** The Department of Administration will be responsible for coordinating child care services for state officers' and employees' children and dependents. This responsibility includes reviewing and approving requests from different state agencies, providing technical assistance, and assisting other agencies in determining need for child care services, designing child care centers, and selecting providers.

**39.90.210 Children served:** Priority will be given to state employees' children and dependents. Emphasis will be placed on children younger than 4 and those not subject to compulsory school attendance.

**39.90.220 Location of programs; operating costs:** Child care centers can be located in government buildings and privately-owned buildings. The sponsoring state agency is responsible for covering maintenance, utilities, and other operating costs associated with the child care center.

**39.90.230 Costs of care:** Costs can be offset by fees to parents and guardians using the services. Fees can be assessed on a sliding-scale based on household income.

**39.90.240 Selection of providers:** Child care providers will be selected by the Department of Administration, and management of the contract with the provider will be done by the sponsoring state agency. If there are no qualified providers, the sponsoring state agency may operate the center itself.

**39.90.250 Requirements of service providers:** Service providers must comply with all state laws and standards that apply to operation of child care centers, maintain adequate insurance, and assume all financial and legal responsibility for the program. Operators and employees of the service providers are not considered employees of the state, unless the state agency is operating the facility.

**39.90.260 Consortia:** In areas where the state need for child care does not justify a center, state agencies may join together with other public employers.

**39.90.270 Regulations:** The Department of Administration may adopt regulations to institute this policy.

**39.90.290 Definitions.**

**Section 2:** Effective date July 1, 2008.

# LEGISLATIVE RESEARCH REPORT

JUNE 19, 2007



REPORT NUMBER 07.197

## STATE AND FEDERAL SUPPORT FOR CHILD CARE FACILITIES IN PUBLIC BUILDINGS

PREPARED FOR REPRESENTATIVE BETH KERTTULA

BY PATRICIA YOUNG, MANAGER

CHILD CARE FACILITIES IN FEDERAL BUILDINGS .....	1
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You asked for information on federal and state support of child care and early childhood programs for children of public employees. Specifically, you asked whether the federal government or states require or encourage child care facilities and programs within government buildings. You also asked about programs to assist working parents of newborns.

### CHILD CARE FACILITIES IN FEDERAL BUILDINGS

Recently published data identified 225 federal child care centers operating across the country with a total capacity for nearly 18,000 children. Approximately half of these centers are located in space managed by the General Services Administration (GSA); the rest are sponsored directly by other federal agencies.<sup>1</sup> The centers are independently run, and while providers get space and

<sup>1</sup>GAO, *An Assessment of Dependent Care Needs of Federal Workers Using the Office of Personnel Management's Survey*, GAO-07-437R (Washington, D.C.: March 30, 2007). Data is current as of 2005. Other federal agencies include the Department of Veterans Affairs, the Federal Aviation Administration, the Forest Service, the Coast Guard, the Department of Energy, the Department of Defense, and the National Aeronautics and Space Administration, among others. We include a copy of this report as Attachment A.

utilities without cost, they must be able to operate without federal monetary subsidies. In exchange for space and utilities, providers must become accredited by the National Association for the Education of Young Children (NAEYC) as part of the licensing agreement, and they must follow NAEYC curriculum guidelines. Although the centers are open to the community, federal law requires that at least 50 percent of the enrollment must be dependents of federal employees.

In addition to on-site child care centers, other federal programs include the Dependent Care Flexible Spending Account for using pretax dollars to pay for care and the Child Care Subsidy Program for lower-income federal workers. Federal law authorizes the use of appropriated funds, including revolving funds otherwise available for salaries, by executive agencies to provide child care services for lower income federal civilian employees.<sup>2</sup>

Agency officials view programs such as on-site quality child care and flexible work arrangements as benefits that help attract and retain committed and effective employees. Although difficult to quantify, surveys show a positive return on investment. According to Liz Themelis, child care program specialist with the GSA, a cost benefit study conducted at the National Security Agency (NSA) showed a return of \$4 for every \$1 spent.<sup>3</sup>

## ON-SITE CHILD CARE FOR STATE EMPLOYEES

Nearly half of the states make on-site child care available for children of state employees, although the number of such facilities per state varies considerably. According to Workplace Economics, Inc., as of January 2005, at least 22 states offered on-site child care facilities in certain locations.<sup>4</sup> We subsequently identified two other states and several local governments providing on-site child care for public employees.<sup>5</sup> The Workplace Economics survey also identified eight states offering subsidies for off-site care and notes that all states make pre-tax dependent care accounts available for employees.

Alaska is not among the states currently providing child care in state buildings, although the idea has been around for more than 30 years. From 1975 to the present, 16 measures to create child care centers in state buildings have been before lawmakers, with at least one introduced during every Legislature from the 9<sup>th</sup> through the 18<sup>th</sup> (1975 – 1994) and also from the 22<sup>nd</sup> through the 24<sup>th</sup> (2001 – 2006). So far, the concept has received little consideration: ten of these measures

<sup>2</sup> Title 40 U.S.C. § 590 authorizes federal agencies to establish on-site child care centers, subsection (g) specifies that such agencies may use appropriated funds otherwise available for salaries and expenses to provide child care. We include a copy of 40 USC § 590 and 5 CFR Part 792 as Attachment B.

<sup>3</sup> Liz Themelis, child care program specialist, GSA, Ms. Themelis can be reached at (216) 522-4963. All 230 NSA child care slots are filled by children of employees or contractors. Although a convenient study cohort, the NSA's unique character makes comparisons with other agencies somewhat problematic.

<sup>4</sup> "2005 State Employee Benefits Survey," (Washington, D.C.: Workplace Economics, Inc., 2005), pp. 47-52. Workplace Economics, Inc., is a private consulting firm that annually publishes a detailed survey of benefits provided to state employees across the nation. States offering at least one on-site child care facility for state employees are Arizona, California, Connecticut, Florida, Hawaii, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, Montana, New Hampshire, New Jersey, New York, Oklahoma, Pennsylvania, Rhode Island, Utah, Virginia, West Virginia, and Wyoming. We include a program description and regulations from Florida and Oklahoma as Attachment C.

<sup>5</sup> Minnesota and Washington also operate on-site child care facilities for children of state employees. In addition, the State of Colorado operates a statewide child care resource and referral system, and child care providers in various locations throughout the state offer tuition discounts to state employees.

died without a hearing, and only one bill—SB 247 in 1983—passed out of its chamber of origin. Table One provides details on the 16 measures.

**Table One: Legislative Measures Proposing Child Care Facilities in Alaska State Buildings, 1975 - 2006**

Legislature		Bill	Sponsors	Final Status
Number	Years	Number		
9th	1975 - 1976	HB 349	Sullivan	(H) FIN
10th	1977 - 1978	HB 74	Duncan, Rudd	(H) FIN
11th	1979 - 1980	HB 379	Duncan	(H) HES
12th	1981 - 1982	HB 347	Duncan, Clocksin	(H) HES
13th	1983 - 1984	SB 247	Fahrenkamp, V.Fischer, Kerttula, Sturgulewski, Josephson, Rodey	(H) FIN
14th	1985 - 1986	SB 165	Fahrenkamp, Sturgulewski, V.Fischer, Rodey, Kerttula	(S) FIN
		HB 262	Clocksin, Pourchot, Collins, Duncan, Goll, Gruenberg, Hurley, Koponen	(H) FIN
15th	1987 - 1988	SB 99	Fahrenkamp, Sturgulewski	(S) STA
		SCR 28	Fahrenkamp, Josephson, Duncan, Rodey, Sturgulewski	(S) HES
16th	1989 - 1990	HB 437	Taylor, Hudson, Ulmer	(H) HES
17th	1991 - 1992	HB 61	Taylor, Kubina	(H) FIN
18th	1993 - 1994	SB 119	Kerttula, Salo	(S) STA
		HB 194	Sitton, Brice, Brown, Finkelstein, Ulmer, Nordlund	(H) HES
22nd	2001 - 2002	HB 482	Kerttula	(H) STA
23rd	2003 - 2004	HB 43	Kerttula	(H) HES
24th	2005 - 2006	HB 162	Kerttula, Gara	(H) STA

**Notes and Sources:** *Bill Histories and Final Status of Bills and Resolutions, 1975-1992*, and the on-line Bill Action and Status Inquiry System (BASIS) for the 18th Legislature (1993-1994) to the present. The majority of these 16 measures languished in the first committee; only one (SB 247 introduced in 1983) passed out of the originating body.

## PROVISIONS FOR WORKING PARENTS OF INFANTS AND TODDLERS

We have no comprehensive information on state provisions for working parents of newborns, although clearly, infant care is more difficult to obtain and more expensive than care for older children. According to a national survey of America's families conducted for the Urban Institute, infants and toddlers are more likely to be with relatives and in parents' care, while children at three and four years old are more likely to be in center-based care.<sup>6</sup> Even when infants are cared for by relatives or stay-at-home parents, however, stress for parents can be significant.

For parents who work, flexible personnel policies help to alleviate stress and to balance family and work responsibilities. Employers cite such "work life" measures as important factors in effectively recruiting and retaining productive and committed employees.<sup>7</sup> Researchers with the Family and Work Institute note that many private companies have discovered the profitability of allowing working parents to share jobs, to work flexible schedules, to work from home or off-site, to provide on-site care centers or back-up care, and to bring newborns (and sometimes their care providers) to work. Many private companies also subsidize extended or odd-hour child care for individuals who work on shifts or on compressed schedules.

According to information compiled by WFC Resources (formerly the Work and Family Connection), diverse flexibility options are among the most appealing strategies employers use, and that more and more are using them.<sup>8</sup> These alternative work arrangements and on-site child care reduce employee stress, absenteeism, and turnover and promote employee satisfaction, commitment, performance and productivity. WFC Resources provided the following information on a study conducted in 2000:

The American Business Collaboration for Quality Dependent Care (ABC) has impacted about 1,500 projects across the U.S. [This study] says those efforts have paid off in the area that means most to companies—they have improved productivity among those who have used the supported services. . . . Researchers found 63% of . . . employees who had used [such] services . . . believe their productivity improved due to those programs. More than a third (35%) were better able to concentrate at work, 30% left work early less often to deal with family matters, 27% took fewer days off and 26% were late less often.

Attachment D is "Infant and Toddler Child Care: Meeting the Needs of Families with Options that Work," part of a 2004 research and policy series produced by NCSL and others. This report identifies promising state policy strategies and highlights options for improving availability, quality, and affordability of infant and toddler care.

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<sup>6</sup> Jeffrey Capizzano, Gina Adams, and Freya Sonenstein, "Child Care Arrangements for Children under Five: Variation across States," National Survey of America's Families (Washington, D.C.: The Urban Institute, Series B, No. B-7, March 2000).

<sup>7</sup> James T. Bond, Ellen Galinsky, Stacy S. Kim, and Erin Brownfield, "Highlights of Findings," 2005 National Study of Employers, Families and Work Institute, September 2005.

<sup>8</sup> "Flexibility is Gaining Ground, Says WFC Resources Poll," WFC Resources e-mail news release, June 11, 2007.

## THE VALUE OF QUALITY CHILD CARE AND EARLY EDUCATION

While the availability and affordability of child care is an important workforce issue, even more compelling are the impacts of care on children's growth and development, particularly during the first five years of life. During the first five years

the brain undergoes its most dramatic growth, and children acquire the ability to think, speak, learn, and reason. Early experiences can and do influence the physical architecture of the brain, literally shaping the neural connections in an infant's developing brain.<sup>9</sup>

Recent research shows that nearly 90 percent of a person's brain growth occurs by the age of five.<sup>10</sup> And hundreds of research studies—some conducted over decades—point to both short and long-term benefits of quality preschool programs, particularly for disadvantaged children. As Steffanie Clothier, director of the National Conference of State Legislatures (NCSL) Children and Families Program, points out, children who go to high quality preschools

are less apt to end up in special education classes, repeat a grade or get in trouble with the law. Experts say investing in preschools can increase graduation rates, college attendance and lifetime earnings. Preschool benefits can also go beyond school success to healthy life choices and attitudes about school achievement, smoking or using drugs, and participation in the community.<sup>11</sup>

Three long-term studies of high quality early education programs have been especially revealing. The High/Scope Perry Preschool project has found a savings of over \$17 for each \$1 spent (in 2000 dollars) by the time the children reached the age of 40. The other studies also show increasing returns on investment as the children age. Financial analysts point out that investment in high quality child care produces much higher returns than investment in most other public or private ventures. Figure One demonstrates this through an analysis by Arthur J. Rolnick, senior vice president and director of research for the Federal Reserve Bank of Minneapolis. The chart—which appeared in "Preventing Crime with Pre-Kindergarten: A Critical Investment in Alaska's Safety," a research brief published by Fight Crime: Invest in Kids—shows the 20-year return on a \$1,000 investment in high quality prekindergarten care and in U.S. stocks.

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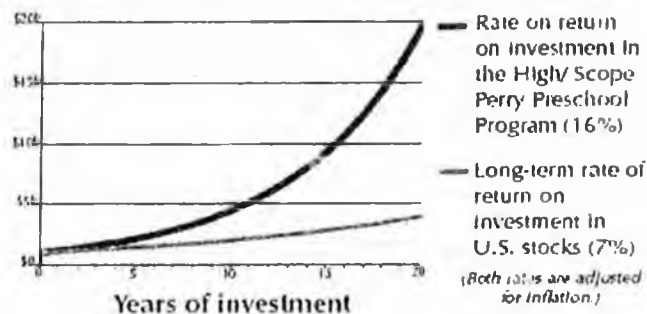
<sup>9</sup> J. Shonkoff and D. Phillips, eds., *From Neurons to Neighborhoods: The Science of Early Childhood Development* (Washington, D.C.: National Research Council and Institute of Medicine, National Academy Press, 2000), and National Scientific Council on the Developing Child, *Children's Emotional Development is Built into the Architecture of their Brain*, Working Paper No. 2, Winter 2004, referenced by Julie Cohen, Ngozi Onunaku, Steffanie Clothier, and Julie Poppe in "Early Childhood: Helping Young Children Succeed," a *Research and Policy Report* of NCSL and Zero to Three (NCSL, 2005). We include a copy of this report as Attachment E.

<sup>10</sup> Julie Poppe and Steffanie Clothier, "The Preschool Promise," *State Legislatures*, June 2005.

<sup>11</sup> Steffanie Clothier and Julie Poppe, "Preschool Rocks: Policymakers around the Country are Investing in Preschool," *State Legislatures*, January 2007. We include a copy of the article as Attachment F.

**Figure One: Return on Investment in Quality Child Care**

**A \$1,000 Investment in Quality Pre-kindergarten Returns over \$19,000 in 20 Years while a Stock Market Investment Returns less than \$4,000**



Rolnick & Grunewald, 2003 & Farrell, 2002

"Preventing Crime with Pre-Kindergarten: A Critical Investment in Alaska's Safety," a research brief published by Fight Crime: Invest in Kids.

Information from researchers at NCSL shows that 40 states have established state-funded prekindergarten programs, Alaska not among them. Attachment G is "Effective Investments in Early Care and Education: What Can We Learn from Research?" This document includes a synthesis of research into early childhood development, descriptions of initiatives in a number of states, and policy options for consideration.<sup>12</sup>

Attachment H is "The Economic Benefits of High-Quality Early Childhood Programs: What Makes the Difference?"<sup>13</sup> This document was prepared in February of 2006 for the Committee for Economic Development, an independent, non-profit public policy research organization, in an effort to determine what exactly goes into making an early child development program one of high quality.

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I hope this information is helpful. Please do not hesitate to contact us if you have questions or need additional information.

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<sup>12</sup> Judith Carroll, Susan Ochshorn, Sharon Lynn Klagan, and Bruce Fuller. "Effective Investments in Early Care and Education: What Can We Learn from Research?" *Research and Policy Report*, NCSL, March 2004. This publication is a collaborative effort by NCSL, Sharon Lynn Klagan of the National Center for Children and Families at Columbia University, and Bruce Fuller of Policy Analysis for California Education (PACE) at the University of California at Berkeley. We include this document as Attachment G.

<sup>13</sup> Ellen Galinsky, "The Economic Benefits of High-Quality Early Childhood Programs: What Makes the Difference?" Washington, D.C.: Committee for Economic Development, February 2006.

**AEYC**

February 21, 2008

Representative Kerttula  
Alaska State Capitol  
Juneau, AK 99801-1182

Greetings,

This letter is in support of House Bill 266, to increase the availability of child care for children of state employees. This legislation addresses a critical need for employees and officers working for the State of Alaska. According to an economic impact study released by the McDowell Group in 2006, nearly 10% of workers in Alaska depend on access to child care for their children in order to work.

This legislation follows national trends by states and large employers to increase recruitment and retention of skilled workers through supporting access to quality child care. Indiana is an example of a state government partnering with a private contractor; offering child care located in the Indiana State Government Center next to the Capitol building in Indianapolis. The employer sponsored program located in the Federal Building in Juneau is another model of a successful program. Gold Creek Child Development Center is the only nationally accredited program in Southeast Alaska. Gold Creek offers priority enrollment to federal employees, and receives a facility and maintenance at no cost.

All branches of the U.S. Military have been leading the nation in offering high quality, accessible, and affordable child care programs. Leaders in the military know that supporting access to quality child care leads to a more productive workforce, increased loyalty, and lower absentee rates.

Our agency operates a referral program for parents, and maintains a database of all licensed and approved programs in Juneau. There has been a steady decline in the number of spaces for children in programs that meet minimum health and safety standards through the Department of Health and Social Services. House Bill 266 would be a positive step toward reversing this trend.

AEYC is available to provide any additional information you may need, and we thank you for your work toward solutions on this issue. Passing this legislation will have a positive impact on the State of Alaska workforce, on the health and education of young children, and the self-sufficiency of families.

  
Joy Byon  
Executive Director

AEYC

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3100 Channel Drive, Suite 215, Juneau, Alaska 99801  
Main: (907) 789-1235 - Referrals: (907) 789-1231 - Fax: (907) 789-1238  
[www.aeyc-sea.org](http://www.aeyc-sea.org)

February 21, 2006

Representative Kerttula  
Alaska State Capitol  
Juneau, AK 99801-1182

Re: HB266

Dear Representative Kerttula:

This letter is in support of House Bill 266, to increase the availability of child care for children of state employees. This legislation addresses a critical need for State of Alaska employees and officers that we know is reflective of the need for quality childcare throughout Juneau.

Childcare is an important concern not only in Juneau, but throughout the rest of the state, as well. From our experience, community research and networking, we know that the need for quality childcare is a common thread that runs through many issues that influence our communities. Probably the most critical of these matters facing employers is recruitment and retention of qualified employees. Being able to offer quality childcare options to state employees, administrators and legislators would be a win-win situation, as it provides an incredible benefit for the employee, while giving the State of Alaska an advantage in hiring the most suitable personnel for the position.

As we continue to work together to build healthy communities throughout the State of Alaska, it is so important to begin with strengthening our families and children. Thank you meeting with me and talking about this issue earlier this year and for valuing our children and families through your leadership as one of our Representatives.

Sincerely,

Brenda Hewitt  
President

Dear Representative Kerttula,

Thank you for sponsoring HB 266. I can't tell you how excited I am about this bill. Both my husband and I are state employees and parents of two children ages two and six months. Like other families, we have had a rather difficult journey in acquiring good, solid, affordable and reliable daycare services.

My first problem I encountered was that one daycare provider of mine was always faltering as to whether or not she could afford to stay open, and this caused a reliability issue. The second issue is that when I found my current provider, I later discovered that she is doing it under the table and won't sign my DCAP forms for reimbursement. DCAP is a service for State Employees where we can have a set amount taken out of our paycheck to reduce our taxable income and be reimbursed after our daycare provider signs off and acknowledges that they've provided the services. Now I'm out \$5000 if I don't find another provider this year.

The benefit of having a reliable daycare center near our work location will be one reason for me to continue to work for the State. It is attractive to working parents in that we will have more time with our families due to less commute time picking up and dropping off kids at an off-site location. It will also lessen our stress because we will know that they are legally operating with proper staffing, education, licensing, and funding. The possibility of reduced cost for daycare is also very appealing, as at this time we spend \$1200 per month on daycare costs.

I am currently on wait lists including locations such as Gold Creek Child Development Center at the Federal Building and at the Juneau Christian Preschool. If I don't find proper daycare my only other option is that I will have to quit my job and stay at home, which we really can't afford. In turn this will cost the State more because with only one income our family becomes eligible for WIC and Denali Kid Care.

Thank you so much for your support.

Olivia Orsborn  
Administrative Manager  
Boards Support Section  
Department of Fish and Game

Michael Orsborn  
Microcomputer Network Technician I  
Department of Health and Social Services

February 27, 2008

Representative Kerttula  
Alaska State Capitol  
Juneau, AK 99801-1182

Dear Representative Kerttula,

This letter is in support of House Bill 266. I fully support the State of Alaska increasing the availability of child care. A perfect place to start is for children of state employees. This legislation addresses a critical need for employees and officers working for the State of Alaska. I know that having support around child care is a critical element for parents in the workforce.

I have read national studies that have found employers who support employees in their need for child care, report an increase in recruitment and retention of their workers. As a working parent of a young daughter, I encounter the competing demands of work and family life needs on a daily basis. Having a supportive and flexible employer, who understands my role as a parent, has lead me to be a more productive and satisfied employee.

Employee supported and sponsored child care is a trend that has only proven successful across the nation. In my own search for employment and child care, I found fewer than ten employers in the State of Alaska who sponsor on-site child care. If the State of Alaska were to adopt this for their employees, the State would be following best practice in the early childhood care and education field while also setting a positive example for other employers in the state.

Child care is extremely hard to find in this State. Quality child care is even harder to find. The idea of the State of Alaska considering this legislation excites me. I see this as a positive move toward supporting our workforce, hard working parents and placing value on families and young children.

Sincerely,

Stephanie Berglund  
Anchorage Working Parent



# Child Care CONNECTION

February 27, 2008

Representative Kerttula  
Alaska State Capitol  
Juneau, AK 99801-1182

Dear Rep. Kerttula:

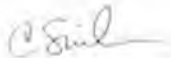
I am writing this letter in support of House Bill 266 that will enable the state to support child care services for state employees. This legislation makes it possible for child care programs to operate in state buildings which will help address a critical need for these services throughout Alaska.

As the Child Care Resource and Referral Agency for Southcentral Alaska, Child Care Connection works to strengthen the early care and education industry. Specifically, we work with parents to assist them in their search for early care and education programs; we provide training to early care and education professionals to help prepare them for their work with children; and we work with the community to develop resources for the industry. This work enables us to keep a pulse on the supply and demand for early care and education services. Over the past several years we have seen a steady decline in the number of spaces for children in programs that meet minimum health and safety standards through the Department of Health and Social Services. House Bill 266 would be a positive step toward reversing this trend and ensuring that Alaska's working families can find and secure child care services.

Many large employers around the nation and within the state are recognizing the important connection between child care services and a strong, vibrant workforce. This legislation follows national trends by states and large employers to increase recruitment and retention of skilled workers through supporting access to quality child care. The employer sponsored child care programs located throughout the state have not only helped meet community needs but have also been a catalyst for improving the quality of care throughout a community. The Municipality of Anchorage has several employers who have helped sponsor child care program, including Providence Hospital, BP, and Credit Union 1. All of these programs exceed licensing standards and have obtained Accreditation through the National Association for the Education of Young Children. This not only benefits the families of those programs but has had positive competition-based influences on other community based programs to increase employee wages and improve program quality.

It is without reservation that I recommend the adoption of House Bill 266. Please feel free to contact me if you have further questions or if you would like additional comments. Thank you for considering this important legislation that will help support families and children throughout Alaska.

Sincerely,



Candace Winkler, MPA MSW  
Chief Executive Officer

*Advancing the quality of early education and child development by empowering parents,  
educating child care professionals, and collaborating with our communities.*



P.O. Box 141689 Anchorage, AK 99514-1689 Tel 907 563 1966 Fax 907 563 1959 1 800 278 3723  
Client Services 907 563 2996 [www.childcareconnector.org](http://www.childcareconnector.org)



**Lia Carpeneti**

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**From:** Aurora Hauke  
**Sent:** Thursday, February 21, 2008 12:21 PM  
**To:** Lia Carpeneti  
**Subject:** FW: HB 266

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**From:** Colleen Norman [mailto:cnorman76@yahoo.com]  
**Sent:** Friday, January 18, 2008 4:30 PM  
**To:** Rep. Beth Kerttula  
**Subject:** HB 266

Dear Representative Kerttula,

I just heard about and read HB 266 and as one of your constituents, I couldn't thank you more for sponsoring this bill. I am currently a state employee who cannot find day care for my 3 month old child. I have been on waitlists since the week I found out I was pregnant but unfortunately it looks like nothing is opening soon. If I can't find something relatively soon, I may have to stop working, which we cannot really afford to do.

I just wanted to offer my support for this bill and I will spread the word for others to contact their legislators around the state.

Thank you.

Colleen Deal

Analyst Programmer

Department of Environmental Conservation

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Thank you for giving me a moment to reflect on the numerous benefits House Bill 266. The ability to allow child care facilities in state owned facilities would provide for Alaskan families with dramatic changes that cannot be touted enough. Recent changes in State employee pension and benefit packages allow for a great opportunity for the state to become a role model in business as a family friendly employer. Allowing child care facilities in state facilities allows children to be closer to their parents, cuts down on transportation costs, traffic congestion, saves gas and improves family relationships. It will improve employee moral, employee efficiencies, cut down on employee tardiness and create economic opportunity for child care facilitators to provide a higher quality care. Studies show that a family-friendly workplace helps businesses' bottom line, employee retention and productivity.

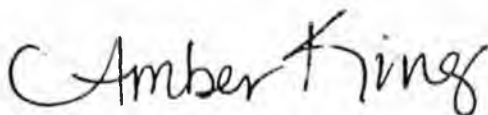
#### **A Large Majority of Women with Children Work Outside the Home**

- Seventy-two percent of American women with children under age 18—78% of women with children ages 6 to 17, 64% of women with children under age 6, and 56% of women with infants (under age 1)—are in the labor force.<sup>1</sup>
- As women have moved into the labor force in greater numbers, they have increasingly taken jobs that are both full time and year round. In 2002, 74% of all employed women with children under age 18—77% of those with children between the ages of 6 and 17, 70% of those with children under age 6 and 66% of those with infants—were working *full time*.<sup>2</sup>

Work/family conflict is not just a professional women's issue it's a family issue that deserves urgent attention. As a former State of Alaska employee who vacated my position after three weeks on returning from maternity leave due to these exact conflicts in search of a friendly family employer I can tell you that this issue is real and rampant in all parts of our state. Lack of affordable child care, quality child care and scheduling flexibility affect whole families in Alaska everyday.

House Bill 266 is a vital piece of legislation that we feel would dramatically improve the State of Alaska's ability to compete in today's markets, improve employee family flexibility that would improve hire rates and retain a viable workforce and provide a great service for its most valuable resource...its children.

Sincerely,



Amber King, Juneau NOW member

*From the US Dept. Of labor Statistics 2003 Current Population Survey, Employment Characteristics of Families in 2002, Tables 5 and 6. <http://www.bls.gov/opub/ils/pdf/opbils24.pdf>*

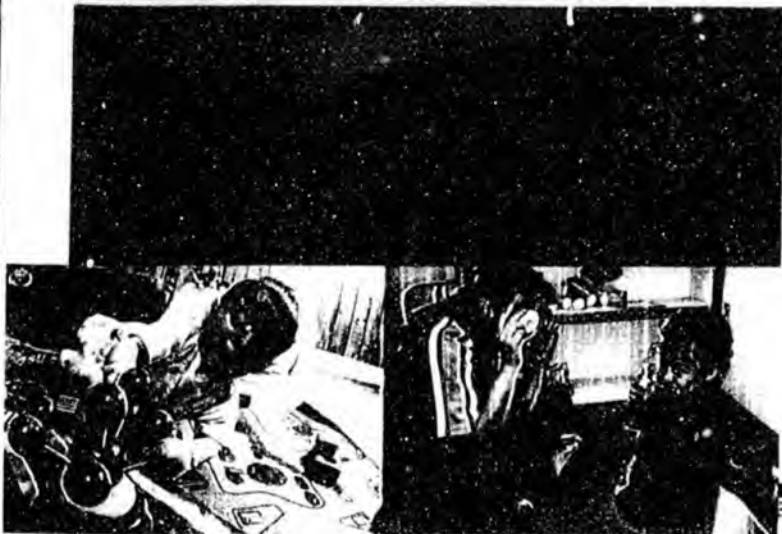
A SUMMARIZED ECONOMIC IMPACT REPORT ON  
EARLY EDUCATION AND CHILD CARE SERVICES IN  
ALASKA

step<sup>up</sup> early ed & child care

Based on the McDowell Group Report July 2006

PREPARED FOR:  
SYSTEM FOR EARLY EDUCATION DEVELOPMENT (SEED)  
UNIVERSITY OF ALASKA SOUTHEAST





## step<sup>up</sup> early ed & child care

STUDY FINDINGS ARE DETAILED  
ON THE FOLLOWING PAGES:

<i>Demographics</i>	Pg. 2
<i>The Economic Impact on Alaska</i>	Pg. 3
<i>The Early Learning and Child Care Sector</i>	Pg. 5
<i>Impact on Alaska Families</i>	Pg. 7
<i>Alaskans Support Funding</i>	Pg. 9

Why should you care about the availability of quality early education and child care in Alaska? Because stepping up early education for our children is critical for all of us.

LET US STEP YOU THROUGH THE FACTS.

1) Early childhood education and child care play a critical and measurable role in Alaska's economy.

2) The availability of quality, affordable child care remains a challenge for many Alaska families

3) Alaskans across the state place a high priority on state funding for early education and child care

Until recently, there was no data specific to Alaska to demonstrate how the welfare of our youngest community members impacts the entire state – both in the short term and long term. But thanks to this study commissioned by the System for Early Education Development (SEED) and completed in July 2006 by McDowell Group, there is now local information to combine with the knowledge learned from national studies to provide an accurate baseline. What the statistics demonstrate is that Alaska lags behind much of the country in providing quality early education and child care to our residents. And while there are certainly entities working hard throughout Alaska to provide quality care for our children, Alaska remains one of only 10 states without a state-funded, statewide early childhood education system.

ALASKA IS ONE OF ONLY 10 STATES WITHOUT A STATE-FUNDED, STATEWIDE EARLY CHILDHOOD EDUCATION SYSTEM.

*"I believe that high quality early childhood programs are critically important for the health and well-being of our community, and they are especially important for the health and well-being of our children. ... What can never be forgotten or taken lightly is that these programs provide a proven economic benefit to the organizations they serve. It is important that we recognize that. Research has shown that organizations who offer these services on-site for their employees retain these employees for an additional five years. The value of keeping these employees for this extended amount of time is immeasurable, and as a leader of an organization with more than 4,000 employees, I can tell you that recruiting talent is expensive, difficult and time consuming. Keeping our talent in the first place is without a doubt the best way to ensure we can sustain and live out our mission at Providence, and I'm grateful for the role our Center for Child Development plays in doing that each day."*

AL PARRISH, CHIEF EXECUTIVE  
PROVIDENCE HEALTH SYSTEM IN ALASKA

#### SCOPE OF THE ALASKA STUDY

The purpose of this study is to measure the economic impacts of the early education and child care sector on Alaska's economy. This study focuses on education and care of children under six years of age. Economic impacts are measured in terms of employment, spending on child care services, and the role that child care services play in making it possible for Alaska families to earn income.

This study also examines research conducted elsewhere in the U.S. that measures the broader societal economic benefits stemming from quality child care services.

A key component of this project was a telephone survey of 725 randomly selected households. The primary purpose of the phone survey was to collect information on the types of child care services Alaska families use and how much money households spend on child care services. The survey also collected information on Alaskan's attitudes about the importance of state government funding for early education and child care services.

#### ALASKA WORKING PARENT DEMOGRAPHICS

To best understand the data, it is critical to first understand the scope of the population we are considering. In 2004, Alaska's population included 62,913 children under six years of age, according to the Alaska Department of Labor and Workforce Development (DOLWD). Of these children, approximately 63 percent (39,400 children) were living in households where all available parents were in the labor force, whether families were dual-income or single parents. These children resided in 29,400 Alaska households, all of which were potentially in need of child care services.

Detailed look at the **39,400** children under the age of six, where all available parents are in the workforce

LIVING WITH SINGLE  
MOTHER, IN  
LABOR FORCE

23%



LIVING WITH SINGLE  
FATHER, IN  
LABOR FORCE

12%

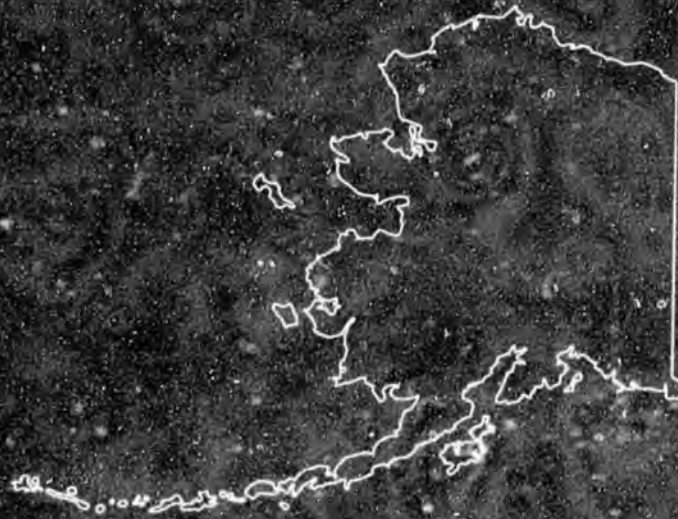
LIVING WITH TWO PARENTS,  
BOTH IN LABOR FORCE

65%



## THE ECONOMIC IMPACT ON ALASKA

Mounting evidence shows that investment in quality early learning and child care is critical to building and maintaining a viable state economy. The economic impact of the early education and child care sector includes jobs for thousands of Alaskans, millions of dollars in spending by households and governments, and indirect contributions of Alaska's resident labor force and family income.



## JOBS

DIRECT & INDIRECT:  
7,400 in child care workforce

CONTRIBUTION TO  
THE WORKFORCE:  
29,400 Alaskans can join the  
workforce because they  
have child care

## WAGES

DIRECT & INDIRECT:  
\$124 million in child care  
workforce payroll

CONTRIBUTION OF  
HOUSEHOLD INCOME:  
\$850 million in annual wages  
paid to working families with  
child care

## IMMEDIATE IMPACT OF QUALITY EARLY EDUCATION AND CHILD CARE

Child care providers make it possible for **29,400** Alaskans to enter the labor force (one adult for each household with children under six years of age where all parents are in the labor force). The 29,400 Alaskans that are in the workforce because child care services are available to them account for 9.5 percent of the Alaska resident workforce. If these working parents also account for 9.5 percent of all Alaska resident wages, their total annual wages would be just under \$850 million. This indicates an average of \$28,820 per family in additional Alaska annual income, indirectly made possible by child care services, is equal to approximately 40 percent of Alaska's mean family income in 2003.

Other data suggests a similar household income impact related to adding a second wage earner. In 2004, median family income for families with one wage earner was \$43,709. Median family income for families with two wage earners was \$77,159, a difference of \$33,450. This analysis assumes that the typical parent who is in the labor force because child care services are available to him or her earns the same wages as the average Alaska worker. This may or may not be true given the demographics of families with young children. Nevertheless, it is clear that the availability of child care has major implications on income for Alaska residents in general, and on family household income in particular.

*"Investment in early childhood development programs brings a real (that is, inflation-adjusted) public return of 12%, and a real total return, public and private, of 16%. We are unaware of any other economic development effort that has such a public return ...."*

ART ROLNICK  
SVP AND DIRECTOR OF RESEARCH  
FEDERAL RESERVE BANK OF MINNEAPOLIS

#### LONG-TERM ECONOMIC IMPACTS OF QUALITY EARLY EDUCATION & CHILD CARE

A host of studies have been done to track the long-term economic impact of high quality early child care development on society. Though none of these studies focuses on Alaska, the implications for Alaska are relevant. The results of these studies have shown conclusively that although investment is required to provide quality early care to infants, toddlers and youths, the rate of return far exceeds that initial investment.

The largest benefit provided by quality early care was increased earnings capacity projected from higher educational attainment, along with higher taxes paid from better paying jobs. Other benefits are lower criminal justice system costs, reduced welfare costs, savings for crime victims, and savings on school remedial services budgets. The results of several studies are highlighted below.



29% higher high school graduation rates



20% higher college attendance



70% lower crime incidence



20% lower welfare dependence



\$143,000 additional earned income per capita, resulting from better employment

#### LONG-TERM BENEFITS OF EARLY EDUCATION AND CHILD CARE

Studies also note that expenditures on education that are focused on K-12 may be misplaced given that brains develop rapidly in the early years (0-4), then develop at a much slower pace from age 4 through 18. The implication is that the earlier the investment on early education, the higher the return on investment will be.

**step 1** → **EARLY CHILDHOOD EDUCATION AND CHILD CARE PLAY A CRITICAL AND MEASURABLE ROLE IN ALASKA'S ECONOMY.**

**SIZE OF COMPARABLE INDUSTRIES IN ALASKA**

**6,500** Workers in child care

**6,400** Workers in air transportation sector

**6,000** Workers in residential and nonresidential building construction

**THE EARLY LEARNING AND CHILD CARE SECTOR**

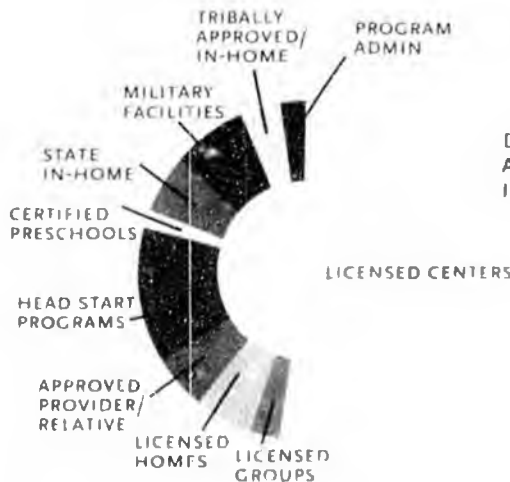
When understanding the economic impact of early education and child care, the actual workforce in this field is often overlooked. Yet it has been found that at least 6,500 Alaskans participate in the child care sector workforce.

The estimate of 6,500 participants is derived from a variety of sources (as described in the full McDowell Group report). It must be understood that this is a conservative estimate, however. It does not include an unknown number of at-home providers who care for four or fewer unrelated children, or any number of related children, and therefore are not required to be licensed.

Yet, even without these added positions, the size of this workforce is comparable to other significant industries in Alaska. For example, the residential and non-residential building construction sector employed an average of 6,000 workers in Alaska in 2004, and Alaska's air transportation sector employed an average of 6,400 workers that same year.

*"As Executive Dean of the College of Rural and Community Development, I understand the importance of early childhood education. We have strong partnerships with the State of Alaska, tribal entities and Head Start organizations to train students who will serve as providers, educators, and role models for their communities. It is impressive to see the impact early care and education has on Alaska's economy."*

**BERNICE JOSEPH,  
EXECUTIVE DEAN  
UNIVERSITY OF ALASKA FAIRBANKS  
COLLEGE OF RURAL AND  
COMMUNITY DEVELOPMENT**



**DETAILED LOOK AT THE CHILD CARE AND EARLY EDUCATION WORKFORCE IN ALASKA**

Not only is Alaska's early education and child care sector significant in size, it features a wide variety of service providers. It includes any program providing care for children from birth to age six. Examples of these programs include center-based child care, family child care, Head Start, Early Head Start, private and public preschools, Montessori programs, and pre-kindergarten services.



Despite the prominence of individuals employed in this workforce, there is a very low correlation in compensation. DOLWD payroll data indicated that the average monthly wage of an individual employed in this sector was \$1,342. This is well below the average for all sectors of the Alaska economy; the average monthly wage in Alaska for this same time period was \$3,218 – nearly three times that amount.

To put this in further context, the average salary of a preschool teacher is approximately half of the average salary of a kindergarten teacher, even though the age difference of those they teach may be less than one year. The average income of a full time/full year childcare worker in 2005 was \$20,960 (Alaska Department of Labor and Workforce Development). The average wage for preschool teachers was \$26,460 and \$51,960 for kindergarten teachers.

Source: ECCS pgs. 28-29. The ECCS plan was published by the Office of Children's Services, DMSS, State of AK.

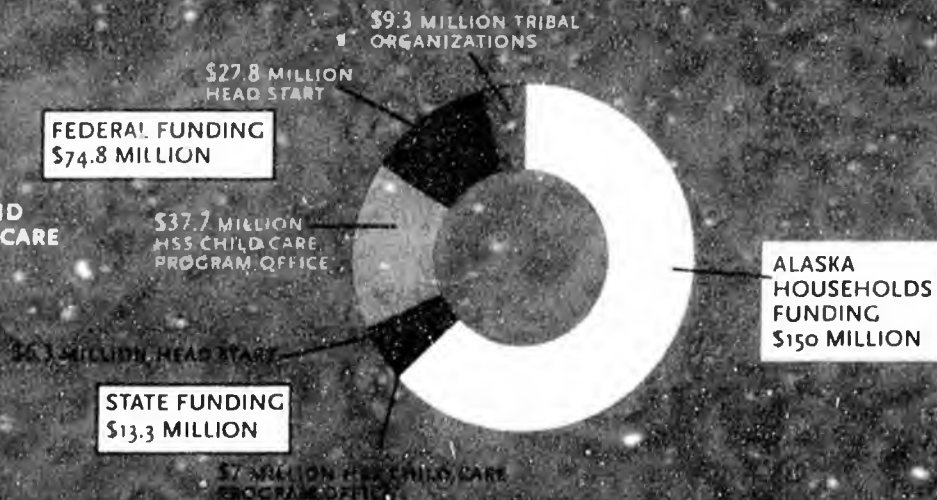
#### ALASKA WAGE COMPARISON



#### CHILD CARE SERVICES REVENUE AND FUNDING

There are two sources of spending on early education and child care services – government funding and spending by parents on child care services. Based on the analysis of the McDowell Group report, Alaska households may be spending \$150 million annually on child care services for children under six years of age. In comparison, government spending on child care totals \$88 million in Alaska, with nearly \$75 million of that contribution coming from federal funding. Together, approximately \$240 million is spent in Alaska on child care services for young children.

#### ALASKA HOUSEHOLD, STATE AND FEDERAL FUNDING FOR CHILD CARE SERVICES IN ALASKA





*"I emphasize strongly how important it is to give the children the best start ... to have the children have a good early learning experience."*

THE WALTER COBURN  
FAMILY LEATHERS, NANTUCKET  
CENTRAL GOVERNMENT SCHOOL &  
SCHOOLNADIAN TRIBES

IMPACT ON ALASKA FAMILIES

To better understand how the early education & child care sector directly impacts families, 725 Alaska households were asked about their use of child care services as a part of this study's telephone survey. The findings of this study are understood to be the first set of data on this topic directly applicable to Alaska.

The survey sample included 323 households with children under six years of age. The sample included households from urban Alaska, defined as all communities with more than 8,000 residents. The sample also included surveys from households in communities with between 2,000 and 8,000 residents (labeled "Rural I"), as well as surveys from households in communities with fewer than 2,000 residents (labeled "Rural II"). In conducting statewide analysis of the survey results, data from these areas of the state were weighted to reflect their actual proportion of the state's population.

TYPE OF CHILD CARE SERVICES USED BY ALASKA HOUSEHOLDS\*

Types of Child Care	Total (n= 268)	Urban (n=117)	Rural I (n=32)	Rural II (n=40)
Preschool or child care center	49%	43%	27%	36%
Care at someone else's home	31	42	52	22
Care in your home	27	34	26	21
Head start	8	0	8	32
Before or after school care	8	7	11	2
Other	1	0	0	3
Don't know	0	0	0	0

\*Percentages do not add to 100% because households may have children in more than one child care setting. Sample sizes (N) for Total are number of children under six years of age. Sample sizes for subgroups are number of households.

FINDING ACCEPTABLE CHILD CARE

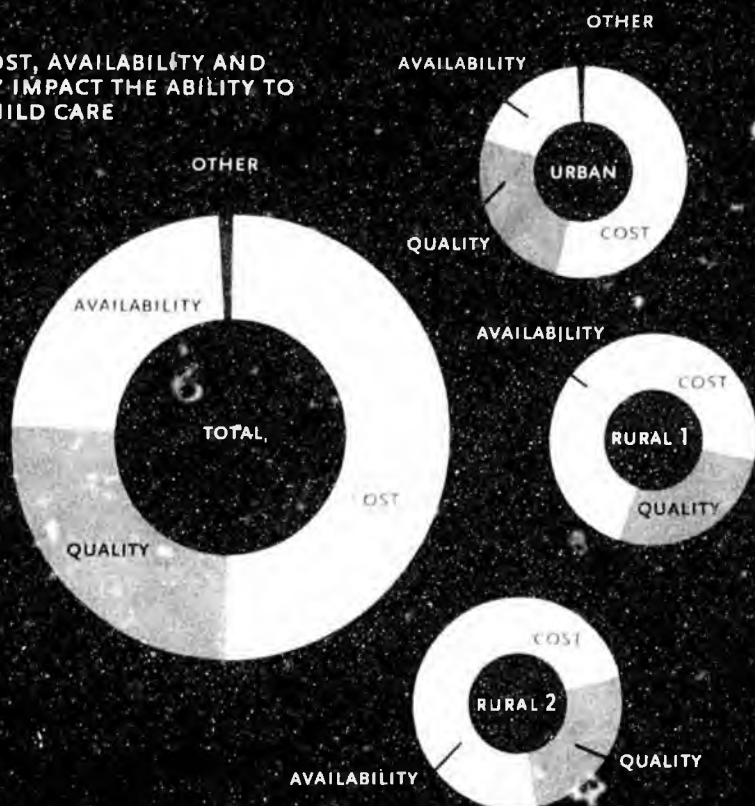
This study also found that 45 percent of Alaska households with children under six in a child care situation found it difficult or very difficult to find acceptable child care. About the same percentage (49 percent) found it either easy or very easy to find acceptable child care.

Finding quality early education and child care programs proved to be an issue both in rural and urban areas of the state.

**36%** of households with children under the age of six reported that the quality, cost or availability of child care services had prevented someone in their household from seeking employment, or had in some way restricted the number of hours that they could work.



**HOW COST, AVAILABILITY AND QUALITY IMPACT THE ABILITY TO FIND CHILD CARE**



**FACTORS AFFECTING ABILITY TO FIND ACCEPTABLE CHILD CARE**

Among households in Alaska's smallest communities (the "Rural II" areas, or communities under 2,000 residents), 26 percent reported that the quality, cost or availability of child care services had prevented someone in their household from seeking employment, or had in some way restricted the number of hours that they could work. The difference between rural and urban in this regard is probably not due to better child care service in rural areas, but rather to the fact that rural areas have fewer employment opportunities available. Among those households where cost, quality or availability of child care services have been a constraint, cost was a major factor for 78 percent of households. Availability had a major impact on 56 percent of households, and quality on 48 percent.

**COST MOST OFTEN CITED**

When asked which factor had the greatest impact on their ability to find acceptable child care, cost was most often cited. Half (50 percent) indicated that cost had the greatest impact on their ability to find acceptable child care, while 26 percent cited quality, and 23 percent cited availability.

**MONTHLY COST**

**\$400-\$900**  
DEPENDENT ON AGE OF CHILD AND LOCATION

Cost is apparently more of an issue in urban Alaska, while availability is more of an issue in rural Alaska. Just over half of urban households indicated that cost had the greatest impact, compared to approximately one quarter of those in rural areas. Conversely, within rural areas, approximately half the households reported that availability had the greatest impact, compared to only 19 percent of urban areas.

**COST IS A LARGE ISSUE**

It is not a surprise that cost is a significant issue. The cost of full-time child care in Alaska ranges from \$400 to \$900 per month, depending on the age of the child and the location of the care. Given these figures, it was perhaps surprising to find that just one in seven Alaska households with children in child care services received some form of child care assistance.

**MONTHLY COST OF FULL-TIME CHILD CARE**

**Just 1 in 7** Alaska households with children under six in child care services received financial assistance for child care



EARLY CHILDHOOD EDUCATION AND CHILD CARE PLAY A CRITICAL AND MEASURABLE ROLE IN ALASKA'S ECONOMY.

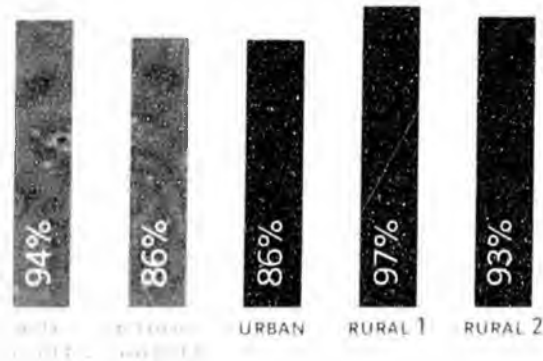


## 9 of 10 alaskans support funding

The telephone survey described earlier also asked all households a series of questions about state funding support for early learning and child care services in Alaska. Results showed overwhelming support for the funding of early education and child care.

Nearly nine out of 10 Alaska residents (87 percent) think it is important or very important for state government to provide financial support for early education and child care. Among residents with children under six years of age, 94 percent think state support is important or very important. Even among residents without young children, 86 percent think state financial support is important or very important. Further, urban and rural residents alike feel it is important to provide funding for early education and child care.

THOSE STATING IT IS "IMPORTANT" OR "VERY IMPORTANT" FOR STATE GOVERNMENT TO PROVIDE FINANCIAL SUPPORT.



## audiences who expressed above average support for early education and child care

Alaskans were also asked if the state should give early learning and child care high, medium or low funding priority. Two-thirds (66%) feel it should have high priority. A variety of population subgroups were more likely to give it a high priority. They include:

- 76% households with children under six
- 72% female residents
- 77% residents aged 35 to 44
- 76% low income residents (<\$25,000)
- 73% high income residents (>\$100,000)

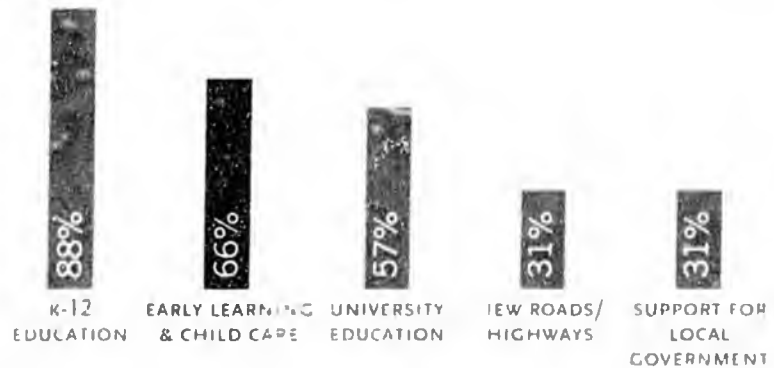


## alaskans place priority on funding early education and child care

*"The data shows what I have also personally experienced – that the issue of quality early education and child care is one of the most important social issues facing us in Alaska today."*

JIM CALVIN, MCDOWELL GROUP

Alaskans also give early learning a high priority for state funding, when compared to other state-funded programs. Among the categories of spending presented to survey respondents, only K-12 education was rated as a high priority more often.



### THE RELATIVE IMPORTANCE OF EARLY EDUCATION AND CHILD CARE

To press this matter further, a third question regarding Alaskans' perception of the importance of funding for early learning and child care focused on relative importance. More than three-quarters of Alaska residents feel that early learning and child care are more important to fund than support for local government or construction of new roads and highways. Almost two-thirds (63 percent) feel that funding for early learning and child care is more important than funding for university education. Among the various programs, only K-12 education is viewed as more important than early learning and child care.

## report conclusion - next steps

This series of questions regarding perceived importance of state funding for early education and child care services in Alaska indicate that Alaskans place a high priority on funding for education in Alaska, with a high interest in early education and child care.



## end notes

This piece serves as a condensed summary of the July 2006 McDowell report titled "Economic Impact of Early Education and Child Care Services in Alaska." This complete study was commissioned and prepared for the System for Early Education Development (SEED), based at the University of Alaska Southeast. This publication is funded by a grant from the U.S. Department of Education, Fund for the Improvement of Education.

You may download a full copy of the report at <http://seed.alaska.edu> or request the full report from the SEED administrator at 907.796.6414.

We thank you for taking the time to review this report, which contains critical data regarding the future of Alaska's children and our economy.

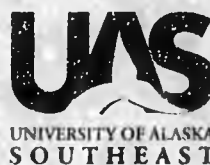
Report revised and reprinted December 2006

The McDowell Group study team would like to acknowledge the invaluable assistance provided by the Project Steering Committee. The Committee included Mary Lorence (*Manager, Alaska Child Care Programs, Department of Health and Social Services*), Joy Lyon (*Executive Director, Association for the Education of Young Children, Southeast Alaska*), Mary Lou Madden (*Madden Associates*), and Carol Prentice (*SEED Program Manager*). In addition, SEED would like to recognize the contribution made by SEED Council members Candace Winkler and Cindy Harrington.

SEED also appreciates the collaboration with Alaska's *Ready to Read, Ready to Learn Task Force*, 28 Alaskan leaders dedicated to improving the literacy and learning skills of Alaska's pre-kindergarteners.



Alaska SEED  
System for Early Education Development



#### SEED COUNCIL MEMBERS

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## Representative Beth Kerttula

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### MEMORANDUM

**TO:** Representative Bob Lynn  
Chairman, House Committee on State Affairs

**FROM:** Representative Beth Kerttula *Beth Kerttula*

**SUBJECT:** HB 266 State Employee Dependents Child Care Centers

**DATE:** February 20, 2008

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I respectfully request that the House Committee on State Affairs schedules House Bill 266 State Employee Dependents Child Care Centers for a hearing.

Enclosed you will find:

- HB 266
- Sponsor Statement
- Sectional Analysis
- Background Information: Legislative Research Report Summary

Thank you for your consideration. Please do not hesitate to contact me if you have any questions.

## Nancy Manly

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**From:** Nancy Manly  
**Sent:** Thursday, March 20, 2008 4:50 PM  
**To:** Crystal Koeneman; Rep. Bob Roses; Rep. Beth Kerttula; Lia Carpeneti  
**Subject:** Final STA CS for HB 266 Version M

**Attachments:** 3-20-08 Final STA CS for HB 266 Version M.pdf



3-20-08 Final STA  
CS for HB 26...

Crystal: I have reviewed the final STA CS for HB 266 and it looks like it was amended as your boss had intended. I would appreciate your looking it over prior to my taking it to the Chief Clerk's office so it can be read across on Tuesday 3/25/08. I will also copy the sponsor for their review too. Thanks.

Nancy Manly, Chief of Staff and  
House State Affairs Committee Aide *for*  
**Representative Bob Lynn**  
**House District 31**  
907-465-2794 Fax: 907-465-4316