

THE CITY AND BOROUGH OF JUNEAU, ALASKA
Assembly Childcare Committee
Meeting Minutes - December 7, 2018

I. CALL TO ORDER

Jones called the meeting, held in City Hall room 224, to order at 12:14 p.m.

Members present: Loren Jones, Chair, Bridget Weiss, Vice Chair, Eric Eriksen, Rob Edwardson, Blue Shibler, Wade Bryson, Michelle Hale

Others Assembly Members present: Beth Weldon, Mayor,

Staff present: Robert Barr, Library Director, Mila Cosgrove, Deputy City Manager

II. APPROVAL OF AGENDA

No changes

III. APPROVAL OF MINUTES

No changes, approved

IV. AGENDA TOPICS

a. REVIEW CONTENTS OF WEB PAGE

Barr reviewed current contents of webpage located on the Assembly Boards and Committees page under Special Committees. Barr will update page to include extra documents provided by Eriksen.

Jones reviewed packet contents, including public comments, draft concepts research provided by Meilani Schijvens and problem statement

Jones clarified location change to 224 for working session and eventual move back to Chambers for public and/or invited testimony

b. REVIEW DRAFT PROBLEM STATEMENT

Edwardson inquired whether the problem statement would be a living document and if data can be added/refined as we learn more.

Jones affirmed.

Eriksen inquired if final product delivered to the Assembly would be an extension/white paper style document.

Jones affirmed and said the intent of the problem statement is to serve as the start of such a document – starting with problem statement and then moving to the charge and the committee’s answers to the questions in the charge, public comment, and other sections of the report.

Eriksen said from his research, the local Juneau trend in child care is worsening and that such a trend could be indicated in the problem statement.

Weiss suggested this trend could be reflected in line 9 or 10 of the problem statement.

Shibler suggested finding a common term for the document, possibly early learning centers, focusing on 0-5s

Eriksen agreed and spoke about the variation of childcare services within the 0-5 year old range, citing a difference between 0-2s and 3-5s.

Shibler concurred and explained the added expenses for childcare businesses for 0-2s and said the greatest need for Juneau within the broader 0-5 range is specifically for 0-2s. Shibler noted there are JSD and private programs that only offer services to 3-5s.

Bryson noted the diaper factor and added credentialing/different ratios for under 2s

Shibler concurred that the ratios were lower for under 2s and noted that quality is positively correlated with low ratios.

Eriksen said some definitions could help, clarifying what is meant by childcare – what the basic minimum standards for childcare are, what different standards might be out there, clarifying if there are different problems with specific age ranges within the broader 0-5 range, and defining what precisely the committee means by quality in childcare.

Hale noted a term like childcare is more easily understood by people wanting to follow the work of this committee and that using a different term like early childhood education may require more education.

Shibler noted a term like childcare would encompass what is meant by an early learning program.

Eriksen said if childcare is what is being defined, then there could be subcategories that go into further detail regarding what level of childcare is being provided, from basic minimum safe care to high quality programs with early learning opportunities. Eriksen said it is

important to understand the distinctions and also understand where the situation is right now, so we know where to start.

Weiss added agreement that there are too many terms in the document and getting some definitions and being consistent in the use of a term is important. Weiss said there is a need 0-5 and wasn't sure that we could say yet what the priorities might be regarding learning environments necessary pre-kindergarten vs 0-2s. Weiss said both are important needs and they are very different needs/learning environments.

Eriksen said one definition he'd like to see is what basic child care is.

Weiss said that is a philosophical decision – are we talking about basic minimum care from 0-5 or about high quality environments.

Edwardson agreed the idea of definitions is a good thing and said it doesn't have to be perfect, but something the committee can agree on to provide structure to future conversation.

Eriksen agreed and didn't think the committee could answer the high quality or basic question yet and first needed to understand the problem.

Shibler said the basic minimum of care is state licensed care.

Jones said he'd work on definitions/terms in the coming week and will bring Blue into the work, then bring it back to the committee.

Hale asked about grammatical corrections.

Jones said to send him grammatical corrections and he will incorporate.

Eriksen said the committee is tasked with providing information to help the Assembly make a decision, and he wasn't clear from the charging document if it was the role of the committee to prioritize solutions to the childcare problem in relation to other publically funded programs and services.

Jones said if the committee felt they wanted to tell the Assembly that childcare should be at a certain priority level, the committee could do that, and the Assembly would decide from there and take into account other priorities.

Jones said the committee is to answer the Mayoral charge and the questions therein, and the level of advocacy the committee wants to include in that is up to the committee. Then the Assembly will have to work through that just like everything else it receives.

Hale offered that one of the things the committee can do via the charge is to present is a range of options/solutions to the Assembly in a broader recommendation.

Jones agreed and said the committee already seemed beyond the “do nothing” option.

Jones asked if anything else stuck out in the problem statement to committee members.

Bryson cited text in the problem statement of the business model appearing to be unsustainable and spoke about what makes a business profitable or not and how that can appeal, or not, to entrepreneurs. Bryson said that many individuals who start up in-home child care do so temporarily as their own child age out of the need. Bryson said this certainly isn't the case for everyone, but that he has seen that which leads to many temporary businesses.

Bryson added that, for child care businesses, there is not the same type of value to that business that other industries see, e.g. hard assets. Bryson noted that in-home child care businesses don't have the same marketable value and the initial up-front expenses cannot be recouped in a way comparable to other businesses.

Edwardson noted his family had started a child care business when his child was of age and indicated that his family may not have shut it down had it been profitable. Edwardson that for child care businesses it's also necessary to look at whether the workers are making a living wage.

Hale agreed that the living wage issue is important for Juneau as our cost of living is high and there are a variety of factors that go into that – like housing – that make it hard to pay a living Juneau wage to workers.

Eriksen agreed and said that from his research child care problems broadly are a national issue and that due in part to high cost of living, Juneau's problem is more significant and has a broader gap than other areas throughout the country. Eriksen noted that once the committee has a range of solutions on the table for consideration, it would be beneficial to note that significant gap, as private industry alone may not be able to address it and it would then be more applicable for the public sector to step in and take a role.

Jones noted that many of the centers that have come and gone out of business over the years have been tied to whether or not subsidies existed or not. Jones said having to pay fair market rent is often what makes a child care business go out of business and that those types of subsidies have come primarily from government – federal and state – and not from private business. Jones said there was an effort some time ago in the Lemon Creek area to form a group of private business to provide some sort of child care program but that it did not work out.

Hale noted that this kind of subsidy often involves the provision of space.

Jones agreed and noted the current CBJ provision for the Hearts initiative for training and a small subsidy to help with some salary costs – but that it was very small.

Edwardson noted that numbers are available on how much it costs to live in Juneau and inquired whether it would be valuable to put in the problem statement how much someone would have to charge to make a business in-home/in-center work.

Shibler said there is data that indicates there is a \$250 per child per month gap between what businesses need to charge and what parents can afford.

Edwardson clarified that he was interested in is what a new business today, without subsidies, would have to charge parents to result in a sustainable child care business with the outcome of a comfortable income for the owner/employees.

Bryson asked if it would also be possible to get a mockup of a business plan for creating a child care business in Juneau and noted that there are often costs that are discovered in the planning process that are important and can add or reduce costs significantly, e.g. whether a step stool at a sink is sufficient, or if that same sink needs to be plumbed at a kid-level height.

Jones said that's something we can look at.

Barr noted that while it isn't a business plan, there's a cost estimate in section 4 under supporting research, last tab, Bright Horizons group.

Eriksen noted that there was a recommendation from research he had read that the sustainable amount for a family to pay for child care was 7%, and that in Juneau for a single income family it was around 20%.

Shibler noted the Statewide average is 12%.

Edwardson said he was good with existing data but that providing this data could add to the problem statement.

Hale agreed – Juneau specific data.

Eriksen wondered if there could be an illustration that showed Juneau's trend in relation to other communities in the State/Country.

Shibler cited Child Care Aware as one national organization that has some relevant maps.

Eriksen said that illustrating where Juneau is on a spectrum in relation to other communities will help people understand the problem and its degree of significance.

Bryson noted the Bright Horizons startup costs was for building a 76 capacity center and he was referencing startup costs for in-home providers.

Jones noted for in-home you can have 8 kids, and after that you have a center.

Shibler clarified that there is a group-home option for 8-12 kids, then center. Shibler noted that in the problem statement we could take out the word “appears” in “appears to be unsustainable” in the business model paragraph.

There was general agreement.

Hale said if we come up with a business model/plan as part of this problem statement or part of the work of the committee, we can reference that.

Jones agreed that such a model/plan could be part of the documentation produced by the committee and where we explain what each solution returns in terms of metrics.

Eriksen agreed and said that a business model done today would show failing businesses and that we want to show what it’s going to take to get to one that isn’t failing and that the private sector was unlikely to get there on their own.

Shibler said it’s a good idea to make differentiation between startup costs and operating costs and that what the child care industry sees as its larger challenge is in the operating costs. Shibler said assistance would be most valuable in helping businesses stay sustainable.

Bryson clarified that the operational costs were what is getting in the way of long term operations and no profit.

Shibler confirmed.

Jones inquired if there was anything else on the problem statement.

Jones said he and Barr would re-work the problem statement given the committee’s comments.

Weiss thanked Jones for his quick work in turning around the draft.

Jones said our next meeting is next Friday and that he would work on getting a new draft out by next Wednesday and that he would work with Shibler.

c. DISCUSS PUBLIC COMMUNICATION STRATEGIES & TESTIMONY

Jones noted that the committee has a lot of information and documentation. Jones asked the committee if there are persons and/or groups the committee wants to come speak and answer questions.

Eriksen asked if some of the research entities could come in and provide validation to what he was seeing in the research – that Juneau has a significant gap and that the problem is real and significant.

Hale asked if there was a role for JEDC and said Edwardson's story of being through operating a child care business was enlightening and that she would appreciate hearing more of those stories.

Edwardson asked what the best way is to suss those people out.

Shibler asked if Hale/Edwardson meant people who run programs that are currently operating or no longer operating.

Hale said both.

Shibler recommended calling AEYC as they have historical documentation about existing and closed programs. Shibler noted some people close for regulation and some for financial, and that the committee should focus on financial rather than regulation as there isn't a lot of room for change on the State regulation side.

Eriksen said that showing the data, along with the case studies, will allow the committee to fully understand the problem and how the proposed solutions will help address it.

Edwardson said data supports stories rather than the other way around and agreed that the data is there and that he would like to hear more of the local stories.

Shibler recommended contacting Samantha Adams.

Bryson agreed and said that frequently when businesses close, owners see the writing on the wall and can anticipate it. Bryson said knowing what causes the failings and downward trend would be helpful.

Jones shared his experience of serving on a board that oversaw the operation of a daycare that closed and recapped the potential groups to invite – Best Starts, AEYC, Raincoast, JEDC and talking to AEYC to get a list of other people that could come in. Jones said he would try to contact those groups and see what they might be willing to offer and come back to next week's meeting with more information.

Eriksen said there are research entities that spend a lot of time on this, both in Juneau and throughout the State, and that we should reach out to them as well.

Edwardson we're concentrating on childcare providers and not necessarily on the people that need childcare and that it would be a good idea to get some of those stories involved as well.

Shibler noted that would probably provide some information about levels of quality in childcare as well.

Hale said we could also talk to the Best Starts advocates and ask them to explain how they came to that specific proposal.

Eriksen agreed and noted the committee is tasked with evaluating all of the options as well.

Bryson added that including a group or two that would be opposed to publically funded childcare would enable the committee to possibly address some of those concerns.

Eriksen said sharing information publically – starting with the problem statement – is the start of bringing the community along in the same direction.

Hale said there for the groups who don't like the idea of providing a public subsidy, we should ask what their ideas for alternatives are.

Jones said if the committee went to the Assembly and said do X, and it'll cost Y in property taxes, the opposition will come out, but that getting those groups out ahead of that can be difficult and he would work on that.

Eriksen said slowing down a bit might help get more people involved – beginning with seeking community validation of the problem statement, and then evolving into seeking community input around proposed solutions.

Jones agreed and said the committee could consider a two-phase public commenting process.

Jones summarized comments of the committee.

Eriksen asked if Jones had any expectations for committee members in the next week.

Jones said for Shibler, yes, to help with definitions and that he would try to turn things around fairly quickly by next Wednesday. Jones asked the committee to be ready to start reading next Wednesday and then start thinking about who we would want to bring in to testify in January.

d. SET JANUARY MEETING DATES

The committee reviewed their January availability and decided to meet on January 11th and 25th and would move back into the Chambers.

V. ADJOURNMENT

The meeting adjourned at 1:19 p.m.

Note: Agenda packets are available to review online at <https://juneau.org>

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