

1 Assembly Childcare Committee

2 Problem Statement

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4 Juneau’s child care issue is not a single problem. The problem is over a range of issues from capacity, to  
5 costs, to quality, and access to a sustainable level of government funding<sup>1</sup>. Traditionally in Juneau the  
6 role of setting standards and subsidies has been a State of Alaska responsibility and to some extent a  
7 Federal Government as employer issue.

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9 Juneau currently has a true lack of affordable, quality child care. We currently lack the capacity to meet  
10 the demand, and trends demonstrate a worsening environment<sup>2</sup>. This was recognized in the Juneau  
11 Economic Development Plan, adopted by the Assembly on February 23, 2015. Under the Plan’s  
12 Initiative: “Attract and Prepare the Next Generation Workforce” was Objective 2. “Increase availability  
13 of child care year-round, with an emphasis on Kindergarten readiness.”

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15 There are approximately 2400 children ages 5 and under in Juneau, 1300 of whom participate in a child  
16 care program. Approximately 150 households do not receive child care services for children ages 5 and  
17 under due to cost, quality, or availability issues. Over 550 households report restricted employment  
18 opportunities due to inadequate access to child care services for children ages 5 and under.<sup>3</sup> The US  
19 Department of Health and Human Services defines a family as “cost burdened” when 10% or more of  
20 their income is spent on child care. Juneau parents spend an average of \$10,370 per year per child on  
21 child care. Using median income figures, for married parents, this equates to approximately 9% of

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<sup>1</sup> The majority of public funding available to Juneau families comes from the State of Alaska PASS programs:  
<http://dhss.alaska.gov/dpa/Pages/ccare/families.aspx>

<sup>2</sup> 2009 JEDC Childcare Working Paper

<sup>3</sup> McDowell Group. *Best Starts Economic Analysis* – 25 May 2017

22 income, for single fathers, 15.6%, and for single mothers, 28%. Per 2017 Census data, 40% of all births  
23 in the prior year were to unmarried mothers and 39% of children under 6 years old are in single mom  
24 households (up from 28% in 2012).

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26 The business model for child care in Juneau is unsustainable without direct (monetary) or indirect  
27 (typically building expenses) subsidies provided outside of revenues generated from fees<sup>4</sup>. Child care  
28 worker wages are low and entrepreneurs who start child care businesses earn low salaries compared to  
29 similar types of work in Juneau. Additionally, in Juneau, child care costs for infant, toddler, and pre-  
30 school aged children exceeded State subsidies for low income households<sup>5</sup>.

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32 The Juneau School District states that fewer than 40% of children entering Kindergarten are ready and  
33 would like that number to be higher than 70%. With 2400 children ages 5 and under in Juneau, the  
34 School District's Kinder Ready programs are full to capacity and these are not work day long programs.  
35 Kinder Ready serves primarily 4 year old children. In addition to limited daily hours and limited capacity,  
36 this program does not address the need for 0-3 year old childcare in Juneau.

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38 In the Mayor's message and charge to this committee, the Purpose section is clear. This committee  
39 given the above must develop a report that addresses the following points.

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- What role does CBJ play in addressing these challenges?
  - What role do partner organizations – nonprofits, child care industry, private sector, others? –  
41 play in addressing these challenges?  
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<sup>4</sup> Bright Horizons. *Child Care Center Cost Estimates* – January 2014

<sup>5</sup> State of Alaska, DHSS. [Alaska Child Care Market Price Survey Report](#) – 2017

- 43 • What questions exist and what additional research is needed to provide additional data or  
44 analysis for addressing these challenges?
- 45 • Can – Should we separate the educational component from the care component?
- 46 • What are the alternative approaches to these issues other than Best Starts?
- 47 • If CBJ were to provide funding to address these issues what might be the mix: to individual  
48 families; to child care providers; to agencies that would provide training, administration and  
49 oversight?

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51 Definition:

52 Child care: the care of children age 0-5 outside of their home in a setting that strongly supports  
53 the child's learning and enables parents to go work with peace of mind.