

THE CITY AND BOROUGH OF JUNEAU, ALASKA
Assembly Childcare Committee Meeting,
City Hall Room 224
Approved Minutes March 15, 2019

I. CALL TO ORDER

Chairman Loren Jones called the meeting to order at 12:18 pm

Members present: Chair Loren Jones, Michele Hale, Wade Bryson, Erik Eriksen, Rob Edwardson, Blue Shibler, Bridget Weiss

Other Assembly and School Board members present: Mayor Beth Weldon, School Board President Brian Holst

Staff present: Library Director Robert Barr

II. APPROVAL OF AGENDA

No changes, agenda approved.

III. APPROVAL OF MINUTES

No changes, minutes approved.

IV. AGENDA TOPICS

a. Draft report – committee discussion and editing

Mr. Jones introduced the draft report.

Ms. Shibler explained that she was waiting for a flight and asked if she could offer her comments first. Ms. Shibler said the document is great and that she is impressed at how quickly we came to four recommendations. She said the first recommendation is feasible. Ms. Shibler shared with the committee that there is a new center hopefully going into the space where the Juneau Childcare Center used to be. She said this will hopefully make a dent in the capacity issue and that they are hoping for 70 kids and that she thinks the facility could be licensed for up to 90.

Ms. Shibler said, in regards to recommendation number 2, she thinks loans should be very long term, 8-10 years, and have zero or low interest. She said number 3, the Hearts initiative expansion, would also be a foundational step to build the workforce we need to meet the higher capacity demand. Under recommendation 3, Ms. Shibler asked how/if the funding to JSD from the CBJ would change if the State Department of Education and Early Development money went away for integrated pre-k and Kinder Ready.

Mr. Jones said that would be up for negotiation. Mr. Jones said the Assembly doesn't yet have the JSD budget and that he has been sitting through their draft meetings. Mr. Jones said at the end of the 19 budget cycle the Assembly had added \$140,000 for pre-k. Mr. Jones said prior to that, in FY18, enrollment numbers were down and the CBJ cap went down. He said as a result of this \$160,000 was owed back and re-directed into pre-k. Mr. Jones said it's his understanding that JSD will ask for that \$300,000 total. Mr. Jones said that if the DEED money is zeroed out at the State level, the City would have to deal with any additional requests. Mr. Jones said he learned Tuesday night at the Board of Education's pre-k work session that there was \$100,000 of City funding that they planned to roll in to the next fiscal year.

Ms. Hale said the Assembly had a finance committee meeting last Wednesday and that she appreciated the approach the City Manager and Assembly were taking. Ms. Hale said this was a "stay the course" approach without spending lots of time in contingency planning, as there are many ways the State budget could go right now. Ms. Hale said the Assembly and City Manager will go back and make changes if necessary after the decisions on the State budget are complete.

Ms. Shibley shared the differences in the numbers between a Kinder Ready program and a Community Childcare program, specifically:

	Kinder Ready	Community Childcare Operation
Months per year	9	12
Days per week	4	5
Hours per day	6.5-7	10
Children served	20 (per classroom)	20 preschool, 12 toddler, 9 infant
Staff employed	? (est. 2.5 FTE per classroom)	12 (FTE?)
Operating costs per year	\$170,000 (per classroom)	\$300,000
Space subsidy	Yes	Yes

Ms. Shibley said that Kinder Ready gives the quality assurance of a certified teacher and noted that the para-educators make more than staff at her facility. Ms. Shibley said she isn't trying to diminish the value and impact of the Kinder Ready program, but does want to highlight the CBJ's willingness to invest in that level of quality for 3-5 year olds. She said she hopes that same support and commitment to quality can be realized for community based programs, particularly at the infant/toddler level where so much brain development occurs.

Ms. Hale said one of the questions we need to answer is how we reconcile the two different paths we're on, in reference to the JSD programs and the community center programs. Ms. Hale said we need to ensure we're supporting the kids in all programs at relatively equal levels. Ms. Hale said this is a tricky question and one we'll need to answer.

Ms. Shibley said fortunately we have a superintendent of schools who is interested in community collaboration right now. She said she is confident we'll figure it out.

Mr. Jones agreed and said that you'll see that in the slides from JSD's pre-k work session. Mr. Jones said he was somewhat getting at the partnership between schools/community as well in recommendation number four.

Mr. Eriksen agreed there is value in having diverse and alternative means of childcare. Mr. Eriksen said there seemed to be similar quality between center based and school based care. He said there appeared to be a cost disparity that we need to be aware of and that a cost per child metric could be useful when it comes to decision making.

Ms. Shibler said in the fourth recommendation she would like to see Best Starts funded by FY21 or before. Ms. Shibler said starting on line 81, where modifications to the model are discussed, that we should steer away from modifications and details right now – particularly since this recommendation as it is won't happen until FY21. She recommended omitting language about the details related to the Learn & Grow (L&G) levels and said those can be hashed out closer to implementation. She said hopefully the L&G levels will be more developed and finalized by then. She said that instead of saying all programs be licensed, we should simply require participation in L&G. Ms. Shibler said that we would be trusting the fiscal agent and policy coordinator to figure out additional details at the time of implementation.

Ms. Weiss said one other language piece that could support what Ms. Shibler is saying is that, on line 81, we could say the modifications to the Best Starts model "could" consist of, rather than "would." Ms. Weiss said this would leave the option for change on the table when implementation comes while still providing some guidance.

Ms. Shibler said on line 86, she thinks it is important to mention that the policy coordination should be done in conjunction with AEYC and thread. She said this is important particularly since the school district doesn't have much experience with childcare licensing or the birth to 3 age group.

Ms. Hale shared that in her recent travels, she had been talking to someone who had children in childcare approximately 15 years ago. Ms. Hale said for this person, over the 6 year span of her children, there was initially no childcare available and then 6 years later, plenty of availability. Ms. Hale said hearing about the new childcare center potentially opening by Fred Meyer takes some of the immediate pressure off but doesn't remove the long term problem that is cyclical in nature. Ms. Hale said it will be important for the public to see, as we come up with solutions, how we are being flexible enough to provide support without stepping in and creating yet another government program.

Ms. Hale said on line 12 and 13 we start to talk about financial costs and that we need to start to think about how we want to display these in the next draft of the report for each option.

Mr. Eriksen asked how we envision this report being received by the Assembly and spoke about the difference between recommendations and options. Mr. Eriksen said we have identified capacity as

our highest need, and then these recommendations or options go on to address that. Mr. Eriksen said perhaps we could include a ranking system and table of costs.

Mr. Jones said he had ignored the costs in this initial draft, but that we need to come up with those associated financial costs eventually. Mr. Jones said the committee needs to make recommendations rather than options at the end of the day and let the Assembly accept or reject those recommendations.

Mr. Eriksen said he agrees with making recommendations to increase capacity. Mr. Eriksen said he wasn't sure if our recommendation was that the Assembly is capable of accepting all of the recommendations.

Mr. Jones said he was thinking that all of what we recommended would go to the Assembly. He spoke about not wanting to exacerbate the cyclical issues that Ms. Hale spoke about by having too few recommendations on the table and needing to have options that allowed for the flexibility to expand/contract them as necessary.

Mr. Eriksen said he saw there being some short term recommendations and long term recommendations that are then both important in moving the issue forward in the long term. Mr. Eriksen spoke about how some of the recommendations listed fall into one of those two categories.

Mr. Jones agreed and spoke about a theoretical situation where public facility space is found in FY20 and what might or might not be able to be done quickly to inject some capacity. Mr. Jones said he will work to make it clear in the report how the recommendations are intended to happen stepwise rather than all at once.

Mr. Edwardson said one thing he is looking for is a complete wish list from the group for the Assembly. He said he is imagining a work breakdown structure around the options so that the Assembly can decide whether they have the resources for any given option at whatever time it seems appropriate.

Ms. Hale said the facility recommendation seems very different from the other recommendations the committee is talking about. Ms. Hale said the facility question is standalone in that it brings up a lot of other questions that are different from how the other recommendations may be treated. Ms. Hale said it could potentially create some of the same types of problems we have with the Kinder Ready versus private community childcare programs where some have an advantage and others don't.

Mr. Jones said the use of public facilities by non-profits is fairly extensive and gave examples of the Montessori program in Douglas and the Juneau Arts and Humanities Council. Mr. Jones said we could issue an RFP to get around the advantage/disadvantage problem. Mr. Jones said identifying public facilities for use is one of the few things we can do that has a relative low cost. Mr. Jones spoke about the ability to lease public facilities at less than low market value for non-profits that is not permissible for for-profits.

Mr. Bryson said essentially what we've been tasked with is to find a way that the city can grant advantages to operators to make their business models more feasible without over-advantaging any one entity.

Mr. Edwardson said he is wondering about process and spoke about how the recommendations have a lot of unknowns from a project management perspective. He said the committee does not yet know if any of the recommendations will have critical path issues, if they'll be able to be implemented sequentially, or what realistic time lines will look like. Mr. Edwardson said we won't know that until we start to do analysis and asked how we're going to manage our process now so as to prevent extra work later.

Mr. Eriksen said he hasn't had enough time to really formulate ideas around the report yet and that he would like more details in some places. He suggested that we add some simple rules, a metric for capacity, line item goals, and means that we recommend the Assembly use to evaluate the results of each recommendation.

Ms. Hale expressed appreciation for the comments made so far. Ms. Hale said if we had common goals and metrics right now, they might be hard to mesh across recommendations. She said she is in favor of providing facility space for use, but as we have them right now, it would be possible for someone to operate in a publically provided facility and get a per-child subsidy on top of that, whereas the person operating in their home would only be getting the subsidy. Ms. Hale said that isn't irreconcilable, but that reconciling that is tricky.

Mr. Jones said he agreed and spoke about the differences between in-home care and center based care and their related community benefit. Mr. Jones said he agreed with Mr. Edwardson to a point, in the sense that the committee needs to add more rules and/or goals. Mr. Jones said the committee will make recommendations that won't get below the 30,000 foot level. He said we're not the implementing body and that if the Assembly decides to implement a recommendation, they will delegate to City Manager who has all of the rules around leasing to make implementation happen. Mr. Jones spoke about how the City Manager/staff would report back on goals and their results to the Assembly.

Mr. Edwardson said if we come up with the goals, and then hand them off to the experts then they can come back to us to give us better cost estimates. Mr. Edwardson said he's not saying we should administer, but that in our due diligence we should say here are our plans and hand them off to the City Manager or someone else to help ground truth those plans.

Ms. Hale spoke about the revolving loan fund recommendation and shared that because the example the committee has heard in how long it took Aldersgate to get running was an extreme outlier, the revolving loan idea may not be as important as some of the others.

Ms. Hale said we don't talk much about the education component in the draft report. Ms. Hale said there may be a straight forward way of talking about it and gave the example of sharing about how education at this age range is a very graduated process. Ms. Hale said that while she was

campaigning this was a significant issue for many people she spoke to, and the general sense was that they did not want something where kids were forced into rote desk learning at an early age when their learning should be more focused on play. Ms. Hale said this is addressed in L&G and that the committee is on the same page here, but that perhaps more could be said about this in the report.

Mr. Jones said that concept hadn't made it in here because at the last meeting we focused on capacity. He said what he heard at the last meeting was that capacity had to be our number one goal and that we didn't want to throw out the good in trying to reach the perfect. Mr. Jones said Ms. Shibler had spoken about how centers can take up to a year to get to level 2 in the L&G model.

Ms. Weiss said lines 16-20 describe the problem involving a range of issues. Ms. Weiss said there is some acknowledgement that it involves quality as well as capacity and builds context that this is a multi-faceted problem.

Ms. Hale said that eventually since the report will be for public consumption, it will be important to include a piece about what we mean by education. She said it could be as simple as describing the L&G programs/standards along with emphasizing that while capacity is the first issue, the floor for education is L&G level 1. She said the L&G model addresses the educational component in a thorough way and that it, to her, does address the Mayor's education related question.

Mr. Jones said that it is his understanding that in the Governor's current budget the funding for L&G goes away. Mr. Jones said we need to work on how we write the education piece in there without being too specific to L&G.

Ms. Shibler said it's true that we don't know where L&G will be from a state funding perspective, a large part of it comes from a federal block grant that is not at risk. Ms. Shibler said if we don't want to use L&G specifically, we could talk instead about quality assurance measures.

Ms. Hale said she would advocate that we do leave the L&G language in there and would rather not at this point second guess whether something will exist later.

Ms. Shibler agreed and said we could still use language that describes L&G as a quality assurance measure.

Mr. Eriksen said he is not sure that he sees all of the recommendations as equal. He said, as written, he's unclear on what each recommendation would result in. Mr. Eriksen said he wants to know more about what he would be getting out of each recommendation and that since our priority is capacity, we need to spell how each recommendation results in larger capacity.

Mr. Edwardson spoke about how we're trying to solve several related problems that dovetail and therefore we're looking for solutions that dovetail. Mr. Edwardson said that complexity makes it harder to wrap your brain around the problem without extending deadlines.

Mr. Eriksen said he understood, agreed, and said he wanted to see more explanation on what the value is on each recommendation so someone looking at it can understand that the different recommendations have different values and potential outcomes.

Ms. Hale said for each recommendation, there could be some sort of framework, perhaps a table, that looks at each recommendation through the same lens.

Mr. Eriksen agreed and said, on the Best Starts recommendation, he is unsure about some of the details. Mr. Eriksen said his first reaction to the school district being the fiscal agent is uncertainty.

Mr. Jones spoke about the differences between the school district managing the money versus the City or a nonprofit.

Ms. Hale said the school district financial piece was new to her too and that there are lots of possibilities. Ms. Hale said she agreed with Mr. Jones in that the city can lose control of nonprofits to whom it gives funding but that strings can be attached to ensure that doesn't happen.

Ms. Weiss said in this case as well using "could" instead of "would" may help. She said she recognizes that she's also heard a couple of times today that we're being both too specific and too general. Ms. Weiss spoke about the work of the committee being similar to the design process where you start at 30% and move up from there.

Mr. Bryson asked about the difference between "core" city funded work versus non-core work.

Mr. Jones said a core service is something we expect the City Manager to deal with regularly versus one-time. Mr. Jones said that come election time that definition can instead be values based and more about what any given individual likes/doesn't like about government services. Mr. Jones said for this committee, "core" means should whatever we decide be an ongoing focus of the CBJ or not.

Mr. Bryson spoke about the cashflow issue that the committee has heard about in past meetings. Mr. Bryson, in reference to recommendation number 2, spoke about possibly having a forgivable loan program where start-up related loan payments were forgiven as long as the childcare business continues to operate and that it becomes due if they shut down. Mr. Bryson spoke about how this creates the incentive to stay in business.

Mr. Bryson spoke about recommendation number 3 and how at the last meeting he objected to direct subsidy of incomes. He said he likes the Hearts initiative since it is training related. Mr. Bryson said this was a more palatable way to provide direct money to workers. Mr. Bryson added that he'd like to see a tax incentive program for in-home care providers, particularly one that includes an infant care component.

Mr. Bryson said he had been thinking about the amount of dollars the CBJ will end up committing and said at some point we have to answer what the total dollar amount committed to this work will be. Mr. Bryson said Eaglecrest and Augustus Brown Swimming Pool are each funded at about

\$700,000 per year and that perhaps that's an appropriate number for this issue. He said at some point a dollar figure is going to come up and that perhaps those are good bench marks.

Mr. Eriksen said we have some goals for how many slots we're looking for and we have some data on how much some current programs cost. He said based on this, we could set some parameters for how much return we could expect for any dollar amount we end up committing to this work which would then aid with evaluation down the road.

Mr. Jones said that at some point we'll need to include dollars and spoke about the Best Starts analysis. Mr. Jones said the Best Starts model is one outlier, the Mayor's charge includes the other outlier of do nothing, which is \$0. Mr. Jones said the committee gets to decide in the middle. Mr. Jones said Best Starts model is said to be scalable to a degree. He said some have struggled to see how adding an extra per-child subsidy to operators serves to increase capacity and that the answer has been that it would cause other people to get into the business. Mr. Jones said in our recommendations, we could say what we anticipate would happen from a capacity perspective in any given recommendation. Mr. Jones said he left dollars out for this first draft, but that they will need to go in eventually.

Mr. Edwardson said he thought the draft report is a fantastic starting point and that it gives us something to react to. Mr. Edwardson asked who would be the fiscal agent for recommendation 2?

Mr. Jones said AEYC has the start-up grant right now and that JEDC runs a loan program for small businesses and that there might be additional options. He said he didn't want to be that specific yet.

Mr. Edwardson asked, in regards to recommendation 3, would the Hearts initiative become part of Best Starts.

Mr. Jones said he wasn't sure. Mr. Jones said the Hearts initiative was a short term sort of thing that can be done quickly. Mr. Jones said the percentage could change.

Mr. Eriksen said when we come up with a number, we should have some justification for why we picked whatever number we picked.

Mr. Jones said that if we're going to end up recommending number 3, we should include some information about how it will impact capacity.

Ms. Hale said the Best Starts team has done a good job of putting together a cost estimate and analysis. Ms Hale expressed a desire to start with that analysis rather than an arbitrary number.

Mr. Jones said the Best Starts model as previous presented had a year one cost of \$400,000 that built up over a multi-year process. Mr. Jones said we and the Assembly need to have financial goals that line up with capacity goals over time.

Ms. Shibley said the Hearts initiative money that is currently being funded is listed in the Best Starts documentation, but as a funding match – not part of the overall scope of the Best Starts model.

Ms. Shibley said her reasons for suggesting increasing the Hearts initiative money are related to making investments in the workforce to guarantee quality alongside capacity. She said the Hearts initiative provides quality awards.

Mr. Jones said the next meeting is next week, in 224, and that he'll have another draft out next Wednesday. Mr. Jones asked committee members to look at their schedules for April and early May for meeting date decisions next week. Mr. Jones spoke about potential future topics, including a further report refinement, public input process, and whether or not a ballot initiative may be necessary.

V. ADJOURNMENT

Adjourned 1:35 pm.

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

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