

THE CITY AND BOROUGH OF JUNEAU, ALASKA
Assembly Child Care Committee Meeting,
City Hall Room 224
Approved Minutes April 5, 2019

I. CALL TO ORDER

Chairman Loren Jones called the meeting to order at 12:15 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 (telephonic)

Staff present: Municipal Clerk Beth McEwen

II. APPROVAL OF AGENDA

There being no changes to the agenda, it was approved as presented.

III. APPROVAL OF MINUTES

There being no corrections or additions to the minutes of the March 15, 2019 meeting, they were approved as presented.

IV. AGENDA TOPICS

a. Draft report – committee discussion and editing

Mr. Jones noted that he had sent out a copy of the draft report two weeks ago asking for committee comments to be sent to him and Mr. Barr. Mr. Jones noted that he received comments from Ms. Shibler and those were incorporated into the latest version he had sent out on Tuesday, April 2. Following that April 2 version, Mr. Eriksen also submitted his edited version with mark-ups and comments and a copy of that was distributed to the members at this meeting. Mr. Jones stated that he also received some comments and questions from the Mayor and he'll note those as they work through the draft report. Ms. Hale stated that she had some grammatical changes that she'd like to make to the report and she will submit those to staff for inclusion.

Mr. Jones said for purposes of this meeting, they would use Mr. Eriksen's marked up version of the draft report and work through the document to reach agreement on what will hopefully be pretty close to the final draft. He said following this meeting, he will work with Mr. Barr to put it into the final format as well as to pull some of the reference materials they had used during the course of their work. Just prior to the meeting, Mr. Jones and the Clerk researched the term "Child Care" and found that although it is correct either as a single word or as two separate words, for purposes of clarity and consistency, he suggested they use the A/P journalistic format using "Child Care" as two separate words without a hyphen.

For reference purposes, the following format will refer to the page and line numbers as found in Mr. Eriksen's marked up version of the draft report.

DRAFT REPORT PAGE 1

No changes or comments.

DRAFT REPORT PAGE 2

LINES 26-30: Mr. Edwardson said that he would like the terms comparing like to like. Currently the draft report references approximately numbers of children: "...2400 pre-K children in Juneau, 1300 of which participate in a childcare program." It then switches to referencing household numbers. He asked if they could list it in terms of numbers of children or household numbers but not mix the two. Mr. Jones noted that may be difficult to do as it is a moving target. He said the data is coming from different sources such as McDowell Group, Rally and AEYC.

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LINE 40: Ms. Shibler asked to clarify the sentence "Child Care: the care of children 0-5" so that it reads "the care of children 0 through age 5" because "0-5" makes it seem like it is "up to five" and there are a lot of children who turn age 5 after the September cut off who are in preschool for another year.

LINES 50-51: Mr. Eriksen's edits had the removal of the sentence that reads: "The Best Starts group recognizes this as a critical issue and the model they presented was based on their best efforts to find a solution to increase the capacity of quality child care spaces." Mr. Eriksen stated while he liked the concept, he thought it was out of context in that portion of the document.

Mr. Edwardson suggested to request Mr. Barr use the IMRaD format of "Method, Results, Discussion" since this is a study along with recommendations and it would be appropriate to fit lines 50-51 under "discussion" in whatever the final format the report will take. He felt it was important to keep that language in the report since it was a vital part of this effort. Ms. Weiss said her presumption in reading that language, that it was an affirmation of the identification of capacity very directly tied to that. It was accentuating that we have multiple sources for identifying capacity and that was the context she read it in. It was suggested to move it under "Recommendation 4."

LINE 53: Mr. Eriksen's next comment was to define "short-term" and "long-term" as used in this report. Mr. Jones stated that he and Mr. Barr were using the term "short term" as meaning the next fiscal year or two and "long term" would be anything after that. He said that given the budget cycles, they are trying to identify facilities and policy and where the policy might go, how they might generate an RFP and how that fits into the fiscal budget cycles. "Short term" definition would be equal to FY20 and FY21 budgets and "long term" being anything after the FY21 cycle.

Additional discussion took place regarding definitions and terminology, especially useful to any readers who were not as familiar with the subject as the committee members. Ms. Hale requested a list of terms and acronyms, used for purposes of this report, to be included at the end for clarity.

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LINE 72: Ms. Hale suggested adding wording following line 72 to state “the committee envisions a competitive application process for these facility spaces.”

LINES 73-76: Mr. Eriksen said with respect to his comments about the capacity and cost, some of that may be related to the timing of the facility study report to come out. Mr. Jones said that the joint Assembly/School Board Facilities Committee met once and he doesn’t know when they will be meeting next. Any identification of any public space is not likely to begin until after the budget cycle is complete. Mr. Jones said that it certainly needs to be done before they get to the next budget cycle as some of the recommendations relate to the FY21 budget. Additional discussion took place regarding the architects square footage costs and process for repair and maintenance.

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LINE 80: The recommended word changes didn’t change the meaning but improved the language of the report.

LINES 92-95: Mr. Jones noted that early on in the committee’s discussion, they talked about a forgiveness process and Mr. Bryson had suggested looking at that on a monthly basis. He said that was left out of this version of the report but the Mayor was using that when she discussed it with him earlier in the day. She didn’t like the idea of monthly forgiveness as it would take way too long but she wasn’t averse to looking at it every six months or something like that. He said that whether that becomes part of the final implementation that would be left up to the manager and/or policy committee to be determined when they look at the loan structure.

LINES 96-97 Capacity Impact: Mr. Eriksen said that regarding his comment “Can you look at the average size of a local child care facility multiplied by 6 (\$125K/\$25K), to set a target goal capacity for this option?” he was trying to put a sense of scale to the questions and he wasn’t sure if that would be accurate or add value. Mr. Jones said that could be looked at.

LINES 98-100 Cost: Mr. Eriksen’s suggested change was to read “The committee recommends loans up to \$50,000, with initial capital investment equally to no less than loan amount multiplied by 4.” Mr. Eriksen said they should consult with the finance department to fine tune this. Mr. Jones said that JEDC currently administers a loan program they are looking at as the model and that JEDC basically loans at market rate. JEDC’s program won’t loan to someone who can get a loan from a bank, but they also want them to be as eligible as possible for a bank loan. He said his thinking was with respect to existing day care centers at the federal building and state office buildings; they have no real equity in that because the operator doesn’t own that building. He noted that Aldersgate United Methodist Church reported that they had to come up with \$25,000-30,000 to get equipment for startup but the building investment is already there. He said while the structure was already there, the church would likely not get into the program if they were to have a mortgage placed on part of its value. He said he was trying to figure out how to do that through a loan program. As a result, the language he was using was with respect to “in-kind” value or investment value of the facility.

Additional discussion took place regarding the uniqueness of this type of program where participants would lack capital equity that one might otherwise have in a private business. The committee agreed to use the “in-kind” language as suggested by Mr. Jones. Ms. Shibley then recounted her experience and costs associated with opening the child care center with Legislative Affairs at the Tom Stewart Building.

Mr. Bryson noted that the more complicated a business is to start up, the more difficult it is to shut down. The more it takes to ramp up, the higher likelihood it has to keep going. Committee members discussed and debated the debt burden, risk factors and the loan amounts. The committee then looked at a recommendation of \$250,000 loan fund or \$150,000. They also noted that if they did go with a loan forgiveness program, they would also need to look at recapitalization of the loan fund. Mr. Jones also provided background information about the current JEDC loan program and its origins. He noted that the manner in which this is implemented will need to be carefully worded so it doesn't interfere or jeopardize the current JEDC loan program. The committee members were in agreement with the recommended loan fund of \$150,000.

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LINES 108-109: Ms. Hale asked that the wording on Recommendation #3 be changed to read: “For FY20, the CBJ funds the existing efforts.” She stated that since this is the committee’s recommendation, the caveat wording should be removed and the committee was in agreement.

LINES 110-111: Ms. Weiss requested that “integrated PreK” program language be removed from this section as it is a federal special education program and should not be included in this section. That changes the sentence to now read: “These include the Kinder Ready program in the Juneau Schools and the Hearts initiative operated by AEYC.”

LINES 121-122: Ms. Weiss asked to add some wording at the end of the sentence so that it reads: “The committee feels that making this part of the ongoing funding to the Juneau School District is important and should be maintained *or increased per board request when funds are available.*”

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LINE 125: Mr. Erikson’s comments said he didn’t recall any discussion about the amounts or the HEARTS proposal. Mr. Jones said the committee had discussed this and that an earlier draft of the report had the amount doubled. AEYC has submitted a formal proposal to double that amount. He said that in his phone conversation with the Mayor earlier in the day, she said she didn’t know if the full \$180,000 was necessary. She also had concerns that they may never get lower than the 9% turnover rate as all businesses experience some turnover. Mr. Bryson said that different industries experience different turnover rates. Ms. Weiss noted that statewide, the turnover rate for school districts is at approximately 20%. Ms. Shibley noted that the suggested increase to the HEARTS program wasn’t just about lowering turnover rates but is also focused on providing a livable wage. Ms. Shibley noted that there are three tiers to the HEARTS program and award amounts are tied to a worker’s level of education and training. Discussion then took place regarding the training that is provided locally by way of the University, AEYC, and possibly SERRC. Ms. Shibley explained that SERRC isn’t involved much other than possibly helping workers get their G.E.D. She went on to

explain that the system is based on a statewide system for education and early development registry. Once you get to a certain level on the registry, you qualify for a tier one award and then levels two and three require additional training. AEYC, thread, and the University provide those training.

Mr. Jones asked Ms. Weiss if the school district offers any kind of training for pre-K teachers. Ms. Weiss explained that their pre-K teachers are certified teachers. She said JSD has also sent all pre-K teachers and para-educators to the AEYC springtime conference. Mr. Jones said he will look at the information provided by AEYC has submitted to the Assembly Finance Committee and see if there is any data he could pull into this report.

LINES 129-158 (Pages 7-8): Discussion took place regarding Mr. Eriksen’s comments and suggested wording on recommendation #4 as well as the per child funding model from Best Starts and the nature of the Learn and Grow program. The discussion then lead into the items found on page 8 with respect to the recommendation for the Assembly to appropriate \$800,000 for Year 1 which would be in FY21.

Lines 130-132: The committee agreed on the following language: “Recommendation #4 – long term. The Best Starts model be funded with some structural changes to clearly delineate how the program would prioritize increasing capacity until child care demands are fulfilled.”

Lines 136-137: The committee agreed to include Mr. Eriksen’s suggested sentence.

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Lines 143-144: Mr. Eriksen’s comment asked if they were limiting the options to just JSD, CBJ, and/or AEYC/thread. Mr. Jones said, yes, they are limiting those to funding a position at the school district and the involvement of the CBJ would be up to the City Manager to decide. He said in terms of the basic agents, JSD, CBJ, and AEYC were the only three that they could conceive of, given they are the only ones who are doing those policy pieces. Mr. Edwardson noted that the use of the word “include” in the realm of municipal law doesn’t mean “include only” and if they really mean “include only” it should be written that way. The committee also discussed the capitalization of the name “thread” and it was made clear that the “thread” organization specifically does not capitalize their name.

LINE 149: The committee agreed with the addition of the words “increased capacity” to that sentence.

LINES 153-159: Additional discussion took place regarding the Capacity Impact and the Cost language. Mr. Jones said that would be determined by whomever is implementing this, likely the City Manager and/or the policy group.

Ms. Shibley mentioned that the state recently announced the proposed amounts to be given out through the Federal Block Grant program and those rates are very close to what providers are charging. Mr. Jones asked her to send a link of that information to him and Mr. Barr as that may be a

resource they reference in the report. That may also have an impact on the committee's recommendation of the \$800,000 amount. Additional discussion took place regarding the fiscal year reference in line 156 and that was corrected to be FY20 rather than FY19. That also means that the reference to year 1 for Assembly appropriation would be FY21.

The committee then had a lengthy discussion about the proposed recommendation of \$800,000 being changed to a different number. Mr. Bryson spoke in favor of changing it to \$699,000 in order to get the public support behind this project. Mr. Edwardson said the committee has a role and the Assembly also has a role because there is a public need. He said in general, the committee has established that there is a public need and although he was in favor of an amount higher than \$800,000 he would agree with the \$800,000. Additional discussion took place as to the amounts suggested by the Best Starts model as well as ramp up costs and the different level costs. The committee agreed to keep the recommendation at \$800,000 at the conclusion of the discussion.

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No changes.

V. OTHER ITEMS

The committee members expressed their appreciation to be part of this process; Mr. Bryson shared that he could hear every committee members' voice in the final report and appreciated everyone's input. Ms. Shibler said she was very excited that in all the years she's worked with this issue there has been little to no action moving forward and now there are four recommendations for action coming from the work of the committee. The rest of the committee members also echoed their thanks and appreciation for the work that has been done.

NEXT STEPS: Mr. Jones stated that he would work with staff to review the final format, make the changes noted during this meeting and bring it back as a finalized report on April 19. It would then be forwarded to the Mayor and will likely be taken up during an Assembly Committee of the Whole meeting, possibly on April 29. The committee agreed to hold its next meeting on April 19 at 12:15p.m.

Mr. Jones relayed that in speaking with Mayor, she asked him to convey her thanks to the committee for all the work they've done and he also extended his own appreciation to the committee and the staff for the work on this process.

VI. ADJOURNMENT

There being no further business, the meeting adjourned at 1:35p.m.

Respectfully submitted,
Beth McEwen, MMC
Municipal Clerk