



February 16, 2024

Representative Julie Coulombe

Re: House Bill 89, Day Care Assist./Child Care Grant Program

Dear Representative Coulombe,

The Alaska Chamber (the Chamber) writes in support of House Bill 89, an Act relating to the day care assistance program and the child care grant program; and providing for an effective date.

The Alaska Chamber was founded in 1953 and is Alaska's statewide business advocacy organization. Our mission is to promote a healthy business environment in Alaska. The Chamber has more than 700 members and represents businesses of all sizes and industries from across the state, representing 58,000 Alaskan workers and \$4.6 billion in wages.

The Chamber has a long-standing policy position to support an increase in the availability of and access to child care in Alaska. In 2021 the Chamber collaborated with the U.S. Chamber of Commerce Foundation to produce a report entitled "Untapped Potential in Alaska – How Child Care Impacts Alaska's Workforce Productivity and the State Economy." The report found that child care issues resulted in an estimated loss of \$165 million annually for Alaska's economy. With an estimated cost of \$152 million annually to Alaska employers due to absences and employee turnover as a result of a lack of child care. Seventy-seven percent of parents reported missing work due to child care issues in the past 3 months.

The Chamber is proud to be a member and active participant on the Governor's Task Force on Child Care over the past year. House Bill 89 would help to address some of the challenges identified by the Task Force and put forward in their recommendations. Specifically the recommendation to consider tax credits or incentives to encourage the private sector transform existing spaces into child care facilities.

In our annual public opinion survey, thirty-six percent of working Alaskans with children have chosen not to participate in the workforce due to lack of access to available and affordable child care. House Bill 89 would increase eligibility for the child care assistance program and include a cost of care model in the determination of provider reimbursements. Currently, the income eligibility limit for participating in child care assistance is 85% of state median income. Increasing this eligibility limit, as House Bill 89 proposes, would allow more families to participate in the child care assistance program reducing their child care costs. This change has the potential to increase workforce participation across multiple industry sectors.

We have heard loud and clear from our members that the lack of available and affordable child care directly correlates to their ability to recruit and retain their workforce. This is extremely concerning to the business community given the already challenging environment that exists to recruit and retain workers.

HB89 is a step in the right direction to solving our child care crisis and is a good-for-business bill, and we encourage swift passage. Thank you for considering the Alaska Chamber's comments.

Sincerely,

A handwritten signature in black ink that reads 'Kati Capozzi'.

Kati Capozzi
President and CEO



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