

Part 1 of 2: **Strategic Plan to Guide Alcohol Tax Revenue**

Update to Budget Advisory Commission

Thursday, July 11, 2024



Alcohol Tax Spending

The law requires spending go to three areas:



Funding for police, related criminal justice personnel, and first responders
(**public safety**)



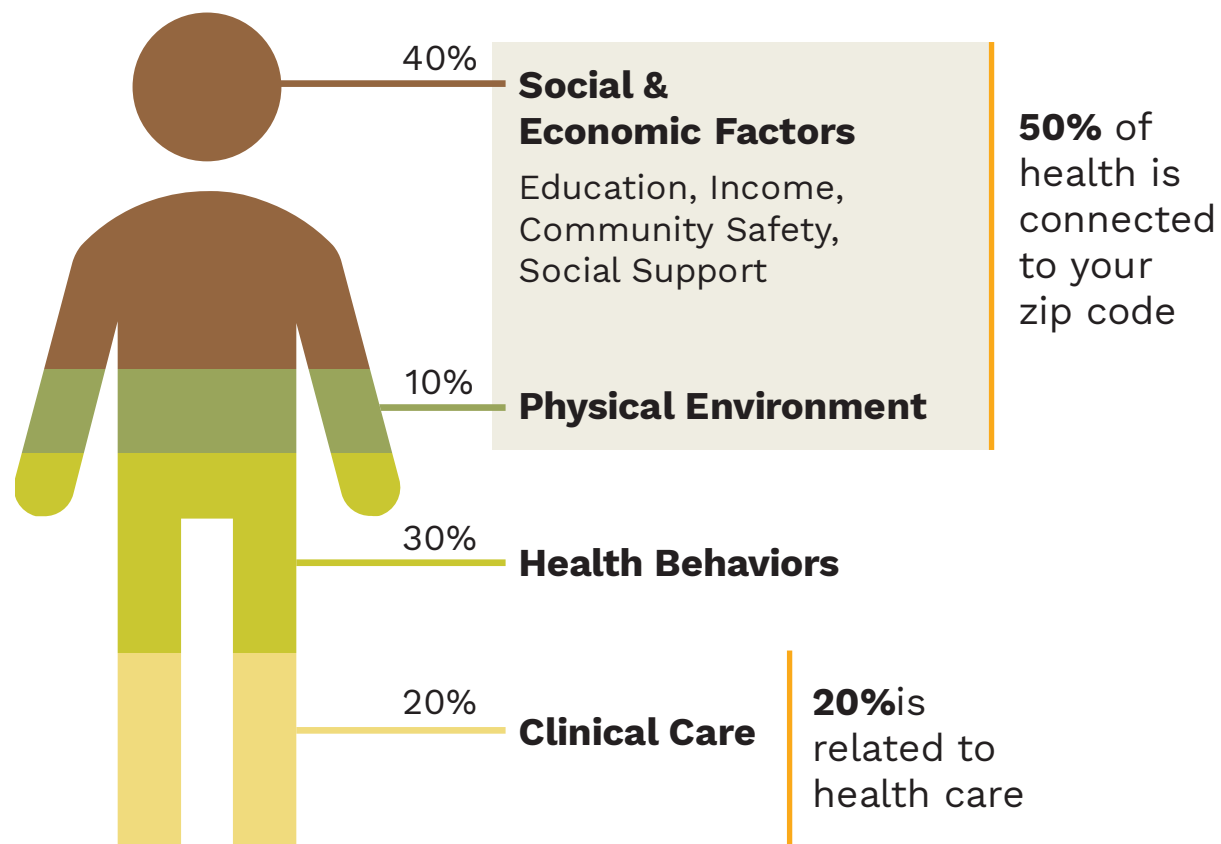
Funding to combat and address **child abuse, sexual assault, and domestic violence**



Funding for **substance misuse treatment**, prevention programs, detoxification or long-term **addiction recovery facilities, mental and behavioral health programs**, and resources to prevent and address Anchorage's **homelessness crisis**

Find Solutions & Prevent Problems

- We need to get upstream of the issues we're facing.
- The issues identified as priorities represent the downstream effects of trauma, poverty, and other large-scale issues.
- We cannot "solve" them by just managing the problems, we must invest in preventing them.





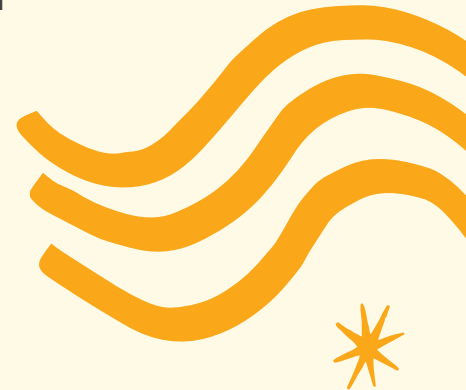
New investments from the alcohol tax are already making a difference.

Thanks to the alcohol tax, we are making major progress on our current crises *and* making significant new investments in healthy families.



cheers to you, anchorage!

Anchorage Alcohol Tax Outreach Campaign



Public Awareness Baseline



In January 2024, Alaska Survey Research conducted a survey of 722 Anchorage residents to measure awareness and support of the alcohol tax.

Key findings of the research:

- Only 3.1% reported that they were “confident” they knew where the funding is going, 28.2% generally understood where funds are going, and 68.7% did not know.
- Without being told the details of how the tax is being used, 67% of respondents support the alcohol tax
 - 78% support with a household income of \$0-60K
 - 73% support among ages 18-34)
- When informed about where the funding is going, support grows by over 10%.
- Addressing child abuse and domestic violence is especially popular.
- 60% of survey respondents were not aware the revenue is dedicated to specific purposes.

Alcohol Tax Outreach

www.cheersanchorage.org





The alcohol tax is making a difference in Anchorage.

Revenue from the Anchorage alcohol tax is dedicated to:

- 1 Improving public safety
- 2 Preventing child abuse, sexual assault, and domestic violence
- 3 Treating substance misuse, promoting mental health, and preventing homelessness

The Fire Department's Mobile Crisis Team reduces unnecessary emergency room visits and jail time.

The Anchorage Health Department's WIC program provides nourishing foods to stabilize struggling families.

Early Learning Stations around town give children the building blocks for positive friendships and school success.

cheers to you, Anchorage!

Learn more at: cheersanchorage.org

cheers to you, Anchorage!

Learn more about the alcohol tax at cheersanchorage.org

An investment in our kids is an investment in community health. Revenue from the alcohol tax helps fund Early Learning Stations that give children the building blocks for positive friendships and school success.

cheersanchorage.org

cheers to you, Anchorage!

Learn more about the alcohol tax at cheersanchorage.org

An investment in family meals is an investment in healthy relationships. Revenue from the alcohol tax funds programs that provide nourishing foods to stabilize struggling families.

cheersanchorage.org

cheers to you, Anchorage!

Learn more about the alcohol tax at cheersanchorage.org


An investment in mental health first responders is an investment in a safer community. Revenue from the alcohol tax funds the Department's Mobile Crisis Team, reducing unnecessary emergency room visits and jail time.

cheersanchorage.org



cheers to you, anchorage!

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the alcohol tax at
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Moving Forward: A Strategic Plan

- Serve as guiding document for each year's Alcohol Tax funding allocations.
- Ensure community input, transparency, and efficient use of the funds.
- Guide current and future policymakers to achieve longer-term goals and shift more funding upstream as immediate issues are addressed.



Planning Process



Community Engagement

	Posters + Conversation	<ul style="list-style-type: none">•Bettye Davis African-American Summit•Pacific Community of Alaska DV Awareness Event•Umoja CoWorking Lunch•Anchorage Assembly Meeting Lobby•ASD School Board Meeting Lobby
	Presentations	<ul style="list-style-type: none">•Bartlett Club Luncheon•Crisis Collaborative Monthly Meeting•Anchorage Equity Committee of the Assembly•Anchorage Chamber
	Interviews/ Focus Groups	<ul style="list-style-type: none">•Youth Alaska Action Board•Crisis Intervention/BH Providers•Anchorage Coalition to End Homelessness•Tribal Organizations•MOA Implementation Staff•Alcohol Industry•Assembly Work Session (5/10)

And a survey: <https://www.surveymonkey.com/r/MOAAIcTaxStratPlanFeedback>

DRAFT Alcohol Tax Funding Strategic Plan

- DRAFT Action Plan
Shared during BAC meeting, available online at:
https://www.muni.org/Departments/Assembly/SiteAssets/Pages/Rules%20Committee/2024-25%20Alcohol%20Tax%20Action%20Plan_DRAFT_06.07.2024.pdf
- DRAFT Full Strategic Plan
Still in progress, draft available online at:
https://www.muni.org/Departments/Assembly/SiteAssets/Pages/Rules%20Committee/AlcoholTaxStrategicPlan_RevisedDRAFT_06.07.2024.pdf
- Next steps: Work with new administration to get feedback, identify funding priorities, work on process improvements for grantmaking and other implementation of alcohol tax priorities.



Part 2 of 2:

ANCHORAGE CHILD CARE & EARLY EDUCATION **FUND**



**Supporting Families, Providers,
and the Alaska Economy**

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www.careforkidsanchorage.com



DEFINITIONS

Early Education

Formal and informal programs that guide education for children birth-5. Includes literacy programs and home visiting programs, as well as formal programs, such as pre-kindergarten.

Child Care

Birth-12. Formal programs that provide supervision and activities for children when not in the care of their parents or guardian. Includes before and after school care and summer care.

The Need

- Since 2019, the number of licensed child care programs in Alaska has **dropped by 20%**
- For the first time in 20 years, **fewer than 200 licensed programs in Anchorage**
- **51% of Alaskan families cannot fully participate in the labor force** due to cost, availability, or quality of child care



- Average cost for Alaskan households using child care per month was \$982, with higher income families paying an average of \$1,167
- Many spots in Anchorage cost up to \$1800/month
- Cost of licensed care represents **15% of Alaskan parents' annual income**
- This jumps to 20% of a single male household, or 35% of a single female household



- Access to quality early education programs is **limited** in Anchorage.
- The fund can help us improve access and affordability of quality programs.

Providing a high-quality education for children before they turn five yields **significant** medium- and long-term **benefits for students**. Children in early childhood education programs are:

- Less likely to repeat a grade
- Less likely to be identified as having special needs
- More prepared academically for later grades
- More likely to graduate from high school
- Higher earners in the workforce



PROPOSITION NO. 14

AMENDING THE ANCHORAGE MUNICIPAL CHARTER REGARDING THE MARIJUANA RETAIL TAX AND DEDICATING TAX PROCEEDS TO CHILD CARE AND EARLY EDUCATION

This proposition would establish dedicated funding for child care and early education, an Accountability Board of Child Care and Early Education, dedicate the net retail marijuana sales tax revenues to this board's budgeted activities, and move the marijuana sales taxes from under the tax increase limitation ("tax cap") calculation to be above the tax cap and lower the tax cap one time by one million dollars in 2024.

- **Proposition 14** passed April 2023 by 12 points
- Dedicates marijuana tax to **child care & early education**
- Establishes **Accountability Board** to oversee the fund

- Funding decisions made by Anchorage Mayor and Assembly
- Funds are dedicated as of Jan. 1, 2024. Funds available in **2025**.
- Expect about **\$5 million** annually

Allowed Uses of the Fund

- Marijuana sales tax revenue (net proceeds*) dedicated to:
- Create access to child care and early education programs for Anchorage kids
 - Funding for reading programs for child care & early ed programs
 - Resources to increase funding, livable wages, training and staffing for child care & early ed programs
 - Prioritize utilization first of existing school facilities (closed, scheduled to be closed, or underutilized) for child care & early ed programs

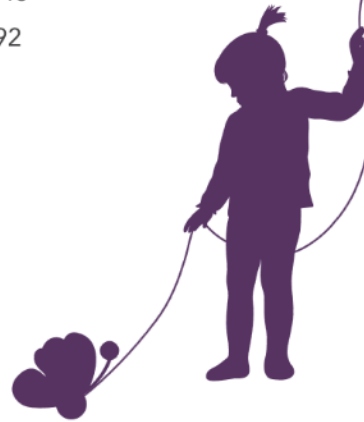
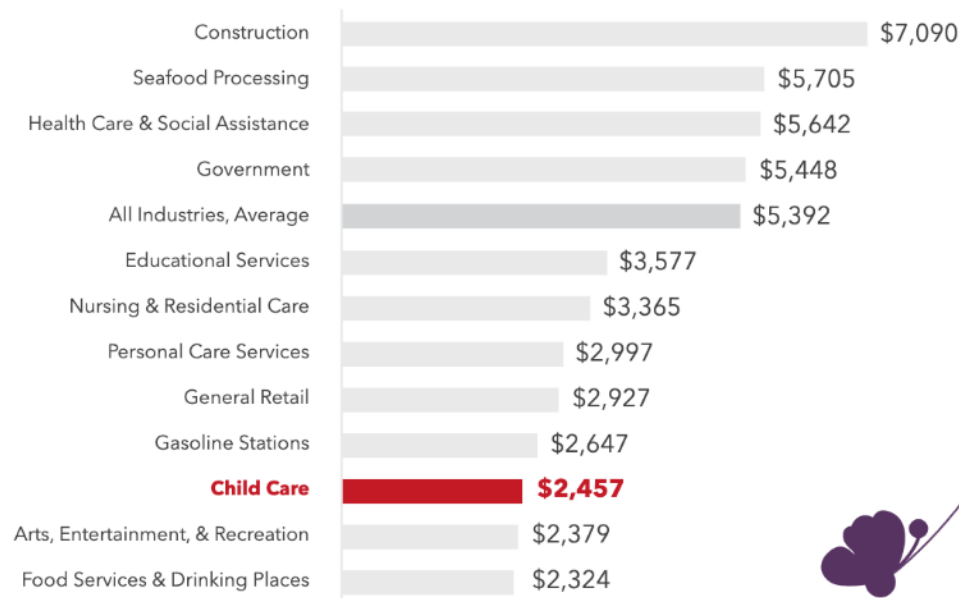
* “Net proceeds” is after cost of tax collection and enforcement by MOA Treasury department. Allows for a certain amount (up to 10%) of funding for administration

- Ref. Charter, Section 6.06(a)

Early Care & Education Workforce Essential but Underpaid:

Wages in the ECE sector are among the lowest in the economy, yet people employed in this sector are entrusted with children's care and education at a critical time of development.

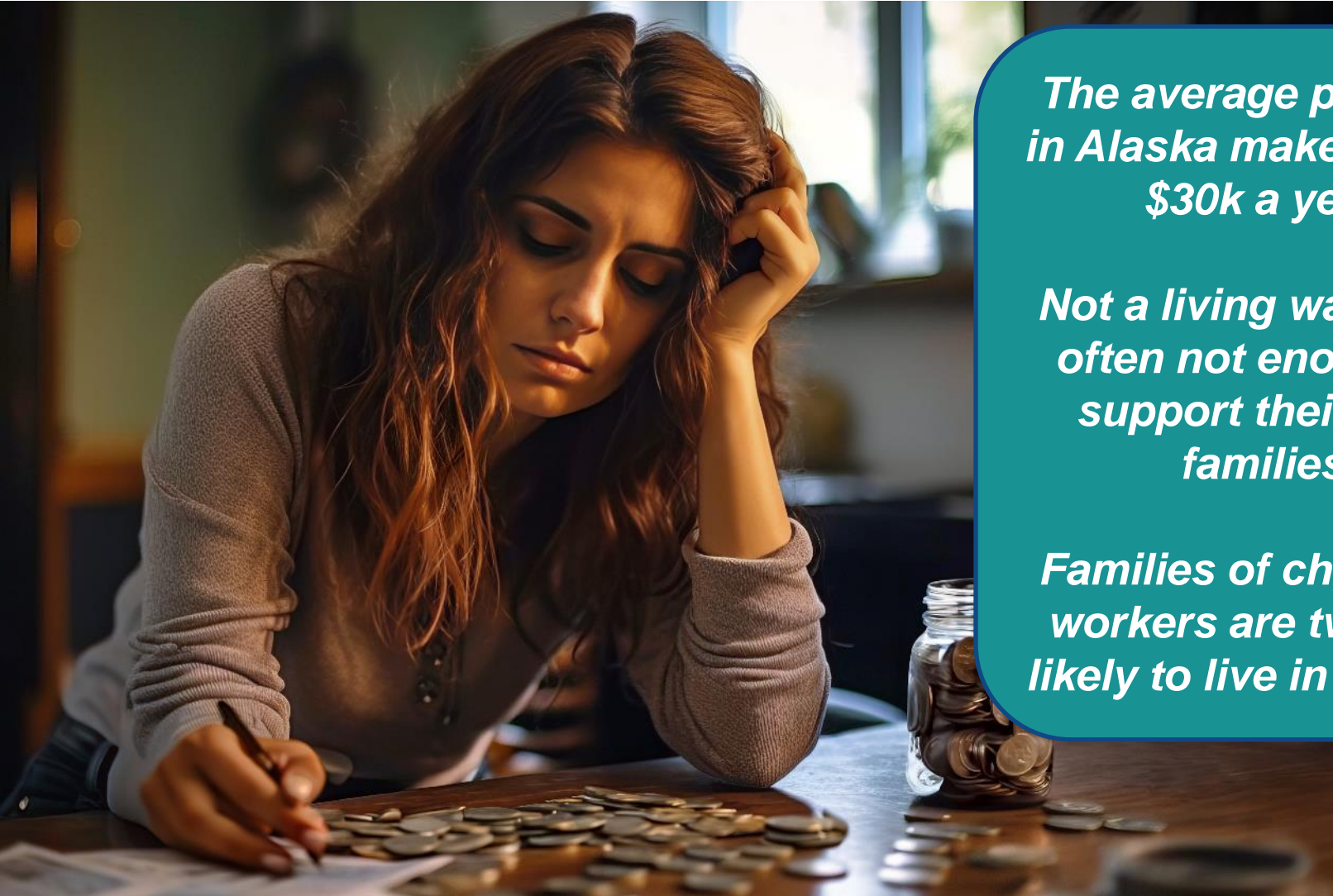
Average monthly wages by sector:



*The Problem:
High cost to parents,
low pay for providers*

ACCEE
FUND

Note: Most recently available data from Alaska Department of Labor and Workforce Development, 2023.



***The average provider
in Alaska makes under
\$30k a year***

***Not a living wage and
often not enough to
support their own
families***

***Families of child care
workers are twice as
likely to live in poverty***

ACCEE
FUND

About the Implementation Team

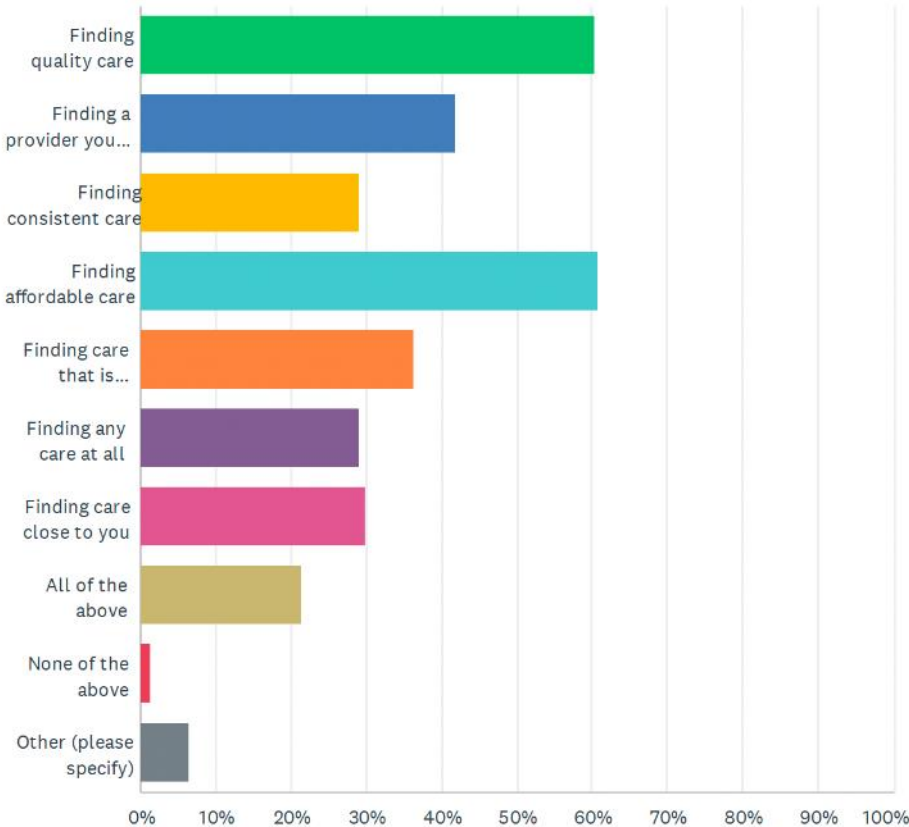
- Meeting monthly since July 2023 to evaluate **trends & best practices**, hear from **experts**, and will **make recs** to the Assembly, Mayor, and the Accountability Board
- Made up of two Assembly Members, a School Board Member, representatives from Head Start, thread Alaska, JBER, the Anchorage Health Department, community leaders, child care and early education the Anchorage Chamber, providers, and parents.

Public Engagement

- **10 public presentations** for businesses, parents, providers, and orgs in Anchorage, Girdwood, Eagle River, plus virtual (Jan-Feb)
- **Numerous meetings** (Oct-Feb)
- Survey taken by **425 individuals** (Jan-March). Shared via social media/newsletters/website, sent to providers, fliers around town, in schools, and in CC/EE programs.
- **Outreach** to dozens of entities: churches, diaper pantries, WIC, associations, Covenant House, AWAIC, ASD schools/pre-k, etc. (Jan-Feb)
- Direct communication via **website** (Jan-March)

Q6 What has been the most difficult aspect to finding care?

Answered: 235 Skipped: 190



Survey Results

Parents

92% used child care services in last 3 years

68% said cost of child care was unreasonable

80% said they would be more likely to use child care if it were cheaper

53% have chosen to stay home instead of work outside of the home because of child care issues

Survey Results

All respondents on “best use” of ACCEE Fund

- Pay child care providers more
- Provide health care and other benefits
- Increase the income limit to make more families eligible for child care assistance
- Increase the monthly amount of child care assistance a family receives
- Allow families to utilize child care assistance payments to offset personal income so a parent/caregiver can remain at home instead of work outside the home
- Fund new child care facilities or major upgrades to facilities
- Fund training/ professional opportunities
- Provide TA to new child care businesses
- Support care for nontraditional hours
- Support mobile child care or other part-time, pop-in care

Next Steps

- Ordinance creating Accountability Board, AO 2024-61(S) – 7/16 Assembly meeting
- Once Board is created, Mayor will consider applicants and make appointments
- IT will develop strategic direction and a **draft budget for 2025**
- Recommendations will be based on months of work the IT has done researching, evaluating options, and creating a matrix based on ideas produced in consultant's white paper
- To be delivered to the Accountability Board once it is seated
- The IT's Goal: Put together the most **strategic** and **effective** package possible for the Accountability Board