First Children's Finance

RECOMMENDATIONS TO MAXIMIZE ALASKA'S FEDERAL FUNDING ALLOCATED TO CHILD CARE SUBSIDY

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INTRODUCTION

Alaska's child care subsidy program, Child Care Assistance Program (CCAP) is housed in the state of Alaska Department of Health, Division of Public Assistance's Child Care Program Office (CCPO). The CCPO licenses child care centers and home-based child care, distributes federal funding to enhance the availability of high-quality child care, and is the Lead Agency for the Federal Child Care Development Fund (CCDF) functions.

Alaska's CCAP provides financial assistance for families who have low incomes and need child care to work or seek education to better support themselves. As of August 2022, utilizing CCAP enrollment data, approximately 2,900 children are participating in the CCAP representing around 2,000 families. However, approximately 33,800 children are potentially eligible for the CCAP based on state eligibility parameters. Over the past few years, there has been a decline in the number of children and families who participate in CCAP.

Child care costs, which CCAP helps to decrease for families, are one of the main determinants when families seek child care. The cost of care was the second most common top priority when making decisions about child care, following safety, in a survey conducted of Alaskan families by First Children's Finance (FCF). The high cost of child care in Alaska, and the unaffordability of that care, is one of the main deterrents to families seeking high-quality child care. Analysis from the Federal Reserve Bank of St. Louis found that nationally, a median household could expect to spend about 14% of their income on center-based care for a single child.[1] Thread's "Alaska's Early Childhood Education Data Dashboard" reports that statewide, average child care costs account for 17% of all household income.[2]

The COVID-19 pandemic significantly impacted child care and exacerbated many of the difficulties present in the child care system. With current federal relief funding in response to the COVID-19 pandemic, state CCDF administrators are at a crucial intersection. Administrators must decide how to deliver vital, direct assistance to children, families, and child care businesses. In the following report, First Children's Finance (FCF) provides the Alaska Division of Public Assistance's CCPO with a strategic report containing stakeholder feedback, findings from research, and recommendations for both immediate and long-term interventions to stabilize current child care businesses and help ensure the future of equitable access to high-quality child care for all Alaskans.

The following report lays out four strategic goals. In addition to presenting findings and evaluations on the child care subsidy system from those who interact closely with the

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[1] Bloodworth, K. & Gascon, C.S. (2022, October 6). *Estimating the Affordability of Child Care in the US*. Federal Reserve Bank of St Louis. https://www.stlouisfed.org/on-the-economy/2022/oct/estimating-affordability-child-care-us-states

[2] thread. (2021). *Alaska's Early Childhood Education Data Dashboard.* https://www.threadalaska.org/dashboard/

system, FCF offers findings, policy and process recommendations, and implementation resources.

The report recommendations are interconnected. Meaningful changes to the subsidy system to support children, families, and child care businesses should take an approach that incorporates the implementation of multiple changes. Making one change will not result in the impact that the CCPO would like to make or the results that families need. If the CCPO wants to have the greatest impact on the subsidy system, it must look at all components of the child care ecosystem and how children, families, and child care businesses interact with that ecosystem. While this report focuses solely on the subsidy ECE Business Ecosystem essential element, change must occur from multiple levels of the ecosystem to provide the impact on the child care system that the CCPO would like to see.

METHODOLOGY

First Children's Finance (FCF) engaged with a variety of stakeholders, data, and external research in the development of this report.

Document Review

To better understand the history and context of Alaska's subsidy program, FCF reviewed a wide range of documents. Some were provided by the CCPO. These included the state's Child Care and Development Fund (CCDF) plan, COVID-relief plans, summaries of COVID-related needs assessments, the Market Price Survey, the Alaska Quality Progress Report, policy manuals, program forms and applications, and advertising materials for the CCPO's programming. Other documents reviewed were created by external entities in Alaska. These included early childhood-related needs assessments and Early Childhood Alaska's strategic plan. Finally, FCF reviewed documents related to Alaska's participation in the [ECE Business Collaboratory](#).

Administrative Data Review

The administrative data reviewed fell into two categories. First, FCF reviewed Census-level data to better understand the need and uptake of child care in the state, demographics of families and young children across Alaska, and child care access. Second, FCF reviewed and summarized program-level data from the CCPO. The data described the current child care supply, program enrollment and participation, participant geography and demographics, and family co-pay and tuition costs. The data summarized in this report was provided through both regular CCPO reports and ad-hoc data requests.

Stakeholder Conversations

FCF talked with CCPO stakeholders across Alaska. FCF held two conversations with individuals or groups external to the CCPO and eleven conversations with individuals who worked for the state of Alaska. The CCPO provided an initial list of potential stakeholders for FCF to engage with. In addition to this list, FCF asked for recommended connections at the end of each stakeholder conversation. Conversations focused on experiences with the subsidy system, child care needs, child care access, and realities unique to Alaska.
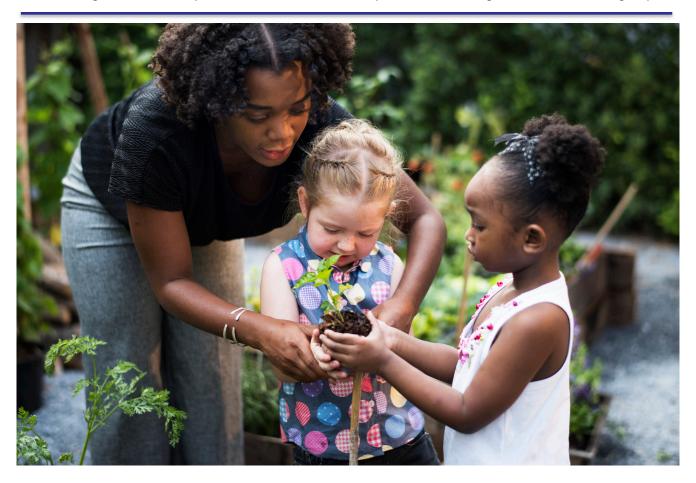
Family and Provider Engagement

FCF believes that it is critical to hear from those interacting with the subsidy system. To do so, FCF held three child care provider focus groups and three family focus groups. The CCPO and thread promoted the focus groups through their broadcasts and social media platforms. Families received a gift card and providers were entered into a drawing for a gift card as a thank-you for sharing their time and expertise. Ten providers and six parents participated in the focus groups. A summary of the focus groups can be found in Appendices D and E. To capture the experiences of more families, FCF also fielded a survey

across Alaska. The survey captured information on the needs and priorities of 74 families related to child care.

Data Synthesis

FCF summarized and analyzed the qualitative and quantitative data described above to identify trends and opportunities for improvement or change within the subsidy system. These findings and recommendations are presented in the following report.

In October 2022, FCF met with the CCPO to share findings and initial recommendations. During this meeting, the CCPO shared questions and reactions to the findings and recommendations. The CCPO assessed the feasibility of each recommendation and identified questions about implementation and needed resources. These questions and reactions guided the implementation resources provided throughout the following report.

STRATEGIC GOALS

Strategic Goals for which Findings & Recommendations Are Provided

Expand Family Participation

Increase the Supply of Child Care Businesses

Enhance CCPO Infrastructure

EXPAND FAMILY PARTICIPATION
CCAP APPLICATION & ELIGIBILITY

FINDINGS

Subsidy Need

There are multiple ways to understand the need for the CCAP in Alaska. Alaska's [Early Childhood Needs Assessment](#) found:

- There are 94,000 children from birth through 8 years of age in Alaska, including 61,900 children from birth through 5 years of age.

- Among children birth through 5 years of age an estimated 47,000 (75%) need child care or preschool services because all available parents or guardians are in the labor force.

Over the last ten years, Alaska has seen a 10% decrease in the number of children in the 0-4 age group. This can inform an understanding of subsidy needs and usage over time.
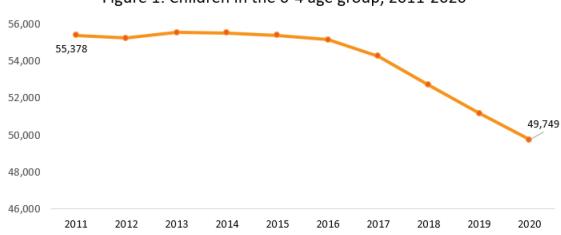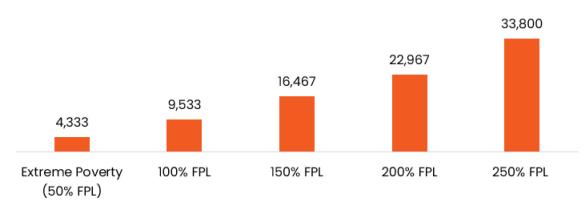

Figure 1: Children in the 0-4 age group, 2011-2020

Source: Population Division, U.S. Census Bureau

To understand subsidy need, FCF also considered program eligibility. Families making less than 85% of Alaska's state median income, $88,464 for a family of 4, and participating in a qualified activity are currently subsidy eligible. Using this income level as a guide, approximately 33,800 children under age 13 and 13,000 children under age 5 are living below 250% of the federal poverty guidelines ($64,816 for a family of 4) and have all available parents in the workforce. Figure 2 shows the number of Alaskan children under age 13 living at 50%, 100%, 150%, 200%, and 250% of the Federal Poverty Level (FPL) with all available parents in the workforce. These children would potentially be eligible for child care subsidy.

Figure 2: Number of Children under 13 in Families Across Income with Parents in the Workforce

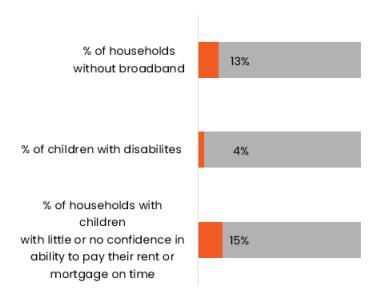| Category	Number
Extreme Poverty (50% FPL)	4,333
100% FPL	9,533
150% FPL	16,467
200% FPL	22,967
250% FPL	33,800

Source: Population Reference Bureau, analysis of data from the U.S. Census Bureau, Census 2000 Supplementary Survey, 2001 Supplementary Survey, 2002 through 2019, 2021 American Community Survey.

Another view of potential subsidy need is to consider current public assistance usage. Approximately 26,000 children under age 13 and 10,000 children under age 5 are in families in Alaska that receive public assistance. These families may also benefit from child care assistance.

In addition to this broad view of potential subsidy eligibility, there are specific populations that may especially benefit from child care assistance or that the CCPO may want to prioritize. Figure 3 illustrates the current frequency of some of these groups and experiences across the state.

Figure 3: Special Populations

Category	Percentage
% of households without broadband	13%
% of children with disabilites	4%
% of households with children with little or no confidence in ability to pay their rent or mortgage on time	15%

In addition to these experiences:

- 3,190 children are confirmed by Child Protective Services as victims of maltreatment[3]

- 1,979 children under 15 are in foster care[4]

- 475 births to teen parents (under 18) occurred from 2017-2021[5]

- 2,285 births to teen parents (under 20) occurred from 2017-2021

Current Subsidy Use

With this understanding of potential subsidy need and eligibility, FCF also explored CCAP usage. As of August 2022:

- 2,896 children were authorized for PASS I-IV subsidy

- 2,006 families were authorized for PASS I-IV subsidy

- 8 children were authorized for Alaska IN!

- 7 families were authorized for Alaska IN!

From October 2020 to March 2021, there was an average of 2,552 children authorized for subsidy each month. Among active or open cases during this period, most primary family members were working as their eligible activity (average of 92% across the 6 months). Training and education was the next most frequent activity (4%), followed by seeking work (3%).

From October 2020 to March 2021, there was an average of approximately 220 families applying for new or reauthorized subsidy each month. For comparison, in October 2019, approximately 280 families applied for a new or reauthorized subsidy. From October 2020 to March 2021, there was an average of 40 cases or applications per month that were denied or closed. The most common reasons applications were denied were the failure to provide information (62% of denied applications), excess income (16%), and no eligible activity (12%).

From October 2020 to March 2021, school-age care was the most common category of care for authorized children, as illustrated in Figure 4.

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[3] U.S. Department of Health and Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau. National Child Abuse and Neglect Data System (NCANDS) Child File, FFY 2000–2020.

[4] Child Trends analysis of data from the Adoption and Foster Care Analysis and Reporting System (AFCARS), made available through the National Data Archive on Child Abuse and Neglect.

[5] Centers for Disease Control and Prevention, National Center for Health Statistics. U.S. Census Bureau, Population Division

Figure 4: Category of Authorized Care, October 2020-March 2021

Infant 5.00%
Toddler 20.33%
Pre-School 29.00%
School Age 45.67%

Figure 5 outlines the racial background of families authorized for care during this same 6-month period. In addition to the racial breakdown of children authorized for subsidy, shown below, 13.6% of children identified as Hispanic.

Figure 5: Racial Identify of Children Authorized for CCAP, October 2020-March 2021

Caucasian 49.83%
Multi-Racial 25.33%
African American 8.67%
Not Provided 7.00%
Alaskan Native 4.33%
Hawaiian/Pacific Islander 2.83%
Asian 2.00%
Native American 0.87%

The geographic distribution of children authorized for care is shown in Appendix C. To better understand how this compares to the geographic need, the figure compares this to the distribution of all children under 13 in the state and the distribution of families living below 300% of the poverty level ($79,500 for a family of 4). In March 2021, children authorized for subsidy were overrepresented in the Anchorage area. Aleutians East, Aleutians West, Bethel, Bristol Bay, Dillingham, Hoonah-Angoon, Kusilvak, Lake and Peninsula, North Slope, NW Arctic, Skagway, Wrangell, Yakutat, and Yukon-Koyukuk did not have children authorized for CCAP in March 2021. Denali and SE Fairbanks had fewer than 5 children authorized for subsidy. Together, approximately 13% of Alaska's children under age 13 and 15% of families living below 300% of poverty, live in these regions.

Stakeholder Feedback

Stakeholders shared a variety of experiences and challenges with family access to CCAP. Feedback covered program design, policy disconnects, program processes, and rates for families.

Policy Disconnects

Stakeholders noted a variety of subsidy-related policies that felt disconnected from the realities of parents, families, and providers. Most fundamentally, they shared that the experience of the subsidy system is built on a set of assumptions about reducing fraud as the primary goal. These fraud prevention practices, including interviews and lengthy paperwork, make the CCAP application and approval process difficult for some families to navigate.

Providers who care for school-age children shared frustration with the lack of full-time subsidy authorizations available for school-age children. This policy does not account for school-age children who are doing virtual school in a child care setting, summer, or winter break days where additional care is provided, or for families who work outside of the traditional 9-5 hours. Similarly, the definition of "school-age" causes challenges for some. Children who are age 5 but are not eligible for kindergarten because of where their birthday falls in the calendar year receive different subsidy rates that do not reflect the cost of care.

Accessibility of Application & Benefit

Stakeholders shared that accessing the CCAP application and benefits was a challenge for many families. The application process can be so difficult for some families that it drives them to unlicensed care. Some areas or policies that cause specific challenges include:

- All state services are only provided in English. While CCAP grantees use the translator line, this is not sufficient if families do not have someone to help them complete the application. Support is especially needed for Indigenous families.

- Getting the right paperwork from families can be a challenge. Specifically, the challenges include:

    o Gig-workers: the requirement to earn over minimum wage and to obtain a business license are significant barriers for self-employed parents.

    o Verification of citizenship for a child born in the US: The amount of time it can take for a parent to obtain a birth certificate or hospital birth record, can take longer than the amount of time that the CCPO can keep an application open for processing.

    o Health & immunization records can be challenging to obtain.

    o Verification of work schedules, especially as families start new jobs, creates a barrier to authorization.

    o Requiring a physical signature on the documents is a barrier.

Child Care Affordability

Child care can be one of the most expensive items in a family's budget. Statewide in Alaska, average child care costs account for 17% of all household income. For single male households, this cost is 26% of household income. It rises to 38% of household income for single female households.[6] In a survey of 74 Alaskan families completed by FCF, cost was the second most common top priority when making care decisions, following only safety. 60% of families in the survey reported that child care has some or a large impact on their family's budget. Families shared that these child care costs result in decreased savings for short and long-term goals like an emergency fund or retirement, increased daily stress, and limits to the other fun activities for families or extra-curricular activities for children.

Affordability of child care remains a challenge for many families currently participating in the CCAP. Stakeholders consistently shared that the current family benefit does not feel worth the effort it takes to apply for many families. While co-pays for Parents Achieving Self Sufficiency (PASS) [7] II & III families are capped at 9% of family income, this is still above the ACF's recommended benchmark of 7% of a family's income.[8] Figure 6 shows the distribution of family co-pays as a percent of family income for PASS II and PASS III families.[9] For example, 25% of PASS II families pay a co-pay that is 6% of their family income. The average co-pay is $141 for PASS II families and $236 for PASS III families.
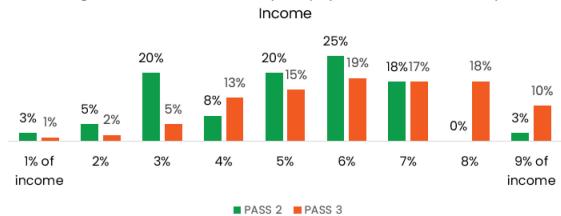
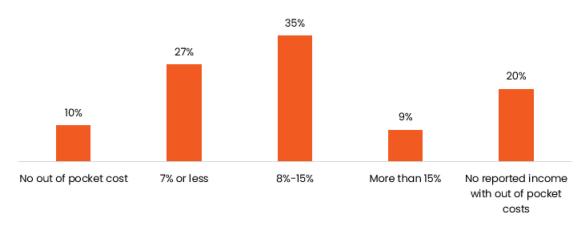Figure 6: Distribution of Family Co-pays as a Percent of Family Income

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Figure 7: True Out-of-Pocket Costs for all PASS Families

No out of pocket cost	7% or less	8%-15%	More than 15%	No reported income with out of pocket costs
10%	27%	35%	9%	20%

This co-pay does not necessarily reflect a family's true out-of-pocket cost for child care. When providers charge more than the state reimbursement rates, families are responsible to cover the difference. Figure 7 shows the distribution of actual out-of-pocket costs (this tuition difference + co-pays) as a percentage of income for all PASS families.

Figure 8: Out-of-Pocket Costs as a Percentage of Family Income for PASS II & III Families

No out of pocket cost	7% or less	8%-15%	More than 15%
1%	38%	49%	12%

When looking at out-of-pocket costs for just PASS II and III families, the only families who have income data reported in ICCIS, 61% of families are paying more than 7% of their income for child care costs. On average, PASS II & III families spend 9% of their income on total out-of-pocket costs for child care.

Figure 9: PASS I and IV Families with Out-of-Pocket Costs

No Costs: 32%

Out of Pocket Costs: 68%

PASS I and PASS IV families do not have income data reported in ICCIS and have no program co-pays. However, when looking at their true out-of-pocket costs, 68% of PASS I and PASS IV families have out-of-pocket costs due to the difference between subsidy reimbursement rates and provider tuition. A total of almost $45,000 is owed each month by the 480 PASS I and PASS IV families included in the ICCIS data provided by the CCPO to FCF in September 2022. The average cost is $138 among the families who do have an out-of-pocket cost. The impact of these costs is either borne by families with very limited incomes or passed on to providers as lost revenue.

Communication Within System

Challenges with information sharing between the CCPO, CCAP grantees, providers, families, and other family support organizations contributed to barriers to access. It is not always clear whom to go to within the CCPO or at the CCAP grantee's office to get the information that stakeholders need. Stakeholders noted that it can be challenging to get a clear answer, as there is room for interpretation in subsidy policy.

Even though CCAP is a family benefit, providers are often engaged with the subsidy process by providing support to families in the application process. It is hard for providers to get the information they need to either meet their business needs or support families in accessing subsidy. For example, providers are not notified if families are not reauthorized for subsidy. Providers expressed interest in being notified when families are about to enter the renewal process to support the continuity of payment for providers and provide support to families during the renewal process. Additionally, families do not understand what updates need to be provided to the CCPO. For example, if a provider has multiple sites and a child goes to a different location for a day, due to staffing challenges or family needs, that information needs to be reported within 10 days of the change or that day cannot be covered by subsidy. Currently, that needs to be reported to the CCPO by families, not child care providers. This uncertainty about needed updates to the CCPO results in lost income for providers and/or increased costs for families.

RECOMMENDATIONS

1. *Operationalize the strategic priorities for the CCAP by aligning family eligibility, program funding, and application processes.*

The CCPO should review current rate-setting policies and practices in the context of its strategic priorities. This should be done to ensure progress toward the CCPO's vision of safe, healthy child care that is available and affordable for all families in Alaska. Before this review, the CCPO should clearly define its strategic priorities and ensure that there is a shared understanding between the CCPO staff. Decisions to be made around these strategic priorities may include:

- Who are the priority groups of families or children, in addition to those defined by the OCC, that the CCPO wants to support? This may include some of the groups outlined above.

- Are there geographic regions where the CCPO wants to focus on increasing child care access?

- Does the CCPO want to prioritize serving more families with a smaller subsidy amount per family? Or fewer families with greater financial support per family?

The answers to questions such as these may already be determined. Answers may come from the CCPO leadership or be discussed and decided between CCPO staff with input from community partners. Data provided in this report may be used to inform priorities. The CCPO should clearly document these strategic priorities so they are known across staff and can serve as a guide for future decisions.

With a shared understanding of these strategic priorities, the CCPO should review family eligibility, program funding, and application processes to ensure that they facilitate progress toward strategic priorities. The CCPO should then develop an aligned action plan to address needed changes. Depending on the priorities and goals of the CCPO, potential changes could include:

- Changes to program eligibility such as allowing job searches at the time of application

- Categorical eligibility for priority groups (ex: child care providers, families experiencing homelessness)

- Changes to the application process or communication practices that ensure access for families without broadband internet at home

- Paying up to a provider's published rate for PASS I families or families with very low income to decrease their out-of-pocket costs

For example, after a review of data and community engagement process, Minnesota identified children with teen parents as a priority group for their CCAP program. To ensure access, the Minnesota Department of Human Services (DHS) changed its waitlist policy to prioritize these children and families. Additionally, DHS considered policy and procedure impacts on this specific group. Currently, there is a different absence policy for children with teen parents to reflect their specific needs and experiences.

2. *Simplify the application and documentation process for families.*

Stakeholders shared that the current CCAP application process is long and cumbersome, creating a barrier for some who would otherwise access the benefit. Potential areas of improvement or simplification that were raised by stakeholders could include:

- Review the forms required during the family application process and identify what information is truly needed for health, safety, and legal and fraud protection. Consider what could be captured or assumed to be known through other sources. For example, it may be possible for other state system information to be available in CCPO databases to remove barriers for Vital Records and assist eligibility staff in obtaining birth verification for children.

- Transition to one application for all DPA benefits so that families do not need to provide similar pieces of information multiple times.

- Provide a one-month authorization if a family is determined eligible but is missing work schedule information, either because of slow employer follow-up or because the parent is starting a new job.

- Develop online application processes that are mobile-friendly, recognizing that internet and broadband access is limited in some areas of the state.

- Change eligibility or documentation requirements to increase access for families who are engaged in subsistence farming or fishing, self-employed, or gig workers (Uber, Doordash, etc.) Current requirements make it challenging for these families to navigate the application process.

- Allow CCAP authorization to transfer to a new provider without having to complete a new application and authorization process.

The specific areas that the CCPO chooses to focus on will depend on strategic priorities, current organizational capacity, and the direction of internal initiatives like a single DPA application.

The OCC has created a robust guide to creating a family-friendly CCAP application available online. The guide outlines strategies for decreasing the "time tax" that families pay when moving through the CCAP application process. All of the strategies outlined in the guide comply with the CCDF rule. The guide includes resources related to defining, collecting, and verifying eligibility information in a family-friendly way, designing an

online CCAP application, and making changes while maintaining program integrity. Additionally, the OCC has created a sample CCAP application that incorporates these elements, [available with annotations online](). Multiple states including [Rhode Island](), [Missouri](), [Minnesota](), and [Illinois]() have made an online CCAP application available to families.

3. ***Allow families to receive approval for CCAP while searching for a child care provider.***

Currently, a family must be enrolled with a child care provider for approval and authorization with the CCAP. If a family is still searching for a provider or has identified a provider but is on their waitlist, their authorization will not be processed or approved. If a family is on a waitlist for their preferred provider for longer than the 30 days their application can remain open, their CCAP application will be closed. Families must then restart the CCAP application process from the beginning.

The CCPO should develop a process to allow for CCAP approval, pending child care provider enrollment. This would not function as a formal authorization, as there is no child care provider to pay. However, it would allow families to access subsidy more quickly once they are enrolled with their provider of choice. The CCPO will need to identify the needed steps to move this change forward including potential changes to data systems, applications, or policy changes.

4. ***Update family income and contribution schedule annually to reflect the most recent State Median Income.***

In alignment with CCDF policy, State Median Income (SMI) data provides the eligibility thresholds for CCAP authorization. Currently, the CCPO updates this income eligibility every three years. This timeline may result in eligibility thresholds that no longer align with the reality of families as SMI rises over the course of the three years.

The American Community Survey produces an annual update to SMI by family size. This is available in [Census Data Table B19119](). Updating the SMI annually or bi-annually with the most recent data available will support access for families who may be near the income cut-off but are still struggling to pay for child care. This more frequent update should more accurately reflect wage growth and inflationary impact in the state.

The CCPO will need to identify if this more frequent update of income eligibility will require a new rate package each year or if the update can be made outside of the usual regulatory process. If a new rate package is needed to make this update, the CCPO will need to build the organizational capacity and plan to annually move through the regulatory process.

5. *Decrease family co-pays so no family pays more than 7% of their income toward child care costs.*

   In alignment with the ACF recommended benchmark, the CCPO should decrease family co-pays, so that no family pays more than 7% of their income toward child care costs. As of the August 2022 data pull outlined above, this change would impact approximately 390 PASS III families. Using August 2022 data, co-pays, and rates, a reduction of co-pays by two percentage points for families currently paying more than 7% of their income would result in approximately $26,000 in additional monthly costs for the CCPO.

   As noted in the findings of this report, co-pays alone do not reflect the full out-of-pocket costs that families may experience for their child care. To support child care affordability, the CCPO may also consider paying up to the provider's rate for families with very low incomes, including those on PASS I or PASS IV.

6. *Explore including a cost of living adjustment in determining family eligibility.*

   The vast geography of Alaska and the variation in both incomes and cost of living across the state was a frequent theme across stakeholder conversations. This means that the same income will cover more expenses in some parts of the state than in others. To account for this variation, the CCPO should consider creating either multiple family contribution and income eligibility scales for different regions of the state or incorporating a regional cost of living adjustment when determining family eligibility. Stakeholders shared that some tribal CCDF programs currently approach this by adding a cost of living differential onto their contribution schedules.

   To better understand the current variation in the cost of living or median incomes across the state, the CCPO could partner with the State Demographer's office, Economic Development entities, or research groups. Understanding the variation between a region's median income and the statewide median income could inform what size of adjustment in eligibility needs to be made. This could be completed at a Census area level or by grouping similarly rural and remote areas together. For example, Census Data Table B19119 can be filtered to show Census Borough level estimates of median income. Some data are suppressed because of small sample sizes so additional analysis support may be needed to make actionable adjustments.

   Depending on the adjustment or different eligibility thresholds, the state may be significantly expanding eligibility to CCAP for families. The CCPO should be prepared for the possibility of operating a waitlist. This circumstance is another example where clear and shared strategic priorities will be critical to support the CCPO staff in building waitlist approaches and policies that support progress toward the CCPO's goals.

7. *Decide authorization based on child care need, rather than parent activity schedule.*

   For some families, particularly those working non-traditional hours and those seeking work, the current process of approving authorizations does not fully meet their family's

child care needs. Research from the Urban Institute finds that families working non-traditional hours experience additional barriers in accessing child care subsidy and child care options that meet their needs.[10] CCAP policies are based on the knowledge that consistent, high-quality care is a critical asset for child well-being and development. The current practice of determining eligibility based on the overlap between the provider's schedule and the parent's activity does not always recognize and accommodate the constraints and realities of employment or the need of the child for consistent care.

The CCPO should consider additional flexibility to work toward authorizations that prioritize child care need and continuity of care. This shift would prioritize the needs of the child for care. This recommendation may have a limited financial impact on the CCPO, as it should not significantly expand eligibility. Rather, it will make participation easier and more worthwhile for families who are currently approved. Additionally, this would support the business sustainability of child care providers who could depend on more consistent, full-time payments and would not have to hold a spot for a child who is only authorized for part-time care.

8. *Explore opportunities to formalize relationships with local navigators for the CCAP application process.*

One consistent theme in the feedback shared by stakeholders was that having a local touchpoint through the CCAP application process was impactful in accessing the benefit. For some, this was their child care provider while for others it was a case worker with another nonprofit or benefits program. The CCPO should explore opportunities to formalize relationships with local navigators to support both program marketing and family access to the CCAP benefit. Without a formal relationship with these local navigators, there is a risk of inaccurate information being shared with families across the state. Additionally, limited state capacity means that communities in rural and remote Alaska likely do not have a local contact.

As recommended by the Urban Institute to increase equitable access to subsidy, these navigators should be "trusted intermediaries and can help parents (and providers) navigate the child care subsidy process and ensure they can comply with requirements."[11] A strategy around formalized local navigators could take many forms including:

- Sharing approved marketing materials and resources for supporting families in the application process to providers across the state. The CCPO may also

[10] Adams, G., Willenborg, P., Lou, C. Schilder, D. (2021, January 14) *To Make the Child Care System More Equitable, Expand Options for Parents Working Nontraditional Hours*. Urban Institute. https://www.urban.org/urban-wire/make-child-care-system-more-equitable-expand-options-parents-working-nontraditional-hours

[11] Adams, G. & Pratt, E. (2021, September) *Assessing Child Care Subsidies through an Equity Lens.* Urban Institute. https://www.urban.org/sites/default/files/publication/104777/assessing-child-care-subsidies-through-an-equity-lens.pdf

consider bonus payments to providers in particular regions of the state who support families in the application process.

- Sharing approved marketing materials about the CCAP program and application process with local organizations that can potentially support families. A guide to the application process or small grants to facilitate families in accessing resources like fax machines, computers, printers, or scanners may support local organizations in facilitating CCAP access.

- Current CCAP grantees may be potential resources or partners to serve as local navigators.

- Previous CCAP family participants could serve as local navigators, in partnership with the CCPO or other local nonprofits.

While the CCPO does have current tools like the policy mailbox to field questions from CCAP grantees, stakeholders shared that the personal connection was the most important aspect of the resource. This may be completed as part of or reflected within, the CCPO's broader marketing and communication efforts. With a formal relationship in place, the CCPO can be sure that local navigators have accurate information and can receive consistent feedback on the CCAP program and application process. The CCPO can use grants or contracts to work with local navigators.

The CCPO may also consider more robust community engagement roles throughout the state that could also serve this local navigator role. These roles could be formal employees of the CCPO and would serve functions beyond supporting CCAP application and eligibility. For example, Georgia piloted a local community partnership model to increase access to early learning supports. [12] These Community Coordinators, based across the state, coordinated the delivery of available state and local services to communities, engaged with local stakeholders to align available services, increased public awareness of services, and served as a resource and referral on available state resources.

9. ***Increase feedback and engagement points during the application and renewal process.***
The CCPO consistently engages with families at the point of program application, renewal, and potentially at program exit. These administrative touchpoints provide the opportunity to gather consistent feedback from families for continuous quality improvement. The CCPO should develop data collection processes into current program procedures to understand families' experiences of questions such as:
- What is your reason for exiting the program?

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[12] For more information see the Georgia Department of Education's presentation, "How To Forge Community Partnerships To Improve Pre-K/Kindergarten School Enrollment"

- What has your experience been in the program?

- What was your experience in applying for the program?

- What steps can staff take to ensure contact information, including email addresses, is collected for families and providers?

Systems need to be developed for data collection and analysis. This may include adding fields to the application, questions to the interview process, or fields in ICCIS to capture information. The CCPO will also need to identify how staff will share and use information. For example, staff may review feedback on the application process during an annual review of the policies manual to identify opportunities for improvement. To avoid survey fatigue or creating an administrative burden for participants, the CCPO should thoughtfully consider what information they can reasonably use. Questions should only be included if the CCPO will be able to use this feedback.

ALASKA IN!

FINDINGS

Nationally, about 10-11% of children younger than age six have a developmental disability.[13] Alaska IN! provides additional child care subsidy funding for children with special needs. This is a promising strategy to provide additional subsidy or a higher reimbursement rate to support access to child care for a vulnerable group. However, the program is currently severely underutilized. As of March 2021, seven children were enrolled in the programs. In the 2020-21 school year, 1,181 children were being served in early childhood programs under the Individuals with Disabilities Education Act (IDEA) in Alaska.[14]

To participate in the Alaska IN! program a family must first be a current CCAP participant and complete the 2-page Application for Alaska Inclusive Child Care. Once the application is submitted, it must be accompanied by documentation to support the child's diagnosis. The Alaska IN! eligibility process also requires a plan of care, signed by the child care business and the parent as well as an inclusion plan signed by the child care business, family, and CCR&R. After all materials have been submitted an orientation for families is conducted after which an eligibility determination is made. When reflecting on the low participation rate, stakeholders shared that requiring a formal diagnosis can be a barrier to access. In some rural and remote areas of the state, there are only licensed medical specialists available to provide a formal diagnosis once a month. This delays the Alaska IN! application and approval process resulting in providers waiting for additional funding while providing care. Stakeholders shared that, as a result, children sometimes move frequently between providers. Others are expelled while waiting for additional support, leaving families with few options in places with a limited number of child care providers.

While the efforts to identify and communicate the roles and responsibilities of the CCPO, thread, and the family in the application process have been helpful for families, the process remains long and complex. This is especially challenging for a group of families who are likely to already be navigating multiple complex systems to find the necessary care and support for their children's needs. Additionally, the roles of the provider and the family in the application process are confusing. Providers must submit an inclusion plan and receive an observation visit from a thread representative. However, because Alaska IN! is currently structured as a family benefit and a family-driven application process, it can be difficult for a child care provider to receive updates on the process or advocate on behalf of the family.

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[13] Zablotsky, B., Black, L.I., Maenner, M.J., Schieve, L.A., Danielson, M.L., Bitsko, R.H., Blumberg, S.J., Kogan, M.D., Boyle, C.A. (2019). Prevalence and Trends of Developmental Disabilities among Children in the United States: 2009–2017. *Pediatrics,* 144 (4) e20190811. https://doi.org/10.1542/peds.2019-0811

[14] Children age 3-5 being served under IDEA, U.S. Department of Education, EDFacts Data Warehouse (EDW): "IDEA Part B Child Count and Educational Environments Collection," 2020-21. Data extracted as of July 7, 2021 from file specifications 002 and 089., Accessed 16 September 2022 https://data.ed.gov/dataset/idea-section-618-data-products-static-tables-part-b-count-environ-table2/resources

One stakeholder noted that they feel each party should have equal access to application information and progress as well as equal responsibility in moving the process forward. Similarly, even though thread provides support and technical assistance through the application process, they are not notified about application funding decisions. This makes it challenging for thread to provide follow-up support to providers and families.

The Alaska IN! benefit amount is determined as a percentage of the CCAP authorization a family receives. Families often feel that this benefit amount is not worth the effort required to access the program. Additionally, this does not reflect the true cost of providing care for that child with special needs. In many cases, the needed accommodation is long-term funding to support the need for dedicated staff attention or one-on-one care. However, the Alaska IN! program is set up to cover one-time or short-term costs. If a program can use the Alaska IN! benefit to support additional staffing, providers need to identify the person who will be providing care before approval. This can result in additional delays in program approval due to labor shortages or the background check process.

From a more fundamental program design perspective, multiple stakeholders noted that there is a group of children and families who are not subsidy-eligible and for whom appropriate child care is inaccessible because of additional needs and their associated costs. The following recommendations for the Alaska IN! program will assist the CCPO in increasing its awareness of the needs and experiences of families as they navigate child care options that best meet the needs of their child.

RECOMMENDATIONS

1. *Streamline the Alaska IN! application process by including it in the CCAP application process.*
   To decrease the burden on families and increase access to Alaska IN!, the CCPO should capture necessary information through the CCAP application process to facilitate enrollment in Alaska IN! One stakeholder noted that as a provider moves through licensing, onto the CCAP application, onto the Child Care Grant application, less and less information is captured in each application because the information is already known by the CCPO. The CCPO should consider how a similar approach can be taken with the Alaska IN! application and authorization process.

   Similarly, the CCPO should streamline and integrate the Alaska IN! policy manual into the PASS policy manual. This should be completed to simplify processes for families and increase access. Current DPA programs like long-term care and adult public assistance already follow a similar process. Additional collaboration with the other offices can prove helpful for simplifying the approval process for children and families. DPA maintenance funds can be used for items that CCDF funding cannot cover.

   As the CCPO is currently in the process of considering an online application, efforts should be made to include the necessary verifications and approval affidavits that are necessary for Alaska IN! into the general CCAP process. At the time of CCAP approval,

the family or even the child may not have the necessary documents or even the diagnosis to receive Alaska IN! services. When situations like this arise, CCAP eligibility staff should follow the standard process for administering a case change and adjust the authorizations for care as needed. In some cases, the family also may not have secured a child care setting for their child. In situations such as this, the CCPO should keep the case active and approved and allow a specific time period for the family to provide details about their chosen child care setting. Additional referrals to thread should be made to assist the parent in accessing a child care slot.

2. *Increase the subsidy reimbursement rate for providers who serve children with special needs.*

One of the main factors affecting the supply of child care providers serving children with special needs is the cost of providing care. For some providers, accommodations such as equipment, training, and/or staffing may require a great financial investment which may be perceived as a risky business decision.[15] Currently, providers who are participating in Alaska IN! receive a supplemental percentage based on the cost to the child care provider for additional services divided across the family's months of CCAP eligibility. However, if the provider costs of care, established with the assistance of a thread representative, exceed the amount of subsidy that a family is authorized for over their remaining eligibility period, any amounts in excess will not be reimbursed or carried over to the next certification period. This could potentially result in providers refusing to serve a family if they are unable to understand the funding that they would receive or secure all the funding that would be necessary to serve the child. To acknowledge the cost associated with providing care that meets the specialized needs of each child, the CCPO should incentivize the service of children with special needs by increasing the reimbursement rate. There are a few models currently in place in other states that the CCPO could explore for implementation in Alaska.

Currently the Alaska IN! reimbursement amount cannot exceed the CCAP reimbursement rate. However, many providers' published rates for serving children do not meet the full cost of providing care and the current subsidy rate does not fully reimburse for the cost of care. The costs of providing care are greatly increased for providers serving children with special needs. The CCPO should consider reimbursing child care providers serving children with special needs who qualify for Alaska IN! at 100% of the child care provider's published rate. The state of Georgia implements a similar procedure in which if the child care provider's rate exceeds the state maximum reimbursement rate for a child with a special need, the state will authorize a certificate

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[15]Essa, E. L., Bennett, P. R., Burnham, M. M., Martin, S. S., Bingham, A., & Allred, K. (2008). Do Variables Associated With Quality Child Care Programs Predict the Inclusion of Children With Disabilities? Topics in Early Childhood Special Education, 28(3), 171–180. https://doi.org/10.1177/0271121408324447

of care that exceeds the reimbursement rate but is also equal to the provider's published rate.

The state of Texas provides an Inclusion Assistance Rate to child care providers. The Texas Workforce Commission, through the workforce development boards, may reimburse up to 190% of the provider's reimbursement rate to assist in the care of a child with disabilities. Similar to Alaska, Texas requires that a qualified professional familiar with assessing the needs of children with special needs certifies the need for a higher reimbursement rate. For more information on inclusion assistance rates, see the Child Care Services Guide, Section B-700.

Contracted slots can also be used as a method of providing an increased reimbursement to child care businesses that commit to serving vulnerable populations such as children with special needs. Direct contracts can be established with child care programs throughout the state or awarded through a competitive process that would pay the business an upfront payment for slots for children receiving subsidy on a yearly or multi-year basis.[16] Contracted slots are also a payment practice that can help to stabilize child care businesses. Contracted slots provide stable and consistent payments for the enhanced services provided, which are often a barrier to providers serving children with more complex needs.

Rather than requiring families to cover the difference between the state's subsidy rates and the provider's published rate, the CCPO should reimburse providers at a higher rate for serving children with special needs. Doing so would decrease the financial burden on families and incentivize providers for providing care to a vulnerable population thereby increasing access to care.

3. *Provide increased targeted funding and support for child care businesses to access materials and training for providing care to children with special needs.*
In recognition of the need for an increased supply of child care providers who serve children with special needs, the CCPO should provide targeted support and accompanying funding to child care businesses. The support and funding should be focused on providing training to child care providers to increase their knowledge and awareness of how to specialize care for the diverse needs of children with identified special needs. If a child care provider is unfamiliar with the needs of a child and how best to support them, they may be less likely to accept the child for enrollment. Training provided to child care providers should be a multi-entity effort including not only the CCPO but also other stakeholders that champion disability services and inclusion such as thread, Stone Soup Group, Best Beginnings, Help Me Grow Alaska, All Alaska Pediatric

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[16]Early Childhood Initiative. (2021, January). *Payment Practices to Stabilize Child Care.* Bipartisan Policy Center. https://bipartisanpolicy.org/download/?file=/wp-content/uploads/2021/01/BPC-ECH_Payment-practices_RV5.pdf

Partnership or the AK Departments of Public Health, or Education and Early Development or Disability Services division.

Establishing or increasing rates helps address the costs of child care but it is not sufficient. As child care providers become more familiar with the varying needs of children with disabilities, they will also need to ensure that the cost of necessary facility infrastructure, materials and equipment, and staffing expenditures are in line with the best business practices. To provide these services, the state should consider collaborating with other state offices serving the same populations to determine ways to layer multiple funding streams to support children with special needs. Currently, the state's procurement process creates a barrier for this potential strategy. The CCPO could explore how the use of alternate public and private dollars could be used to bolster these initiatives.

4. ***Develop consumer education resources for families of children with special needs.***
   The CCPO should increase awareness of Alaska IN! to better acquaint families with the benefits of the program, finding a child care provider, and navigating the CCAP approval process. Stakeholders noted that families with a child with special needs are dedicating a significant amount of time to navigating their child's medical needs which can be very cumbersome and confusing and involves multiple practitioners, appointments, and paperwork. More guidance for families navigating the CCAP process, especially on the needed documentation, would greatly assist families.

Many families begin the application process but are denied the benefit because they fail to provide documentation. Communication during the application process should be clear, concise, and in plain language to clearly outline the application process and expectations for families. Additional support and assistance from CCPO eligibility specialists will be needed to ensure families can navigate the process. Additional collaboration with other agencies and entities serving this same population, such as the Alaska Department of Education and Early Development, Alaska Department of Health, Division of Senior and Disabilities Services, Stone Soup Group, or All Alaska Pediatric Partnership may support families moving through the Alaska IN! eligibility process. These partners can assist the CCPO in developing resources as well as facilitating connections with families and children who may also be eligible for CCAP. Families of children with special needs with low income are more likely to use informal child care arrangements and experience more child care instability.[17] The increased outreach and education could also help families to select the most appropriate child care setting.

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[17] Booth-LaForce, C., & Kelly, J.F. (2004). Childcare Patterns and Issues for Families of Preschool Children With Disabilities. Infants & Young Children, 17, 5–16.

INCREASE THE SUPPLY OF CHILD CARE
CHILD CARE SUPPLY

FINDINGS

Providers must engage with the state's child care licensing process to accept child care subsidy. As a result, barriers in the licensing process can significantly limit the supply of available providers and child care slots that accept subsidy. This impacts the experiences of families in accessing care. In a survey of 74 Alaskan families, a lack of availability of providers was the most common reason that families had trouble accessing care. This is reflected in the experiences of two parents:

> *"I could really use childcare assistance and was approved but no places ever have availability or ones that do can't do my hours."*

> *"There is an extreme lack of availability of childcare providers. On the previous questions, I indicated several factors were "not important" in our decision-making about child care. This in NO WAY should be interpreted that our family does not care about those factors, simply that we have never had a situation where we were able to compare. We have never had a CHOICE of child care as we were only able to locate and secure one spot for our son. Cost, location, safety, quality, etc. should be important to families and it would be wonderful to be able to have choices between providers, but it is so difficult to find availability that families end up just taking whatever spot they can find."*

As of August 2022, there were 490 state-licensed providers in Alaska.[18] Figure 10 shows the number of licensed or approved programs, by type, across the state. Between July 2020 and August 2022, there was a 7% decrease in the number of licensed providers, down 36 licensed providers. There is only one state-licensed or approved provider in the Denali,

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[18]Child Care Services Monthly Report SFY 2023, August 2022

Dillingham, Hoonah-Angoon, NW Arctic, Prince of Wales, SE Fairbanks, and Yakutat Census Areas. There are no state-licensed or approved providers in the Bristol Bay, North Slope, or Wrangell Census areas.
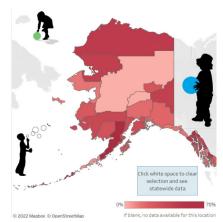
Figure 10: Number of Licensed or Approved Programs, by Program Type

For another view of licensed capacity, thread's [Early Care and Education Data Dashboard](#) identified:

- Statewide, there is a gap of 13,204 slots between the need and the licensed capacity.

- Across Census boroughs, the largest number of needed slots are in Anchorage (6,599 slots), Fairbanks-North Star (1,930), Matsu (1,400).

- The largest percentage gap of needed slots are in Lake & Peninsula (70% of needed slots do not exist, 127 slots), Haines (62%, 96 slots), and Aleutians West (54%, 131 slots). The map to the right shows the percentage of slots that are not met by the current supply.

A strength of the current system is that the majority of licensed and approved providers (80%) are currently participating in the CCAP. This means that they are approved by the state to accept and care for a child with subsidy, not that they currently have a child approved for subsidy in care. Figure 11 shows the percentage of providers participating in subsidy, by provider type. This high rate of participation in the CCAP suggests that new child care slots need to be added to the system to meaningfully increase access to subsidy for authorized families and children.

Figure 11: CCAP Participation, by Provider Type

Provider Type	Percent
All Licensed Provider Types	80%
Licensed Home	87%
Licensed Group Home	94%
Licensed Center	86%

The following themes related to licensing emerged throughout stakeholder conversations and provider focus groups:

Licensing Process is Confusing or Challenging

Providers shared that some internal processes create barriers to efficient licensing. For example, one region's experience was that licenses are only issued on the first day of the month. For one new provider, this meant that working to bring things up to code following a licensing visit required a month-long wait for follow-up, resulting in a process that took over six months. This puts a financial strain on providers who may have start-up or expansion-related costs and cannot financially delay opening or expanding.

Another stakeholder noted that internal licensing processes are not always available in writing, making them unclear, hard to track, and contributing to distrust. Some requirements in the licensing process are internal processes, rather than formal licensing regulations. Because these requirements are not documented, providers feel like they cannot fully prepare for licensing. The lack of transparency around these internal processes is a barrier in accessing licensing. Limited staff capacity in licensing is adding a burden on providers. Because there are so many entities involved in the licensing process (Alaska Background Check Program, Business License, Department of Environmental Conservation (water/food service), Local or Regional requirements, Fire Marshal, thread) it can be hard for potential providers to get clear information on where they are in the process.

Start-up and Maintenance Costs are Prohibitively High

In addition to the typical costs of finding, setting up, or retrofitting physical spaces, completing required trainings, and acquiring required licenses permits, and associated fees, the realities of operating a child care business in Alaska result in remarkably high start-up costs for providers, especially in rural and remote Alaska. For example, one provider shared that the costs of transporting fire extinguishers to rural or remote regions of the state can be well over $1,000. Another challenge providers expressed was the recent requirement from the CCPO that providers use a static IP address. This requires that providers have a business internet account which can be prohibitively expensive for some providers.

These excessive costs discourage providers, especially school-age providers, from opening new programs. Among school-age programs, current subsidy rates are not enough to make it affordable to open programs. Some school-age programs have looked at opening programs but found there are not enough families who can pay their required co-payment in combination with the subsidy rate for programs to break-even.

Process Creates Barriers to Specific Provider Groups

School-age providers were clear that they feel that licensing standards are not a fit for school-age programming. For example, staff have to meet training requirements (like SIDS training) that are not relevant to the children they serve. School-age program operators need to pay for a fire inspection even when they are located in a school district building that they have no control over.

Additionally, licensing barriers decrease the availability of approved relative providers. Some stakeholders noted that it seemed like the CCPO was trying to move away from relative providers because of the significant barriers in the application process. Some of the barriers include space requirements like traditional water systems rather than wells or flush hall tank systems, fencing, or egress windows, access to background checks and rolling fingerprints, requiring relative providers to show a diploma, requiring a business license, and collecting and submitting all the required marriage and birth certificates. Stakeholders noted that there is some hesitation to engage in the approval process from potential approved relative providers, especially around inviting a state licensing representative into their home. In rural and remote areas of the state where there is not currently a licensed provider, approved relative care provides the opportunity to expand access to safe child care options. To realize this potential and address some of the barriers in the licensing process, there is a need for accessible materials and trust building with potential providers.

Rural and Remote Providers Face Barriers

Meeting licensing requirements is a barrier for potential providers, especially in rural and remote Alaska. These barriers include:

1. **Physical space:** Suitable and affordable locations for child care are limited. In rural and remote areas, it can be challenging to find physical spaces that meet licensing requirements related to water systems, outside space, and fencing.
2. **Internet connectivity**: Completing the required health and safety training online is bandwidth intensive. Training can take significant time if providers experience bandwidth issues and use up most of a provider's monthly internet package.
3. **Background checks**: There are two main challenges related to background checks. First, there is a challenge of providers getting access to an Alaska State Trooper's detachment to have their fingerprints rolled. The table in Appendix D shows the distribution of child care providers across Census areas, along with state trooper presence in those regions. Because fingerprinting is a federal requirement for licensing, potential ECE staff cannot start working until they have cleared background check protocols. Delays or challenges

in this process can result in staff leaving for new roles before they are even able to start, exacerbating existing workforce challenges.

The other main challenge is the requirement that anyone living in the home of an in-home child care provider must also be fingerprinted. It is common for multiple generations and extended families to be living in the same household, especially in rural and remote parts of the state. This both increases the challenges of the fingerprinting process and increases the start-up costs for providers.

RECOMMENDATIONS

1. *Invest in community engagement efforts to expand access to CCAP-eligible licensed child care facilities.*

   Acknowledging the realities of Alaska's expansive geography, the CCPO should utilize locally based partners to assist new and existing child care business owners as they navigate the start-up and expansion process and their participation in the CCAP program. The CCPO should explore the use of local child care liaisons that would be a source of information and resources in each Alaskan community. The CCPO could hire a community liaison or contract with a local organization to provide support to potential providers.

   Some potential supports liaisons could provide include details and resources for navigating the state licensing process, assistance in navigating the multiple touch points such as fire inspections and business licenses, and assistance in finding sources of capital. These liaisons could roll and collect fingerprints, answer questions about licensing and the CCAP, and support access to training or other needed resources. Community liaisons could also speed up the licensing process by offering local services, with a higher frequency than the CCPO is currently able to provide.

   Similar efforts are underway in the state of Michigan. The state recently launched the Our Strong Start program which is aimed at simplifying the process for new child care programs to become licensed. The program will be run by the state licensing bureau and "will counsel potential business owners, help them understand and quickly navigate the licensing process, assists them in creating a business plan and connect them with grant funds to open their child care business."[19]

   Liaisons could also assist the CCPO in promoting the importance of child care field and encourage increased involvement in the field whether through entrepreneurship or participation in the ECE workforce. If built into the CCPO's broader community

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[19] Licensing and Regulatory Affairs. (2022, September 13). *Gov. Whitmer Launches New Program to Help Entrepreneurs Open New Child Care Programs, Increase Availability of Affordable Care for Parents.* https://www.michigan.gov/lara/news-releases/2022/09/13/gov-whitmer-launches-new-program-to-help-open-new-child-care-programs

engagement efforts, these liaisons would also serve as a way for the CCPO to better understand the needs and experiences of families and providers across the state.

2. ***Develop a guide to support child care businesses in understanding Alaska's Child Care Grant Statute and Regulation***

   CCPO stakeholders shared that understanding licensing requirements and processes can be challenging. The CCPO could engage with providers and potential providers to better understand common points of confusion. Informed by this, the CCPO could co-develop materials that outline the licensing process, requirements, costs, available supports, and timelines in an accessible way. The Introduction to Licensing presentation provides a helpful starting point for further development and clarification.

   The guide could provide child care business entrepreneurs with a better understanding of licensing requirements by providing data, examples of compliance, and additional resources such as referrals to other agencies or even approximate completion timelines based on feedback and testimonials from current child care entrepreneurs. Additional guidance from other state agencies involved in the licensing process could also be added such as information from Alaska's Fire Marshal's office, Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, and Department of Environmental Conservation. The development of the guide could also help the CCPO increase communication, collaboration, and trust building with child care businesses. Developing relationships with these state agencies can help create more efficient guidance and processes for child care business entrepreneurs. It will be important for the guide and any additional materials to use plain language that will help to promote greater clarity and understanding of regulations among and between child care businesses. For example, Minnesota has developed a licensing guide for family child care providers.

3. ***Streamline child care provider licensing and subsidy application processes.***

   After child care programs complete the licensing process with the CCPO, they must complete a separate application to participate in CCAP. The 2-page Licensed Provider Child Care Assistance Application collects applicant information, signatory authority for CCAP actions, and signed acceptance of CCAP policies and procedures. Child care businesses also have to complete the State of Alaska's Electronic Payment Agreement to collect banking information and associated authorizations. Both forms are distributed and collected by CCAP grantees that are contracted to provide CCAP eligibility and administrative functions. Completing this separate application is an extra step and a potential barrier to CCAP participation.

   The CCPO should simplify the application for CCAP participation by either including it as an additional licensing packet attachment or by incorporating any additional agreements and authorizations into the licensing process. The first option of adding the CCAP application documents to the current licensing application packet could be an initial step toward streamlining the two processes. The CCPO could add a section in the

packet to promote the benefits of CCAP participation for child care businesses and allow businesses to submit all information at the same time. Once the CCAP application is submitted to the licensing unit, it can then be routed internally to the appropriate staff persons in the subsidy unit to process.

Alternatively, the CCPO should consider automatic enrollment in CCAP for providers through licensing process. Rather than permitting child care businesses to opt-into participating in the CCAP, the CCPO could have providers opt-out. During the standard licensing process, the necessary information and forms for CCAP could be collected. If a child care business decides not to participate in CCAP, they would need to submit separate paperwork opting out. While providers could still make decisions about their enrollment, this would remove a potential administrative barrier. Lastly, as an additional administrative barrier to consider, the CCPO should develop a mobile-friendly process for submitting required licensing and CCAP authorization documents for providers that would allow them to start and save their application as well as view their progress throughout the licensing process.

4. ***Provide start-up funds or start-up grants to increase child care supply.***
To increase the supply of CCAP-eligible licensed providers, the CCPO should provide start-up or expansion funds or support. Lack of start-up funds can be a barrier to opening new child care businesses, especially if there are delays in licensing process, which postpones the ability to earn revenue. Start-up or expansion grants or forgivable loans can help providers or potential providers navigate these upfront costs, increasing access. The CCPO could use relief funds to provide these grants.

[Missouri](#) and [Minnesota](#) provide examples of how two states have used their COVID relief funds for start-up or facilities grants. Missouri has focused its second round of start-up grants on new providers in rural areas who will serve the children of small business employees. Providers can apply for start-up support grants of up to $250,000 after they submit their application for a new child care license. Minnesota has partnered with First Children's Finance to administer start-up and expansion grants. Grants range from up to $500 to $20,000, depending on the provider type. Grants can be used to complete facility improvements, minor renovations, and cover related equipment and services, including assistance to meet licensing requirements to establish, maintain, or expand licensed and legal unlicensed child care sites.

The CCPO can consider partnering with an external entity to facilitate these start-up grants. Potential partners may include thread or the Alaska Small Business Development Center. Stakeholders shared that start-up costs in Alaska are especially high due to the inflated costs of supplies. Costs are higher still in rural and remote areas of the state due to shipping costs. Given this, the CCPO should consider the inclusion of material purchasing in allowable expenses and dollar amounts of grants that address these high start-up costs.

Internet access is also a barrier for some new providers. For all providers, the recent requirement of a static IP address, following the cyber-attack, is an added operating cost. For rural and remote providers, inconsistent broadband access can make it challenging to complete the licensing process. The recently passed federal infrastructure bill includes funds for rural broadband access. The CCPO should explore partnerships with the newly formed Alaska Office of Broadband within the Department of Commerce, Community, and Economic Development to explore focused efforts to support child providers.

5. *Provide guidance or partner with an entity to guide in-home and relative care providers through the business license process.*

   As of March 2021, there were eleven approved relatives or approved in-home care providers across the state. In rural and remote areas of the state, stakeholders shared that approved in-home and relative care is an important way that families access child care and subsidy. Additionally, engaging approved relative and in-home care providers in the formal CCAP system can support quality care and the health and safety of children.

   As discussed above, there are significant barriers to becoming an approved relative or in-home provider. Navigating the formal system of applying for a business license is a barrier for many potential in-home and approved relative providers. To support potential providers in this process, the CCPO should develop materials that provide guidance on how to apply for a business license. The CCPO could also consider formal partnerships with the Alaska Small Business Development Center or the Alaska Small Business Assistance Center to support access to potential child care business owners in navigating this process.

6. *Develop materials to publicize the variance process and possibilities.*

   As discussed above, licensing policies present barriers to potential rural and remote providers, especially related to the physical spaces available for care. The CCPO licensing team is willing to collaborate with potential providers to identify appropriate variances that still ensure the health and safety of children. However, most stakeholders FCF spoke with were not aware of this option.

   While there is information on the variance process in the current Child Care Licensing Policies and Procedures Manual, it is presented in technical language. In alignment with the recommendation for a plain language licensing guide, the CCPO should develop materials to publicize the variance process and possibilities. The list of potential variances and the associated steps in the General Variance Application provides a helpful starting point. The CCPO should develop materials that clearly outline the potential scenarios that do not currently meet licensing regulations but may be allowable under a variance. This may include examples of sewer or water systems, outside play space, or fencing. For example, if it is possible for a provider with only honey buckets on their property to still access licensing; this should be made explicit in

materials, along with a plain language step-by-step guide to accessing the appropriate variance. An example variance application for common scenarios may also be a helpful resource.

Materials should be available in a flyer or handout that is separate from the application packet to increase the accessibility of the resource for potential providers. The development of these materials is another opportunity to engage with providers, either through an advisory group or a less formal process. Getting feedback on common points of confusion and understanding of written materials can support a stronger and more accessible product.

SUBSIDY RATES & PAYMENT PROCESSES

FINDINGS

Payment Rates

In conversations with stakeholders, feedback on subsidy rates was one of the most frequent topics. Stakeholders shared that subsidy amounts are low, and the associated co-pays are so high, that families cannot afford their total out of pocket costs for child care. Many believe that families are not returning to care, post-COVID shut downs, as a result.

The ACF OCC has established a benchmark for equal access as subsidy payment rates set at the 75th percentile of tuition in a given area or higher.[20] As of 2021, only two states in the country had set their payment rates at this benchmark. According to an analysis by the National Women's Law Center, Alaska's payment rates in 2021 were 30% below the 75th percentile for center care for a four-year-old and 19% below the 75th percentile for center care for a one-year-old.[21] The CCPO proposes raising these rates to meet this 75th percentile of the 2020/2021 Market Price Study under the new rate package.

While this 75th percentile rate is designed to allow families access to 75% of the providers in their communities, it is insufficient for long-term child care business sustainability because it is informed by a broken market.[22] For many child care businesses, the price of tuition does not reflect the cost of providing care. Many providers set tuition rates based on what they think local families can afford and may balance their budgets by offering low wages, or by not paying themselves. Setting subsidy rates based only on tuition rates, without understanding true costs of care, can perpetuate the underfunding of child care, especially in low-income and historically disenfranchised communities. [23]

Payment Processes

 Stakeholders noted challenges with the current payment processes. The OCC notes that "generally accepted payment practices are practices that align with the private-paying child care market in order to encourage providers to accept children receiving subsidies and enable families to retain child care services."[24] Currently, providers are paid based on the attendance of children authorized for subsidy. While Alaska is currently well within the final rule of the OCC, a payment process based on attendance results in a challenge for child care business sustainability. Because payments to providers are made based on

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[20] National Center for Child Care Subsidy Innovation and Accountability. (n.d.). *CCDF Payment Rates — Understanding the 75th Percentile.* https://childcareta.acf.hhs.gov/sites/default/files/public/508ed-75th_percentile_exercise.pdf

[21]Schulman, K. (2022, May). *At the Crossroads: State Child Care Assistance Policies 2021*. National Women's Law Center. www.nwlc.org/wp-content/uploads/2022/06/State-of-Child-Care-2022-WIP-accessibility.pdf.

[22] Ibid.

[23] First Children's Finance. (n.d.). *Cost of Care Study*. www.firstchildrensfinance.org/cost-of-care-studies/

[24] Child Care Technical Assistance Network. (n.d.). *Payment Practices and Timeliness of Payments.* https://childcareta.acf.hhs.gov/ccdf-fundamentals/payment-practices-and-timeliness-payments

attendance, there is a delay in processing payments to providers. This requires providers to manage a delay in revenue, while already navigating thin margins. During FCF's conversations with providers, multiple providers noted that this payment delay meant that they limit the number of CCAP-authorized children they care for to be able to balance their books and pay necessary bills.

RECOMMENDATIONS

1. *Operationalize the strategic priorities for the Child Care Assistance Program in rate-setting policy and practice.*

The CCPO should review current rate-setting policies and practices, in the context of its strategic priorities, to ensure progress toward the CCPO's vision of safe, healthy child care that is available and affordable for all families in Alaska. Before this review, the CCPO should clearly define its strategic priorities and ensure that there is a shared understanding by CCPO staff. Decisions around these strategic priorities may include:

- Who are the priority groups of families or children, in addition to those defined by the OCC, that the CCPO wants to support?

- Are there geographic regions where the CCPO wants to focus on increasing child care access?

- Does the CCPO want to prioritize serving more families with a smaller subsidy amount per family, or fewer families with greater financial support per family?

The answers to questions such as these may already be known. Answers may come from CCPO leadership or be discussed and decided between CCPO staff with input from community partners. The CCPO should clearly document these strategic priorities so that they can guide future decisions.

Once these priorities are defined, the CCPO should review current rate-setting policies and practices to identify potential changes that could support progress toward these strategic priorities. The CCPO may consider differentiated rates for providing care for specific groups of children or specific geography. For example, the state of [Georgia's Quality Rating Advisory Committee](#) identified a strategic goal of full participation in the state's QRIS system for all programs accepting subsidy by 2020. With this clear priority, the state then reviewed subsidy policies and processes to identify opportunities to support and facilitate QRIS participation.

2. *Develop an evaluation plan to understand the impact of increased rates on providers and families.*

There are consequences of a subsidy rate change on the broader child care system in Alaska. Currently, the CCPO is limited to anecdotal evidence about some of these impacts. To better understand the outcomes of rate changes across the child care system, the CCPO should develop an evaluation plan focused on the impact of subsidy rate changes. This plan should track the impact of rate changes on outcomes and outputs of interest. Key evaluation questions may include:

- How do rate changes impact child care business sustainability? Does this look different for different kinds of providers? How so?

- Does changing rates impact the number of available child care slots? If yes, how? How does this affect different provider types, age groups, and geographies?

- Do reimbursement rate changes impact CCAP participation rates? If yes, how?

- How do rate changes impact tuition? How does this impact families who are using CCAP and those who are not using CCAP?

Specifics of the evaluation plan will depend on the CCPO's goals, articulation of their theory of change, and specific strategies pursued. The evaluation should serve as a reflection tool that allows the CCPO to monitor progress, refine strategies, and adjust efforts, as needed. Better understanding the impact of rate changes can help the CCPO develop targeted strategies that are more likely to result in their intended change and avoid negative unintended consequences. A better understanding of the impact of rate changes can also support education and communication efforts with the CCPO's stakeholders, especially providers and the legislature.

The CCPO could engage with an external research and evaluation partner to refine the evaluation questions, develop an evaluation plan, and collect and analyze data. Relief funding could be used for this external contract. While different from the Market Price Survey (MPS), MPS data will likely be an input for answering some of these evaluation questions. The CCPO should consider the available data through the Integrated Child Care Information System (ICCIS), MPS, and licensing processes before developing new data collection processes. Utilizing data that is currently available or already collected would increase the feasibility of this recommendation and limit data collection fatigue for providers.
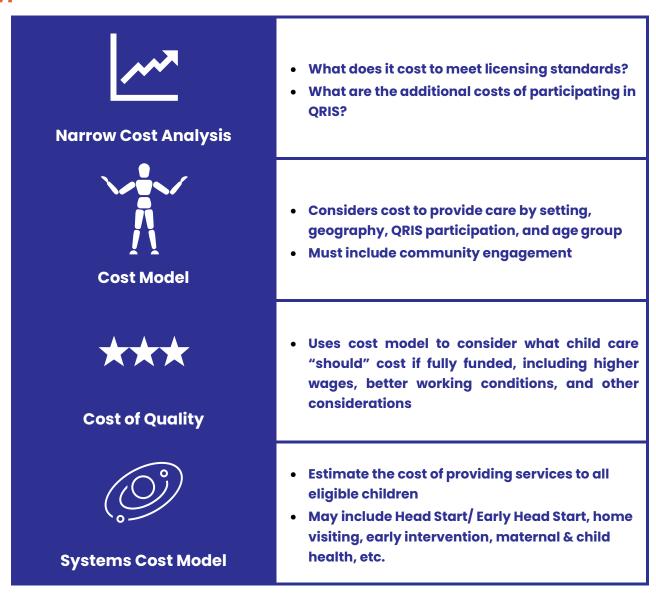
3. ***Complete cost of care study to inform CCPO programs and policies.***
To better understand the true costs of providing care in Alaska, the CCPO should complete a cost of care study. Unlike the MPS, cost of care studies focus on what it costs to provide care, rather than just the tuition providers charge. Completing a cost of care study can help policymakers understand what it really costs to provide high-quality child care and the gap between that cost and currently available funding. This information is vital to making the case for increased investment in the child care field, supporting the sustainability of child care businesses, and ensuring access to quality care for families.

As illustrated below, cost studies can take many forms. Completion of a narrow cost analysis is currently required as part of the rate-setting process and asks Lead Agencies to analyze the estimated cost of care related to meeting licensing standards and quality when setting payment rates, including any relevant variation by geographic location,

category of provider, or age of child.[25] Narrow cost analyses can be completed using administrative data and national level data sets, like the Bureau of Labor Statistics.

Types of Cost of Care Studies

Narrow Cost Analysis	• **What does it cost to meet licensing standards?** • **What are the additional costs of participating in QRIS?**
Cost Model	• **Considers cost to provide care by setting, geography, QRIS participation, and age group** • **Must include community engagement**
Cost of Quality	• **Uses cost model to consider what child care "should" cost if fully funded, including higher wages, better working conditions, and other considerations**
Systems Cost Model	• **Estimate the cost of providing services to all eligible children** • **May include Head Start/ Early Head Start, home visiting, early intervention, maternal & child health, etc.**

When considering the approach to a cost of care study, whether it be a cost model or cost of quality study, the CCPO should consider the eventual end use of the study to determine the appropriate depth and breadth. A cost of care study can inform the CCPO's understanding of:

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[25] Office of Child Care. "Increasing Subsidy Payments and Setting Rates Including Cost of Care: Requirements and Options", February 2022, www.childcareta.acf.hhs.gov/sites/default/files/public/increasing_rates_considering_cost_of_care_220202_a.pdf

- The costs of program quality: Better understanding of costs associated with different aspects of program quality can inform the development of Learn and Grow. With more accurate information about associated program costs, the CCPO and thread could provide more targeted support to incentivize Learn & Grow participation and high-quality programming. For example, quality incentives or changes to the Child Care Grant could be informed by cost data.

- The costs of providing services for children with special needs, children authorized for subsidy, or other groups of interest: Knowing variability in costs for different groups can inform the interventions provided to support access for these groups.

- The variability of costs across geography: Additional data on the variability in costs across the geography of the state can inform interventions that target supply and access in specific geographies. For example, this data could inform different rate settings by region or geography.

- The costs of needed state infrastructure to support the child care ecosystem: A robust systems cost model could provide data on the cost for further infrastructure development to support the child care ecosystem in Alaska. This data could inform advocacy efforts or strategic planning.

A cost model may use administrative data along with local data collection and/or community engagement to estimate the cost of providing child care and variations more robustly by geography, QRIS participation, and age group. Often these studies include data collection around the current state of child care costs as well as a cost of quality study that explores a future state of child care that is aligned with a shared vision for the field. Without this future state consideration, Lead Agencies risk building in the current practices that providers use to navigate the broken market, such as low staff wages and limited benefits, into a new funding model. This future cost modeling should include community engagement with families, providers, and the child care ecosystem to set a vision for the future state of child care in Alaska. A growing number of states are completing cost models or cost of quality studies including Minnesota, New Mexico, Delaware, Louisiana, Washington DC, and North Carolina.[26] First Children's Finance will facilitate connections between the CCPO and some of these states.

Completion of a cost model or cost of quality study would include data collection from providers on their program enrollment, staffing patterns, staff benefits, and program expenses. This data would be aggregated across providers and paired with administrative data to create a "typical" model program. Aggregated data would be analyzed, using a tool like the Program Cost of Quality Calculator, to determine the per-child cost of providing care in Alaska.

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[26] You can find links to these cost models at https://www.prenatal5fiscal.org/fiscal-modeling

Community engagement is a key component of cost studies, especially with providers. Cost models require providers to share business information with the research team, above and beyond what they provide for MPS. Building trust and understanding with providers about why this information is needed and how it will be used is a vital component of this work. To encourage provider participation in a cost study, the CCPO should explore a partnership with an external research partner. This external entity can ensure providers that their business and financial data will remain secure and not be shared with the CCPO at an individual level. This external research entity should also dedicate significant time to community engagement with a wide range of entities across the state. Given the relatively small number of licensed providers in Alaska, especially in rural and remote parts of the state, provider participation needs to be robust to support data disaggregation by program quality, geography, and child age. Relief funds could be used for this contract.

4. *Incorporate a 3–6-year strategic goal for covering the true cost of care.*
Research and data are only as impactful as they are used. While there are many uses for a cost of care study, as outlined above, one of the current primary potential uses is to inform subsidy rate setting. While states like New Mexico and Washington DC have already made the shift to paying subsidy rates based on the cost of care, many others are using current iterations of cost model reports to prepare for the transition. Paying subsidy rates based on the cost of care, rather than MPS, often requires additional state investment of funds. States like Minnesota are completing cost of care studies to inform the legislature about the needed investment in the child care system with a longer term goal of increasing subsidy rates to reflect the cost of care.

Recognizing the CCPO's locus of control, we recommend that the CCPO pair the completion of a cost of care study with the development of a 3–6-year strategic plan to increase subsidy rates to get closer to reflecting the cost of care. The CCPO should consider:

- What information do policymakers and state leaders need to eventually move toward raising subsidy rates to cover the true cost of care?

- Are there needed intermediate interventions or evaluations that the CCPO can explore?

Cost modeling and setting rates based on the cost of care has been a part of both Republican and Democratic proposals for future child care-related legislation. Alaska has the opportunity to get ahead of potential legislative requirements and serve as a model for others in this transition.

5. ***Increase rates to incentivize and support providers in assisting Alaska's most vulnerable children and families, as identified by the strategic priorities for the Child Care Assistance Program.***

   To support progress toward the CCPO's strategic priorities, the CCPO should review current subsidy rates to identify opportunities to better support Alaska's most vulnerable families. Potential specific changes will differ based on how the CCPO articulates or defines its strategic priorities, but may include:

   - Increased rates for infant and toddler care

   - Increased rates for Alaska IN! participants

   - Paying providers at the 75th percentile, regardless of the provider rate

   Low subsidy reimbursement rates make it difficult for child care providers to successfully operate financially and makes it even more difficult for them to provide high-quality child care experiences to the children that need it the most.[27] Once the CCPO has identified its strategic priorities, it should focus its efforts on how to set rates that will support equitable access to care in Alaska. For example, in 2018, Rhode Island implemented a tiered reimbursement system that incentivized participation in the state's QRIS system. Based on this structure, in 2021, the state implemented permanent child care rate increases specifically for infant toddler child care centers of all QRIS levels.

   More recently, New Mexico's Early Childhood Education & Care Department released a five-year strategic plan to meet the needs of children and families in New Mexico. The state developed an objective that highlighted the importance of compensation for the ECE workforce and subsequently made the decision to increase subsidy rates paid to providers in New Mexico utilizing their recently conducted cost model. The CCPO can implement a similar process of identifying strategic priorities for rate setting, evaluating, and estimating the cost of these rate changes, and then finally implementing rate increases to better support providers, children, and families. A key step will be to ensure that the full process of rate changes, from data collection to implementation of rate change, happens in a timely manner so that the adjusted rates reflect the current financial and economic conditions.

6. ***Explore paying providers prospectively, based on enrollment.***

   The CCPO should pay providers prospectively, before the delivery of services. This is in alignment with OCC's final rule and matches the experience of private pay families. Paying providers based on enrollment would support providers in experiencing predictable income and facilitate access for CCAP-authorized children and families. At

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[27] Smith, L. & Morris, S. (2021, January). *Increased Payment Rates to Support Child* Care. Bipartisan Policy Center. https://bipartisanpolicy.org/download/?file=/wp-content/uploads/2021/01/Increased-CCDBG-Funds-Supporting-Child-Care_R2.pdf

least 19 states made this change temporarily during the pandemic.[28] This provides an opportunity to reflect and learn from this practice. Many providers operate on a thin margin and when there are delays in processing their subsidy payments, it affects their ability to operate effectively and sustainably.

Given the CCPO's current attendance threshold, paying providers full-time if a child attends at least 6 days per month, a transition to paying based on enrollment may have a relatively small and manageable impact on the overall CCAP budget. As of March 2021 data, the difference between monthly authorizations and payments was approximately $200,000. The CCPO should explore this data to determine what portion of the difference between payment and authorization was due to care not being used at all as compared to a child attending programming for less than their authorization. Now that security breach data clean-up efforts are complete and payments are being recorded in the ICCIS system, the CCPO should utilize a larger data set that reflects a longer time period to assess the current and potential costs by comparing CCAP authorizations to the actual payments made monthly. Many child care providers require private pay families to pay their child care fees prior to services being rendered, which contrasts with how child care businesses are retrospectively paid by the state.[29] One drawback of paying providers proactively is the potential burden of payment adjustments that would have to be made due to fluctuations in attendance However, this could be remedied if this recommendation was implemented in conjunction with paying child care businesses according to enrollment rather than attendance.

7. *Change the payment process to complete weekly billing to decrease the time that providers wait to be reimbursed.*

If paying prospectively does not feel feasible, the CCPO should increase the frequency with which providers are reimbursed. For example, Georgia processes payments to providers each week.[30] This could increase the number of CCAP-authorized children that providers feel they can care for, increasing access for CCAP children and families. The implementation of this recommendation is heavily reliant on the CCPO's internal infrastructure and design of the new and or updated data and payment systems. Strong data and payment processing systems that interface with one another would allow weekly payments to be a less burdensome process than if this had to be done manually. Ideally, this could be supported with strong technology systems and is a practice that is

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[28] Alliance for Early Success. (2020, April 24). *Child Care Subsidy and Payment Changes in Response to COVID-19.*
https://earlysuccess.org/content/uploads/2020/07/ChangestoChildCareSubsidyandPayments20200424.pdf

[29] Adams, G. & Snyder, K. (2003, February). *Child Care Subsidy Policies and Practices: Implications for Child Care Providers.* Urban Institute. https://www.urban.org/sites/default/files/publication/58856/310614-Child-Care-Subsidy-Policies-and-Practices.PDF

[30] Georgia Childcare and Parent Services (CAPS) Policy Section 12.4.8.1.
https://caps.decal.ga.gov/assets/downloads/CAPS/12-CAPS_Policy-Child%20Care%20Provider%20Rights%20&%20Responsibilities.pdf

in place in other states to help reduce the reimbursement period and overhead for child care businesses that already operate on a thin margin. FCF heard from many providers that delays in payments that have happened due to the cyber-attack and the COVID-19 pandemic have put a strain and a limit on the number of children receiving CCAP that providers feel they can enroll. Increasing the frequency of payments will help alleviate some of the financial burdens that providers experience.

8. ***Utilize contracted slots as part of a new payment process.***
Contracted slots are a tool that the CCPO should consider implementing to facilitate progress toward their vision. As with recommendation 4, the specifics of this will depend on how the CCPO implements its strategic priorities. This may include contracted slots for specific vulnerable populations identified in the state's strategic priorities (infants and toddlers, children with disabilities, families experiencing homelessness, etc.).

CCDF regulations allow Lead Agencies to utilize contracts in the procurement of child care subsidy services for children and families throughout the state. Contracts are direct legal agreements that the state enters into with individual child care businesses. The use of contracts in the child care subsidy system can be facilitate building the supply of child care, support improved business practices, build higher quality care, increase workforce retention, and target vulnerable populations and extend comprehensive services to support these communities.[31]

Pennsylvania implemented an Infant and Toddler Contracted Slots Pilot Program where the state directly contracted with high-quality child care providers serving infants and toddlers and provided a higher reimbursement rate. [32] An evaluation of the pilot program showed significant improvements in child care enrollment, program quality, and the business's financial stability.

Similar efforts are also in place in Oregon where the [Baby Promise](#) program is a contracted slot model for infants and toddlers from families earning less than 200% of Federal Poverty Level (FPL). The state first piloted this program with three goals: children have access to continuous quality care and education; families have continuity of quality child care and education to support their employment; and providers have stable funding in serving children whose families have low incomes in quality programs. Through the evaluation of the pilot, the state found that parent participants were more stably employed than non-participants, child care businesses reported a positive

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[31] National Center on Child Care Subsidy Innovation and Accountability. (n.d.). *Using grants and contracts to build and stabilize supply.* U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care.
https://childcareta.acf.hhs.gov/sites/default/files/public/using_grants_and_contracts_1.pdf
[32] Dorn, C. (2020). *Infant and toddler contracted slots pilot program: evaluation report.* Pennsylvania Office of Child Development and Learning. https://s35729.pcdn.co/wp-content/uploads/2020/11/IT-Pilot-Evaluation-Report_PA_Final.V2.pdf

impact on their enrollment and program enrollment and child participants were more likely to maintain continuity of care.

Contracted slots can also strategically be used by the CCPO to develop a stronger relationship with child care businesses, obtain and gain their feedback, pilot new initiatives on a smaller scale, hold slots for vulnerable populations such as Alaska IN! participants, and closely evaluate those efforts before scaling statewide.

BOOST COMMUNITY ENGAGEMENT EFFORTS

FINDINGS

As a state agency, the CCPO has statutory and legal requirements to engage the broader Alaskan community in their work. This happens through formal public comment periods, town halls with providers, and more informal conversations and relationships with providers and families. The following themes related to community engagement emerged during FCF's stakeholder conversations and the data collection process.

Community Engagement Strengths

Stakeholders reported improvements in communication between the CCPO and community partners since the COVID-19 pandemic. The CCPO was applauded for the increased outreach to child care businesses through events like the Child Care Provider Town Halls. The town halls provide an outlet for child care providers to share feedback on stabilization funding and ask questions of CCPO administrators. Some partners shared that they are starting to get a clearer picture of who does what within the CCPO.

Unclear Channels of Communication

Child care business owners expressed difficulty in getting the information they need to either meet their business needs or support families in accessing subsidy. For example, providers are not currently notified if families are not reauthorized for subsidy. While providers understand the needs for data privacy, there was frustration with how information is shared with providers, especially with the Alaska IN! application process. Currently, providers and thread struggle to obtain information from the CCPO along the way. This limits the ability of thread and providers to assist families in moving through the application or renewal process.

Stakeholders shared that it is not always clear whom to go to within the CCPO or within the CCAP grantees office to get the information that they need. Often stakeholders reach out to a person they have a relationship with, regardless of whether they are the person who is best able to answer a specific question. This can result in inaccurate or outdated information being shared. Unclear communication channels are also a challenge for some providers in the licensing or CCAP approval process. Because providers must engage with multiple, separate systems, CCPO staff or CCAP grantees cannot always provide timely updates or help people through processes. For example, staff who process background checks are separate from provider eligibility specialists making it challenging for one person to provide progress updates on multiple areas.

A Desire for Increased Engagement

The CCPO has expressed challenges in engaging families through current methods. While the CCPO reaches out to families with updates through broadcasts and public comment

periods, they also report limited engagement in these channels. This is especially true for public comment periods in the subsidy rate-setting process.

While increased community engagement does take additional effort, this increased communication can have a positive impact on the CCPO, providers, and families. Community engagement can facilitate stakeholders and providers receiving accurate information from the CCPO thus supporting them in the process of navigating subsidy systems. Additionally, if the CCPO engages with partners in ways that support two-way information sharing, the CCPO can better understand the needs and realities of families and providers. This can support the CCPO's decision-making and program improvement efforts.

RECOMMENDATIONS

1. *Design a communication plan to consistently engage with clients.*
   To improve communication efforts and impact, the CCPO should develop an intentional communication plan to guide communication activities. In developing a communication plan, the CCPO should start by identifying:

   - All the stakeholders who are invested in the delivery of child care

   - A clear understanding of stakeholder needs related to child care and child care subsidy

   - The CCPO's goals for communicating with each stakeholder group

In identifying stakeholders of interest, the CCPO should discover the issues that each stakeholder group is concerned with and the understanding of their beliefs, values, and experiences with the child care landscape across the expansive geography of Alaska. Clarifying stakeholders' priorities can assist the CCPO in developing a communication plan that will reach each stakeholder in a meaningful way. For example, the CCPO may learn that families prefer to be engaged via social media messages, in non-technical language, or with a focus on safety-related messaging. By being able to obtain and pinpoint these details, the CCPO can ensure that communications meet the needs of all stakeholders. This pertinent information received during the development of the communication plan can also assist the CCPO during policy and process changes.

With the key priorities and needs identified, the CCPO can then begin developing key messages, communication channels and methods, and project communication plans for program implementation updates. This plan should define the timelines and venues where messages will be shared. The CCPO may engage with an external agency or partner, using relief dollars, to develop this communication plan. FCF has proposed some key messages that the CCPO can use when communicating with providers.

This communication plan can serve as a planning tool that can be a resource for other existing efforts. For example, the CCPO team can refer to the communication plan to pull key messages for providers that can be shared during town halls. Conversely, if an

external partner is engaged to create a communication plan, they should capture and reflect on the communication efforts currently underway. This could result in focused, purposeful, and consistent messaging from the CCPO to all stakeholders.

One potential example of the application of this communication plan is the rate change process. The CCPO has a required open comment process, with statutory requirements and key messages, which should be reflected in the communication plan. Additionally, some stakeholders shared that they would like additional conversations about potential rate changes before this formal open comment period to ensure that ample time and guidance are being given to those affected by rate changes. The communication plan can support thoughtful planning around this process by:

- Clarifying goals of engaging with different stakeholder groups

- Proposing sequencing of conversations to engage the right stakeholder at the right time

- Outlining the appropriate key message for each specific engagement

- Organizing statutory requirements throughout the process

Special attention should be paid to prioritizing the equity of the communication plan to ensure Alaskans whether in urban or rural areas or those who speak languages other than English can access and benefit from the communication plan and outreach materials.

2. ***Create a family advisory committee to better understand the needs of families.***
The CCPO should explore the creation of a family advisory committee. This committee would provide a coordinated way for parents and families to share their ideas and viewpoints, identify concerns, and create recommendations. By reviewing and making recommendations regarding child care issues and the division's functions, the committee can support alignment between the real needs and experiences of Alaska's families and the policies and practices of the subsidy program.

A family advisory committee could consist of five to ten parents in families currently authorized for subsidy. The CCPO should ensure that there is ample geographic representation amongst families that participate in the committee. To support clear communication and relationship building, the CCPO should dedicate a staff person to serve as a liaison to coordinate these efforts. The CCPO should also explore ways to compensate families for sharing their time and expertise through committee participation.

The committee may meet on a regular cadence (e.g., quarterly, or monthly) or meet on an ad hoc basis. Committee members should commit to a minimum tenure (e.g., 6 months or a year) with a plan for transitioning new members onto the committee. Committee members could be recruited through email or mail outreach to current

families, outreach to community partners like thread, or engagement with child care providers.

The CCPO should be explicit in the expectations between the CCPO and the committee. These may include:

- Committee members will regularly participate in meetings

- Confidentiality of information shared during committee meetings. If there are limitations to this confidentiality (e.g., licensing and safety-related concerns that are shared must be investigated) they should be made clear.

- Families are seen as the experts in and of their own experiences

In developing agendas or committee requests, the CCPO should be clear in the purpose for engagement and ensure that any information that is requested from the advisory committee will be used. Committees provide a unique opportunity to engage more deeply than a town hall or other one-off engagement. The CCPO should be thoughtful about what questions are the right fit for a family committee rather than other venues like a focus group or survey. The International Association of Public Participation has developed the Spectrum of Public Participation, outlined below, to assist with the selection of the level of participation that defines the public's role in any public participation process. This outlines the different ways that the CCPO may decide to engage with families, and the family committee more specifically. The CCPO should consider what level of participation is an appropriate and authentic fit for each topic. For example, there may be some statutory or legislative requirements where a critical decision has already been made. The CCPO would then inform the parent committee on this issue.

INFORM

- **Public Participation Goal:** To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.
- **Promise to the Public:** We will keep you informed.

CONSULT

- **Public Participation Goal:** To obtain public feedback on analysis, alternatives and/or decisions.
- **Promise to the Public:** We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.

INVOLVE

- **Public Participation Goal:** To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
- **Promise to the Public:** We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.

COLLABORATE
- **Public Participation Goal:** To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.
- **Promise to the Public:** We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.

EMPOWER
- **Public Participation Goal:** To place final decision making in the hands of the public.
- **Promise to the Public:** We will implement what you decide.

There is increasing impact on the decision with each activity from Inform to Consult to Involve to Collaborate to Empower.

Source: International Association for Public Participation ©IAP2 International Federation 2018. All Rights Reserved.

To support buy-in, the CCPO should be clear about how information or feedback shared by the advisory committee will or has been used. The CCPO may consider the following kinds of activities or engagements with the advisory committee:

- Testing specific messaging or communication methods

- Better understanding the needs of parents and families around topics that require more context and content knowledge. The committee structure provides the CCPO with the space for parent education on policy requirements and to gather feedback from informed users.

The CCPO could also utilize the family advisory committee as ambassadors for the program, thus expanding program marketing. These efforts are especially needed outside of Alaskan metro areas. Engaging with a family advisory committee could help create more equitable access to materials and information for families across the state. Family ambassadors could support the CCPO in engagement efforts related to rate changes before a formal public comment period. Allowing families to hear from other families about policy changes may support access to information and result in more feedback and engagement in the rate change process.

3. *Create a provider advisory committee to better understand the needs of child care businesses.*
The CCPO should build on its recent provider engagement efforts which received positive feedback. In focus groups, providers shared that they would like more upfront communication on changes that affect their business. Creating a provider advisory committee will allow providers a consistent forum and resolute advocates to share their concerns at the state level. It could also provide the CCPO with a sounding board to ensure that the potential policy and procedural changes will benefit child care providers and businesses. This could help the CCPO to ensure that there are not any unintended consequences to the actions that they are implementing.

Just as with the family committee, the provider committee would consist of five to ten child care providers. Special attention and work should be coordinated to ensure there is an equitable geographic representation and that it represents both providers who are currently engaged with providing feedback to the CCPO and those who are not. The CCPO may choose to engage with local Associations for the Education of Young Children (AEYC) chapters to publicize the advisory committee opportunity or to share recommendations of potential providers to participate. The CCPO should consider compensation for participation in the advisory group to honor the time and expertise shared by child care businesses.

4. ***Increase collaboration with tribal CCDF administrators.***

According to the [Tribal Child Care Capacity Building Center](#) in the state of Alaska, there are about 30 tribal CCDF grantees. Tribal CCDF Lead Agencies and State CCDF Lead Agencies are both charged with ensuring the health and safety of children in child care and enhancing the quality of child care. However, the final rule for tribal communities allows for additional flexibility. The state should increase its collaboration with the Tribal Lead Agencies in Alaska. Both the state administrators and the tribal leaders should increase communication so that both can explore ways in which they can strengthen, align, and complement the services that they each provide. This could happen through an annual session or ongoing engagement. This increased collaboration could help to clarify the multiple funding streams that are available to child care businesses and families that are members of an Alaskan tribe to ensure there is no duplication of funding which may occur unintentionally. The state could also offer training and technical assistance opportunities that support child care providers in providing culturally appropriate child care for American Indian and Alaska Native children and families.

The CCPO should take into consideration the tribal communities and the children and families that may seek services outside of tribal land. As the CCPO engages with tribal leaders it will be important to meaningfully engage tribal communities and gain a greater understanding of the cultural differences that matter to build a relevant and beneficial system for all children and families in Alaska. This could lead to policy changes like expanding eligible CCAP activities to include subsistence farming/fishing, seasonal work, and job shadowing. For example, subsistence farming for at least 20 hours per week is eligible for child care services through some current tribal CCDF programs. Families complete an activity assurance log for compliance. In partnership with tribal communities, the CCPO could explore how to expand eligibility and market to specific communities that would benefit from the policy/process change to ensure equitable access to child care.

Discussing and streamlining child care-related efforts would allow both state and tribal leaders to align tribal and state resources to address child care deserts and gaps in equity and access to CCAP. This strengthened partnership could also help child care providers and families to better understand how state and tribal resources interact.

Since the CCPO noted that tribal CCDF entities utilize the CCPO's CCAP processes and procedures, it would be helpful if the state dedicated time and resources to work across the silos of tribally funded, state-licensed, and military-funded care. It would be beneficial for the state to take a more comprehensive approach to determine how policy and processes could support families and child care businesses navigating across these silos.

The CCPO should also further develop relationships with tribal CCDF administrators to address licensing barriers in rural and remote areas of the state. Tribal CCDF partners can inform the CCPO's understanding of the needs and barriers of rural and remote providers. Additionally, as tribal CCDF administrators may have their unique facility standards and processes, there is an opportunity to gain insight from them about what works and does not in different contexts across the state. This is especially relevant for the background check process, as the [Final Rule](#) allows tribes the flexibility to propose an alternative background check approach in their CCDF plans. With the help of the tribal liaison, the CCPO should continue to engage with tribal CCDF administrators from a place of shared learning of how to support children and families through subsidy.

5. *Develop new relationships with community stakeholders.*
   To effectively implement their communication plan and advance the CCPO's vision, the state of Alaska and the CCPO team should increase their engagement with community stakeholders who are invested in child care. Many different systems rely on the availability of child care and should have a vested interest in supporting high-quality, safe, and affordable child care options for parents and families. This would include engaging with new stakeholders like economic development entities or local governments.

   Stakeholders shared that the CCPO's local, on-the-ground resources are also needed to help families access resources. This is especially true in rural and remote communities across the state. New stakeholder groups, discussed above, can support the CCPO In meeting this goal. The [Early Childhood Systems Building Resource Guide: Stakeholder Communications](#) provides additional benefits to conducting stakeholder engagement, tips for CCDF administrators, and guidance on developing an effective communication plan.

6. *Develop a new marketing campaign with accessible language that meets families where they are.*
   As shared by the National Center on Parent, Family and Community Engagement, three keys to consumer engagement are including families' voices, using strengths-based attitudes and relationship-based practices, and ensuring cultural and linguistic

responsiveness.[33]　　Including families' voices consists of acknowledging and appreciating the varying values, opinions, beliefs, perspectives, and linguistic and cultural backgrounds of families across the state. By fully employing these keys to consumer engagement through a marketing campaign, the CCPO can continue to develop relationships with families and gain the desired outcomes of ensuring child care access, increasing awareness and engagement around child care, as well as developing child care advocates from the families the CCPO serves.

The state of New York recently launched a child care assistance marketing campaign concentrated on encouraging New Yorkers to take advantage of the increased income eligibility threshold for child care subsidies. The campaign encompassed billboards, radio spots, and social media messaging. The campaign also included multi-language digital screens in locations that families frequent such as retail locations, highway billboards, bus side posters, laundromats, salons, and barbershops.[34]　By employing similar methods, the CCPO can provide information and increase knowledge of the CCPO and the CCAP program in places and with people that families frequent. For example, physician offices, W.I.C. offices, hospitals, clinics, and other public health sites serve as commonly frequented sites for information and resources.

One of the first steps that the CCPO can implement is enhancements to its website for parents and families. The CCPO website is utilized as a primary information source for families and child care providers. While the website contains valuable information for providers and families, it was often noted that it is challenging for stakeholders to find the information that they are looking for as it is not easy to locate on the current CCPO website. The CCPO can begin by assessing families' experience of the current CCPO website by using the Consumer Education Websites: Creating a Family-Friendly Experience Assessment Tool which can help to guide website improvements. Additional features of a family-friendly website are presented below.

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[33]National Center on Parent, Family, and Community Engagement. (2018, October). *Strategies for Engaging Families.* https://childcareta.acf.hhs.gov/sites/default/files/public/strategies-for-consumer-engagement-508-final.pdf

[34] New York State. (2022, August 30). *Governor Hochul Launches Statewide Campaign To Highlight Funding for Child Care Providers and Families.* https://www.governor.ny.gov/news/governor-hochul-launches-statewide-campaign-highlight-funding-child-care-providers-and

Features of a Family-Friendly Website

FEATURE	DETAILS
Easy to Understand	• Use plain language to make it easier for readers to understand the information on your website • Be concise • Be clear • Write as you would speak • Consider literacy and reading level
Strengths-based	• Convey strengths-based attitudes in your website content to encourage positive relationships with families • Use people-first language to convey child and family strengths
Culturally and Linguistically Responsive	• Develop content that recognizes, affirms, and showcases families' diverse cultures, knowledge, and experiences
Easy to Use	• Help families find your website • Make your content easy to see • Make your content easy to use

Adapted from Consumer Education Websites: A Guide to Creating a Family-Friendly Experience

One additional feature that helps to ensure families are aware of subsidy is to include child care affordability information across multiple websites. Colorado's Department of Human Services (CDHS) Office of Early Childhood utilizes a multi-pronged approach to communicate the availability of child care services provided through CCDF. It aligns the information available on its consumer education website with its website for the Office of Early Childhood. Parents can find information about applying for child care assistance on both sites.[35]

While this is a significant and involved task to manage, we suggest that the CCPO work with the DPA's Public Information team that supports this type of work for other state program areas. Another option that the CCPO could explore would be to hire an external firm to assist with the development of family-friendly marketing materials and consequent campaigns.

7. *Provide resources to providers to support CCAP marketing and family recruitment.*
   In focus group engagement with child care providers, providers shared that they often introduce families to CCAP and assist families in the application process. This offers great opportunity to engage with child care providers and give them materials to formally and consistently to promote CCAP.

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[35] Banghart, P., Hill, Z., Guerra, G., Covington, D., & Tout, K. (2021, November). *Supporting Families' Access to Child Care and Early Education: A Descriptive Profile of States' Consumer Education Websites.* OPRE. https://www.researchconnections.org/sites/default/files/132766.pdf

Informed by provider and family engagement that is discussed in other areas of this report, the CCPO could identify the strengths and weaknesses of the CCAP program for families especially when it comes to the application/renewal process. The CCPO can then create materials that providers and external stakeholders can share and use to share about CCAP with families and support them in navigating the program. These new resources should address the challenges identified by families and providers.

Similar efforts are currently underway in the state of Louisiana. In response to expanded eligibility requirements made in February 2022, the Louisiana Department of Education created a [social media toolkit](#) that can be used by child care businesses as well as other external stakeholders to continue to promote and raise awareness of the Child Care Assistance Program. The toolkit includes general information, QR codes to link directly to applications, social media graphics, engaging informational flyers, and key messages like those created by FCF.

It was noted by the CCPO team that a resource guide to providers was a past form of outreach. Current relief funding could allow for these materials to be revised and updated to begin this information-sharing approach. Offering resources to child care providers will give the CCPO the opportunity to educate child care providers on the CCAP process and gain additional advocates for the CCPO and affordable child care.

ENHANCE CCPO INFRASTRUCTURE
Internal Processes

FINDINGS

The capacity, infrastructure, resources, and skills available to the CCPO are critical components of successful progress toward the DPA's vision. Even the best strategy cannot be executed without the organizational systems and resources to support it. The following themes related to the infrastructure of the CCPO emerged during FCF's exploration and research process.

Staffing Capacity

Throughout FCF's engagement with the CCPO, in both the ECE Business Collaboratory and this consultation, the CCPO has expressed significant limits in their staffing capacity. While discussing new initiatives, the CCPO team and Collaboratory team have often expressed that staff feel stretched to complete current work, which limits their ability to take on new projects or innovate in their work. Limited staff capacity was mentioned across multiple strategies discussed during the Alaska Collaboratory team implementation check-in. During the Deep Dive conversations, one stakeholder shared that finding people with the relevant technical skills can be a significant challenge for the CCPO and Alaskan employers, more broadly.

Limited Internal Data

Staff need easy access to current and relevant data to be able to make data-informed strategic decisions. The CCPO has expressed frustration with limited access to data to support data-informed decisions. This includes:

- Limited access to real-time data in current systems. The CCPO expressed a wish for the ability to easily pull reports that would support or inform their work.

- Some data points of interest are not currently measured, captured, or tracked in the CCPO data systems.

- The CCPO team has limited access to their budgetary information or understanding of the broader program budget requirements and limitations.

Confusing Lines of Communication and Roles

Stakeholders shared that it is not always clear whom to contact within the CCPO or at the CCAP grantees' offices to get the information that they need. Stakeholders noted that it can be challenging to get a clear answer to questions they may have about CCAP, as there is room for interpretation in CCAP policy. Stakeholders often had the most luck getting answers from people they had personal relationships with who could either find answers or refer them to the appropriate person. While this may work in the short term, it is a potential liability as staff transition or retire, and stakeholders no longer know whom to contact.

Additionally, this creates extra work for CCPO staff who do have relationships with families and providers, potentially contributing to burnout.

RECOMMENDATIONS

1. *Develop an internal evaluation plan and build internal capacity to implement the plan.*

   The CCPO should develop an evaluation plan to understand progress toward their vision. This plan should support ongoing process improvements and strategy adjustments. Development and execution of an evaluation plan will contribute to the department's effectiveness as it works to meet DPA's mission, vision, and goals. By asking strategic questions and collecting aligned data, the CCPO can better engage in program and process improvement and communicate more effectively.

   The CCPO will need to identify key evaluation questions. Evaluation questions may explore both organizational and program impact as well as process improvement. Potential evaluation questions include:

   - Are agency and program values consistently exhibited through policies and procedures?

   - Where are the pain points or slowdowns in current processes?

   - What process efficiencies or improvements can improve day-to-day workload and client interactions?

   - What does current employee engagement and satisfaction look like? Are employees productive? Where are opportunities for improvement?

   - Are families and providers satisfied with the CCAP?

   - What is the impact of participating in CCAP for families?

   The CCPO will need to identify which specific evaluation questions are a priority. New questions may emerge as the CCPO makes decisions about new initiatives or policies to adopt. Examples of these more specific questions are included throughout this report.

   The CCPO should build the internal capacity to support the implementation of an evaluation plan. This will include:

   - Data systems that support access to relevant data. This may exist in ICCIS, a new data system, or another external/independent system, depending on the identified metrics.

   - Staff time to ensure accurate data entry, as needed.

   - Staff engagement in process improvement efforts. This could include an internal assessment that is shared with staff to learn more about which areas staff feel need more attention.

   - Staff time dedicated to reviewing, analyzing, and summarizing evaluation data.

- Staff time dedicated to the shared meaning-making of evaluation data, reflection, and action planning.

To move this effort forward, the CCPO can begin this work internally but then should engage with an external evaluation entity to lead these efforts. It will be important to connect this work to the responsibilities of a specific employee to ensure that the evaluation efforts progress. This staff person can then continue to scale the organizational effectiveness efforts on a larger scale over time. Although changes to the program are required by audits or federal requirements, often the most innovative and transformative ideas will come from the staff who are closely tied to the work and to the children and families served.

2. *Increase access to budgetary information to inform cost-benefit decisions.*
   To support the ability to make informed decisions about prioritizing and deploying resources, the CCPO should ensure that executive leadership staff has access to budgetary information. The CCPO team should know their overall budget, how the budget aligns with federal requirements for how they spend funds, and the available resources they have. It would be helpful for the executive leadership team to employ regular meetings related to the budget and planning for future fiscal years. A better understanding of the budgetary information will also allow the CCPO to create financial and program stability by allowing more strategic alignment on internal goals and helping to ensure that there are enough resources to meet those goals.

3. *Develop an external-facing communication guide so clients know whom to contact within the CCPO.*
   The CCPO should develop an external-facing communication guide so that providers, families, and other stakeholders know the best person to contact for their questions or needs. The guide should be clear on the appropriate point of contact by issue or frequent questions that stakeholders have. This should be updated regularly and reflect regional points of contact. While people may still reach out to staff they know within the CCPO, this should increase access to the CCAP for those who do not currently have relationships. This external-facing guide will help facilitate families and providers getting accurate information in a timely manner, which is integral to providing both with an experience that will support access to high-quality child care.

4. *Build internal capacity, staffing, and resources to support family and provider engagement to understand families and child care businesses' needs and experiences with subsidy.*
   The Community Engagement recommendations outline strategies for the CCPO to consider. Successful implementation of these strategies requires internal capacity and infrastructure. This includes:

   - Expanded program marketing efforts and capacity,

- Dedicated funds for community outreach to families so they are aware of benefit and eligibility requirements, especially outside of metro areas,

- Community feedback process and dedicated CCPO staff to enhance programming, marketing materials, and policies to reflect the experiences of communities,

- Dedicated staff time to facilitate and support family and provider advisory committees and,

- Funding to pay advisory group members for sharing their expertise.

As the CCPO considers program budgets and necessary staffing capacity, these functions and resources should be prioritized. The Community Engagement recommendations provide additional resources on family and provider engagement.

5. *Maintain a commitment to hiring CCPO staff that reflect the identities of clients.*
As the CCPO expands community engagement activities, and fills vacant roles, the CCPO should think strategically about the skills and identities of the staff being hired. Alaska is the 12th most diverse state in the country when diversity is measured by race and ethnicity, further showing the need for understanding around cultural awareness. The CCPO should consider local and cultural knowledge, cultural competency, and relationships as critical technical skills when assessing potential candidates.

This is especially true in expanded engagement with tribal CCDF communities. The Bipartisan Policy Center recommends that states with large American Indian and Alaska Native (AI/AN) populations should recruit staff who have a cultural understanding of AI/AN communities.[36] Recruiting and retaining staff with a culturally appropriate understanding of AI/AN communities allows the state to integrate cultural values into state programs, processes, and communications to increase access for families and communities of all cultural backgrounds.

6. *Hire internal and external community liaisons to support child care access and supply.*
As discussed in the Community Engagement and Family Access sections, the CCPO should hire community liaisons to support outreach, engagement, and access efforts. These liaisons may be CCPO staff or contractors with local organizations throughout the state. With intentional structure and dedicated staff capacity, these liaisons can also serve as part of an important feedback loop between the CCPO, families, and providers. Realizing this potential requires dedicated staff time to gather input from across the state, synthesize, resolve questions or challenges, and communicate back with liaisons.

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[36] Smith, L. (2022, April 25). *Righting a Wrong: Advancing Equity in Child Care Funding for American Indian & Alaska Native Families.* Bipartisan Policy Center. https://bipartisanpolicy.org/report/righting-a-wrong-advancing-equity-in-child-care-funding-for-american-indian-alaska-native-families/

Current CCAP grantees may be a good fit for this function. With knowledge of the current subsidy system and position in community-based organizations, staff at CCAP grantees could provide local context and practical support to families. The CCPO could also consider an organization like Help Me Grow that provides similar resource navigation support in other content areas. The CCPO could also consider hiring an internal staff role that would build relationships with community partners and serve as a consistent point of contact for families and external partners who have questions.

7. *Utilize pilot programs with established evaluation plans to determine efficiencies before scaling statewide.*

Acknowledging the limited capacity of the CCPO team and the vast geography and diversity across the state, the CCPO should utilize pilot programs to assess new initiatives or efforts before scaling statewide. These pilot programs would allow the CCPO to evaluate new ideas, programs, or processes on a smaller scale. A pilot model would support the CCPO in testing multiple new initiatives without the needed investment of a statewide rollout which would allow the state to make strategic decisions in alignment with financial considerations. The CCPO may consider using pilot programs for initiatives like:

- Infant and toddler-specific rates or supplements
- Contracted slots
- Learn and Grow expansion
- Paying providers using an electronic benefits transfer (EBT) card

By piloting new initiatives at a smaller scale, the CCPO can assess processes and programs. Pilot programs should include an established evaluation plan to understand the progress, impact, and potential limitations. The specifics of an evaluation plan and questions will depend on the focus of the pilot. They should seek to understand how successful the pilot was at achieving the intended goal, as well as exploring any intended or unintended consequences. Evaluation plans should include the exploration of local contexts so the CCPO can thoughtfully consider how to scale or expand statewide. The CCPO could partner with an external evaluation partner to explore these questions.

The focus and goals of the pilot project should closely align with the strategic priorities that are set in place by executive leadership. For example, if improving child care outcomes for infants and toddlers experiencing poverty is set as a strategic priority, then the CCPO can implement a contracted slots pilot that will provide increased access to child care slots for infants and toddlers while also increasing reimbursement for child care businesses holding those slots, thereby increasing access, supply, and quality.

Data Systems

FINDINGS

As previously addressed, the CCPO team shared a common frustration with data access. Internally, the CCPO team expressed a wish for data systems that support greater access to accurate, on-demand, regular, and customizable reporting.

The infrastructure behind the ICCIS is aging. Because ICCIS is hosted on a mainframe system, the CCPO will experience increased maintenance costs as other programs across the DPA and the Department of Health (DOH) move their data systems away from the mainframe. Additionally, the current structure of the database limits the data that the CCPO staff can get out of the system. Some current database structures put an unnecessary burden on CCAP grantees and program-level staff. Specifics of these are outlined in the recommendations section below.

The CCPO and their Information Technology (IT) partners report being severely limited in making system improvements or upgrades by limited organizational capacity. Unclear long-term visions and timelines for DPA data systems have resulted in delayed improvements to current systems, as the CCPO staff are unsure whether improvements would be worthwhile if a new data system were forthcoming.

A lack of clarity on the intended future relationship between the CCPO and other DPA programs has made planning for new data systems challenging. The current data system architecture includes a cross-program Eligibility Information System (EIS) and the child care-specific information system (ICCIS). Currently, batch updates between the two systems are completed each night. As a result, there is not currently a live view that reflects updates across both systems. As the CCPO considers other data system options, they will need to consider how the database utilized can interact with other DPA/DOH databases, as needed.

While there were some frustrations from end users with the ICCIS system, stakeholders felt that it helped them do their job and were generally satisfied. Stakeholders shared they had a new appreciation for the system after the cyberattack kept them from using it.

RECOMMENDATIONS

Recognizing that the CCPO has already begun the process of exploring new data systems and that recommendations for a new data system should include technical specificities, this section will not include long-term recommendations. Instead, this section outlines external stakeholders' needs for the CCPO's data systems, the potential data points that the CCPO could consider capturing through their data systems, and short-term recommendations.

Stakeholder	Potential Engagement with Data System	Potential Data Stakeholders Could Contribute to System
Families	• Online access to application processes and updates on the progress of their application • Reminders of the reauthorization process • Portal to provide needed updates to the CCPO	• Family demographics • Income data • Program feedback • Reasons for exit from CCAP
Providers	• Portal for seeing & processing payments—needed at an individual child level • Knowledge of when families will be completing the reauthorization process • Updates on progress and next steps in licensing processing • Access to system and relevant data to support families in the application and reauthorization process	• Tuition rates • Licensing-related information (space, relevant inspections, staffing information)
CCAP Grantees/ Eligibility Technicians	• Ability to update authorizations and records • Automated reminders to manage workflow • Ability to track application progress across systems	• Reasons for denial (for families and providers) • Length of time to process applications
CCPO	• Ability to easily see funds currently allocated and remaining available budget • Produces data reports aligned with federal reporting requirements and regular program monitoring • System provides data to inform understanding of current child care supply and demand • Understand the capacity and caseloads of client-facing staff • Track progress on key evaluation indicators • Automated reminders to manage workflow • Ability to run customized reports directly • If the CCPO wants to provide categorical eligibility for the child care workforce, the CCPO needs access to the SEED registry, or some other way to track the current workforce • Integrate into other DPA systems and support data sharing across DPA programs	• Licensing data and progress • Child care supply data • $ amount of family co-pays • $ amount authorized for subsidy

To support the CCPO in considering the future of its data systems, the DPA should articulate:

- What is the broader DPA vision for data systems?

- What are the priorities for new or updated systems?

- What is the needed relationship between DPA systems?

These questions are likely to be asked by external technology implementation partners and will shape the build, timeline, and functionality of new data systems.

"The Importance of Modernizing Technology in Developing Early Childhood Integrated Data Systems" provides some potential questions of interest that may guide the development of a new Early Childhood Integrated Data System (ECIDS).[37][38] While the CCPO may not be embarking on the development of a robust ECIDS, these questions may still serve as a guide for the potential functionality and data requirements of a new data system.

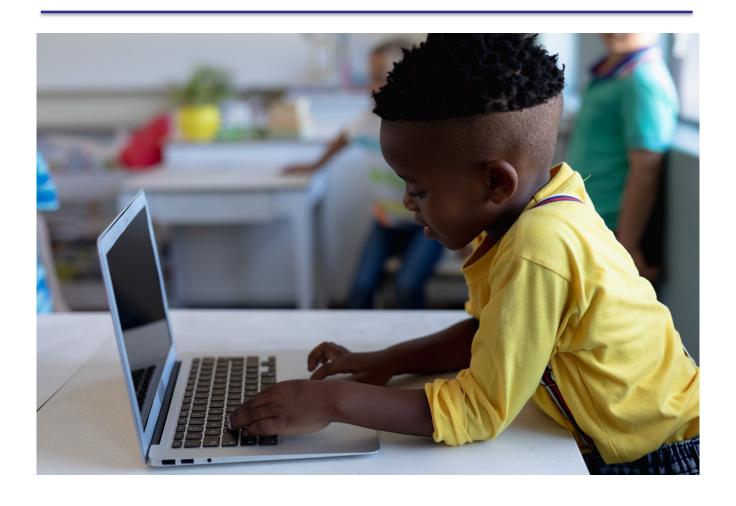| Eligibility	Access	Service Quality	Impact
Which children and families are eligible for which services?	Which children and families are actually accessing services? Where are there gaps?	Are the services meeting the needs of families? Fulfilling the expectations of funders?	What are the child outcomes that follow from various combinations of services?

Short Term Recommendations

Recognizing that new data systems may have a long timeline for implementation, the following recommendations emerged from stakeholders regarding changes to the current ICCIS system.

1. Give CCAP grantees more permissions in ICCIS to make edits to individual and family records, even if limited to certain fields or categories of program users. CCAP grantees would like the ability to edit names, contact information, and other information that may be corrected through the application and renewal process.

2. Improve functionality so CCAP grantees can make batch edits to authorizations in ICCS.

3. Change ICCIS so that authorizations cannot be made beyond a provider's license expiration date. Currently, this can create issues with gaps in coverage and authorizations. Families may have a CCAP authorization for a month but if there was a gap in license coverage, families need to pay back the benefit provided during that gap.

4. The CCPO and their IT partners may consider these for implementation, based on the necessary timeline and resources.

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[37] An early childhood integrated data system (ECIDS) collects, integrates, maintains, stores, Data System (ECIDS) and reports information from early childhood programs across multiple agencies within a state that serve children and families from birth to age eight.

[38] Regenstein, E. (2022, June). *The Importance of Modernizing Technology in Developing Early Childhood Integrated Data Systems.* Foresight Law and Policy. https://www.flpadvisors.com/uploads/4/2/4/2/42429949/f_flp_importancemodernizingtechdevelopingecintegrateddatasystems_21june2022.pdf

CONCLUSION

While the COVID-19 pandemic has presented incredible challenges for the child care ecosystem, and the state of Alaska more broadly, the current moment also provides an opportunity to strengthen the child care subsidy system. The CCPO has had increased flexibility to test policy changes and has increased engagement with providers and families. Federal relief funds are available to make time-limited investments in the ECE ecosystem.

Next Steps

This report outlines many potential actions for the CCPO to consider. FCF recognizes that not all recommendations can be implemented. After a review of the findings and recommendations, the CCPO will need to consider both the feasibility and impact of each recommendation to prioritize action. Questions that the CCPO can consider in this process include:

- How does this recommendation align with our theory of action? Are we the right people to lead this effort?

- Are there additional partners we need to engage?

- What are the dependencies between this recommendation and others we are considering? Does one need to happen first for the greatest impact?

- Are there additional capacities or resources we need to implement this recommendation? How do we get the needed resources, knowledge, or capacity?

- What of these recommendations is solely within our locus of control? What will require additional approval or participation?

- Are there groups or specific populations that the CCPO wants to prioritize support for? (ex: providers, remote communities, families with extremely low incomes) How will these recommendations impact that group?

Big Picture

The CCPO has worked incredibly hard since the start of the COVID-19 pandemic to provide supports that stabilize families and child care providers. With immediate relief and supports provided, the CCPO can now consider how to use available relief funds for long-term impacts to the child care system. Informed by local data, trends, and experiences, this report outlines a range of options for the CCPO to consider in supporting families in accessing quality child care, increase the supply of child care slots, and improve the sustainability of child care businesses across Alaska.

APPENDICES

Appendix A – Context Documents

As part of the document review process, First Children's Finance reviewed the following context documents:

- 2019 CCAP Rate Schedules and Family Income Contribution Schedules
- COVID-19 relief funding spending plans
- 2021 Market Price Survey
- COVID-19 relief funding provider survey report
- [A Needs Assessment of Alaska's Mixed-Delivery System of Early Childhood Care and Education](#)
- [Early Childhood Alaska: A Strategic Direction for 2020-2025](#)
- 2022-24 Alaska CCDF Plan
- PowerPoints from Alaska provider town halls
- 2018-2021 Quality Progress Reports
- Alaska IN! policy and procedure manual, application, brochure, and associated materials
- Child Care Grant application and associated forms
- Child Care Assistance Program policy and procedure manual, application, brochure, and associated materials
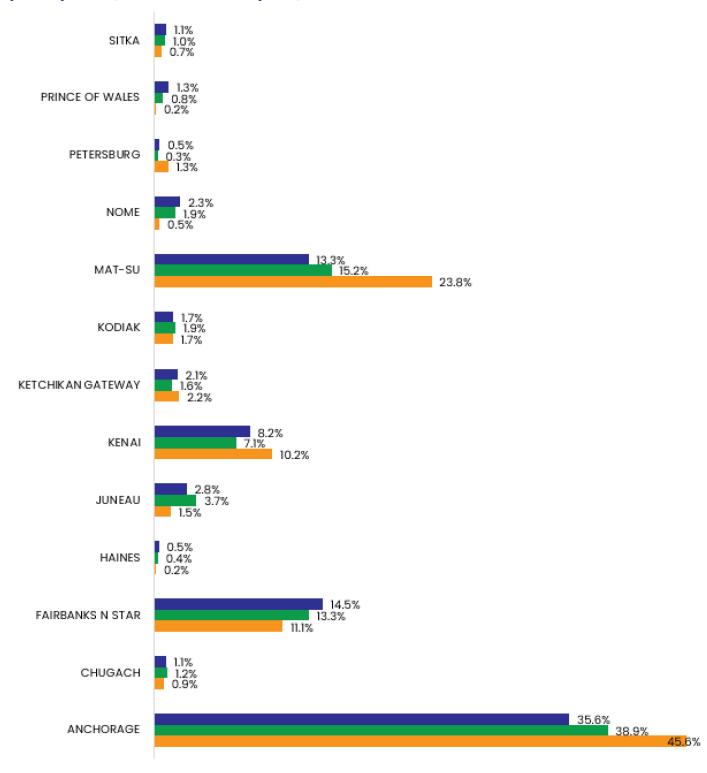
Appendix B – Resource Guide

In addition to the research and resources cited throughout this report, the following content informed the report's recommendations. These reports and research may serve as a resource to the CCPO.

- Adams, G. & Hahn, H. (2022, February). *Seven Ways States Can Make Child Care Subsidies More Accessible and Equitable.* Urban Institute. https://www.urban.org/sites/default/files/2022-02/seven-ways-states-can-make-child-care-subsidies-more-accessible-and-equitable.pdf

- Adams, G., Luetmer, G. & Todd, M. (2022, September 14). *Using Child Care Subsidy Payment Rates and Practices to Incentivize Expansions in Supply.* Urban Institute. https://www.urban.org/sites/default/files/2022-09/Using%20Child%20Care%20Subsidy%20Payment%20Rates%20and%20Practices%20to%20Incentivize%20Expansions%20in%20Supply.pdf

- Adams, G. & Matthews, H. (2013, December). *Confronting the Child Care Eligibility Maze.* Work Support Strategies Initiative. https://www.urban.org/sites/default/files/publication/24266/412971-Confronting-the-Child-Care-Eligibility-Maze.PDF

- *Arnstein's Ladder of Citizen Participation.* (n.d.). The Citizen's Handbook. https://www.citizenshandbook.org/arnsteinsladder.html

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Appendix C – Geographic Distribution of CCAP Usage

In March 2021, children authorized for subsidy were concentrated in the Anchorage area. The geographic distribution of **children authorized for care** is shown below. To better understand how this compares to the state, the figure compares this to the distribution of **all children under 13 in the state** and the distribution of **families living below 300% of the poverty level ($79,500 for a family of 4)**.

SITKA
- 1.1%
- 1.0%
- 0.7%

PRINCE OF WALES
- 1.3%
- 0.8%
- 0.2%

PETERSBURG
- 0.5%
- 0.3%
- 1.3%

NOME
- 2.3%
- 1.9%
- 0.5%

MAT-SU
- 13.3%
- 15.2%
- 23.8%

KODIAK
- 1.7%
- 1.9%
- 1.7%

KETCHIKAN GATEWAY
- 2.1%
- 1.6%
- 2.2%

KENAI
- 8.2%
- 7.1%
- 10.2%

JUNEAU
- 2.8%
- 3.7%
- 1.5%

HAINES
- 0.5%
- 0.4%
- 0.2%

FAIRBANKS N STAR
- 14.5%
- 13.3%
- 11.1%

CHUGACH
- 1.1%
- 1.2%
- 0.9%

ANCHORAGE
- 35.6%
- 38.9%
- 45.6%

Appendix D – State Trooper Detachment Access

Rate Region	TOTAL # of Providers[39]	State Trooper Detachment?[40] [41]
ALEUTIANS EAST	0	0
ALEUTIANS WEST	0	0
LAKE AND PENINSULA	0	AST/AWT
VALDEZ-CORDOVA	0	AST/AWT
KUSIVAK	0	AST/AWT
NORTH SLOPE	0	0
WRANGELL	0	AWT
BETHEL	1	AST/AWT
BRISTOL BAY	1	AST/AWT
DENALI	1	AST/AWT
DILLINGHAM	1	AST/AWT
HOONAH-ANGOON	1	AWT
NW ARCTIC	1	AST/AWT
PRINCE OF WALES	1	AST/AWT
SE FAIRBANKS	1	AST/AWT
YAKUTAT	1	0
HAINES	2	AWT
PETERSBURG	4	0
SKAGWAY	4	0
CHUGACH	5	AWT
NOME	5	AST/AWT
SITKA	7	AST/AWT
KETCHIKAN GATEWAY	11	AST/AWT
KODIAK	16	AST/AWT
JUNEAU	31	AST/AWT
KENAI	31	AST/AWT
MAT-SU	57	AST/AWT
FAIRBANKS N STAR	68	AST/AWT
ANCHORAGE	272	AST/AWT

Note: Even when there is a state trooper detachment present in a Census Borough providers may still not have easy access to that office, given the rural and remote nature of much of Alaska's geographies.

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[39] Source: Child Care Services Monthly Report SFY 2021 - internal , March 2021

[40] Source: https://dps.alaska.gov/ast/recruit/astdetachments

[41] AST/AWT- Alaska State Trooper & Alaska Wildlife Trooper Post
   AWT- Alaska Wildlife Trooper Post Only
   0- No post

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