



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: June 26, 2020

RE: **Authorizing an Agreement Between the City of Ketchikan and Southeast Alaska Association for the Education of Young Children to Administer the City's CARES Act Daycare Assistance Program**

The motion detailed below was prepared at the request of Finance Director Bob Newell, who asked that it be placed before the City Council for consideration at its meeting of July 2, 2020. If adopted, the motion provides for authorizing my office to enter into an agreement with the Southeast Alaska Association for the Education of Young Children (AEYC) to administer the City's CARES Act Daycare Assistance Program. Grant amounts will be based on enrollment and a monthly stipend of \$435 per full-time enrolled child and \$220 per part-time enrolled child. An explanation of the proposed program and rationale for contracting with AEYC are detailed in the Finance Director's transmittal memorandum and requires no elaboration on the part of my office. I concur with Mr. Newell's recommendation.

As the Borough has provided a tentative commitment to direct future funds appropriated by the Assembly for daycare to the City's program, and given that daycare provider capacity is an area wide issue, City and Borough residents will be eligible to participate in the grants.

The estimated cost of contracting with AEYC is \$5,000 and will be paid from the \$350,000 in CARES Act funding that the City Council allocated to daycare.

The Finance Director will attend the City Council meeting of July 2, 2020, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended the City Council adopt the motion approving a memorandum of agreement between the City of Ketchikan and the Southeast Alaska Association for the Education of Young Children to administer the City's CARES Act Daycare Assistance Program and authorizing the City Manager to execute the agreement on behalf of the City Council.

Recommended Motion: I move the City Council approve a memorandum of agreement between the City of Ketchikan and the Southeast Alaska Association for the Education of Young Children to administer the City's CARES Act Daycare Assistance Program and authorize the City Manager to execute the agreement on behalf of the City Council.

MEMORANDUM
CITY OF KETCHIKAN, ALASKA
Finance Department
Office of the Finance Director

Bob Newell, Finance Director
Camille Nelson, Financial Analyst
Phone: (907) 228-5621
Facsimile: (907) 228-5617

To: Karl R Amylon, City Manager/KPU General Manager

From: Bob Newell, Finance Director

Date: June 25, 2020

Subject: **Approving An Agreement Between The City And Southeast Alaska Association For The Education Of Young Children To Administer The City's CARES Act Daycare Assistance Program**

At its special meeting of June 11, 2020, the City Council developed and approved a plan for spending the first installment of the City's CARES Act funding. In addition to the \$5.9 million received from the State of Alaska, the Ketchikan Gateway Borough has agreed to transfer up to \$1.2 million of its CARES Act funds to City for the purpose of funding an electric utility subsidy payment program and a sheltering and food security program to be administered by the City. The programs developed and approved by the City Council are listed below.

Electric Utility Subsidy Payment Program	\$2,440,000
Moorage Subsidy Payment Program	299,347
Daycare Assistance Program	350,000
Small Business Assistance Program	2,480,000
Residential Rent and Mortgage Assistance Program	1,000,000
Sheltering and Food Security Program	200,000
Non-Profit Assistance Program	350,000
	<u>\$7,119,347</u>

As directed by the City Council, staff has reached out to several not-for profits with experience working with daycare providers or young families with children to assist the City in administering a program to assist families with daycare needs. We started with Community Connections, and they decided that thread might be better candidate to administer the City's CARES Act Daycare Assistance Program. After speak with thread, they recommended Southeast Alaska Association for the Education of Young Children (AEYC). This turned out to be a good recommendation because AEYC is currently with working the City and Borough of Juneau to administer their CARES Act daycare assistance program. As a result of working with Juneau, AEYC has gained some exposure to the requirements of the CARES Act.

AEYC has proposed a program that would provide \$345,000 for direct COVID-19 grants to licensed children care providers. The grant amount will be based on enrollment and a monthly stipend of \$435 per full-time enrolled child and \$220 per part-time enrolled child. The daycare provider must certify their intent to remain in operation through May 31, 2022. The primary goals of this program are to improve the quality of daycare within the Ketchikan Gateway Borough and the availability of childcare during the COVID-19 pandemic.

AEYC will be responsible for administering the program on behalf of the City, implementing adequate internal controls to ensure that the funds are being used for their intended purposes and reporting to the City how the funds were spent. Any funds remaining will be returned to the City. For this service, AEYC is requesting an administrative fee of \$5,000.

Karl. R. Amylon
June 25, 2020
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I have attached for your review a rough draft of a memorandum of agreement between the City and AEYC, a proposed application form, and a brochure that provides some very interesting statistics about the state of daycare in Ketchikan. If the City Council authorizes the city manager to enter into an agreement with AEYC, my office will work with AEYC and the city attorney to finalize the agreement.

I recommend that the City Council authorize the city manager to enter into an agreement with AEYC to administer the City's CARES Act Daycare Assistance Program. AEYC serves all of Southeast Alaska and local resident Robin Anderson serves as AEYC Child Care Provider Liaison in Ketchikan.

Recommended Motion:

I move the City Council approve a memorandum of agreement between the City and Southeast Alaska Association for the Education of Young Children to administer the City's CARES Act daycare assistance program and authorize the city manager to execute the agreement on behalf of the City Council.

Memorandum of Agreement

This is a Memorandum of Agreement between the City of Ketchikan and the Association for the Education of Young Children (AEYC). The City of Ketchikan will provide AEYC with \$350,000 in grant funding to administer and provide funding in response to the COVID-19 Emergency to childcare operators meeting the criteria listed below. The City of Ketchikan will provide direct reimbursement to AEYC for requirements in item #2 below. The grant award covers the period July 1, 2020 through October 31, 2020.

Scope of the Program

The grant is divided into 2 categories:

1. \$345,000 for direct COVID grants to licensed childcare providers who were licensed and available to operate as of March 1, 2020 and who remain in operation through December 31, 2020, and who have the intent to continue operations until May 31, 2022.
2. \$5,000 to provide for the verification of eligibility and payment of City and/or Borough of Ketchikan's Covid-19 childcare grants to local providers, and monthly reports on the numbers of children in care, and status of child care.

Grantor/Grantee Communications and Contacts

The following addresses will be used for all written communications.

City of Ketchikan
Karl R. Amylon, City Manager
334 Front Street
Ketchikan, Alaska 99901
karla@city.ketchikan.ak.us
907-228-5603

Association for the Education of Young Children
Joy Lyon, Executive Director
3200 Hospital Drive, Suite 204
Juneau, Alaska 99801
jlyon@aeyc-sea.org
907-789-1235

Grant Award Fund Distribution

The City of Ketchikan will provide the grant funds for the program costs incurred during the period July 1, 2020 through October 31, 2020. City of Ketchikan will advance AEYC the projected program cost upon execution of the agreement in July 2020. The AEYC will provide a monthly report of grants payments due no later than 15 days after the end of the month.

The AEYC agrees to refund all City of Ketchikan advanced grant funds not utilized for the program costs, as identified in the scope section of this Agreement within 30 days after the end of the grant period, November 30, 2020.

Operator Eligibility Requirements

To qualify for Covid emergency grants, the childcare provider must:

Be licensed by the State of Alaska to provide Childcare in the City and / or Borough of Ketchikan, and;

Be eligible for State of Alaska or Tribal Child Care Assistance payments, and;

Provide full time childcare which shall be defined as a minimum of 30 hours per week, and provide childcare services for each month in which grant funding is applied for;

Have the intent to continue to operate through May 31, 2022.

Grant Levels

July, August, September, 2020:

A grant of \$435 per child enrollment up to the licensed capacity of the provider as of February, 2020. (Example: if the provider was providing care for 40 full time children, and the provider's the provider would be eligible to receive \$18,000.)

For part time children a grant equal to \$225 per enrolled child, up to licensed capacity.

Per child grants will be prorated for part time children in the same manner as the State of Alaska Childcare Assistance program.

If there are funds remaining in October, the funds will be pro-rated and distributed to participating programs.

Process for Grant Payments to Child Care Operators

Grant funding will be distributed upon application by the provider on a form provided by the AEYC.

For per child stipends, a child care operator may submit for payment by using the same document required by the State of Alaska Child Care Assistance and Child Care Grant programs. Applications will be reviewed by AEYC to verify eligibility for the amount of grant payment. Applications are due no later than the 5th day of the month for the previous month's payment. Checks shall be issued to childcare operators no later than the 25th day of the month.

Grant Fund Management and Controls

City of Ketchikan is contributing these funds to improve the quality and availability of child care in Ketchikan. It is important to City of Ketchikan that adequate controls exist to safeguard these funds. In providing this control, AEYC agrees to maintain accounting and management systems that provide reasonable safeguards and reporting reliability.

Activity Reports

AEYC will submit Monthly reports detailing the distribution of funds. Reports will include the number of providers requesting the grant/stipend, the amount of grant/stipend provided per provider, and the number of enrolled children, as well as progress on increasing capacity of child care.

Documentation

Back up documentation for all payments to child care providers will be retained by AEYC for seven years, and available for review on request of City of Ketchikan.

Joy Lyon, Executive Director
Association for the Education of Young Children

Date

Karl R. Amylon, City Manager
City of Ketchikan, Alaska

Date

Child Care COVID Emergency Grant

SEA-AEYC/**thread** Southeast are excited to announce that the City of Ketchikan has allocated \$350,000 in CARES Act funds towards supporting child care in Ketchikan.



GRANT PERIOD July, August, and September, 2020

Child Care Sustainability Grants

Eligible providers will monthly receive a grant equal to \$435 per FT enrolled child in attendance, and \$220 per PT enrolled child as established in February, 2020.

October; If there are funds remaining, they will be distributed equally among participating programs on a pro-rated per child basis.

**Per child grant amounts will be prorated for children enrolled part time, in the same manner as the State of Alaska Childcare Assistance program.*

GRANT PROCESS

Program sustainability grant funding will be determined based upon the one-time submission of this application and monthly submission of child enrollment documentation. Child enrollment documentation must include: child name, child age (in months or DOB), enrollment type (Full or Part Time), assistance type (State, OCS, or Tribal), and number of days in attendance during given grant month (Full days and Part days). A child care provider may use the *Attendance Report Form* required by the State of Alaska Child Care Grant Program as documentation of monthly child enrollment or may contact SEA-AEYC for an alternate documentation form. Programs must submit child enrollment documentation for February 2020 and must submit child enrollment and attendance documentation for the given grant month.

Applications and documentation must be submitted to SEA-AEYC for review and verification of eligibility. Applications are due no later than the 5th day of the month for the previous month's payment. Checks shall be issued to child care providers no later than the 25th day of the month.

TO BE ELIGIBLE for Child Care COVID Emergency Grants, the child care provider **MUST**:

- Be licensed by the State of Alaska to provide child care within the City & or Borough of Ketchikan, and have the intent to continue to operate through May 31, 2022, and;
- Be eligible to accept State of Alaska or Tribal Child Care Assistance payments, and;
- Provide full time child care which shall be defined as a minimum of 30 hours per week, and provide childcare services for each month in which grant funding is applied for, and;
- Follow the CDC and Child Care Aware of America decision tree on opening your program, and while operating, follow the State of Alaska and local community health guidelines to the best of your ability, and;
- Be open and serving families, unless otherwise mandated by the State or City & Borough of Ketchikan.

Program Name: _____ **Administrator Name:** _____

Program Tuition Rates (as of 3/1/20): Infant: \$ _____ Toddler: \$ _____ Pre-K: \$ _____ School Age: \$ _____

Mailing Address: _____

Phone Number: _____ **Email Address:** _____

Statement of Truth: *By signing below, I certify that the information provided on this form for the period indicated is true and accurate, and I meet all eligibility criteria as stated above. Falsification of any information on this form can result in a repayment of funds, and the inability to receive future grants, reimbursements, or incentives.*

Applicant Printed Name: _____

Applicant Signature: _____ **Date:** _____

Please return completed application and documentation to AEYC:

info@aeyc-sea.org | 3200 Hospital Drive, Suite 204, Juneau, AK 99801 | Fax: 907-789-1238



Early Education

KETCHIKAN BY THE NUMBERS 2019

There is not enough child care to meet the needs of the community

There are **854** kids in Ketchikan under the age of **5.5**. **70 percent** of these children are without a stay-at-home parent and there are only enough licensed child care slots for three out of every ten children in this age group. While Ketchikan Gateway Borough School District Pre-K and Head Start programs provide some partial day child care relief for a portion of the year, nearly **one quarter** of Ketchikan's birth to 5.5 year-olds are in an unknown child care situation.

While all preschool-age children in Ketchikan attend at least one or more part-time child care programs, **half of Ketchikan's infant and toddlers** are in an unknown child care situation. Lack of affordable, quality child care can often restrict household employment.

Low Wages Continue for Child Care Workers

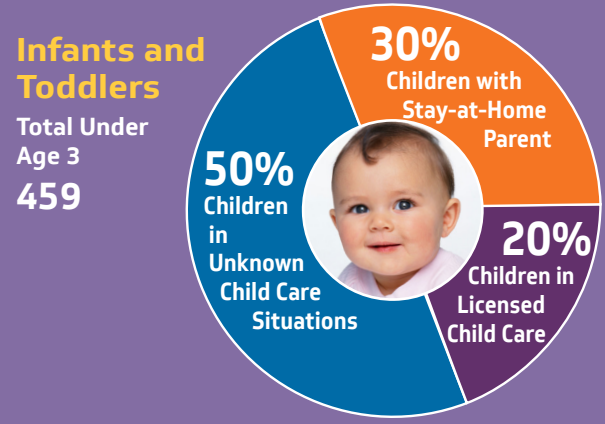
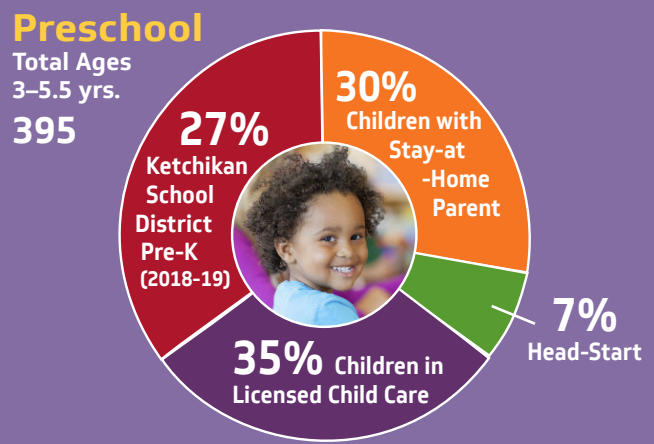
While the 2018 average wage for a child care worker in Ketchikan is **\$22,992**, less than one third the wage of a Ketchikan kindergarten teacher, and child care workers have no summer or winter vacations, and likely no health insurance or retirement benefits.

\$22,992	\$47,472	\$73,192
Average Ketchikan Child Care Wage	Average Ketchikan Wage	Average Ketchikan Kindergarten Teacher Salary

With an annual income of **\$37,760** needed to afford a one-bedroom unit in Ketchikan, child care workers don't earn enough to pay the rent. (Source: National Low Income Housing Coalition). Low wages make attracting and retaining qualified educational professionals for child care positions difficult.



More Licensed Child Care is Needed



* Some children attend multiple programs part-time.
* Children with stay-at-home parents is an aggregate percentage for all Juneau children under age 6.



Ketchikan Child Care BY THE NUMBERS MAY 2019

854	Ketchikan Population Under Age 5,5 2018 ¹
247	Total Licensed Child Care Slots in Ketchikan 2019 ³
90	Number of Infant/Toddler Spaces 2019 ³
260	Estimated Ketchikan Children Under Age 5.5 with a Stay-At-Home Parent 2018 ^{1,2}
594	Estimated Ketchikan Children Under Age 5.5 with All Parents Working 2018 ^{1,2}
195	Estimated Ketchikan Children Under Age 5.5 in Unknown Child Care Situations 2018 ^{1,2,3,4}
3 to 10	Ratio of Licensed Child Care Slots to Children Under the age of 5.5 ^{1,3,4}
\$22,992	Average Annual Child Care Wage in Ketchikan 2018 ¹
\$47,472	Average Annual Wage in Ketchikan 2018 ¹
\$73,192	Average Annual Kindergarten School Teacher Wage in Ketchikan 2018 ⁶
48	Total Child Care Workers in Ketchikan (in Licensed Facilities) 2019 ³
19	Child Care Workers with Child Development Assoc. or 12+ Credits 2019 ³
40%	Child Care Teachers that meet Qualifications ³
\$7,284	Average Annual Child Care Cost Per Child 2017 ⁵
29%	Children ready for Kindergarten 2018 ⁷
39%	Alaska Children 5 and under with one or more Adverse Childhood Experiences ⁸

Sources: **1** Alaska Department of Labor; **2** American Community Survey 5-year Estimates Table B23008 2013-2017; **3** AEYC; **4** JEDC analysis; **5** 2017 Alaska Child Care Market Price Survey Report; **6** KGBSD Salary Schedule, mid-range; **7** Alaska Development Profile; **8** 2017 National Survey of Children's Health



Association for the Education of Young Children, Southeast Alaska
 3200 Hospital Drive, Suite 2014, Juneau, AK (907) 789-1235 www.aeyc-sea.org

suggested limiting the amount of exclusions to ensure the money gets out quickly. She noted the Permanent Dividend Fund will be coming out in July which will help individuals through the summer. She continued then the Borough and City can assist individuals with the second and third rounds of funding to help them get through the winter months.

NEW BUSINESS

Suggested Programs for Funding from the First Installment of CARES Act Relief Funds

Moved by Coose, seconded by Kiffer the City Council direct staff to finalize programs for the disbursement of CARES Act Relief funding in the amount of \$5,919,347 to City residents and businesses as determined appropriate by the City Council.

Suggested Programs	Amount
Utility Assistance	\$ 1,440,000
Moorage Assistance	\$ 300,000
Daycare Assistance	\$ 350,000
Small Business Assistance	\$ 2,480,000
Residential Rent & Mortgage Assistance	\$ 1,000,000
Non-Profit Organizations	\$ 350,000

Manager Amylon gave a summary of the monies that are being made available to the City and Borough, noting the City has \$5.9 million available in the first round. He said it is up to the Council's discretion in terms of how you want to distribute these funds. He indicated staff has put together a draft outline with suggestions for the Council. He said what staff has proposed is in no means written in stone. He said he agreed with the comments made during persons to be heard, there is a lot of need out there and not enough money. He said his office did not receive much of feedback from the community. He explained because of that it is hard to define what the need is in terms of where to target the money and where it will be most effective. He said his office put together a simple program that would make assistance available to areas in which people will need help with, the longer the pandemic goes on.

The Manager's Office submitted a general outline for the first round of funding with recommendations and suggested combining some of the funds with the Borough for quick distribution.

A lengthy discussion ensued between the Councilmembers on what they would like to see regarding programs and distribution amounts for this round and future allocations is summarized below.

- After the distribution of the first round, the Council will have a clearer view of where the second and third round should be dispersed.
- Discussion regarding additional funding to daycare providers and local non-profits to ensure aid to the homeless, disabled and vulnerable people of the community.
- Discussion of collaborating with the Borough and local non-profits.
- Recommendations on application forms and the best way to get the applications and information out to community members.
- Clarification on policies and procedures.
- Possible future joint discussion with the Borough after distribution of first round of funding to discuss dispersal of second and third rounds.
- Discussion regarding different models available for grant distribution.

Councilmember Coose called the question on the motion.

Motion passed with Zenge, Flora, Chapel, Bergeron, Coose, Kiffer and Gage voting yea.

MAYOR AND COUNCILMEMBER COMMENTS

Councilmember Flora stated this topic requires a healthy discussion to get the money out into the community as expeditiously as we can. He reiterated comments that this money will not make individuals or a business's whole, but will help them get by. He said lets learn from this first phase and we can do a better job the second time around.

Councilmember Kiffer echoed Councilmember Flora's comments. He stated that we need to get this process started. He said as a body we will be able to see what did and did not work well and discuss what we can do it make it better for the next round.

Councilmember Zenge said she appreciated all of the work staff has done and all of those in the community who have reached out with their concerns.

Councilmember Bergeron stated that we need to put this money where it would do the most good and felt tonight's process was rushed. He said we have an obligation to seriously consider the best use of these funds whether they go to individuals, non-profits or local businesses.

Councilmember Gage said she is willing to spend more time on this discussion because this has to do with the lives and the wellbeing of everyone in our community. She encouraged everyone to think about what was discussed here tonight. She commented on the COVID-19 unemployment that is available and the difficulties of applying for it. She asked how can we assist people regarding care providers. She echoed Councilmember Chapel's comments on offering mental health services for the community.

Mayor Sivertsen said today was to listen to people and that there is a lot of need out there and we have not even touched the surface yet. He stated we have to move forward with some type of plan and we need to work with the community. He informed we will learn more about our community as we go through this process. He said he hopes that people who need this funding will have access to it. He noted that we need to keep our eye on the ball and adjust as needed to make things right for everyone.

ADJOURNMENT

As there was no further business, the Council adjourned at 7:21p.m.

Robert Sivertsen, Mayor

ATTEST:

Kim Stanker, MMC
City Clerk

FYI ITEMS INCLUDED – None