

YES on 14

CARE for KIDS

Proposition 14 Overview

A shortage of affordable and high-quality child care and early education options is creating serious challenges for kids, families, and poses significant risks to our economy. This spring, Anchorage residents will vote on Proposition 14, which dedicates the marijuana tax revenue to child care and early education in Anchorage. The proposition also lowers the tax cap by \$1 million dollars – the first time in decades that Anchorage voters have had the opportunity to lower the tax cap and limit the growth of property taxes.

What does Proposition 14 do?

- Dedicates current revenue collected from local Anchorage marijuana taxes to provide affordable, high-quality child care and early education for Anchorage children. That amounts to between \$5-6 million per year. Private child care and education providers are eligible.
- Lowers the tax cap by \$1 million to provide protection for property tax payers.
- Establishes an independent advisory board to evaluate the use of the funds.

Proposition 14 helps Anchorage kids

There are hundreds of Anchorage kids that start kindergarten without the foundational skills they need. This is especially true for young kids that don't have a stable care situation at home, including families that don't have secure housing. This initiative will ensure that hundreds more Anchorage kids will start kindergarten ready to learn, set them up to learn to read, and succeed all the way through high school. Studies show high-quality child care and early education programs help kids by

increasing reading scores and graduation rates, lowering incarceration rates, and even improving long-term health.

Proposition 14 helps Anchorage businesses and the economy

A shortage of qualified workers is the number one problem facing Anchorage businesses. A lack of child care is a big part of that problem. In 2021, the U.S. Chamber of Commerce found that childcare issues in Alaska result in an estimated \$165 million loss annually for Alaska's economy. We cannot meaningfully address our workforce shortage without addressing the child care shortage. By creating a dedicated fund for child care, this initiative will free up more parents to reenter the workforce, and make Anchorage a more attractive place for businesses and families.

Proposition 14 lowers the tax cap

To provide protection to property tax payers, this initiative also lowers the tax cap by \$1 million. This is the first time in decades that Anchorage voters get an opportunity to lower the tax cap.





Frequently Asked Questions

How is this paid for?

Revenues from the local marijuana tax go into the City's general fund and can be spent on anything in government. This initiative simply dedicates those funds to child care and early education. Anchorage is projecting higher than anticipated revenues, including a \$1 million increase in rental car tax revenue, and a \$9 million increase in bed tax revenue since 2021. Combined with new federal dollars, Anchorage can afford to dedicate these funds and lower the tax cap without impacting essential public services.

What can these funds be used for?

Funds can be used to increase access to high quality child care and preschool in Anchorage. This can include but is not limited to child care vouchers, improving early literacy, living wages and competitive benefits for professionals in the early education workforce, skills training, and incentives to expand or open new services. These funds will not be utilized to further fund the Municipality or backfill the Anchorage School District budget. No more than 10% may be spent on administration or overhead.

Who is eligible to access these funds?

All child care and early education providers that meet general legal requirements for educational grants will be eligible for funding. That includes early education programs offered in diverse settings, such as public schools, faith-based organizations, licensed family and center-based child care programs, Head Start, or other regulated/licensed community-based programs. This approach increases parent choice and a sound example of public-private partnership to deliver high-quality early childhood education to more families. This model is successful because most families need full "working day" care and not full "school day" care.

