



March 14, 2025

Senate Labor and Commerce Committee

Senate Bill 96 Invited Testimony

Thank you for the opportunity to testify today. My name is Kati Capozzi, and I proudly serve as the President & CEO of the Alaska Chamber of Commerce. The Chamber has over 700 members across the state of Alaska, representing businesses of all sizes and types, from every major economic sector. Our mission is to promote a healthy business environment in Alaska.

I've been invited to highlight the ongoing need the business community has for accessible child care, and I'd first like to start by thanking Senator Wielechowski as Senate Rules Chair for introducing SB96 and Senator Bjorkman for hearing the bill today. Additionally, I'd like to thank Representative Coulombe for introducing the child care bill last session that addressed many of the concerns raised by the Chamber and members of the Governor's Task Force on Child Care, on which I served. We were thrilled to see the bill pass with overwhelming bipartisan support late last session, and disappointed that it's been caught up in legal challenges, unrelated to the content of the bill.

Why does the Alaska Chamber care about child care? Simple. Alaska's economy depends on a strong, stable workforce. Yet, the lack of affordable and accessible child care is one of the greatest barriers to workforce participation. Nearly 50,000 working-age adults in Alaska rely on child care to participate in the labor force. However, with one in every five licensed child care providers closing since 2020 and continued staffing shortages, child care access has been and continues to be at a crisis point.

Employers across the state report that they struggle to recruit and retain employees because child care options are either too expensive or simply unavailable. When employees cannot find child care, businesses suffer. According to the Untapped Potential report, conducted by the U.S. Chamber Foundation and in partnership with the Alaska Chamber, child care-related absences and employee turnover cost the Alaskan economy at least \$165 million per year in lost productivity and wages. These challenges disproportionately impact working parents, particularly women, who often have no choice but to reduce their hours or leave the workforce altogether. In a more recent statewide public opinion survey we conducted just last year, 19% of parents missed work and 12% of parents chose not to work due to a lack of affordability or accessibility. So, in other words, we have thousands of able-to-work Alaskans sitting on the sidelines due to this issue. Like many services, child care in Alaska is among the most expensive in the nation. The average cost for full-time care for an infant is \$21,000 per year, making it one of the largest expenses for working families. For many households, the lack of affordable options means one parent must leave the workforce, further constraining Alaska's labor pool.

SB96 would provide corporate income tax paying employers the opportunity to employ child care benefits to their employees and even the option of creating additional child care slots in the communities they operate in, benefiting other working parents. This is one piece of a multi-layered approach that could meaningfully move the needle on increasing access to and affordability of childcare in Alaska.

Employers across the state are ready to be partners in this effort, and we look forward to working with this committee and members of the legislature to address this priority concern. Thank you for your time, and I am happy to answer your questions.



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