

TESTIMONY
Senate Finance & Taxation Committee
SB 2237
January 25, 2023
Senator Kathy Hogan

Chairman Kannianen and members of the Senate Finance & Taxation Committee. I am Senator Kathy Hogan from Central Fargo with a small corner of West Fargo.

SB 2237 is one of five bills being introduced to address the childcare crisis. In December 2022, KIDS COUNT ND submitted a comprehensive overview of the needs and it can be found at <https://ndkidscount.org/north-dakotas-child-care-system-investments-needed-to-support-families-and-child-care-businesses>. These bills are linked to that study.

Over the last 12 to 18 months discussion regarding the need to stabilize the childcare infrastructure has generated many creative ideas and suggestions. Because this is a complex issue, there is not one simple solution. The cost of childcare in some communities equals or exceeds college tuition costs. In 2021 the average cost of a child for an infant for a year was \$9,833.00 and for a toddler was \$8,727. In many families, particularly those that have two or three children in childcare, their costs far exceed their mortgage payments.

This bill is focused on helping middle class families with young children who are struggling with the costs of childcare by providing them an income tax credit for childcare costs. Many states are now considering either employer or parental childcare tax credits as a mechanism to address these issues. For a summary of those initiative see <https://www.ced.org/child-care-state-tax-credits> Many states offer an array of tax credits. Here is a link to the Colorado model https://www.ced.org/assets/pdf/ell-statemaps/201003_CED_StateTaxMergedDoc%20CO.pdf

Thank you for your interest in this bill and I hope you will seriously consider this as one of the ways we as a state can strengthen our workforce by stabilizing the childcare system. I am more than willing to answer any questions.