



North Dakota Association of Rural Electric Cooperatives
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January 26, 2023

To: N.D. Senate Workforce Development Committee
From: Josh Kramer, executive vice president and general manager, NDAREC
RE: **Support of Senate Bill 2301**

Chairman Wobbema and members of the Senate Workforce Development Committee, the North Dakota Association of Rural Electric Cooperatives (NDAREC) represents sixteen electric distribution cooperatives and five generation and transmission cooperatives that generate, transmit and distribute electricity across the state of North Dakota. Collectively, North Dakota's electric cooperatives employ more than 2,500 people, many of whom are dependent on the availability of child care. Therefore, we are eager to support SB 2301 and other legislation that seeks to improve the access, availability and affordability of quality child care in all parts of the state, including small towns and rural areas.

We are happy to see Gov. Burgum's and the Legislature's interest in dedicating resources to address the child care crisis in our state, but more must be done.

This isn't a looming crisis, it is here. Child care wait lists extend more than 12 months out. There are communities with limited to no access to child care. There are people, employees of our cooperatives, needing to drive to multiple towns to drop kids off at a child care provider, before arriving at work in another community. We hear from families who are traveling distances of 50 to 80 miles roundtrip to bring their children to their child care provider. This is not sustainable – for parents, employers or rural communities.

North Dakota's electric cooperatives, through the work of our Rural Development Center, have long supported and assisted in providing technical assistance and financing for various child care groups, such as small businesses, community-owned, nonprofit and cooperative child care providers. What we've found is that even if a child care is able to get up and running "debt-free," it is still very difficult, and sometimes impossible, to cash flow.

Addressing the low wages of child care workers is a critical component to maintain our existing availability and access. Child care businesses operate on narrow margins and often

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cannot pay employees a competitive wage. Employee wages and benefits make up more than half the cost for most child care businesses, with other expenses going toward rent and utilities, administrative costs and materials.

Finding innovative ways to improve access to child care is an issue to which all employers and leaders must seriously contribute time and resources. If the current state of child care is deemed a crisis, it might be time we dedicate the time, attention and resources that most crises deserve.

I thank this committee for its time, the opportunity to provide testimony and your consideration. NDAREC would urge a "Do Pass" recommendation on SB 2301.