

GREATER NORTH DAKOTA CHAMBER
HB 1012
House Appropriations Committee
Human Resources Division
Chair Jon Nelson
February 5, 2025

Mr. Chairman and members of the Committee, my name is Andrea Pfennig, and I am the Vice President of Government Affairs for the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **support** of House Bill 1012 as it relates to childcare.

Labor availability has been identified as the top business concern facing companies in North Dakota. In our 2024 ND Economics and Employer Survey of our membership:

- 70% of respondents indicated they were having trouble hiring employees.
- 69% of respondents indicated that childcare was an issue for their organization.

In the 2023 legislative session, a historic \$65.6 million funding package was passed to help address childcare shortages within the state. GNDC would like to express its appreciation to the legislative body for recognizing the impacts lack of childcare can have on the workforce. Coverage of childcare expenses for childcare staff, which became available in June of 2024, has been beneficial.

The Working Parents Child Care Relief Program, which was part of the package, was a positive step in addressing childcare issues and worked well for some of our members. However, there were also some challenges with the program.

- The established income thresholds for eligibility excluded some employees.
- Age limitations were a challenge as only ages 0-3 qualify.
- Companies with a large number of employees may find it administratively burdensome.
- The defined contribution amounts limit flexibility. For example, at the inception of the program employers were required to provide \$300/month/employee. Currently there is an additional \$150/month/employee option.

The biggest issue with the program was lack of awareness. Only 33% of respondents indicated awareness of the program.

Are you aware of the state childcare employer match program?



GNDC hosted a Policy Outlook regarding the program in October of 2023. These are virtual meetings designed to provide our members with the opportunity to directly interact with policy

leaders and subject matter experts. We reached over 60 members through this event. We also provided DHHS with some feedback on their Employer Toolkit at their request. We feel that collaboration efforts could be strengthened. There have been other instances in which GNDC offered the DHHS an opportunity to reach our membership, but we did not receive a response. Whether done in collaboration with GNDC or through some other method, based on the results of our survey, we do feel additional outreach is needed in some way.

Childcare remains an issue for our members, and we would like to express our support for effective and rapidly deployed solutions.

