

SB 2282 Testimony
House Finance and Tax Committee
Senator Kathy Hogan
March 12, 2025

Chairman Headland, for the record, my name is Kathy Hogan. I represent District 21 which is central Fargo and a portion of West Fargo. I urge your support of SB 2282.

Childcare is a major driver for economic development throughout our nation. Federal, state and local governments have used a range of strategies to offset costs, to support both families and childcare providers to address this crisis.

Last session, we put together a range of approaches to supporting both families and employers to access affording childcare in HB 1540. To see the overview of the implementation of HB 1540, here is the link to an interim DHHS report from last July:

<https://ndlegis.gov/sites/default/files/committees/68-2023/25.5152.03000appendixg.pdf>

Some progress has been made, but for most childcare providers recruitment and retention of staff is extremely difficult because of limited resources for both salaries and benefits. Most of the very successful childcare providers have some type of external financial support or subsidy other than childcare fees.

One piece of that package included an employer Working Parents Child Care Relief program - Employers Choice program. Here is the link:

<https://www.hhs.nd.gov/nd-working-parents-childcare-relief-program-employers-choice>

In January 2025, only 50 employers had enrolled. The largest employer is the State of ND. In meeting with various business groups, it was reported that the process was cumbersome and unavailable to organizations who crossed stateliness or had employees in both states which on the borders is typical.

Many states have used a variety of approaches to these complex challenges. These resources include a report from the National Conference of State Legislatures, and the two reports from The Conference Board which is a collaborative organization that provides resources on broad systems issues.

Resource Materials

<https://www.conference-board.org/press/child-care-in-state-economies-part-3>
<https://www.conference-board.org/pdfdownload.cfm?masterProductID=38654>
<https://archive.legmt.gov/content/Committees/Interim/2023-2024/EconomicAffairs/Meetings/March-4-5-2024/4.09-NCSL-Brief-State-Child-Care-Tax-Incentives.pdf>

The Greater North Dakota Association has consistently advocated for more support for families, childcare providers and employers. They suggested that this approach would be helpful to add to the toolbox of approaches. SB 2281 will add another tool to help some businesses and families.

I do not know tax policy, but I do know that this will not help every type of employer, but it will help some. I am sure that you will hear from many more qualified people. I am more than willing to answer any questions. Thank you for considering this proposal.