



BISMARCK MANDAN

CHAMBER | EDC

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Testimony of Nathan Schneider, Vice President
Bismarck Mandan Chamber EDC
In Support of SB 2282
January 27, 2025

Chairman Weber and members of the Senate Finance and Taxation Committee:

Thank you for the opportunity to provide testimony in support of Senate Bill 2282, which proposes providing an income tax credit to employers for contributions made toward their employees' childcare expenses. My name is Nathan Schneider, and I am Vice President of Economic Development for the Bismarck Mandan Chamber EDC.

This legislation represents a key opportunity to strengthen North Dakota's economic development efforts by addressing one of the most significant barriers to workforce participation: access to affordable, reliable childcare. From an economic development perspective, this bill has the potential to bolster our labor force, support businesses, and enhance the competitiveness of our state as a destination for investment and growth.

Bismarck Mandan and North Dakota continue to struggle with workforce shortages and the Bismarck Mandan Chamber EDC feels that SB 2282 addresses these shortages in the following ways:

1. **Workforce Attraction and Retention:**
 - Businesses across North Dakota are facing workforce shortages, particularly in industries that require consistent, in-person attendance. Childcare challenges often prevent capable workers, particularly parents, from entering or remaining in the labor market.
 - By incentivizing employers to assist with childcare expenses, this bill helps expand the available workforce and keeps talented employees in North Dakota.
2. **Strengthening Business Competitiveness:**
 - Employers who offer childcare support gain a competitive edge in attracting top talent, particularly as younger workers increasingly prioritize family-friendly benefits.
 - This bill ensures businesses can access financial incentives to offset the costs of providing this critical benefit, making it easier for smaller businesses to remain competitive with larger firms.

3. Enhancing North Dakota's Economic Reputation:

- States that implement innovative policies to support families and businesses alike are better positioned to attract employers and investors.
- SB 2282 would send a strong message that North Dakota is committed to fostering a modern, comprehensive economy where families and businesses can thrive together.

4. Aligning with Broader Economic Goals:

- As childcare costs continue to rise, the inability to address this issue risks undermining other economic development efforts, including workforce training and education initiatives.
- This bill supports broader state goals of enhancing productivity, increasing household financial security, and closing workforce gaps.

In conclusion, SB 2282 is more than a tax credit—it is a strategic investment in North Dakota's economy. By addressing a key barrier to workforce participation, this legislation supports both businesses and families, ensuring that our state remains competitive and innovative. It also represents a practical, win-win solution for families, employers, and the state economy. It reduces the financial burden of childcare, strengthens workforce participation, and encourages businesses to take an active role in supporting employees' wellbeing.

On behalf of our nearly 1,200 members, I respectfully urge the committee to advance this legislation and ensure that North Dakota remains a place where families and businesses alike can thrive. Thank you for your time and consideration.