



FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

February 6, 2025

Re: SB 2306 – In Support

Chairman Wobbema and Members of the Senate Workforce Development Committee,

Thank you for the opportunity to testify in support of Senate Bill 2036 on behalf of the North Dakota Alliance of YMCAs. My name is Bill Bauman and I serve as CEO of the Missouri Valley Family YMCA in Bismarck.

Child Care Impacts

The YMCAs are collectively the largest provider of childcare services in the state, serving over 3,200 children in our licensed facilities in Bismarck, Grand Forks, and Fargo. Childcare and early education are fundamental to the well-being of our children and the economic stability of our families—which is all part of the YMCA mission. According to recent studies, about 78% of families with children under 18 have both parents in the workforce. This underscores the necessity of robust childcare services to support these working parents.

We know that quality childcare provides improved employee satisfaction, reduced absenteeism, increased productivity, and increased staff retention. Offering child care-related benefits helps attract and retain talent, which is crucial in a competitive job market. For families, accessible and affordable childcare is essential, allowing parents to participate fully in the workforce. This participation not only enhances family income but also contributes significantly to the broader economy.

We believe a true partnership between providers and the state is critical to impacting workforce and youth development.

Child Care Incentives

The state's historical investment in child care programs and funding last biennium provided through the Department of Health and Human Services have significantly helped families manage child care costs and offered providers helpful grants. Additionally, the child care worker benefit program allowing child care workers to receive assistance when they bring their own children to work has been an invaluable resource for the YMCAs in recruiting and retaining staff.

However, despite these important steps, we have yet to scratch the surface of the financial strain child care providers are facing—particularly in classrooms dedicated to our youngest children aged 0-3.

The Reality for Infant & Toddler Care Providers

Caring for infants and toddlers is one of the most resource-intensive services a provider can offer. Strict staffing ratios (age appropriate at 1:4 for infants, 1:5 for toddlers), higher operating and wage costs, and evolving regulatory requirements all contribute to the challenge of keeping these programs financially stable. Our YMCAs must pay between \$17-22 dollars an hour for infant and toddler staff to remain competitive in the market and retain quality employees.

Tuition rates alone, however, cannot offset these costs. Market rates are set based on what families can reasonably pay, not on what providers need to cover expenses. Even with tuition ranging from \$800-\$1,200 per month for infants and toddlers, the reality is that monthly cost hovers closer to \$2,000 per child for staff, supplies, food, insurance, utilities, facility maintenance, cleaning and more. We are operating on razor-thin margins, but really, losses of up to \$80,000 a year in our YMCA child care programs.

Limited Pricing Flexibility

The U.S. Department of Health and Human Services (HHS) recommends that child care should not exceed 7% of a family's household income to be considered affordable. Yet we understand families spend between 10-20% of their income on child care, with some paying even higher percentages depending on their location and the age of their children.

To understand the real impact, let's break down the typical family's income and expenses. The median household income in Cass County is \$73,742 per year. After taxes and benefits, this leaves a family with \$63,220 in take-home pay, or about \$5,268 per month to cover expenses. Like most families, their income is quickly allocated to necessities (taken from cost-of-living averages):

- Housing (Rent/Mortgage & Utilities): \$975
- Household Expenses (Groceries, Utilities, Internet, Phone, etc.): \$1200
- Car & Health Insurance: \$500
- Gas & Transportation: \$200
- Other Essentials (Clothing, Personal Care, etc.): \$150
- Total Basic Expenses: \$3,025

That leaves \$2,243 before factoring in one of the biggest expenses—child care. For families with young children, child care costs are unavoidable. In Cass County, infant care hovers around \$1,140 per month, with toddler care at \$908 per month. For a family with one infant and one toddler, that's \$2,048 per month. After paying for child care, this family has less than \$200 remaining each month for emergencies, savings, unexpected costs like medical bills, car repairs, or home maintenance, or family fun.

Monthly child care costs can match or even double a mortgage or rent payment. Over four years, child care expenses can rival the cost of a four-year college degree—an expense families typically spend years preparing for. Families are pushing the limits of what they can afford or

dropping out of the workforce to care for their children. Many middle-income families receive no financial assistance at all and still struggle to afford child care tuition, leaving providers unable to raise rates without pricing families out entirely.

Provider Grant Proposal

As the legislature evaluates the 2023 child care package, we believe there is an opportunity to further support providers and incentivize care for the 0-3 age group with a unique funding stream.

We're asking for a dedicated provider grant that directly supports child care providers serving infants and toddlers, ensuring sustainability, affordability, and quality in the ecosystem. This is just what SB 2306 aims to accomplish.

We agree that this type of grant should help support our child care workforce through wages and hiring incentives—something the YMCAs are already doing to stay competitive in workforce recruitment. It should be directed to infant and toddler care specifically to help assist where operating costs are highest. Specifically, we would request as much as \$100 per infant and toddler (0-3) to appropriately address the funding discrepancies and ongoing losses to providers in those infant and toddler classrooms. And, it should recognize providers who participate in the state's Bright and Early quality rating system at a level 2 or higher, to ensure quality measures and support skilled caregivers.

To ensure the grant reaches those who need it most, eligibility should prioritize:

- **Licensed child care centers, family providers, and nonprofit early childhood programs;**
- **Providers who serve a significant percentage of infants and toddlers; and**
- **Programs that are quality rated at a level greater than or equal to a 2 Star rating.**

We do have concern with the language around corrective action orders and would ask for clarity on that section. Many correction orders can be administrative in nature, but easily and quickly remedied, yet they remain on file for an extended period. This may unfairly jeopardize a provider's payments under the original proposal.

Conclusion

The state is providing key support for families with limited income to increase child care affordability. It has helped providers with individual infrastructure and quality grants, our YMCAs included. New child cares are opening in desert areas, easing the strain for those in rural communities and where child care offerings are scarce—and we applaud all of those programs. **Now we ask you for your efforts to fund the gap with direct support for providers of infant and toddler care.**

Thank you for your consideration as we work together to address an issue with a direct impact on workforce development in North Dakota.

Thank you,

Alliance of North Dakota YMCAs

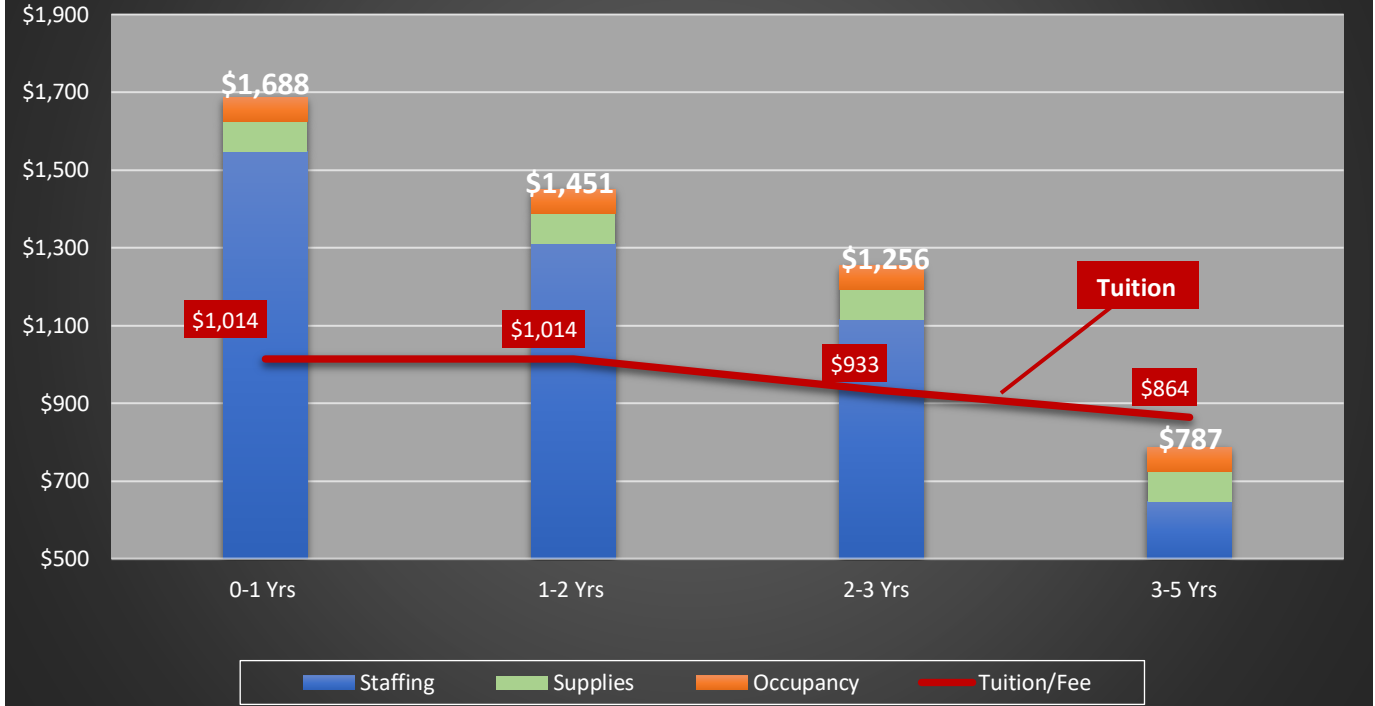
Bill Bauman
Missouri Valley Family YMCA
Bismarck

Bob McWilliams
Altru Family YMCA
Grand Forks

Nick Gray
Minot Family YMCA / Triangle Y Camp
Minot

Steve Smith
YMCA of the Northern Sky
Fargo

YMCA Child Care Center Example Average Monthly Cost Per Child



Income per child:

- **Tuition/Fee:** Current monthly rate charged per child in each age group.

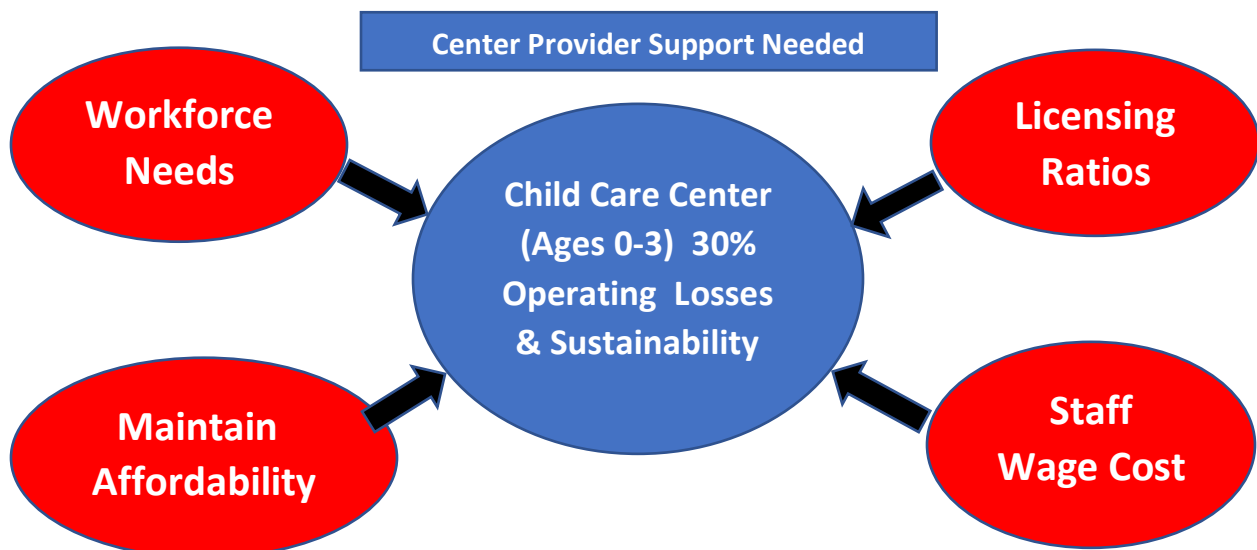


Total monthly cost per child:

- **Staffing:** wages, taxes, benefits, background checks and training. HR, Accounting
- **Supply:** food, learning materials and other supplies.
- **Occupancy:** housekeeping and sanitation supplies, utilities, repairs and IT

* Cost does not include any building/facility lease, debt, interest, deprec cost).

**Data from two Bismarck YDC Centers – full time care only: 324 children, ages 0-5, 2023





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TODAY. TOMORROW.

TOGETHER.

NORTH DAKOTA ALLIANCE OF YMCAS 2024 COMMUNITY IMPACT REPORT



\$1,736,663 in financial assistance was given to support kids and families from economically disadvantaged backgrounds to participate in North Dakota YMCA programs and activities



3,230 children were enrolled in YMCA licensed childcare centers



29,555 youth participated in out-of-school-time activities at the Y that focus on holistically fostering the physical, social and emotional development of kids

IN ADDITION TO FULL TIME STAFF AT ALL LOCATIONS, YMCAS ARE OFTEN THE FIRST EMPLOYERS OF YOUNG PEOPLE. YMCAS ALSO OFFER OLDER ADULTS OPPORTUNITIES TO SUPPLEMENT THEIR INCOME WHILE BEING PART OF A HEALTHY COMMUNITY.

2,113 individuals are employed by North Dakota YMCAs



\$25,477,591 was paid in wages and benefits by North Dakota YMCAs



WE ARE COMMUNITY

The YMCA makes accessible the support and opportunities that empower people and communities to learn, grow and thrive. There is no other nonprofit quite like the YMCA. That's because in 10,000 neighborhoods across the nation, we have the presence and partnerships to not just promise, but to deliver, lasting personal and social change.



Communities with high rates of volunteerism tend to have greater income equality than similar communities that do not.



When members make a friend they are 50% more likely to stay with the YMCA.

North Dakota YMCA's have over 100 community partnerships, some of which include:



- Foster Families
- Military Families
- Easter Seals
- United Way

- American Red Cross
- AmeriCorps
- Area Churches
- Local Hospitals
- Boys & Girls Club
- Chamber of Commerce
- City Governments
- Schools, Colleges & Universities
- Department of Corrections
- Dakota Boys & Girls Ranch
- Dakota Medica
- Foundation Ministerial Association
- Healthy North Dakota
- Home School Groups



CARING | HONESTY | RESPECT | RESPONSIBILITY



"I love the friendships and coffee at the Y. For many of us that are seniors, it provides a primary social time in our lives."

"Thank you for providing such a wonderful place for fitness and socializing!"

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Alliance of North Dakota YMCAs

Grand Forks YMCA Family Center
215 N 7th St, Grand Forks
gfyymca.org

Missouri Valley Family YMCA
1608 N Washington St, Bismarck
bismarckymca.org

The YMCA of the Northern Sky
400 1st Ave S, & 4243 19th Ave S, Fargo
www.ymcanorthernsky.org

YMCA of Minot North Dakota
3515 16th St SW, Minot
ymcaminot.org