

Testimony
SB 2306
Senate Workforce Committee
Senator Kathy Hogan
February 6, 2025

Chairman Wobbema and members of the Workforce Committee, for the record my name is Kathy Hogan. I represent District 21, which is central Fargo and a portion of West Fargo.

Last session, we considered a similar bill as a part of a package of bills/initiatives that were implemented primarily through HB 1540. Early Childhood services in DHHS are a broad range of services/programs and childcare is one component of those services. Here is the link to the budget overview from HB 1012 which is considering most of the childcare initiatives. https://ndlegis.gov/assembly/69-2025/testimony/HAPPHUM-1012-20250128-32188-F-LARSON_KAY.pdf There are a range of amendments for HB 1012 on childcare that are attached to this document. If you would like me to review the full range of strategies, I am more than willing, but first I will begin with this specific bill.

SB 2306 is a bill to target funding to qualified childcare providers for salaries/benefits to stabilize their operations. Over the last two years, we have increased reimbursement rates for childcare assistance, but currently less than 10% of the children receive this benefit. Therefore, the vast majority of childcare is covered by working families. Childcare providers struggle to make their service affordable for families and still pay their employees comparable wages to other service industries such as Long Term Care, Developmental Disabilities programs and other human service programs. In reviewing the wage and hour study that was done, it appears that most childcare facilities are often still paying 12-15 dollars/hour without benefits. Fast food pays more.

I have had an opportunity to look at some of the most high-quality childcare providers and quickly learned that they all have supplemental funding streams to support their operational costs. Sometimes, it is a group of businesses who either have grant or contract support; sometimes, it is a city/county government that is aiding and sometimes, it is simply philanthropists who see the need and offer to help. Some agencies fund childcare services through other program fees or donations. Making childcare a sustainable structure needs public support. This bill is a refinement of the bill we discussed last year. It is targeted at assuring stable employment by requiring that these funds be used for childcare staff, it has both quality measures and an ease of administrative burden for both the provider and the department.

This bill has been developed in collaboration with the Chamber of Commerce and the childcare community.

This week we have worked on the third draft of the bill which is attached. It has not been seen by everyone, but much of the feedback has been integrated into this bill. If you would like me to walk through it, I will.

Thank you for considering SB 2306 and I am more than willing to answer any questions.