2023 SENATE WORKFORCE DEVELOPMENT

SB 2301

Workforce Development Committee

Fort Lincoln Room, State Capitol

SB 2301 1/26/2023

Relating to the establishment of a childcare stabilization program.

2:29 PM Chairman Wobbema called the hearing to order. Senators Wobbema, Axtman, Elkin, Larson, Sickler, Piepkorn were present.

Discussion Topics:

- Stabilizing childcare system
- Subsidies childcare providers
- Economic balance
- Rural licensed childcare

2:29 PM **Senator Ryan Braunberger, District 10,** introduced SB 2301, testified in favor. #17044

2:32 PM Senator Kathy Hogan, District 21, testified in favor. #17138

2:42 PM Nick Archuleta, President, North Dakota United, testified in favor. #17029

2:44 PM Erin Laverdure, Board President, Energy Capital Cooperative Child Care Center, testified in favor. #17210

2:53 PM **Bill Baumann, Executive Director/CEO Missouri Valley Family YMCA**, testified in favor verbally.

2:57 PM Josh Kramer, Executive Vice President and General Manager, North Dakota Association of Rural Electric Cooperatives, testified in favor. #17114

3:00 PM **Robin Fuehrer, Director Community Church Child Care,** testified in favor. #17145

3:05 PM Mohammed Hussein, testified neutral verbally.

Additional written testimony: Kristina Wittmayer, Owner, Happy Hearts Playschool in favor #14780 Jackie Berndt, Director, Hope Center for Learning in favor #14826 Sara Mwagura, Education Coordinator, SENDCAA Head Start in favor #15125 Stacy Birch in favor #16380 Angie Puhr, Angie's Playshool in favor #16426 Heidi Smith in favor #16506 Kerri Streyle, Kerris Kids Daycare in favor #16564 Senate Workforce Development Committee SB 2301 01/26/2023 Page 2

Jan Netland, Scribbles & Giggles Childcare/Wild One Infant Center/Jans Little Jewels in favor #16591

Kathy Busche The Children's Playhouse/Kathaleen Busche 2.0 in favor #16603 Landis Larson, President, North Dakota AFL-CIO in favor #16770 Jennifer Folliard, Director of Policy and Communications, Community Healthcare Association of the Dakotas in favor #16672 Robin Nelson, Boys & Girls Clubs of the Red River Valley in favor #16773 Jessi Hegg, Program Director, Mayville State University Child Development **Programs** in favor #16686 Amy Giordano, Owner/Director, Amy's Angels Childcare LLC in favor #16808 Brad Barth, Executive Director, Forward Devils Lake Corporation in favor #16892 Shawn Wenko, Executive Director, Williston Economic Development in favor #16914 Sue Brady. Owner. Brady's Family Daycare in favor #16928 Michelle Klabo, Owner, ABC Learn-N-Play in favor #17005 Linda Schroeder, Self Employed Family Childcare Provider in favor #17009 Linda Barnick, Building Blocks in favor #17031 Michelle Roeszler, Early Childhood Professional, Wild About Play in favor #17066 Mark Pierce, Board Member, Energy Capital Cooperative Child Care in favor #17071 Alexa Ducioame in favor #17075 Anna Nelson in favor #17160 Becca Koepplin in favor #17096 Amber Osowski, Rocking Horse Child Care LLC in favor #17140 Lisa Keller in favor #17168 Megan Buske in opposition #14792 Bonnie Hoffman in opposition #16513

3:07 PM Chairman Wobbema closed the hearing.

Workforce Development Committee

Fort Lincoln Room, State Capitol

SB 2301 1/27/2023

Relating to the establishment of a childcare stabilization program.

10:20 AM Chairman **Wobbema** called the meeting to order. **Senators Wobbema**, **Axtman**, **Elkin**, **Larson**, **Sickler**, **Piepkorn** are present.

Discussion Topics:

- Correction orders
- Quality of care
- Early childhood service provider definition
- Slot vs child payment mechanism
- Staff salary and fringe benefits

10:44 AM Chairman Wobbema closed the meeting.

Workforce Development Committee

Fort Lincoln Room, State Capitol

SB 2301 2/2/2023 2:26 PM

Relating to the establishment of a childcare stabilization program.

2:26 PM Chairman Wobbema called the meeting to order. Senators Wobbema, Axtman, Elkin, Larson, Sickler, Piepkorn are present.

Discussion Topics

- Childcare capacity
- Staff wages
- Profit margin

2:58 PM Senator Larson moved DO NOT PASS.

2:58 PM Senator Elkin seconded.

2:59 PM Roll call vote.

Senators	Vote
Senator Michael A. Wobbema	Ν
Senator Michelle Axtman	N
Senator Jay Elkin	Y
Senator Diane Larson	Y
Senator Merrill Piepkorn	Ν
Senator Jonathan Sickler	Y

Motion failed 3-3-0.

3:01 PM Chairman Wobbema closed the meeting.

Workforce Development Committee

Fort Lincoln Room, State Capitol

SB 2301 2/2/2023 3:53 PM

Relating to the establishment of a childcare stabilization program.

3:53 PM Chairman Wobbema called the meeting to order. Senators Wobbema, Axtman, Elkin, Larson, Sickler, Piepkorn are present.

Discussion Topics

• Payment Methodology

4:07 PM **Senator Axtman** moved to amend Page 1, Line 9 by replacing "allowed to receive" to "receiving". (LC 23.0835.01001) 4:07 PM **Senator Larson** seconded.

4:07 PM Roll Call Vote.

Senators	Vote
Senator Michael A. Wobbema	Y
Senator Michelle Axtman	Y
Senator Jay Elkin	Absent
Senator Diane Larson	Y
Senator Merrill Piepkorn	Y
Senator Jonathan Sickler	Y

Motion Passed 5-0-1.

4:08 PM Senator Axtman makes motion DO PASS as AMENDED and REREFER to APPROPRIATIONS.

4:08 PM Senator Piepkorn seconded.

4:09 PM Roll call vote.

Senators	Vote
Senator Michael A. Wobbema	Y
Senator Michelle Axtman	Y
Senator Jay Elkin	Absent
Senator Diane Larson	Y
Senator Merrill Piepkorn	Y
Senator Jonathan Sickler	N

Motion Passed 4-1-1.

Senator Wobbema carries SB 2301.

4:11 PM Chairman Wobbema closed the meeting.

23.0835.01001 Title.02000

PROPOSED AMENDMENTS TO SENATE BILL NO. 2301

Page 1, line 9, replace "allowed to receive" with "receiving"

Renumber accordingly



REPORT OF STANDING COMMITTEE

SB 2301: Workforce Development Committee (Sen. Wobbema, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (4 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2301 was rereferred to the Appropriations Committee. This bill affects workforce development.

2023 SENATE APPROPRIATIONS

SB 2301

Appropriations Committee

Roughrider Room, State Capitol

SB 2301 2/13/2023

A BILL for an Act relating to the establishment of a child care stabilization program.

4:04 PM Chairman Bekkedahl opened the hearing on SB2301.

Members present : Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.

Discussion Topics:

• Child care stabilization

4:04 PM Senator Braunberger introduced the bill, no written testimony

4:21 PM Jessica Thomasson, Executive Director Human Services Division, no written testimony

4:28 PM Chairman Bekkedahl closed the hearing.

Kathleen Hall, Committee Clerk

Appropriations Committee

Roughrider Room, State Capitol

SB 2301 2/17/2023

A BILL for an Act relating to the establishment of a childcare stabilization program.

10:30 AM Chairman Bekkedahl opened the meeting on SB 2301.

Members present : Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.

Discussion Topics:

• Childcare stabilization

10:31 AM Jessica Thommason, Executive Director Human Services, introduced the bill, no written testimony

10:40 AM Senator Davison moved to amend the bill to add four-year-old children. Senator Burckhard seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

Motion passed 16-0-0

10:44 AM Senator Davison moved DO PASS AS AMENDED. Senator Kreun seconded the motion.

Senate Appropriations Committee SB 2301 February 17, 2023 Page 2

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator David S. Rust	Ν
Senator Donald Schaible	Ν
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

Motion passed 14-2-0

Senator Davison will carry the bill.

10:57 AM Chairman Bekkedahl closed the meeting.

Kathleen Hall, Committee Clerk

23.0835.02002 Title.03000 Prepared by the Legislative Council staff for the Senate Appropriations Committee February 17, 2023

or 1/1 1/1 2-20-23

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2301

Page 1, line 12, replace "infants" with "children from birth to less than three years of age"

- Page 1, line 13, replace "toddlers" with "children from three years of age to less than six years of age"
- Page 1, line 14, replace "<u>over the age of five years</u>" with "<u>from six years of age to less than</u> <u>thirteen years of age</u>"

Page 1, line 21, remove "correction"

Page 1, line 22, replace "order" with "provisional license"

Renumber accordingly

REPORT OF STANDING COMMITTEE

- SB 2301, as engrossed: Appropriations Committee (Sen. Bekkedahl, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (14 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2301 was placed on the Sixth order on the calendar. This bill affects workforce development.
- Page 1, line 12, replace "infants" with "children from birth to less than three years of age"
- Page 1, line 13, replace "toddlers" with "children from three years of age to less than six years of age"
- Page 1, line 14, replace "<u>over the age of five years</u>" with "<u>from six years of age to less than</u> <u>thirteen years of age</u>"
- Page 1, line 21, remove "correction"

Page 1, line 22, replace "order" with "provisional license"

Renumber accordingly

2023 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2301

2023 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee

Room JW327C, State Capitol

SB 2301 3/7/2023

Relating to the establishment of a child care stabilization program.

Chairman Louser called meeting to order 3:56 PM

Members Present: Chairman Louser, Vice Chairman Ostlie, Representatives Boschee, Christy, Dakane, Johnson, Kasper, Koppelman, Ruby, Schauer, Thomas, Tveit, Wagner, Warrey.

Discussion Topics:

- Federal program funds
- Licensed programs
- Daycares closing
- Wage increase
- Costs to providers
- Affordability, quality, and quantity
- Wages, food, maintenance/supplies
- Living wage and benefits

In Favor:

Senator Ryan Braunberger, District 10 Fargo, ND, Primary bill sponsor, (no written testimony) Senator Kathy Hogan, District 21, Fargo, ND, #22805

Erin Laverdure, Co-founder, and board president of Energy Capital Cooperative Child Care, Hazen, #22808

Bill Bauman, Director, and CEO of Bismarck & Mandan YMCA (no written testimony) Robin Fuehrer, Director of Community Church Child Care, Bismarck, #22352 Nick Archuleta, President of North Dakota United, #22513 Landis Larson, President, ND AFL-CIO, #22309

Additional written testimony:

Zachary Smith, Communications and Government Relations Director, NDAREC, #22288 Jennifer Folliard, Community HealthCare Association of the Dakotas (CHAD), #22350 Kristin Rubbelke, National Association of Social Workers – ND Chapter, #22472 Jamie Lange, Working parent of 3 small children in W Fargo, ND, #22540 Matt Perdue, ND Farmers Union, #22587 Katherine Grindberg, Executive VP, Fargo, Moorhead, W Fargo, Chamber of Commerce, #22588 Hanley Lentz, Daycare provider in Grafton, ND, #22594 Alexa Ducioame, Working parent of 2 small children, Fargo, ND, #22631 Heidi Smith, Licensed Group Childcare provider in Garrison, ND, #22632 Michelle Klabo, Licensed Group Childcare Provider in Jamestown, ND, #22649

Lisa Keller, Childcare provider, Horace, ND. #22659

House Industry, Business and Labor Committee SB 2301 03/07/2023 Page 2

Brita Cowan, Missouri Valley Montessori Preschool, Bismarck ND, #22662

Chairman Louser adjourned the meeting 5:30 PM

Diane Lillis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee

Room JW327C, State Capitol

SB 2301 3/14/2023

Relating to the establishment of a child care stabilization program.

Chairman Louser called meeting to order 11:15 AM

Members Present: Chairman Louser, Vice Chairman Ostlie, Representatives Boschee, Christy, Dakane, Johnson, Kasper, Koppelman, Ruby, Schauer, Thomas, Tveit, Wagner, Warrey.

Discussion Topics:

- Work force
- Business development
- Free market
- Temporary fix

Representative Boschee moved a do pass and re-referred to appropriations. Representative Dakane seconded.

Roll call vote:

Representatives	Vote
Representative Scott Louser	N
Representative Mitch Ostlie	N
Representative Josh Boschee	Y
Representative Josh Christy	Y
Representative Hamida Dakane	Y
Representative Jorin Johnson	N
Representative Jim Kasper	N
Representative Ben Koppelman	N
Representative Dan Ruby	N
Representative Austen Schauer	n
Representative Paul J. Thomas	N
Representative Bill Tveit	N
Representative Scott Wagner	N
Representative Jonathan Warrey	N

Motion failed 3-11-0

Representative Ruby moves a do not pass. Representative Koppelman seconded.

Roll call vote:

House Industry, Business and Labor Committee SB 2301 03/14/2023 Page 2

Representatives	Vote
Representative Scott Louser	Y
Representative Mitch Ostlie	Y
Representative Josh Boschee	N
Representative Josh Christy	Ν
Representative Hamida Dakane	N
Representative Jorin Johnson	Y
Representative Jim Kasper	Y
Representative Ben Koppelman	Y
Representative Dan Ruby	Y
Representative Austen Schauer	Y
Representative Paul J. Thomas	Y
Representative Bill Tveit	Y
Representative Scott Wagner	Y
Representative Jonathan Warrey	Y

Motion passed 11-3-0

Representative Ruby will carry the bill.

Chairman Louser adjourned the meeting 11:45 AM

Diane Lillis, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2301, as reengrossed: Industry, Business and Labor Committee (Rep. Louser, Chairman) recommends DO NOT PASS (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed SB 2301 was placed on the Fourteenth order on the calendar. TESTIMONY

SB 2301

I am for the continued monthly stipends for childcare.

The monthly stipends are so important to be continued! They help us stay in business and provide the best care for the children in our care. Everyone is hurting right now in this economy and we can't raise our childcare rates every time there is an inflation (which seems to be multiple times a year) if we continue to raise our rates, parents will not be able to afford it and they will pull their children out, causing us to have to shut down. Childcare is SO NEEDED!! It helped me be able to open a daycare and provide an amazing program, purchase things that are beneficial for the children, purchase curriculum, things needed for administrative duties, hire an assistant, buy healthier food options for the children and so much more! I was able to do all this and still afford all of my families personal bills, pay out of pocket health and dental insurance for myself and my child, as well as be able to provide medical and dental for my employee (which is not cheap!) If these monthly stipends do not continue, I will have no other choice than to raise my rates, which will make it harder for parents to afford and I won't be able to provide as much for the children in my care and for my family. Please continue the monthly stipends! Childcare is ESSENTIAL and without it, people and the economy suffer.

Thank you, Kristina Wittmayer Owner of Happy Hearts Playschool To whom it may concern,

After reviewing the proposed childcare stabilization grant bill, I feel I must admit that these amounts are not going to make much of a financial difference for providers, especially those with small in-home daycares and only 4 or 5 enrolled kids. While I appreciate the state of ND wanting to assist and aid daycares in remaining open, \$35 per toddler, per month, will assist me in buying printer ink and that is about it, especially considering these grants will likely be taxed on top of that. With inflation rising and the cost of goods continuing to escalate (eggs went up \$2 in the last week alone), this will not be enough to stabilize childcare in ND. Either childcare tuition will soar past affordable for the families of ND (we are already on the edge of that), or childcares will continue closing. I also wanted to let you know that I applied for the quality assistance program a year ago, and not once have I heard from them. So it is a bit discouraging to see providers be awarded for being rated high quality when the program isn't communicating.

Thank you,

Megan Buske



January 20, 2023

As Administrative Director of 2 Bright & Early Step 3 rated centers in Fargo I am writing to support SB 2301. The Childcare Stabilization Grant (approved in 2021) allowed our center to pay all staff members (part time and full time) an additional \$2.00 per hour appreciation bonus for each hour worked each month that we received the stabilization grant. This extra money helped us hire and keep staff that would have otherwise left childcare for higher paying jobs.

Jackie Berndt Director jberndt@fargohope.org 701-235-6629 ext. 226

To encourage all children to know the love of Christ.



To encourage all children to know the love of Christ.

North Campus: 2900 Broadway N | South Campus: 3636 25th Street S Mailing Address: 2900 Broadway N, Fargo, ND 58102-1422 Phone: 701-235-6629 | fargohope.org/childcare As a parent of a child in need of child care and as a long-time early childhood care provider, I come with the support and following testimony for Bill 2301.

Early childhood care and education is my life passion. Research has shown repeatedly that the brain development in the first five years of life lays a foundation for the rest of life. The way that adults provide care and the environments that the children spend time in make a difference not only how those children one day move through school, but also through all of life. The investments that a state makes in its youngest children will return exponentially in a thriving workforce and in a decrease of incarceration as these children grow into adults.

I have my Master's degree in Early Childhood Education and have worked in the field in many different roles from center teacher, center director, family child care owner, and Head Start management. I believe that the current system does not serve families and children well in the following ways:

1. As a business, it is very difficult for a private child care owner, whether center or home-based, to create a quality environment with quality care given by staff when they are not able to make a profit. If they are not making a profit, or simply breaking even, child care businesses will no longer be able to operate. This affects North Dakota's economy and workforce in every single sector.

2. The cost of child care tuition has increased for families significantly. From the perspective of a child care business owner, I understand why they need to do this, but it is very difficult for 13% of our income to go towards child care costs. For any family who has more than one child in need of care, it is nearly impossible to make this work. They are generally forced to stay in lower paying jobs so they qualify for Child Care Assistance or go to lower quality/lower cost care situations.

3. It is very difficult to retain any child care workers, let alone ones who have training and education in the field. Experience is important, but it is absolutely vital to ensure that child care providers are educated in the latest research on developmentally appropriate practices. While caring is something we've been doing since the beginning of humankind, we are continually learning through the lens of science which of our care practices are what developing brains need. Care providers need this knowledge to make decisions on a daily basis.

The stress of this job pays a toll on child care workers, on families, and unfortunately on the well-being of children. At Head Start we have data that shows an increase of children on behavior support plans in the past two years. We have struggled to hire support staff for classroom teachers and this exacerbates both stress of the staff we have, makes retention harder, and makes the situation even more stressful for children. We are at a time where it is absolutely urgent to support early childhood programs.

The state of North Dakota gives business incentives (such as tax exemptions) to encourage economic growth. Beyond this stabilization funding, legislation could also be passed to give

essential services such as child care businesses tax exemptions or other business incentives to make them more profitable.

I support the stabilization funding but hope that legislators will do their thorough research as to how much is going to be helpful to providers.

Good afternoon and thank you on behalf of all childcare providers in the State of North Dakota for your work on SB 2301.

Over the course of covid, our in home daycare was fortunate to remain open for business without much loss of income. The stabalization grants not only gave us peace of mind if we needed to close, but also we were able to make purchases for the business that we would not have otherwise done. Health and safety being at the front of those purchases as cleaning supplies and paper products are used heavily in this setting. I was also able to make purchases of toys and furniture that were able to be easily cleaned.

I am in favor of continuting the stabalization grants so we can provide the best care in the safest and cleanest environments for the children of our state. These funds will help alleviate some of those day to day expenses that keep our business running smoothly. We cannot afford to lose providers as so many were already lost in the past few years. I appreciate your time and I'm so thankful for what has been granted to us already.

Sincerely,

Stacy Birch

I am in favor of SB 2301 for the childcare stabilization grant. I am an in-home daycare provider in West Fargo and have been doing this for over 20 years with 15 children enrolled currently. I have employees and the stabilization grant has helped me pay my employees for their scheduled time and give each of them raises. I cannot compete with the daycare centers when it comes to wages since they are able to offer insurance and typically start them at \$13/hour. I am not able to pay that to mine. I must give other incentives such as paying them for time off, even when I'm closed. If I get paid, they get paid. With the extra money, I have been able to keep the same staff for almost 2 years which is unheard of at in-home daycares.

I also purchase preschool curriculum which I do not charge the parents for. I take this on myself because I know how hard it is to pay for preschool and daycare and I don't want to lose them for a place that does have preschool. We have typically had these children from birth, and they become family to me.

Please continue the stabilization grant to keep our programs open and help with retaining staff and giving our families the best experiences. Any amount helps us! The hardest part is finding good people to work with our little friends. When we do find those people, we want them to stay with us which is also good for the children to have consistency.

Angie Puhr Angie's Playskool

Written Only Testimony for SB 2301

I am writing for testimony for SB 2301 child care stabilization program. The amounts currently listed won't help in-home providers as they are such a small amount and will be taxed. In-home providers have been the backbone for our workforce pre-covid, during covid- and post-covid. These amounts are not going to make much of a financial difference for providers, especially those with small in-home daycares with less than 15 enrolled kids. While I appreciate the state of ND wanting to assist and aid daycares in remaining open, \$35 per toddler, per month, will assist me in buying printer ink and that is about it, especially considering these grants will likely be taxed on top of that. With inflation rising and the cost of goods continuing to escalate (eggs went up almost \$2 in the last week alone), this will not be enough to stabilize childcare in ND. Either childcare tuition will soar past affordable for the families of ND (we are already on the edge of that), or childcares will continue closing. The previous funding of the child care stabilization grant/program was in fact a GREAT program. It helped my business in a rural community, and many many others stay afloat and open for the working families with all the inflation prices. If SM 2301 could be more like that one, it would be a GREAT help to the in-home early childhood childcare programs in North Dakota. PLEASE, the monthly stipends are so important to be continued at better amounts! They help us stay in business and provide the best care for the children in our care. Childcare is ESSENTIAL and without it, people and the economy suffer.

Heidi Smith-Provider Garrison, ND 58540 To Whom it may concern,

The stabilization grant needs to be amended to support the needs of rural daycares. In rural places across the state, there is a wide range of what it costs for daycare. In Cass County, for instance, the average cost of daycare for one child averages over \$10,000 a year. In Stutsman County, the average cost is \$7500. These statistics were taken from ND Child Care aware from 2020. I would imagine, the cost has increased by several hundred dollars from 2020 to now. I own and operate a group 30 childcare in Medina, ND. This past year, I charged an average of \$6000 per year.

In rural North Dakota, especially in my area, people still make minimum wage or just a few dollars over. Businesses can't afford to pay more than that, they are barely holding on the way it is. In rural areas, we are facing an employee shortage. To be competitive, we offer every dime we can afford and still can't get the employees needed to make ends meet. My point is, parents can't afford to send their kids to daycare, daycares must keep increasing their wages to have employees and pay for high cost of living which in returns raises the amount families need to spend on daycare. The past year, the stabilization grant that was available to daycares is what kept my doors open and kept the cost down for my families. I received between \$2000-\$3000 a month depending on enrollment.

I feel daycare is one of the most important jobs there is. Teaching and loving children so they can grow and develop helps shape their entire life. Providers shouldn't be trying to spread themselves so thin in order to keep their doors open. Children also need stability. Walking into a daycare with the same caretakers every day is important.

The proposed amount of money for stabilization would help, but it really doesn't make a dent in it. The biggest cost for my daycare is payroll. The hardest part of operating a daycare is finding good help. Daycares must try to stay competitive in wages in order to cut costs of hiring and training and to get any interest. Paying a higher wage is hopefully enough to prevent turnover. Without employees, the daycare can't operate. In rural areas, where wages are low, parents can't afford daycare and daycares can't afford payroll. It's a vicious cycle. However, one can't work without the other.

Please consider increasing the amount per child in rural areas. The state needs daycares to help with employee shortages. Dozens of daycares have closed these past 2 years. Daycare owners need support.

Sincerely,

Bonnie Hofmann

I am in favor of SB 2301 for the childcare stabilization grant. Im on my 13th year of running 2 licensed daycare in West Fargo. I have a total of 35 kids with 9 staff. Thankfully for the grant we have received I have been able to keep my rates affordable but still able to pay my staff \$15/hour. If I hadn't received the grant my current rates would have to be increased drastically to be able to afford staff at \$15/hr. We remained open during Covid and I was able to keep all staff on board. Please consider continuing the stabilization grant so that my daycare can remain open and I can give all my kiddos the care they deserve! I appreciate your time!

Kerris Kids Daycare

Kerri Streyle. Owner

January 24, 2023

I am in support of bill SB2301. I own three childcare centers. One is a licensed center which is 113 children, an infant center that is licensed for 20 infants under the age of 2 and a center that has a capacity of 60 children. Two of our facilities are in a rural area of Lincoln, ND and we have a hard time recruiting staff and retaining staff.

If you have ever worked in the childcare industry, you would realize that it is a very physically demanding job. The pay is only about \$11.00/hr and most of the staff are at poverty level. I cannot pay them the money and benefits they deserve because our profit is low.

I have been a provider for 22 years and I am at risk of closing all 3 places due to not having staff. That means hundreds of children will not have a place to go. I love my job, but I cannot keep robbing Peter to pay Paul. It is mentally and physically draining to me, and my own family is suffering due to the long hours.

The stabilization grant that we received last year kept our doors open! The money was spent to offer my employees \$18-\$20/hour. I also was able to give monthly \$100 bonuses for those that didn't miss many days. The stabilization grant allowed me to hire 5 additional staff so that we had enough people to help classrooms to take the stress off of our teachers. This staff also allowed other teachers to have breaks, go on vacation, and was allowed to stay home when sick. With our stabilization grant running out I will no longer be able to keep the extra staff nor be able to keep paying our current staff \$18-\$20 per hour.

Our childcare industry is collapsing before your eyes. Please help us to keep our centers open! We need this stabilization grant to keep us afloat.

Thank you

Jan Netland Lincoln, ND Scribbles & Giggles Childcare Wild One Infant Center Jans Little Jewels 701-212-6468 Chairman Lee and Members of Human Service Committee,

My name is Kathy Busche. I own and operate two childcare programs in Hazen. One program is a group facility licensed for 30. I own the facility and operate a 0-5 program with a current enrollment of 33 children. The second program is my home where I operate a school age program with a license for 30 with 25 children enrolled. The facility is Step 2 in Bright and Early QRIS. Our home program is Step 1 QRIS. I have been operating my business out of my home since 2007 and purchased and renovated the facility opening the second location in January 2022. I have a bachelor's degree in Early Childhood Education from MSUM and providing quality childcare is my passion.

I am sorry I cannot be present to testify in person, but unfortunately, I do not have the backup staff required to be away from our programs at the present time.

I am writing to you today in support of SB 2301. Stabilization money provided since 2020 has allowed our program to flourish. With the funds we received over the last two years I was able to increase the starting wages for employees and was able to give existing staff raises of over \$2.00 per hour. For two years I was able to keep rates affordable for families who attend our programs as well. Because of these funds we were also able to expand into two programs meaning there are more children being served in our community.

I would love to see the amount of funding available through this bill increased. In 2020 with the original CEOG funding providers were receiving anywhere from \$236 to \$300 per child per month based on licensing capacity. In 2021 the funding changed and is now based on different tiers. \$50 per child with additional funds provided for providers who serve infants/toddlers, those who work non-traditional hours, those who are in childcare deserts, those who serve infants/toddlers who are on child care assistance as long as the provider was at least Step 2 rated. These amounts are substantially higher than what is proposed in SB 2301 and these increased amounts are what allowed my program to continue to be affordable for the families we serve.

I have attached the flyers for the original CEOG funding as well as the current Stabilization funding available to early childhood programs.

The other part of this bill I would like to see amended is section 2. The department shall provide an additional payment of twenty - five percent of the total monthly payment calculated under subsection 1 to a provider that meets the highest level in a voluntary quality improvement process.

Currently only 15 programs in the state of North Dakota hold the highest level of Quality Rating. I would like this additional funding of 25% to be available to programs who are at least Step 2 rated. Meaning they are doing more than simply the minimum licensing requirements. Only 89 programs in the state are Step 2 or higher in the Bright and Early QRIS system currently. This would give the 924 Step 1 programs an incentive to go through the necessary requirements to become Step 2 rated. This simple change would hopefully increase the number of programs participating in Bright and Early QRIS and increase the quality of childcare programs in North Dakota.

Thank you for your time. If you have any other questions, please feel free to reach out! I truly believe if we work together, we can make childcare in North Dakota the best it can be.

Kathy Busche

701-748-2084

kathybusche@gmail.com



The Childcare Emergency Operating Grant will be based on a provider's license type and licensed capacity. The payment will be made once every two weeks using the following rates:

License Type	Description	CEOG payment / child / month (based on licensed capacity)	CEOG payment / child / 2 week payment period
Licensed Family Child Care	Family providers may care for up to 7 children with no more than 3 under the age of 24 months, plus 2 additional school-age children	\$236	\$109
Licensed Group Child Care	Group childcare programs may be licensed in a home or a facility. Groups may be licensed for up to 30 children, with the actual license capacity determined by available space, staff to child ratios, and sometimes local ordinances	\$236	\$109
Licensed Child Care Center	Childcare centers are licensed for at least 19 children in a facility, with the actual license capacity determined by available space, staff to child ratios, and sometimes local ordinances.	\$300	\$139
Licensed Preschool	Preschools provide educational and socialization experiences for children age 2 years to kindergarten and may operate sessions for no more than 3 hours per day.	\$300	\$139
Licensed School-Age Program	School-age programs are licensed for at least 19 children in a facility, with the actual license capacity determined by available space, staff to child ratios, and sometimes local ordinances.	\$300	\$139
Self-Declared Providers	Care for 5 or fewer children or 3 infants a home.	\$148	\$68

*Calculation of 2-Week Rate = Monthly Rate x 12 / 52 x 2

EXAMPLES OF FEE APPLIED

Licensed Family Child Care, Licensed capacity of 7

\$109 x 7 = \$763 / 2 weeks

Licensed Child Care Center, Licensed capacity of 75

\$139 x 75 = \$10,425 / 2 weeks



Child Care Stabilization Grant

Dakota | Human Services

Child Care Stabilization Grant

Early childhood providers are eligible to receive an operating support payment to help promote stable and sustained operations of child care in communities across North Dakota.

A monthly base level payment \$25 per child served per month will be available to all licensed child care providers who certify enrollment on a monthly basis. Certification will be available to programs through a Monthly Renewal Grant located in the Quality Dashboard of their Growing Futures Organization Account. Programs will be **REQUIRED** to report how funds were spent every 30 days prior to applying for the next month.

Additional tiers of support payments per month:

- \$50 per child served will be available if a program operates in an under-served community;
- \$250 per infant and toddler served;
- \$250 per infant and toddler participating in CCAP (Child Care Assistance Program) AND the program is Bright & Early ND rated (Step 2-4);
- \$250 per child served during non-traditional hours for essential workers AND listed with Child Care Aware of ND's referral database.

Providers that have been approved to receive the Child Care Stabilization Grant must 'apply' for this grant each month for up to 12 months to continue receiving payments. Stabilization payments are available for up to 12 months while funding is available; funding cap (maximum) is \$225,000 per program. Providers can apply for all tiers of support, if applicable.

Stabilization Monthly Renewal Grant

Appears ONLY after your first Child Care Stabilization Grant application is complete.

Dakota | Human Services Stabilization Monthly Renewal Grant

Early childhood providers are eligible to receive monthly payments to promote a stable and sustained operation of child care in communities across North Dakota. Each program applicant will be REQUIRED to report how they spent the funds 20-30 days after payment is processed.

Providers that have been approved to receive the Child Care Stabilization Grant must 'apply' for this grant each month for up to 12 months to continue receiving payments. Stabilization payments are available for up to 12 months while funding is available; funding cap (maximum) is \$225,000 per program.

Health & Safety Grant and Technology Improvement Grant

Dakota | Human Services Health & Safety Grant and Technology Improvement Grant

Health & Safety Grants up to \$10,000 Programs who are interested in making improvements to their program that would help improve both COVID-indicated and overall health and safety practices.

Each program applicant will be REQUIRED to report how they spent the funds 90 days after payment is processed. Contact a Health & Safety Consultant at Child Care Aware of ND for information and assistance on putting together a thoughtful funding request.

Technology grants up to \$3000 for child care providers to better connect to training, professional development, CCAP reimbursement, and licensing systems. Each program applicant will be REQUIRED to report how they spent the funds 90 days after payment is processed.
Child Care Start-Up Grant

Funding not available at this time.

Child Care Start-Up Grant

Funding not available at this time.

Opportunities to apply for a startup grant will be available to recently licensed (license dated within 60 days of application submission) or soon-to-be licensed early childhood programs. Grants may also be available to programs that are expanding their child care license capacity.

Program must have had required inspection, an on-site licensor visit and begun the licensing application before submitting an application or have a licensed date within 60 days of application and agree to work with a Building Quality coach during start-up period.

Awards will be tiered based on proposed size, type and location of the program start-up or expansion.

Quality Improvement Grant



Quality Improvement Grants are available to early childhood programs licensed or approved by the Department of Human Services (DHS) to support investments in quality. This grant may be used to purchase materials and supplies that will enhance the learning environment, to offset costs of curriculum and assessment use, and to support professional development opportunities for program staff.

This grant is delivered post-Quality Rating and measured by the program receiving their desired Quality Rating. Programs applying for this grant must have a Bright & Early ND Step 2-4 Quality Rating issued on or after September 1st, 2021. This grant is supported by the program's Continuous Quality Improvement Plan.

Inclusion Support Grant

Suspended pending additional funding.

Inclusion Support Grant

The Inclusion Support Program provides grant funding and technical assistance to licensed early childhood providers in North Dakota who indicate that they are or will provide care for children with disabilities or developmental delays.

A child with disabilities or who is at risk for developmental delays includes any child between the ages of birth and twelve years who receives support through either public or private services and includes a child who is in the process of being evaluated for formal support. A child who is at risk for developmental delays includes any child between the ages of birth and twelve years who received foster care services; who has a previous substantiated history as a victim of child abuse, neglect, or domestic violence; who is homeless; who has documented special health care needs; or who has a parent with a significant disability.

This grant is designed to help both home and center-based providers create and maintain an inclusive environment that supports children with disabilities or developmental delays to learn, grow, play, and develop alongside their peers in an inclusive setting.

Grant Funding Eligibility:

Any licensed or self-declared early childhood service provider, or those in the process of licensing who indicate that they are or will provide care for children with disabilities or developmental delays can apply for grant funding through the Inclusion Support Program. Grantees will be assigned an Inclusion Specialist to assist with technical assistance and funding guidance.

Grant funding can be used for these purposes:

- Support the staffing needs aimed at providing targeted care for children with disabilities or developmental delays. (Up to \$24,000/year)
- Modifying a childcare setting to accommodate children with diverse abilities and needs (building ramps, widening doors, etc.) (Up to \$5,000).
- Purchase of equipment for children with special needs (Up to \$1,000).

Senate Workforce Development Committee SB 2301 January 26, 2023

Chairman Wobbema and Committee Members, the Community HealthCare Association of the Dakotas (CHAD) is pleased to present written testimony for SB 2103. CHAD is a non-profit membership organization serving as the primary care association for North Dakota and South Dakota.

First, I would like to share a little background on the health care organizations we are talking about and their reach in North Dakota. Community health centers are non-profit, communitydriven primary care clinics with a special designation of Federally Qualified Health Center (FQHC). Each clinic provides high-quality primary and preventive care to all individuals, with or without insurance and regardless of their ability to pay. North Dakota has five community health centers located in 19 communities with 21 delivery sites. They serve approximately 36,000 primary and behavioral health care patients and nearly 13,000 dental patients.

Community health centers are in rural and urban North Dakota. In rural communities, the community health care clinic supports a community's ability to retain local health care options and support access to health care where rural Dakotans live and work. Health centers also make important contributions to their local workforce and economy, generating local jobs as well as substantial cost savings for the overall health care system. Often a "main street anchor" of their communities, health centers in North Dakota employed 369 full-time workers and generated an economic impact of more than \$90 million in the year 2021.

In a recent survey, community health center employees and leaders in North Dakota identified lack of child care as one of the top four societal challenges impacting their organizations. Access to affordable child care is essential for parents to stay in the workforce and an important element of recruiting health care workers to our local communities, ultimately enabling health centers to deliver quality primary care services in areas of the state that need it most. For those reasons, our member health centers support efforts to address the root causes of the child care crisis in North Dakota.

On average, working families in North Dakota spend 13 percent of their family budget on infant care. At the same time, child care businesses struggle to stay open and are often left with little choice but to pay their workers low wages. The median wage across North Dakota for a child care worker is \$11.19 per hour, barely hovering above the poverty level for a family of three¹. In addition, North Dakota needs about 10,000 more child care slots to meet the demand for children ages 0 to 5 with working parents. The state needs at least 1400 more child care workers to staff these additional slots. To staff these additional slots, the state needs at least 1400 more child care workers.

¹ <u>https://livingwage.mit.edu/states/38</u>

The North Dakota Child Care Action Alliance (NDCCAA) estimates that to supplement the wages of current workers and the anticipated need for additional workers to earn a living wage requires a \$150 million annual investment². In its current form, SB 2103 would bring about a \$1 - \$2 increase for child care worker compensation. While this incremental increase is important, it is not a living wage and is unlikely to address the root causes of the child care crisis adequately.

Thank you for allowing CHAD to testify in support of SB 2103 and to raise the need for additional monthly supplemental payment support for child care providers to adequately compensate wages and benefits for child care workers. Ensuring that child care businesses can stay open and that child care workers earn a living wage is critical to building and maintaining a local health care workforce that can serve the needs of our communities.

² Equation used to arrive at the estimated \$150M fiscal need:

[•] To go from \$11 per hour (median child care worker wage) to \$21 per hour (living wage), increase in \$10 per hour.

[•] Convert to yearly stipend: \$10 * 40 * 52 = \$20,800

[•] Workforce current + estimated = 7,000 (5,546 + 1400)

^{• \$20,800 * 7000 =} **145.6M** annually



Child Development Programs Head Start, Early Head Start, Child Care

Chairman Wobbema, Vice Chairman Axtman, and members of the Senate Workforce Development Committee, thank you for the opportunity to share in support of SB 2301. I am unable to attend in person today because my program, like others in the state, are dealing with a childcare staffing crisis.

My name is Jessi Hegg and I am the Program Director for the Mayville State University Child Development Programs, hereby referred to as MSU CDP. Mayville State University is the only university/college in the state that hosts a Head Start childcare program. MSU CDP does not currently receive appropriated state dollars from the Mayville State budget to support the program as it is federally funded through grants and childcare fees. MSU CDP is both a federally-funded Head Start and Early Head Start program as well as a child care program. MSU CDP currently receives federal funding for 175 Head Start and Early Head Start children. MSU CDP receives childcare fee for 79 full time children and many of the children enrolled in Head Start or Early Head Start utilize MSU CDP's before and after care program. MSU CDP also receives tuition for 30 children in after school care in Traill County.

Kids Count North Dakota reported that in 2021, North Dakota had 62,355 children aged 0 to 5. Kids Count North Dakota also reported the licensed childcare capacity could serve 38,837 children in North Dakota in 2022. Kids Count North Dakota reports that only 32.1% of licensed childcares have a quality rating with Bright and Early North Dakota. 5 of MSU CDP's 7 locations are Step 3 quality rated.

Currently, MSU CDP receives stabilization grant dollars from the North Dakota Department of Health and Human Services. Those dollars have kept fees for our childcare children at nearly pre-Covid levels by helping to offset the increase in inflation. Some MSU CDP families qualify for childcare assistance, which the additional assistance has also helped to keep childcare fees lower. Both of these programs are nearing the end of the budget period and will no longer be available to help. As the bill is currently proposed, MSU CDP currently stands to receive the following:

	Site:	CV	НРК	Mayville	Portland	GCM	SFB	Hillsboro
\$50.00 per infant		0	0	5	4	4	0	0
\$35.00 per toddler		0	0	14	7	17	0	7
\$25.00 after school age		0	0	19	0	0	0	11
Total:		0	0	\$1,215.00	\$445.00	\$795.00	0	\$520.00
25% of overall total added		0	0	\$303.75	\$111.25	\$198.75	0	\$130.00
Overall Program Total:	\$3,718.75							

Previously, MSU CDP received \$22,825 total in monthly stabilization payments. The proposed stabilization dollars would be 16% of the previous monthly payments. This funding will be helpful to the budget, but helpful in a limited capacity. Currently, MSU CDP has 3 classrooms closed due to a lack of staff which could accommodate an additional 24 infants and toddlers. MSU CDP also has 5 classrooms which are only partially enrolled due to a lack of staff. These classrooms could provide service to an additional 30 infants, toddlers, and preschoolers. MSU CDP currently has a waiting list of 325 children across 7 locations in eastern North Dakota, but we do not have the required teachers to serve the 325 students.

I urge the committee to consider an amendment to increase these amounts. The proposed amounts are not enough to increase staff wages, keep up with inflation, or maintain current childcare fees. A program of seven licensed childcare centers, serving 305 children, would only be eligible for \$3,718.75.

The proposal to provide any fiscal support to childcare in North Dakota would be welcomed by MSU CDP. I urge you to consider amending the amount to make a more significant impact to support an already challenged workforce. I will gladly make myself available for questions from the committee.

Thank you for your consideration of these requests. I understand and value the importance of quality childcare and are committed to continuing our service to the families of these counties allowing them to be part of our critically needed state workforce.

Thank you for your time.

Sincerely,



We are safe. We are kind. We are responsible.

Jessi Hegg

Program Director Mayville State University Child Development Programs

701.788.4868 jessi.tompers@mayvillestate.edu

Apply today: www.mayvillestate.edu/cdpapp

Testimony of Landis Larson, ND AFL-CIO President In Support of SB 2301 January 26, 2023

Chairperson Wobbema and members of the Senate Workforce Development Committee:

My name is Landis Larson, President of the North Dakota AFL-CIO. The North Dakota AFL-CIO is the federation of labor unions in North Dakota, representing the interests of all working people in our state.

I am testifying on behalf of the North Dakota AFL-CIO in support of Senate Bill 2301. As a member of the North Dakota Workforce Development committee, child care has been a perennial topic of discussion and one that impacts working families deeply. We have an opportunity with SB 2301 to take a major step forward in finding a solution to the root problem: low wages.

We all know that there is a shortage of quality, affordable child care. We also know that a primary driver of this shortage of child care is that we also have a shortage of people who want to work in child care. We also know that we are not going to fix the shortage of people who want to work in child care until we address the wage issue without passing along increases to parents and providers.

Median wages for child care workers in North Dakota are around \$11.19 per hour, often without any benefits. The lowest paid child care workers in the state (bottom 10%) make just \$8.86 per hour and the highest paid workers (top 10%) make \$14.63 per hour. These wages are not competitive with other options in the labor market. It will be impossible to grow our child care workforce to meet the needs of our general economy.

We are at a critical point in our economic development as a state and our actions now will determine how successful we are at meeting our workforce needs in the future. Federal pandemic assistance is running out. Child care providers are at a breaking point. Parents are at a breaking point. No one can afford to pay more for child care, but if we don't raise the industry wages, we will continue to have a child care deficit because there will not be enough staff to keep centers open.

According to the North Dakota Labor Market Information Cost of Living Calculator, a North Dakota child care worker would have to earn \$21 to make ends meet. Anecdotally, you can look around most towns in ND and find employers hiring for similar wages. Until we can raise the level of childcare wages to meet a competitive, living wage, we will continue to see closures and shortages.

North Dakota has an opportunity to be a leader in solving the child care crisis by investing in child care workers. While we support this bill, we also think it doesn't go nearly far enough: we need an investment of at least \$150 Million per year for this fund to raise industry wages to competitive levels.

Child care workers do our communities' most important work. We owe them the dignity and respect they deserve, and that comes with being able to provide for themselves and their families, making a career out of one of the most vital professions.

Respectfully Submitted, Landis Larson North Dakota AFL-CIO President



Greetings Chair Wobbema and Honorable Members of the Senate Workforce Development Committee,

My name is Robin Nelson. I share this testimony in support of Senate Bill 2301. Outside of the department funding bill, I consider this to be one of the most vital of currently proposed legislation regarding child care.

I reside in District 41 and serve as the Chief Executive Officer of the Boys & Girls Clubs of the Red River Valley in Fargo. Ours is a non-profit organization that operates 12 licensed child care sites in which we serve approximately 600 school-age youth every day.

I will start by recycling a quote from one of my colleagues, "child care is the business that keeps other businesses in business. "

The first thing needed to provide care for children is people, qualified and caring people. Quite simply, this bill is the only one that is solely directed to stabilize child care providers of all sizes and license types by helping them attract and retain staff while not forcing a larger financial burden onto families.

North Dakota very successfully utilized Federal COVID funds via stabilization grants for a similar model to what is proposed in this bill; however, they are soon to end.

The expiring stabilization grants allowed our Boys & Girls Clubs to increase staff hourly wages by \$3.00; consequently, helping us retain and recruit staff, *while not passing that increased cost along to our families*. The increased wages were the driving factor for us to become almost fully staffed.

The passage of this bill will help us sustain that level of availability and affordability.

One final bit of perspective: the required maximum staff to youth ratio is 1:20 for my organization's license type. Prior to the stabilization grants being implemented, we were short approximately 20 employees. That translated to 400 youth with potentially 800 working parents whose jobs were affected. Please help us maintain and expand upon the current level of availability and affordability for the families served by child care providers like ours.

The Boys & Girls Clubs of the Red River Valley respectfully encourage the committee to recommend a DO PASS on Senate Bill 2301.

Thank you for your time. I welcome any questions.

BOYS & GIRLS CLUBS OF THE RED RIVER VALLEY 2500 18TH STREET SOUTH, FARGO ND 58103 www.bgcrrv.org | 701-235-2147



Amy's Angels Childcare LLC 512 17th St W Williston, ND 58801 (701) 601-0222 amysangels2012@gmail.com

Sen. Michael A. Wobbema Chairman. Workforce Development Committee North Dakota Legislative Council State Capitol 600 E Boulevard Ave Bismarck, ND 58505

Dear Senator,

My name is Amy Giordano and I am the owner, operator, and director of a licensed daycare center in Williston, ND. This letter is written in support of SB301 regarding the establishment of a childcare stabilization program.

I have operated licensed childcare in Williston since 2012. I operated in my home from 2012 until 2022 and then expanded and opened a daycare center in a rented space on February 1, 2022. We are currently serving 60 children and their families and maintain a waiting list of at least that many more. I and my team have cultivated a safe, nurturing, and engaging learning environment that effectively supports the diverse needs of children and families in our community, creating a foundation for children to enter school as lifelong learners and critically thinking citizens. Additionally, our team works diligently to provide a supportive environment for children who were not successful in other childcare facilities because of behavior or health challenges. At the same time, I work to provide the staff at Amy's Angels with the same supportive and loving care to foster their own growth as citizens, parents, and early education teachers.

My daycare center relied heavily on monthly stabilization grant funding in 2022. It provided higher wages and health, dental, and vision benefits to my staff as well as supported our \$4000.00 per month rent amount. Now that our grant funding has reached its maximum, we will no longer be able to fall back on that. To remain in operation, I am now faced with pay cuts, reducing the quality of our group health insurance plan, and increasing the weekly tuition rates for the students enrolled in my daycare.

In closing, a childcare stabilization program would be invaluable to North Dakota childcare providers and families alike. Monthly supplemental funding without an end date or lifetime maximum would provide for staff retention through higher wages and fringe benefits, therefore increasing the quality of care. This would also prevent those extra costs from falling back on hardworking parents in the form of higher tuition rates. So, licensed providers would have the ability to operate a high-quality, child-centered program with long-term and well-trained staff and families would be able to afford the rates to keep their children in care for as long as they need to.

I appreciate your consideration and support in this matter and I am happy to provide collaboration and insight into innovative ways to nurture early education in North Dakota.

Sincerely. windar m

Amy J Giordano Owner/Director Amy's Angels Childcare LLC 512 17th St W Williston, ND 58801 (701) 601-0222 amysangels2012@gmail.com

#16892

Written Testimony In Support of SB 2301

Legislators:

I have been the Economic Development Director in Devils Lake for 4+ years now and the issue of Childcare has been at the forefront of what we have been doing at Forward Devils Lake that entire time. The one comment from every employer, potential employer and employee is that we need more affordable, flexible childcare and please do anything you can to help support our childcare providers and their workforce needs.

Forward Devils Lake Economic Development has responded to that comment by helping fund 3 new child-care centers potentially providing 180-200 new child-care slots in Devils Lake since 2018, we also have provided an annual end of year incentive to the owner/managers of 5 public childcare centers of \$50.00 for each child taken care of that year. While this is a small amount compared to the proposed legislation in SB 2301 we know that it has helped the Childcare Center owners and managers to reward their workers. We know that recruiting and retaining a skilled workforce is their most significant challenge day-in and day-out.

Senate Bill 2301 – is needed and welcomed by Devils Lake and speaking on behalf of all rural cities in ND we know that it would make a difference in recruiting and retaining qualified workers in Devils Lake and others communities like ours.

Thank you for your consideration and support of Senate Bill 2301

Sincerelv Brad Baifh

Executive Director Forward Devils Lake Corporation Economic Development organization for City of Devils Lake and Ramsey County, ND







Senator Michael A. Wobbema Chairman Workforce Development 600 E. Boulevard Avenue Bismarck, North Dakota 58505

RE: SB 2301 – Child Care Stabilization Program

Chairman, Wobbema and Members of the Committee,

As the Executive Director of the Williston Economic Development office, I am pleased to submit testimony in support of Senate Bill 2301.

Access to quality childcare has and continues to be an issue in our workforce recruitment efforts in the City of Williston. It has been a contributing factor in loss of business and productivity within the community.

Assessing this through my office we have found the problem to be two-fold. Creating and operating facilities are costly. Once created, we often encounter these facilities not operating to their maximum potential due to lack of workforce. Trying to be competitive with wages and benefits against an open & lucrative job market is a losing battle for these providers. This is the type of program these providers need to sustain their workers.

Over the last several years, the Williston Economic Development Office has contributed more than 2.3 million dollars amongst 37 different providers/facilities in our area. We believe we have contributed to some form in having a hand in more than one thousand child care spaces created and/or maintained. Still the need remains great.

I strongly ask for your support on Senate Bill 2301!

Best Regards,

Shawn Wenko Executive Director Williston Economic Development

RE: SB 2301

To whom it may concern,

My name is Sue Brady, currently I am a licensed group home childcare provider in Bismarck. I have been doing childcare for 37 years. I have a BA in Early Childhood Education. I am also a Step 3 on the QRIS rating scale and am completing Step 4 at this time.

I am writing in favor of SB 2301. The previous stabilization grant allowed me to stay open in the beginning stages of COVID, while the majority of my families stayed home with their children. Follow up grants provided by the state allowed me to update a filtering system in my home, purchase toys and equipment that were easier to clean and sanitize, additional cleaning supplies and many tools and furnishings to help stop the spread of COVID. I was able to retain staff, pay them when I had no families to care for due to COVID. I also used the money to pay for childcare liability insurance, health insurance and rising food costs. Because of the monthly stipend, I was able to keep my monthly fee the same from the fall of 2019 to January 2023. I am thankful to the state for their support of all childcares through the stipends and grants.

I do have concerns with this bill however. Under section 1, calculation of funds. I feel the ages need to be refined and precise. An infant in a family program is aged 0-24 months, a group program it is 0-18 months and according to our mandated SIDS training, an infant is 0-12 months. A toddler can be defined as 18- 36 months in a group childcare setting, but 24-36 months in a family care setting. The way I am reading this bill, a toddler ends at four years.

Under section 2, additional funds provided for the highest level on the QRIS. As a provider that has been working towards the Step 4 rating, I am thankful for the additional incentive. The QRIS program takes many hours of additional training, documentation and coaching. I want to note that just because many providers are not rated on the QRIS scale, we have many, many providers that do an outstanding job and also go above and beyond standard rules and regulations.

Thank you again for the help we are receiving through these much-needed grants.

Sincerely,

Sue Brady

RE: SB 2301

To whom it may concern,

My name is Michelle Klabo, I'm currently a licensed group childcare provider in Jamestown. I have been doing family childcare for almost 10 years. I have a bachelor's degree in Early Childhood Education from MSUM. I am a Step 4 provider on the QRIS rating scale with Bright and Early for the last 3 ½ years.

I am writing in favor of SB 2301. The previous stabilization grant allowed me to stay open during the pandemic without increasing my rates. It allowed me to implement health and safety equipment, additional toys, and extra learning materials for the children in my care. I was able to use the money to pay for childcare liability insurance, health insurance and overhead increasing costs. With the stabilization funds I was able to keep my weekly rates the same and not have my parents pay extra.

I appreciate our state's support with the grants that I received over the last couple years. Since March 2020, it has been difficult mentally/physically trying to keep our children safe and healthy during a pandemic. Having the additional funds has made it easier to work in this field and not have to worry about the financial end. I love my job. Working in early childhood is an amazing career, but it is one of the most difficult and challenging jobs. Our career choice was overlooked for years, but we are essential to keep the workforce continuing in North Dakota. With costs increasing it would help keep our costs down and not have to make families pay additional tuition if the stabilization monthly grant continued.

I also wanted to comment on section 2, with the additional funds provided for the highest level on the QRIS. As a provider with a Step 4 rating, I am thankful for the additional incentive. The QRIS program takes additional hours with training and documentation. There may not be a lot of childcare providers at a 4 rating, but we worked hard to achieve this and I am happy to see we would be compensated for it, the higher the step there is a lot more work to complete.

Sincerely,

Michelle Klabo, Owner

ABC Learn N Play

Dear Committee Members:

My name is Linda Schroeder. I have operated my group licensed in home family childcare business for over 30 years. I have cared for and provided support to hundreds of families over the years. My experience and knowledge are constantly evolving as I strive to provide care to the children within my program and their families.

I read the Senate Bill 2301 that is being proposed. I agree their needs to be an establishment of a Child Care Stabilization Program. The amounts that will be used to calculate the monthly payments I believe will be perceived as too low. As a provider I greatly appreciate any effort to help provide care and services to children and families. There has been a significant increase in food and supplies over the past year. As I am sure you are also aware that eggs are \$5 a dozen, milk is anywhere from \$4.29 to \$5.99 a gallon. Even a loaf of bread is close to \$6. All of this added into the rest of the challenges that providers face on a regular basis make this career more and more challenging. I understand that the funds have a focus to help support increasing wages for staff. I am curious if there is an opportunity to have a better check and balance system in place to support the use of the funds to promote a more positive work culture and professional mindset that fosters a positive work experience and environment. This will provide a positive work experience and help retain the staff that are needed to successfully operate a childcare business. The bill states that the provider will report annually to the department on how the funding to directly address wages and benefits. To me personal/professional development is a critical component of a benefit that all child care workers should receive. If you are completing a form at the end of the year regarding funds you received over the course of the year, I am wondering how this doesn't just provide lip service in the format of a form and not actually establish a precedent of professional accountability of those funds.

Is there more clarification available to further explain the added 25% for the quality improvement process. Who is getting this? Is it the staff/team member that took the classes and received the certification or do those funds to go the business or director. Who qualifies for this. It is worded if the provider meets the highest level of quality improvement process. What are the parameters that define "highest level". What Step listing is required in ND Growing Futures? Is it only the director that needs to be at a certain step? What is the letter that is attributed to the Category that the provider is listed at? Does the completion of college coursework, professional training such as CDA or Aim4Excellence become part of the required criteria. How many of those need to be completed? Is it all to be at the highest? The enrollment and completion of a Best-in-Class Cohort is also something else that is rolled out in many communities. This however is a very lengthy process. There can only be so many in the group and it takes months to complete. It is a process that will literally take years for you to reach the highest level. If you check the % of providers that are currently enrolled and have completed this, you will find the statistics to be very low because it is something that is fairly new. With all these variables being potentially part of the improvement process I am wondering which meet the highest level?

Thank you for your time.

Smiles

Linda Schroeder



Testimony Before the Senate Workforce Development Committee SB 2301 Thursday, January 26, 2023

Chairman Wobbema and members of the Committee, for the record, my name is Nick Archuleta, and I am proud to serve as president of North Dakota United. I am here today to urge a *do pass* recommendation for SB 2301.

Mr. Chairman, for many years, childcare in North Dakota has been a vexing issue. Even today there are "childcare deserts" where quality daycare does not exist at all. Over the course of the last two years, ND United has worked with other concerned groups and individuals to discover why there are so few daycare options in areas of our state. Over the course of that time, we have heard many anecdotes as to the scope of the problem. Two that come immediately to mind are the teacher in south central North Dakota who drives forty miles one way to drop off and pick up her child before and after work; the teacher in Beulah who called our office asking how to get out of her teaching contract after being informed that the three spots she had reserved for her children at the local daycare co-op were gone because the co-op was having trouble finding employees. These are just two of many examples of the effects of inconsistent daycare in North Dakota.

With the current average wage of childcare workers just north of eleven dollars per hour, many people who would otherwise enjoy working in childcare simply cannot afford to do so. SB 2301, Mr. Chairman, aims to mitigate this issue by providing funding to childcare providers that they must use to pay or provide benefits to childcare workers. As a result, daycare providers will be able to offer higher salaries that attract workers without passing the additional expense on to parents.

SB 2301 is a good bill that, should it become law, will help daycare providers, their employees, and parents who are anxious to rejoin the workforce. For these reasons, Chairman Wobbema, and members of the Committee, we urge a *do pass* recommendation for SB 2301.

Members of the community my name is Linda Barnick director of a child care center in Jamestown. The center is going on 34 years now. I have worked with children for 49 years in various different child programs. As time goes on it is getting harder getting and retaining good quality staff to work with these most precious children of the future. The wages and benefits are a major factor in the huge problem.

It is very hard to ask someone to work for 10.00-11.00 per hour when they can to Walmart or McDonalds and get 20.00 per hour and benefits or why it is these child professionals should take care of the personal needs of these children (such as diapers) and the garbage men get more money an hour to haul away the garbage than the child care providers get. Not everyone can work in child care it takes special people to care for the future workforce.

We know that the work force getting people back to work is very important but in order to help these people work the number one issue for them is to get and find good quality child care and in order for that to happen we need your help financially with the child care crisis. It isn't possible to keep putting all of the finance burden on the families.

We all know that the economy has sky rocketed and that doesn't help with the situation at all. I am very much in supporting the SB-2301bill, but we are asking for far more of a financial investment by the state to truly help with this issue. We need on gong financial help every year. We need to get passe the \$150 million investment annually. To get these special and very important workers out of the poverty level.

Thank you Linda Barnick



North Dakota Senate

STATE CAPITOL 600 EAST BOULEVARD BISMARCK, ND 58505-0360



Senator Ryan Braunberger District 10 4924 Amber Valley Parkway, Apt. 307 Fargo, ND 58104-8640

rbraunberger@ndlegis.gov

COMMITTEES: Judiciary State and Local Government

01/22/2023

#17044

Chairman Wobbema and members of the workforce committee, thank you for taking the time to let me present this bill. For the record, my name is Ryan Braunberger, Senator from district 10 Fargo. I come before you today on proposed legislation to stabilize the childcare infrastructure across North Dakota. Senate Bill 2301 will create a program to assist childcare providers targeted at increasing their employees' wages. As we all know, there is a provider shortage across the state, and this bill will help increase wages allowing providers to attract and retain qualified professionals. Childcare stabilization is one part of five bills designed to help families and childcare providers retain and expand our workforce.

This legislation establishes a monthly payment system within the Department of Health and Human services budget for licensed childcare centers. Each licensed childcare provider will receive funds outlined on lines 12-14 based on their licensed capacity. The program also will establish financial incentives for meeting voluntary quality improvement standards. When a provider meets the highest level in that quality improvement process, an additional 25% of the total monthly calculation will be given.

Safeguards are placed in the bill ensuring the funds allocated will go towards wages and benefits of childcare workers. They are required to report annually how the funds directly address salaries and benefits. In addition, childcare providers will be removed from the program if they are under a correction order for three months or more.

Lastly, after reviewing comments from childcare providers concerns the amounts we are requesting may need to be increased. The goal of this legislation is to ensure we can attract and retain childcare providers across the state to improve our workforce crisis.

Thank you for listening to this presentation; I will stand for questions.

Ryan Braunberger,

District 10 State Senator.

Chair Wobbema and Members of the Workforce Development Committee:

My name is Michelle Roeszler and I have been a childcare professional in the state of North Dakota since 2005. I have operated a home-based childcare, a group childcare in a facility, worked in center-based programs and currently offer story time programming in childcare programs.

I write today to comment on the proposed childcare stabilization funding in SB2301. While I am in favor of this proposal I have a few points for the committee to consider.

- **Funding Model**: rather than the per child in each category to the full capacity of a licensed childcare program I propose the committee uses the 2021 stabilization funding model as a guide. That funding model was based on enrollment, not capacity, and weighted factors like infants/toddlers, location in a childcare desert, and offering non-traditional hours of care in addition to QRIS participation.
- Vague for Mixed Age Programs: As written the proposal doesn't apply well to mixed age programs, such as home-based, who don't have specific age groups for enrollment. I urge the committee to consider amending to a flat, per enrolled child payment with additional payments for the weighted categories I wrote about above.
- **Capacity based vs. Enrollment based**: Payments based on capacity vs. enrollment may not offer enough incentive to fill to available capacity.
- Age Categories: The proposed age categories, if kept in the final version of the bill, need to be clarified. The way I read the proposal there is no payment for preschool aged children. Toddlers end at age 36 months. The proposal leaves no payment for ages 3 and 4.
- **Correction order section:** The proposal states that funding is discontinued if the program is under a correction order for longer than 3 months. Is this one continuous correction order? What about multiple correction orders? I'm not sure what correction orders would be longer than a short amount of time to make right. I would suggest amending to language about critical violations like over ratio or health and safety violations. This would be similar to the correction orders that prevent participation in the QRIS system.
- **QRIS Incentive**: I would like the committee to consider amending this to a lower quality level, perhaps level 3. The process to complete each level in the system is lengthy and it could be after the next biennium before a program achieves the level in the proposal, especially if they have not previously participated in the QRIS system.

As you consider this proposed funding I urge you to consult with DHHS staff for more information on the previous monthly funding that has been administered through their offices. They are likely the agency who would be administering these funds and they can provide valuable data to assist your decisions.

In closing, I am in favor of funding to support childcare programs in our state. For every childcare professional who has submitted written testimony on this bill there are many more who for one reason or another have not submitted testimony. I know they are all grateful for the support of policy makers in recognizing their role to support the workforce of North Dakota.

Although I am unable to testify orally today I am available for questions by phone or email at any time.

Michelle Roeszler wildaboutplay@gmail.com 701-298-6538

Senate Workforce Development Committee Hearing on SB 2301: Child Care Workforce Stabilization Program January 26, 2023

Chairman Wobbema, members of the committee, my name is **Mark Pierce**. I live in **Beulah, ND**. I a board member of Energy Capital Cooperative Child Care in Hazen. I'm also the founder of Faces of North Dakota Coal with is a grassroots organization advocating for the people, families, and communities of Coal Country. I work in procurement at North American Coal's Freedom Mine.

I'm **in favor** of Senate Bill 2301. I firmly believe that quality, affordable child care is the key to North Dakota's continued prosperity building upon the reversal of the population outmigration of the 1980's and 1990's. Having worked in the energy industry, I understand that safe, reliable, affordable energy is the fuel that feeds all other industries. Child care is very similar to energy in that aspect. Quality, affordable child care is the facilitator that allows our workforce to deliver that energy. It is an investment in the human capital that today's business requires.

The child care stabilization program is an innovative solution that will address many challenges our child care system in North Dakota encounters. I encourage a "**Do-Pass**" recommendation. Thank you for your consideration.

Senate Workforce Development Committee SB 2301 January 26, 2023

Chair Wobbema and committee members, my name is Alexa Ducioame, and I am providing testimony in support of SB 2301 as a working parent of two small children in Fargo.

The childcare workforce supports the entire workforce.

Several surveys were collected in 2022 in North Dakota and just across the border and found:

- 57% of Horace respondents said the lack of childcare affected their careers.¹
- 29% of East Grand Forks parent respondents withdrew from the workforce or declined employment due to childcare arrangements.²
- 27% of East Grand Forks employer respondents said it impacted their ability to attract employees.²
- 30% of surveyed ND businesses said the lack of access to affordable and high-quality childcare negatively affected their organization's performance.³

My personal story is as a parent who struggled with work during unexpected childcare closures, criminal child abuse cases, and finding any other childcare. My daughter (2.5) has been on a wait list for our preferred center for 3 years. My son (1) was able to get in at 6 months, but there's still 700 people on their wait list. When neither child could get into that center initially, we enrolled them in another that we thought would be okay. While we had some initial struggles, the larger issues occurred in 2022. In January through April, we had 26 days where we unexpectedly had to stay home due to weather or staffing. In April alone were 12 of those closings (57% of the working days). I'm a civil engineer and my husband is in IT, so our work can be flexible and we did our best to work from home, but it was not sustainable. We started to look for other childcare options. Some centers wouldn't even put us on a waitlist because it was already so long.

Part of the time the center was closed in April was because they lost their license, but then they reapplied under a different name and reopened. On May 31st, a Fargo Detective and Cass County Human Services called me to let me know they were investigating abuse at the center. A reported incident occurred on May 5th and after reviewing the tapes the detective also named my daughter as a victim. The center did not report the incident that required medical care, and they did not have any communication with parents. Our search for childcare became more urgent. We were finally able to line up care at a different center that cost 50% more for October 3rd, and her last day at the old center would be September 29th. That day, we received a call from the new center that they were awaiting fingerprints and pushed back enrollment to November 1st. My husband stayed at home to take care of her for that month.

¹ City of Horace, "City Survey Results: Childcare Services in Horace," October 2022. [Online]. Available:

https://www.cityofhorace.com/community_news___events/city_survey_results.php.

² First Children's Finance, "Rural Child Care Innovation Program, Community Solution Action Plan for Child Care: East Grand Forks, Minnesota," May 2022.

³ J. Bitzan, Ph.D., "North Dakota Business Conditions and Climate Survey 2022," Sheila and Robert Challey Institute for Global Innovation and Growth, NDSU, 2022.

The portion of our story regarding unexpected staffing-related closures and the struggle to find childcare is not uncommon. I have multiple coworkers whose children attended different centers and also navigated unexpected closures in early 2022. One coworker couldn't line up childcare until 1 month after she returned from a 3-month maternity leave. It is frustrating when parents cannot find reliable care for their child and must worry about the quality of care provided. Not just whether the child has enrichment activities, but whether they are safe. We are grateful for our children to be at the two wonderful centers they're at now but know that other families are still struggling. Rural areas have additional challenges.

Childcare stabilization funds proposed in SB2301 could be used to increase the wages of staff, improving recruitment and retention. From my personal experiences, I also greatly appreciate the considerations for provider quality and correction orders. This would improve the quality of care provided without burdening parents with increased costs. If the childcare workforce grew, it would support parents who want to join the workforce in other fields as well.

The median wage for childcare workers was \$11.19 an hour in 2021, or \$23,275 per year working fulltime.⁴ The way SB2301 is currently framed, those employees may see a \$1-2 an hour increase in wages. This is not enough to be competitive with other available jobs. **The monthly payments should be increased to reflect the value of the business that keeps everyone else in business while caring for our most precious family members.**

Thank you for your time.

Sincerely,

Alexa Ducioame

Alexa Ducioame

⁴ U.S. Bureau of Labor Statistics, "Occupational Employment and Wage Statistics: North Dakota," May 2021. [Online]. Available: https://www.bls.gov/oes/2021/may/oes_nd.htm#39-0000.

Chairman Wobbema & Members of Senate Workforce Development Committee

My name is Becca Koepplin, I am a childcare provider out of Elgin ND. I am sorry I can't be present to testify in person.

As a daycare provider, I am one hundred percent on board for the continuation in the stipend. This money helps us stay in business and above water financially. With the funds we received in 2020 I was able to increase the starting wages for my employees. As a home based, group licensed daycare, with the capacity of having thirty children, it can be straining to keep the doors open and provide childcare in the small community of Elgin, North Dakota. To make ends meet, we would have to raise our rates. This also puts a financial strain on our families, many of which have fixed incomes. Childcare is needed everywhere, the extension of the stipend will help us keep our doors open at a reasonable rate for the families that we provide care for. We can improve our programs and offer services with the additional help with the children's interest as a top priority. If these monthly stipends end, I, along with many other childcare providers will have to make the tough decision to raise rates on the families. Childcare is essential. Without childcare, you lose the workforce due to a parent staying home. I am in support of SB 2301.

If you have any questions, please feel free to reach out.

Becca Koepplin

sheepcreekplay@outlook.com





Living Phone: 701.663.6501 or 800.234.0518 Fax: 701.663.3745 www.ndarec.com

January 26, 2023

To: N.D. Senate Workforce Development CommitteeFrom: Josh Kramer, executive vice president and general manager, NDARECRE: Support of Senate Bill 2301

Chairman Wobbema and members of the Senate Workforce Development Committee, the North Dakota Association of Rural Electric Cooperatives (NDAREC) represents sixteen electric distribution cooperatives and five generation and transmission cooperatives that generate, transmit and distribute electricity across the state of North Dakota. Collectively, North Dakota's electric cooperatives employ more than 2,500 people, many of whom are dependent on the availability of child care. Therefore, we are eager to support SB 2301 and other legislation that seeks to improve the access, availability and affordability of quality child care in all parts of the state, including small towns and rural areas.

We are happy to see Gov. Burgum's and the Legislature's interest in dedicating resources to address the child care crisis in our state, but more must be done.

This isn't a looming crisis, it is here. Child care wait lists extend more than 12 months out. There are communities with limited to no access to child care. There are people, employees of our cooperatives, needing to drive to multiple towns to drop kids off at a child care provider, before arriving at work in another community. We hear from families who are traveling distances of 50 to 80 miles roundtrip to bring their children to their child care provider. This is not sustainable – for parents, employers or rural communities.

North Dakota's electric cooperatives, through the work of our Rural Development Center, have long supported and assisted in providing technical assistance and financing for various child care groups, such as small businesses, community-owned, nonprofit and cooperative child care providers. What we've found is that even if a child care is able to get up and running "debt-free," it is still very difficult, and sometimes impossible, to cash flow.

Addressing the low wages of child care workers is a critical component to maintain our existing availability and access. Child care businesses operate on narrow margins and often

cannot pay employees a competitive wage. Employee wages and benefits make up more than half the cost for most child care businesses, with other expenses going toward rent and utilities, administrative costs and materials.

Finding innovative ways to improve access to child care is an issue to which all employers and leaders must seriously contribute time and resources. If the current state of child care is deemed a crisis, it might be time we dedicate the time, attention and resources that most crises deserve.

I thank this committee for its time, the opportunity to provide testimony and your consideration. NDAREC would urge a "Do Pass" recommendation on SB 2301.

TESTIMONY Senate Workforce Development Committee SB 2301 January 26, 2023 Senator Kathy Hogan

Chairman Wobbema and members of the Workforce Development committee. I am Senator Kathy Hogan from District 21, the most urban district in ND.

Over the last 12 to 18 months discussion regarding the need to stabilize the childcare infrastructure has generated many creative ideas and suggestions. This is a complex issue, there is not one simple solution. Senate Bill 2301 is the major bill that is targeted at stabilizing the childcare infrastructure by providing direct subsidies to childcare providers.

The other three bills include:

- SB 2237 Childcare tax credit for middle income families
- SB 2238 Early childhood service funds that focus on education and family support such as Best in Class, Head Start and Early Head Start.
- SB 2190 Increases the reimbursement levels for Childcare Assistance program which provides low-income families with financial support and reductions in family co-pays for the lowest income families.

SB 2301 was introduced using a model that was partially implemented during COVID. This bill codified these structures. The rates that were initially put in this bill maybe too low but the basic model of establishing a monthly support payment for all licensed childcare providers in good standing is an essential piece of this multi-pronged approached.

Thank you for your interest in this bill. I hope you will seriously consider this as one of the ways we as a state can strengthen our workforce by stabilizing the childcare system. I am more than willing to answer any questions.

Chairman Lee and Members of Human Service Committee,

My name is Amber Osowski and I am a childcare provider in Walsh County. I am 34 years old and got my first job in childcare when I was 14 years old, 20 years ago! I have been running my own childcare for 6 years and I have 30 children enrolled and a staff of 13.

The first and most pressing concern I see is the requirement that a provider meets the highest level in a voluntary quality improvement process. I currently sit at Step 2 though Bright & Early and the time and money commitment for myself and staff is a massive undertaking. We are all already working 40 hours each week, sometimes more. We DO NOT have the time during the day to complete the trainings because it would affect the quality of care we strive to provide for the children in our care. And to ask my staff to stay after hours to complete training or do it during the weekend is out of the question from a mental and financial standpoint. This also means that I, as the owner, am taking a huge risk in helping my staff attain these credentials and then them leaving to work at or open their own childcare. While that sounds wonderful that they would be confident enough to open another childcare business, it would be detrimental to my business and the families I serve. I pride myself on operating a quality program and treating my staff and families in my care well and I have a very low turnover rate for both. My recommendation would be to provide funding at a tiered level to offset some of the costs associated with working towards another step in the quality rating system. This would provide funding to cover some of the overtime hours or extra staffing needed to maintain proper care ratios while my staff work to attain a higher rating.

My second concern is about the stabilization program monthly payments. My understanding is the payments would be made based on licensed capacity. I would recommend that payments are made based on actual enrollment numbers. My current license is for 30 and is full with 30 enrolled children. I am working to serve my community by filling to capacity. However, there are other childcare businesses who carry a license of 30 but only enroll 7 or 8 and are not willing to hire staff and expand their enrolled children. My recommendation would be to increase the dollar amount to cover only enrolled children rather than covering license capacity. It ensures the businesses working to fill all open spots are receiving the funding to keep their doors open. The funding received in previous grants helped me to grow my business and I didn't have to raise rates for the families in my care. Continuing to ensure the funds are used by businesses supporting their communities is important for the state of ND

My final recommendation is that if the funds received for this bill are to be used to support staff wages and benefits then it should include a payment made specifically for that. Growing Futures website already keeps track of staffing and hours for each licensed childcare so a payment made to the childcare provider for the staff they have working would be business changing. It would encourage hiring, ensure owners are working to retain their employees and show these employees that the state has their back when it comes to the important work they do, and it does not add cost to the families in our care.

Thank you for your time and consideration. I appreciate all the work you are doing to support the families of North Dakota

Amber Osowski Rocking Horse Child Care LLC <u>Rockinghorse.grafton@gmail.com</u> (701) 238-4277 Hello, my name is Robin Fuehrer and I am the director of Community Church Child Care, a new daycare program here in Bismarck.

It's interesting that I am here speaking to you about how we can bring more people and resources to the field of early childhood education, because, I am, yet again, in the middle of a hiring process this week. My previous hiring phase was 6 months ago- I had over 100 applicants, was in contact with 68 of them, managed to schedule interviews with a dozen or so, had 6 of them no show the interview, hired 4 and had 2 of those no show either the background check or thier first day of work. Of the two left one is still with me and the other has moved on to another daycare program. So, yes, I would say the field is in need of some major support!

There are so many things that I would love to speak to but in order to keep things short I will talk briefly today about three things. The importance of the early childhood period. The need for more and better qualified teachers. And, lastly, an overview of how we used grant funds in our program last year, and the needs we face this coming year.

90% of Brain Growth Happens Before Kindergarten

At birth, the average baby's brain is about a guarter of the size of the average adult brain. Incredibly, it doubles in size in the first year. It keeps growing to about 80% of adult size by age 3 and 90% – nearly full grown – by age 5. If you have been hearing anything about early childhood lately you like are familiar with this information. I wanted to point out a little bit about where a child in daycare spends most of that brain developing time. Of the 168 hours in a week a little more than half are spent sleeping, leaving about 84 awake hours. In our program a child in full-time care will spend likely 50 hours a week, 10 hours a day, in care. That leaves about 34 hours of awake time with family or in other activities. That means that many children will spend the majority of thier awake, brain developing hours in a daycare program- where one on one time is almost nonexistent and ratios are often pushed to the max to maximize dollars. If we want to make an impact on future test scores, executive functioning skills and emotional regulation skills we must lay the best foundation possible in the earliest years- before children are even old enough for pre-school! In order to have maximum impact on these most important earliest years we must have more and better gualified people working with these children. The current climate of early childhood is one of low pay, little to no benefits and very high turn over. Sounds like just the job you're looking for right? Sounds like the kind of job you would encourage your children and grand children to pursue, right? It is, arguably, one of the most vital careers to lay the foundation for our future society, and it is considered, by many, an entry level position at best. We must put resources into elevating this field. And, as a director, I am at a loss as to how to do this. I am in a unique situation for a program and so funds are more available to pay my teachers better but I am still in competition with fast food restaurants for starting pay. We need your help.

Lastly, I want to thank you for all of the support and funds that have been coming our way already. I can't imagine what our program would be like without that support! I want to focus specifically on the inclusion support that we have received. We are a program with a little over 40 students enrolled (we could go to 76 if staffing and remodeling costs weren't a factor but I digress) and of those children, 15 have special needs. I don't know if this is higher than most, or an accurate representation of programs statewide. The inclusion grants have helped us to have teachers who are specifically focused on our children with special needs. They are able to take the children individually and in small groups to work on executive function and regulation skills so the children can reach thier fullest potential while in a classroom setting. There have been other grants that helped with adaptive equipment and materials, and although those are greatly appreciated, these materials get left unused without staffing to help implement them. This year's inclusion grant is less than the last, so I have decisions to make about how best to continue helping our kids with special needs while also having a financially stable program.

What our children need to be successful as they enter school and eventually the workforce is meaningful human connection with adults who are well trained, who know they are doing valuable work, and most importantly who deeply care for the children in thier care and believe that they can make a lasting difference in a child's life. Thank you.



Chairman Sen. Michael A. Wobbema Senate Workforce Development Committee Testimony in support of Senate Bill 2301

Chairman Sen. Wobbema and members of the Senate Workforce Development Committee,

Childcare in North Dakota is in an unsustainable state. Several parents in Williston have told us that they spend upwards of \$20,000 annually in childcare costs for only two children while, despite these exorbitant costs, childcare providers are struggling to stay afloat. Several operators have told us that they have to take little to no salary to keep the doors open. This exemplifies the dire childcare situation for both providers and parents.

Earlier this month, the Williston Area Chamber of Commerce (WACC) hosted a roundtable discussion with about 10 local childcare providers as well as city, county, and state officials and area legislators. During which, providers illustrated monetary issues, opening participants' eyes to the reality of the situation: our operators are struggling to pay wages and overhead expenses, keep up with training and licensing fees, <u>and</u> turn a profit. Looking at the current cost of childcare for parents, raising tuition is out of the question. But most facilities are still understaffed and overworked. So, where do they turn?

Some providers have told us that previously offered stabilization grants have been critical in paying their employees and keeping their doors open, ensuring there were no gaps in service for those that need them most: the parents. The proposed childcare stabilization grant in SB2301 is a step in the right direction and has the potential to address childcare workforce issues from two different angles.

This bill's potential to incentivize people to work in the childcare industry has the power to increase capacity in current, licensed childcare centers and allow more facilities to open. Additionally, since childcare issues **are** workforce issues, increasing capacity and the number of providers would allow parents to enter, or re-enter, the workforce – a step towards filling the state's thousands of open jobs, boosting understaffed businesses and the economy.

The WACC not only supports SB 2301 and encourages its passage, but it also encourages the committee to consider further investment into the amounts enumerated in subsections 1a, 1b, and 1c. We have been told that in-home childcare centers and smaller facilities are at an even more critical financial reality. This is especially true in western North Dakota where the cost of living is higher, requiring childcare centers to pay well above what other locations may consider "normal" for childcare providers to attract and retain talent. A tiered option with increased payouts for those sized facilities could provide much needed relief.

Thank you for your consideration of this important issue.

Sincerely,

Anna Nelson President Williston Area Chamber of Commerce

01/26/2023

Members of the workforce development committee,

My name is Lisa Keller. I have had the privilege to be an in-home childcare provider for almost 20 years.

I am writing to you today in opposition of SB 2301 as it is written. While I support stabilization funds for childcare, I do not think this bill can go through with the amounts listed. In October of 2021 child daycares were able to apply for a stabilization grant that would be available for the applicant for 12 months. The amount I was eligible for was more than four times the amount proposed here.

At that time, I reevaluated my childcare and came up with ways to use all of these funds to revamp my current set up. With this grant I was able to expand my childcare and I am now able to add ten more children to my capacity. This means that there are up to 10 more families that are able to have stable childcare in North Dakota. Another way I used these funds was to pay for trainings for my current staff/backup caregivers. I also was able to add a structure preschool curriculum for ages 2 and older. In order to fill these new available spots, I will need to hire quality caregivers.

While childcare is an emotional rewarding career it isn't always a financially rewarding one. We spend our days caring for and shaping the minds of the future of North Dakota. Without us parents would not be able to go to work and it would be North Dakota as a state that would feel the impact. It is a challenge to find individuals that are willing to take on the role of a childcare provider without a wage that should be given to somebody with such an important position.

Maybe some of the funds proposed in SB2323 could be allocated to help increase the amount of funding for this bill. Most of the programs from that bill are already federally funded.

I would love to be able to fill my spots and have the staff here to make sure that our daycare can run at capacity each day. I know that I am not the only provider that feels this way. There are a lot of parents that are frustrated that their kids are not able to attend or are sent home from their daycare due to staffing issues. Some of this could hopefully be alleviated by proper wages for providers and affordable trainings to make sure there is quality staff.

There are a lot of ways stabilizations funds can help providers and in turn help the children, families and North Dakota's workforce but the amounts listed just won't put a dent in the issue we are facing. So please reconsider this bill and the impact it will have on not only childcare but the workforce of North Dakota.

Thank you for your time and if you have any questions for me, please feel free to reach out.

Lisa Keller

Senate Workforce Development Committee Hearing on SB 2301: Child Care Workforce Stabilization Program January 26, 2023

Chairman Wobbema, members of the committee, my name is **Erin Laverdure**. I live in **Stanton**. I'm co-founder and board president of Energy Capital Cooperative Child Care in Hazen. I'm also a member of the ND Child Care Action Alliance, an ad hoc group of child care workers, providers, and advocacy organizations. I work in community relations at Basin Electric.

I'm **in favor** of Senate Bill 2301. I helped found the only child care with a center license in Mercer County. I formed a coalition of employers in the county, all of whom were facing employee recruitment and retention issues relating to child care accessibility. Our founders are some of the sharpest business minds in a cross-section of industries – energy, banking, health care, education. We've worked hard since 2017 to balance fair employee pay and benefits, with fair tuition to our families. I believe to my core, if this balance were possible, we would have achieved it.

At the child care center, we've increased pay and benefits over time, but not to the level they deserve. We've struggled with employee retention, and have had to cut families and hours. We've raised tuition rates for families, but not to the level necessary to sustain operations. If we did that, we'd price our families out of the center, and consequently, out of the workforce. We rely on the continued generosity of the businesses that helped found us, but not all are in a position to continually donate – particularly the nonprofit clinic, hospital, nursing home, and school.

A consistent, substantially funded stabilization program would give our child care center the certainty needed to pay wages to our hard-working staff.

Child care is a unique labor issue that affects all other workforces. SB2301 will help to expedite placement and ensure high-quality care. It helps keep the cost of child care down for working families by not passing additional expense on to families, providers, and businesses.

To address this crisis, I support the provisions that encourage high-quality care and recommend a higher funding level of \$150 million annually.

Child care workers hold in their hands this state's legacy. Help us as child care providers pay them the living wages and benefits they deserve. Mercer County's economic vibrancy depends on the availability, stability, and quality of child care, and a stabilization grant can drive all three.

The child care stabilization program is the innovative solution we need to fix and sustain the fractured child care system in North Dakota. I encourage a "**Do-Pass**" recommendation. Thank you for your consideration.





Phone: 701.663.6501 or 800.234.0518 Fax: 701.663.3745 www.ndarec.com

March 7, 2023

To: N.D. House Industry, Business and Labor Committee
From: Zachary Smith, Communications and Government Relations Director, NDAREC
RE: Support of Senate Bill 2301

Chairman Louser and members of the House Industry, Business and Labor Committee, the North Dakota Association of Rural Electric Cooperatives (NDAREC) represents sixteen electric distribution cooperatives and five generation and transmission cooperatives that generate, transmit and distribute electricity across the state of North Dakota. Collectively, North Dakota's electric cooperatives employ more than 2,500 people, many of whom are dependent on the availability of child care. Therefore, we are eager to support SB 2301 and other legislation that seeks to improve the access, availability and affordability of quality child care in all parts of the state, including small towns and rural areas.

We are happy to see the Legislature's interest in dedicating resources to address the child care crisis in our state, but more must be done.

This isn't a looming crisis, it is here. Child care wait lists extend more than 12 months out. There are communities with limited to no access to child care. There are people, employees of our cooperatives, needing to drive to multiple towns to drop kids off at a child care provider, before arriving at work in another community. We hear from families who are traveling distances of 50 to 80 miles roundtrip to bring their children to their child care provider. This is not sustainable – for parents, employers or rural communities.

North Dakota's electric cooperatives, through the work of our Rural Development Center, have long supported and assisted in providing technical assistance and financing for various child care groups, such as small businesses, community-owned, nonprofit and cooperative child care providers. What we've found is that even if a child care is able to get up and running "debt-free," it is still every difficult, and sometimes impossible, to cash flow.

Addressing the low wages of child care workers is a critical component to maintain our existing availability and access. Child care businesses operate on narrow margins and often

cannot pay employees a competitive wage. Employee wages and benefits make up more than half the cost for most child care businesses, with other expenses going toward rent and utilities, administrative costs and materials.

Finding innovative ways to improve access to child care is an issue to which all employers and leaders must seriously contribute time and resources. If the current state of child care is deemed a crisis, it might be time we dedicate the time, attention and resources that most crises deserve.

I thank this committee for its time, the opportunity to provide testimony and your consideration. NDAREC would urge a "Do Pass" recommendation on SB 2301.

Testimony of Landis Larson, ND AFL-CIO President In Support of SB 2301 March 7, 2023

Chairperson Louser and members of Industry, Business and Labor:

My name is Landis Larson, President of the North Dakota AFL-CIO. The North Dakota AFL-CIO is the federation of labor unions in North Dakota, representing the interests of all working people in our state.

I am testifying on behalf of the North Dakota AFL-CIO in support of Senate Bill 2301. As a member of the North Dakota Workforce Development committee, child care has been a perennial topic of discussion and one that impacts working families deeply. We have an opportunity with SB 2301 to take a major step forward in finding a solution to the root problem: low wages.

We all know that there is a shortage of quality, affordable child care. We also know that a primary driver of this shortage of child care is that we also have a shortage of people who want to work in child care. We also know that we are not going to fix the shortage of people who want to work in child care until we address the wage issue.

Median wages for child care workers in North Dakota are around \$11.19 per hour, often without any benefits. The lowest paid child care workers in the state (bottom 10%) make just \$8.86 per hour and the highest paid workers (top 10%) make \$14.63 per hour. These wages are not competitive with other options in the labor market. It will be impossible to grow our child care workforce to meet the needs of our general economy.

We are at a critical point in our economic development as a state and our actions now will determine how successful we are at meeting our workforce needs in the future. Federal pandemic assistance is running out. Child care providers are at a breaking point. Parents are at a breaking point. No one can afford to pay more for child care, but if we don't raise the industry wages, we will continue to have a child care deficit because there will not be enough staff to keep centers open.

According to the North Dakota Labor Market Information Cost of Living Calculator, a North Dakota child care worker would have to earn \$21 to make ends meet. Anecdotally, you can look around most towns in ND and find employers hiring for similar wages. Until we can raise the

level of childcare wages to meet a competitive, living wage, we will continue to see closures and shortages.

North Dakota has an opportunity to be a leader in solving the child care crisis by investing in child care workers. While we support this bill, we also think it doesn't go nearly far enough: we need an investment of at least \$150 Million per year for this fund to raise industry wages to competitive levels.

Child care workers do our communities' most important work. We owe them the dignity and respect they deserve, and that comes with being able to provide for themselves and their families, making a career out of one of the most vital professions.

We recommend a Do Pass on SB 2301.

Landis Larson, President North Dakota AFL-CIO

House Industry, Business and Labor Committee SB 2301 March 7, 2023

Chairman Louser and Committee Members, the Community HealthCare Association of the Dakotas (CHAD) is pleased to present written testimony for SB 2103. CHAD is a non-profit membership organization serving as the primary care association for North Dakota and South Dakota.

First, I would like to share a little background on the health care organizations we are talking about and their reach in North Dakota. Community health centers are non-profit, communitydriven primary care clinics with a special designation of Federally Qualified Health Center (FQHC). Each clinic provides high-quality primary and preventive care to all individuals, with or without insurance and regardless of their ability to pay. North Dakota has five community health centers located in 19 communities with 21 delivery sites. They serve approximately 36,000 primary and behavioral health care patients and nearly 13,000 dental patients.

Community health centers are in rural and urban North Dakota. In rural communities, the community health care clinic supports a community's ability to retain local health care options and support access to health care where rural Dakotans live and work. Health centers also make important contributions to their local workforce and economy, generating local jobs as well as substantial cost savings for the overall health care system. Often a "main street anchor" of their communities, health centers in North Dakota employed 369 full-time workers and generated an economic impact of more than \$90 million in the year 2021.

In a recent survey, community health center employees and leaders in North Dakota identified lack of child care as one of the top four societal challenges impacting their organizations. Access to affordable child care is essential for parents to stay in the workforce and an important element of recruiting health care workers to our local communities, ultimately enabling health centers to deliver quality primary care services in areas of the state that need it most. For those reasons, our member health centers support efforts to address the root causes of the child care crisis in North Dakota.

On average, working families in North Dakota spend 13 percent of their family budget on infant care. At the same time, child care businesses struggle to stay open and are often left with little choice but to pay their workers low wages. The median wage across North Dakota for a child care worker is \$11.19 per hour, barely hovering above the poverty level for a family of three¹. In addition, North Dakota needs about 10,000 more child care slots to meet the demand for children ages 0 to 5 with working parents. The state needs at least 1400 more child care workers to staff these additional slots. To staff these additional slots, the state needs at least 1400 more child care workers.

¹ <u>https://livingwage.mit.edu/states/38</u>
The North Dakota Child Care Action Alliance (NDCCAA) estimates that to supplement the wages of current workers and the anticipated need for additional workers to earn a living wage requires a \$150 million annual investment². In its current form, SB 2103 would bring about a \$1 - \$2 increase for child care worker compensation. While this incremental increase is important, it is not a living wage and is unlikely to address the root causes of the child care crisis adequately.

Thank you for allowing CHAD to testify in support of SB 2103 and to raise the need for additional monthly supplemental payment support for child care providers to adequately compensate wages and benefits for child care workers. Ensuring that child care businesses can stay open and that child care workers earn a living wage is critical to building and maintaining a local health care workforce that can serve the needs of our communities.

- Convert to yearly stipend: \$10 * 40 * 52 = \$20,800
- Workforce current + estimated = 7,000 (5,546 + 1400)
- \$20,800 * 7000 = **145.6M** annually

² Equation used to arrive at the estimated \$150M fiscal need:

[•] To go from \$11 per hour (median child care worker wage) to \$21 per hour (living wage), increase in \$10 per hour.

Hello, my name is Robin Fuehrer and I am the director of Community Church Child Care, a new daycare program in Bismarck.

It's interesting that I am here speaking to you about how we can bring more people and resources to the field of early childhood education, because, I am, yet again, in the middle of a hiring process. My previous hiring phase was about 6 months ago- I had over 100 applicants, was in contact with 68 of them, managed to schedule interviews with a dozen or so, had 6 of them no show the interview, hired 4 and had 2 of those no show either the background check or their first day of work. Of the two left one is still with me and the other has moved on to another daycare program. So, yes, I would say the field is in need of some major support!

I know many today will talk about the direct impact of a lack of quality childcare on the workforce- that is, after all, what the focus is on here today. I want to take a very brief few minutes and help us to all see the bigger picture, that goes beyond our immediate workforce crisis, to look further to the future and think about why this is such a critical career field for our state to invest in.

90% of Brain Growth Happens Before Kindergarten

At birth, the average baby's brain is about a quarter of the size of the average adult brain. Incredibly, it doubles in size in the first year. It keeps growing to about 80% of adult size by age 3 and 90% – nearly full grown – by age 5. If you have been hearing anything about early childhood lately you like are familiar with this information. I wanted to point out a little bit about where a child in daycare spends most of that brain developing time. Of the 168 hours in a week a little more than half are spent sleeping, leaving about 84 awake hours. In our program a child in full-time care will spend likely 50 hours a week, 10 hours a day, in care. That leaves about 34 hours of awake time with family or in other activities. That means that many children will spend the majority of their awake, brain developing hours in a daycare program- where one on one time is almost nonexistent and ratios are often pushed to the max to maximize dollars. If we want to make an impact on future test scores, executive functioning skills and emotional regulation skills we must lay the best foundation possible in the earliest years- before children are even old enough for pre-school!

In order to have maximum impact on these most important earliest years we must have more and better qualified people working with these children. The current climate of early childhood is one of low pay, little to no benefits and very high turn over. Sounds like just the job you're looking for right? Sounds like the kind of job you would encourage your children and grand children to pursue, right? It is, arguably, one of the most vital careers to lay the foundation for our future society, and it is considered, by many, an entry level position at best. We must put resources into elevating this field. And, as a director, I am at a loss as to how to do this. The current average pay for early childhood teachers is just over \$11 an hour. Sit with that a minute and think what it would be like to make \$11 an hour. I can tell you this much, it wouldn't be enough for many families to pay their daycare bill! Although I am in a unique situation for a program, and am able to pay my teachers a bit better, I am still in competition with fast food restaurants for starting pay. I sincerely don't know how other programs could afford to pay much more. We need your help.

Lastly, I want to thank you for all of the support and funds that have been coming our way already. I can't imagine what our program would be like without that support! I want to focus specifically on the inclusion support that we have received. We are a program with a little over 40 students enrolled (we could go to 76 if staffing weren't a factor) and of those children, 15 have special needs. The inclusion grants have helped us to have teachers who are specifically focused on our children with special needs. They are able to take the children individually and in small groups to work on executive function and regulation skills so the children can reach their fullest potential while in a classroom setting. There have been other grants that helped with adaptive equipment and materials, and although those are greatly appreciated, these materials get left unused without staffing to help implement them. This year's inclusion grant is less than the last, so I have decisions to make about how best to continue helping our kids with special needs while also having a financially stable program.

What our children need to be successful as they enter school and eventually the workforce is meaningful human connection with adults who are well trained, who know they are doing valuable work, and most importantly who deeply care for the children in their care and believe that they can make a lasting difference in a child's life.

Thank you, Robin Fuehrer Community Church Child Care





Chairman Louser and members of the House Industry, Business and Labor Committee:

The Advocacy Committee of NASW-ND submits this testimony in support of Senate Bill 2301. We appreciate the opportunity to share our perspective.

NASW-ND strongly supports SB 2301 for the following reasons:

- Our support for this bill is consistent with Section 6.04(a) of the NASW Code of Ethics which states, "Social workers should engage in social and political action that seeks to ensure that all people have equal access to the resources, employment, services, and opportunities they require to meet their basic human needs and to develop fully."
- In addition, our support is consistent with the NASW Code of Ethics Preamble, stating that "a historic and defining feature of social work is the profession's dual focus on individual well-being in a social context and the well-being of society... Social workers also seek to promote the responsiveness of organizations, communities, and other social institutions to individuals' needs and social problems."
- North Dakota is in a child care crisis, where there are not enough child care services to meet the demand and needs of North Dakota's family workforce.
- In North Dakota, the median wage for child care workers was \$11.61 an hour in 2020, which is barely above the poverty level for a family of three.
- Child care workers are essential and deserve adequate wages. North Dakota needs a stable child care workforce for parents to work.
- Increased worker pay through state-supplemented wages in the child care workforce ensures North Dakota can maintain and expand access to child care across the state. It is essential for strong families and a strong economy in North Dakota and is a critical step toward increasing access to affordable, quality child care.

Results from this bill would significantly improve the North Dakota child care crisis, thereby contributing to a stronger state.

NASW-ND respectfully requests that members of the House Industry, Business and Labor Committee vote Do Pass on this bill.

Written by: Tricia Berg, MSW, LMSW Chair, NASW-ND Advocacy Committee

Submitted by: Kristin Rubbelke, LSW, MSW Executive Director, NASW-ND

The North Dakota Chapter of the National Association of Social Workers (NASW-ND) is a membership association representing social workers in the state of North Dakota. The mission of NASW-ND is to strengthen and protect the practice of social work in North Dakota and to advance sound and equitable social policy. Our position on this bill is solidly grounded in our organization's mission.



Great Public Service

Testimony Before the House IBL Committee SB 2301 February 7, 2023

Chairman Louser and members of the Committee, for the record, my name is Nick Archuleta, and I am proud to serve as president of North Dakota United. I am here today to urge a *do pass* recommendation for SB 2301.

Mr. Chairman, for many years, childcare in North Dakota has been a vexing issue. Even today there are "childcare deserts" where quality daycare does not exist at all. Over the course of the last two years, ND United has worked with other concerned groups and individuals to discover why there are so few daycare options in areas of our state and what could be done to provide piece of mind for young families who need dependable, high-quality childcare options. Over the course of that time, we have heard many anecdotes as to the scope of the problem. Two that come immediately to mind are the teacher in south central North Dakota who drives forty miles one way to drop off and pick up her child before and after work; the teacher in Beulah who called our office asking how to get out of her teaching contract after being informed that the three spots she had reserved for her young children at the local daycare co-op were gone because the co-op was having trouble finding employees. These are just two of many examples of the effects of inconsistent daycare in North Dakota.

With the current average wage of childcare workers just north of eleven dollars per hour, many people who would otherwise enjoy working in childcare simply cannot afford to do so. SB 2301, Mr. Chairman, aims to mitigate this issue by providing funding to childcare providers that they must use to pay or provide benefits to childcare workers. As a result, daycare providers will be able to offer higher salaries that attract workers without passing the additional expense on to parents.

SB 2301 is a good bill that, should it become law, will help daycare providers, their employees, and parents who are anxious to rejoin the workforce. For these reasons, Chairman Louser, and members of the Committee, we urge a do pass recommendation for SB 2301.

My name is Jamie Lange, and I am providing testimony in support of SB 2301 as a working parent of three small children in West Fargo.

The childcare workforce supports the entire workforce. A recent survey distributed to all West Fargo residents found:

- 45% of respondents reported that the career of an adult in their household has been impacted due to lack of child care.
- 14% of respondents noted that an adult member of their household has left the workforce due to lack of childcare, and of those impacted 95% would reenter the workforce if childcare became more available and/or more affordable.
- In a survey of business owners, it was commonly reported that employees have been lost due to lack of child care availability.

The child care crisis in North Dakota has been an issue long before the pandemic. In 2017, my husband and I found out we were expecting our first child. Before we could wrap our minds around the news, we found out we needed to secure child care immediately or we may not get a spot. This was several weeks before my 1st trimester ended, which is well before most people inform the world they're expecting. We felt we didn't have much time to look into facilities to find the best care for our family because we had to just find something.

Fast-forward to 2020, we found out we were expecting twins. We notified our child care immediately to secure a spot, but unfortunately, the child care facility couldn't commit due to staffing shortages exacerbated by the pandemic. When my maternity leave ended, in order for me to return to work, we had to rely on our family and friends for several weeks until we could get into child care. Then, once we got in, within a few weeks the daycare started having staffing shortages which resulted in classrooms closures daily. This forced my husband and I to miss additional time at work during a very stressful period in our lives – transitioning back to the workplace with twin infants and a toddler. Eventually, I was forced to quit a job I loved from a ND based company to take a more flexible job with an out-of-state employer. And sadly, my husband and I will run into this issue again in the fall when my child goes to kindergarten as our daycare has already informed us they can't guarantee a spot, and we know there are limited options for before/after school care in our community. I pay more than \$40,000 a year for child care for my three children in Fargo, North Dakota. The lack of access to child care – coupled with paying double or triple a mortgage payment – should really get people thinking about all the ways this is wrong for our communities and state.

My story is one of many. I personally know many people who have had to quit their jobs to work at the daycare because they couldn't get their child in anywhere else. Every day, I see posts on social media from working parents desperate to find care because they're either at the end of their maternity leave, they're struggling to find before/after school care, or they have just been notified their daycare is closing on short notice (sometimes permanently).

We need to focus on long-term solutions to make this state desirable for not only families – but for businesses too. Numerous studies have proven that child care systems have a direct effect on businesses and the economy. Parents need a robust child care and early learning system to have peace of mind that their children are in safe, healthy, and nurturing learning environments, so that they can minimize disruptions to their work day and increase their productivity. Businesses need a robust child care and early learning system to get working parents back in the workforce and to employ quality and reliable workers who have minimal disruptions during their work day so they can be productive.

We are truly at a breaking point and beg lawmakers to listen to the child care experts and families affected by this crisis – all who are urging passage of SB 2310 with an increased investment of \$150 million to create a strong child care provider network.

North Dakota's kids, families, communities, employers, and economy depend on it.

Thank you,

Jamie Lange



Contact: Matt Perdue, Lobbyist mperdue@ndfu.org | 701.641.3303

Testimony of Matt Perdue North Dakota Farmers Union Before the House Industry, Business and Labor Committee March 7, 2023

Chairman Louser and members of the committee,

Thank you for the opportunity to submit testimony in support of Senate Bill No. 2301. My name is Matt Perdue, and I am submitting this testimony on behalf of North Dakota Farmers Union's members.

NDFU supports SB 2301, which establishes a childcare stabilization program to address childcare workforce shortages. NDFU's member-driven Policy & Action supports "significant investments or incentives to address the issue of quality affordable childcare" and identifies the lack of affordable childcare as a key workforce issue in the state. We believe SB 2301 takes important steps toward addressing the issue.

We appreciate the legislature's acknowledgment of North Dakota's childcare crisis. The shortage of affordable, quality childcare options is a challenge for all communities in our state, including rural communities. As you know, many farm families rely on off-farm employment for supplemental income, health insurance and other benefits. Over the last year, we have heard growing concerns from our member-families about their ability to secure or maintain off-farm jobs because of the lack of childcare in their communities.

The existing business model for childcare facilities is simply not sustainable in many rural communities. Despite childcare costs being near or above the limit of what many families can pay, childcare businesses operate on narrow margins. Childcare businesses simply do not earn enough profit to increase wages for their workers without putting the cost of childcare out of reach for many rural families. We believe SB 2301 helps address that challenge. We further encourage the legislature to look at other innovative ways to address our childcare crisis in the years ahead.

Thank you for your consideration. We respectfully request a "Do Pass" recommendation on SB 2301.



FMWF Chamber Letter of Support for SB 2301

March 7th, 2023

Chair Louser and members of the House Industry, Business and Labor Committee,

For the record, my name is Katherine Grindberg and I have the pleasure of serving as the Executive Vice President for the Fargo Moorhead West Fargo (FMWF) Chamber of Commerce. The Chamber's mission is to be a catalyst for economic growth and prosperity for businesses, members, and the greater community. On behalf of our over 1,900 members, I respectfully offer testimony in support of Senate Bill 2301.

As members of this committee well know, workforce is a major challenge facing nearly every business across North Dakota. This challenge is not unique to our state though, businesses across the United States are in desperate need of qualified workers to fill their open positions. Every state in the nation is competing to attract, acclimate, retain, and develop workforce.

A critical component of this nationwide workforce crisis is the accessibility of affordable and quality childcare. These challenges are cyclical in nature and require a multi-pronged approach to strategically address the root causes of the problem. Through innovative approaches, the state of North Dakota and childcare providers can streamline processes, reduce regulatory burdens without compromising the quality of care, decrease financial barriers and advance public-private partnership models, creating a more sustainable and equitable childcare sector.

We encourage the legislature to consider innovative childcare solutions, such as SB 2301, to provide quality, affordable, and accessible childcare to the citizens of North Dakota. On behalf of our members, thank you for your time and consideration.

Respectfully,

Katherine Grindberg Executive Vice President FMWF Chamber of Commerce kgrindberg@fmwfchamber.com To whom it may concern:

My name is Haley Lentz and I am an in-home daycare provider in Grafton, ND. I have been open for 5 years. As a daycare provider as well as a parent to two toddlers, I am writing to you in favor of SB 2301. I recognize there will be fine tuning of this bill should it continue through the process, but I would also like to note the amounts proposed are far too low, they would not make any significant difference to inhome providers.

The previous grants we received as providers have been extremely valuable to keep most of our doors open without having to pass on the increasing cost of operation on the parents, who are also feeling the effects of a tough economic time. The state has passed bills that allow funding to parents through CCAP with a large threshold for qualifying and approval, as well as reimbursement/paying out nearly 100% of costs. While that is fantastic that our state has allocated money to help families keep their kids in childcare so that parents can continue to work and support themselves and our state economy, it does nothing to keep the cost of child care down. I have been in business 5 years and never had to raise my rates. Grants during COVID and the subsequent grants allowed me to keep my rates the same while not absorbing the increase cost from my own income. It seems to me that it is sometimes lost on the general public, that while as providers, we love what we do, we want to help children develop and have a safe and loving spaces to do it in, we all do need to make a profit. Since the grants have ended, I have had to raise rates and even then I don't know if it'll be enough.

Small communities, of which there are many in our state, do not have enough quality child care to begin with and the problem is getting worse. I operate under a group license, meaning I have the ability to hire an employee and increase the number of children I can provide care for. Even though our community could benefit greatly from a larger daycare, it is not an avenue I have ever ventured down, simply because I cannot afford to pay a decent wage to a quality worker without increasing the cost of tuition substantially. A stabilization grant would allow for that opportunity. While there are many other factors that would help keep daycare rates lower and more child cares open (especially in home child care), the immediate path would be to reissue stabilization grant to providers (at a greater amount that what the original bill proposes) so we can stay afloat.

To sum up, the path child care is on in North Dakota is a rocky one, without offering support to providers, rates will soar to the point of unaffordability to the majority of families (we are already on the brink of that) or providers will continue to shut their doors. Both these options are detrimental to everybody in our state, not just those with small children in care.

I appreciate your time and consideration.

Haley Lentz

House Industry, Business, and Labor Committee SB 2301 March 7, 2023

Chair Louser and committee members, my name is Alexa Ducioame, and I am providing testimony in support of SB 2301 as a working parent of two small children in Fargo.

Lack of available childcare:

- 10,000 estimated spots needed for ages 0-5¹
- 16 infant spots were abruptly cut at a Kindred daycare²
- 700 children are on the waitlist at the center my son attends in Fargo and my daughter has

been on it for $\mathbf{3}$ years. Some centers wouldn't even add us to their waitlist because it was already so long.

Effect on businesses in 2022:

- 30% of surveyed ND Chamber businesses said the lack of access to affordable and high-quality childcare negatively affected their organization's performance in 2022³
- 57% of Horace respondents said the lack of childcare affected their careers⁴
- 29% of East Grand Forks parent respondents withdrew from the workforce or declined employment due to childcare arrangements⁵

My personal story:

- I'm a water resources engineer working on multiple large flood risk reduction projects in the Red River Valley and my husband works in IT.
- 25 days over 3 months our daycare closed unexpectedly in early 2022 causing us to work from home. This was not sustainable for us.
- The center our kids attended lost their license in April 2022, but then reapplied under a different name and reopened.
- One of the teachers that was in our children's room is currently awaiting trial for child abuse due to an incident that occurred in the center May 2022 and our daughter was named a secondary victim by the detective.
- 7 months later we finally found a different daycare for my daughter where we pay 50% more. We realize that not every family can afford that, and others are still desperately looking.

https://www.cityofhorace.com/community_news___events/city_survey_results.php

¹ North Dakota 2022 childcare supply of 37,740 spots from licensed programs, with a demand of 47,575

² https://www.valleynewslive.com/2023/01/31/kindred-daycare-makes-difficult-choice-cutting-families-due-staffing-shortages/

³ J. Bitzan, Ph.D., "North Dakota Business Conditions and Climate Survey 2022," Sheila and Robert Challey Institute for Global Innovation and Growth, NDSU, 2022.

⁴ City of Horace, "City Survey Results: Childcare Services in Horace," October 2022. [Online]. Available:

⁵ First Children's Finance, "Rural Child Care Innovation Program, Community Solution Action Plan for Child Care: East Grand Forks, Minnesota," May 2022.

Childcare Wages:

- Childcare providers are stuck in a difficult place where they can't afford to pay more, but the families attending also can't afford to be charged more.
- **11.19/hr** was the median 2021 wage for childcare workers, or \$23,275/yr FT.⁶ This is not competitive. Childcare is difficult, essential work that deserves to be compensated adequately.
- **SB2301** is the only bill supporting childcare wages, the main reason for the lack of available care, to improve recruitment and retention.
- **3-4** times the amount of funding proposed in SB2301 was provided with the federal childcare stabilization that ended in September 2022, yet the childcare crisis persisted.
- \$150 million annual investment is estimated to be needed by the North Dakota Child Care Action Alliance to provide childcare employees with a living wage.

People are dropping out of the workforce because it's easier than finding safe reliable childcare. It's not only affecting families, but businesses. This isn't a new problem, and it's only getting worse. If the childcare workforce grew, it would support parents who want to join the workforce in other fields as well. The monthly amounts in SB2301 should be raised for greater impact.

Improving childcare is a common-sense, bipartisan solution and is essential for strong families and a strong economy in North Dakota.

Thank you for your time.

Sincerely,

Alexa Ducioame

Alexa Ducioame

⁶ U.S. Bureau of Labor Statistics, "Occupational Employment and Wage Statistics: North Dakota," May 2021. [Online]. Available: https://www.bls.gov/oes/2021/may/oes_nd.htm#39-0000.

#22632

March 7, 2023 SB 2301 To whom it may concern:

My name is Heidi Smith, I'm currently a licensed group childcare provider in Garrison. I have been doing childcare for 12 years.

I am writing in favor of SB 2301.

The previous stabilization grant allowed me to stay open during the pandemic without increasing my rates. It allowed me to implement health and safety equipment, additional toys, and extra learning materials for the children in my care. I was able to use the money to pay for childcare liability insurance, health insurance and overhead increasing costs. With the stabilization funds I was able to keep my weekly rates the same and not have my parents pay extra. I appreciate our state's support with the grants that I received over the last couple years. Since March 2020, it has been difficult mentally/physically trying to keep our children safe and healthy during a pandemic. Having the additional funds has made it easier to work in this field and not have to worry about the financial end. I love my job. Working in early childhood is an amazing career, but it is one of the most difficult and challenging jobs. Our career choice was overlooked for years, but we are essential to keep the workforce continuing in North Dakota. With inflation constantly playing a role, these funds help keep our costs down and not have to make families pay additional tuition if the stabilization monthly grant continued ASAP.

Sincerely, Heidi Smith Heidi Smith's Daycare March 6, 2023

RE: SB 2301

To whom it may concern,

My name is Michelle Klabo, I'm currently a licensed group childcare provider in Jamestown. I have been doing family childcare for almost 10 years. I have a bachelor's degree in early childhood and a Step 4 provider on the QRIS rating scale with Bright and Early for the last 3 ½ years.

I am writing in favor of SB 2301. The previous stabilization grant allowed me to stay open during the pandemic without increasing my rates. It allowed me to implement health and safety equipment, additional toys, and extra learning materials for the children in my care. With the stabilization funds I was able to keep my weekly rates the same and not have my parents pay extra.

I appreciate our state's support with the grants that I received over the last couple of years. Since March 2020, it has been difficult mentally/physically trying to keep our children safe and healthy during a pandemic. Having the additional funds has made it easier to work in this field and not have to worry about the financial end. I love my job. Working in early childhood is an amazing career, but it is one of the most difficult and challenging jobs. Our career choice was overlooked for years, but it is essential to keep the workforce continuing in North Dakota. With costs increasing it would help keep our costs down and not have to make families pay additional tuition if the stabilization monthly grant continued.

I also wanted to comment on section 2, with the additional funds provided for the highest level on the QRIS. As a provider with a Step 4 rating, I am thankful for the additional incentive. The QRIS program takes additional hours with training and documentation. There may not be a lot of childcare providers at a 4 rating, but we worked hard to achieve this, and I am happy to see we would be compensated for it, the higher the step there is a lot more work to complete.

Sincerely,

Michelle Klabo, Owner

ABC Learn N Play

03/07/2023

My name is Lisa Keller. I have had the privilege to be an in-home childcare provider for almost 20 years.

I am writing to you today in support of SB 2301. While I support stabilization funds for childcare, I do not think this bill can go through with the amounts listed. In October of 2021 child daycares were able to apply for a stabilization grant that would be available for the applicant for 12 months. The amount I was eligible for was more than four times the amount proposed here.

At that time, I reevaluated my childcare and came up with ways to use all of these funds to revamp my current set up. With this grant I was able to expand my childcare and I am now able to add ten more children to my capacity. This means that there are up to 10 more families that are able to have stable childcare in North Dakota. Another way I used these funds was to pay for trainings for my current staff/backup caregivers. I also was able to add a structure preschool curriculum for ages 2 and older. In order to fill these new available spots, I will need to hire quality caregivers.

While childcare is an emotionally rewarding career it isn't always a financially rewarding one. We spend our days caring for and shaping the minds of the future of North Dakota. Without us parents would not be able to go to work and it would be North Dakota as a state that would feel the impact. It is a challenge to find individuals that are willing to take on the role of a childcare provider without a wage that should be given to somebody with such an important position.

I would love to be able to fill my spots and have the staff here to make sure that our daycare can run at capacity each day. I know that I am not the only provider that feels this way. There are a lot of parents that are frustrated that their kids are not able to attend or are sent home from their daycare due to staffing issues. Some of this could hopefully be alleviated by proper wages for providers and affordable trainings to make sure there is quality staff.

There are a lot of ways stabilizations funds can help providers and in turn help the children, families, and North Dakota's workforce but the amounts listed just won't put a dent in the issue we are facing. So please reconsider this bill and the impact it will have on not only childcare but the workforce of North Dakota.

Thank you for your time and if you have any questions for me, please feel free to reach out.

Lisa Keller



Missouri Valley Montessori Preschool 200 W Turnpike Ave Bismarck ND 58501 (Located in District 35) 701.222.0929

Chair Louser and members of the House IBL Committee, my name is Brita Cowan – I'm the Head of Operations at Missouri Valley Montessori Preschool in Bismarck, North Dakota. I, with our Head of Education, Kara Seeklander, and our Board of Directors Chair, Stanley Mack are submitting testimony in **support** of SB 2301. Missouri Valley Montessori began in 1977 by a group of parents. Our nonprofit currently serves over 90 children each year in 5 classrooms.

Childcare, whether it's formal preschool/kindergarten prep or serving younger children, is an essential service to our community and state. Our preschool has the obvious benefit of educating students, but it also provides a resource for our current workforce to provide excellent care and education of one of their most precious aspects of their lives. Our industry has not been supported by our state. For decades, our parents have been ensuring our doors are open – paying steep costs and fundraising. Our waitlist is 2 years deep and yet our margins run tight.

We stand in support in the solutions of SB 2301. We would ask to see the funding come above the fiscal note ask and keep the quality standards intact. We like that this bill would allow us to cultivate our workforce and providers – attraction and retention are our biggest challenges. We want to find and keep quality people to hug the hurts, light the minds, and keep our children safe.

PLEASE SEE OUR STUDENT SUBMISSION, On the following page, this is a picture drawn of our center by Ainsley Ruth (picture below). Ainsley turned 4 on Feb 25. She is at her fourth childcare center. Her first, where she attended with her brother and sister, closed when she was 2 – they had already been closing every Friday before they formally closed due to workforce and ratio constraints. Her second daycare, also a 40-child center, closed after she turned 3 due to workforce challenges and a director leaving. At her third center – she went through 3 lead teachers in three months, devastated at each change.

Now she is finally attending the same preschool as her brother and has seemed to overcome her separation anxiety, which happened every morning at her previous 2 locations. Ainsley's parents are happy to see her thriving at preschool and want every parent to have their children in a stable, safe, and loving environment.

Brita Cowan, Head of Operations Director@mvmpreschool.org

Kara Seeklander, Head of Education Kara@mvmpreschool.org

Stanley Mack, Board of Directors Chair <u>Stashiemack@gmail.com</u>

Ainsley Ruth, Student no email available, mastering markers



We would be available for any questions, and we also invite you all to come see our preschool. This is a standing invitation as our children are the greatest accomplishment and testament to what we do.



TESTIMONY SB 2301 Senator Kathy Hogan March 7, 2023

Chairman Louser and members of the committee, my name is Kathy Hogan and I represent District 21 in Central Fargo with a corner of West Fargo.

Childcare is an essential piece of infrastructure if we are to assure a stable and reliable workforce for future growth in ND. Over the last three years, most communities have acknowledged the growing crisis in finding affordable, available quality childcare through the whole state. The Chambers of Commerce in several cities are citing adequate childcare as one of the key pillars of the economic future of their community.

In North Dakota in 2021, the median wage for childcare workers was \$11.19 an hour, which means making \$23,275 per year if working full-time. This is barely above the poverty level for a family of three.

In the last three months, two group childcare facilities in the rural areas of my county have closed. Because of the need to increase wages to hire staff and the inability to charge families more, providers have no option but to stop providing childcare. During COVID most licensed childcare providers in good standing received monthly payments that allowed them to continue serving children and families. Those payments have been discontinued.

This bill provides a state supported payment structure for all licensed childcare and offers an incentive payment for providers who meet established quality standards.

Many providers say the proposed payment structure would not be enough to stay open. If some type of direct support for childcare is not provided, I fear we will continue to lose licensed childcare services. Most childcare workers can go to work for fast food with higher salary with benefits and less stress. Currently there are long waiting lists in many parts of the state for childcare today.

Without some direct support structure for childcare providers all other actions to increase our workforce will fail.

Let me briefly describe that the bill does. The average cost for infant childcare in 2022 for an infant was \$9,900 dollars annually – the bill originally requested an annual subsidy of \$600 per child or an average of 6% of the costs. The providers said that would not stabilize the current childcare structure let alone allow the payment of fair wage. The providers recommended after the bill was introduced that that rate be \$150/month for an infant which would result in an estimated 15% subsidy for the provider.

The Senate changed the payment structure to require payment to be based on enrollment. My concern is this new payment structure may generate significant increases in administrative costs for both the childcare provider and the Department. I urge your committee to consider how the process would work in day to-day life.

Here is an excellent report that was completed in August of 2021 on childcare needs in ND. <u>https://ndkidscount.org/a-modern-economy-depends-on-child-care-north-dakota-can-make-it-affordable-and-accessible</u>

Thank you, Chairman Louser; I look forward to any questions you may have.



Child Care Profile 2020 **North Dakota**

Children Potentially Ne	eding Child	Care					
	0-2 yrs	<u>3 yrs</u>	<u>4-5 yrs</u>	6-12 yrs	Total		
Children in State by Age ¹	32,926	11,069	21,117	68,987	134,099	120,000	Licensed
% of Children Ages 0 to 5 with A	II Parents in the L	abor Force ¹			71.2%	80,000	child
% of Children Ages 6 to 13 with Children Ages 0 to 5 potentially Children Ages 6 to 12 potentially	All Parents in the needing child car needing child ca	78.8% 46,372 54,338	60,000 40,000 20,000	care Potential supply demand 35,927 100,710			
Capacity of state-licensed child of	care programs (fa	mily, group, c	enter, scho	ol-age ³)	35,927		
Current Child Care Assistance P Percent to which supply meets p	rogram Recipien				4,410 36%		

State-Licensed Early Childhood Program Type and Capacity² (2020)

	<u>Family</u>	Group in <u>a home</u>	Group in <u>a facility</u>	<u>Center</u>	<u>Total</u>	Group in	Group in
Number of Programs	216	622	145	201	1,184	a home	a facility
Licensed Capacity	1,894	8,837	3,505	19,158	33,394	26%	11%
R d Vacancies ⁴	203	715	364	1,909	3,191		
F .:s/Capacity Added	46/389	53/781	29/673	19/1663	147/3506	Family	
Providers/Capacity Lost	67/581	95/1342	28/672	17/1292	207/3887	6%	
Programs open before 7:00 a.m.	39	130	32	100	301		
Programs open after 6:00 p.m.	15	- 18	7	11	51		Center
Programs open on Weekends	12	11	3	4	30		57%
Reported Size of Workforce	256	1,092	714	3,588	5,650		
State-licensed school-age program	ns ³	32	with a license	ed capacity of	2,533	бін.	

Annual Cost of State-Licensed Child Care²

	Home-based	Programs	Centers and Group Facilities				
Age of Child	Average	Highest Rate	Average	<u>Highest Rate</u>			
Ages 0 to 17 months	\$7.968	\$13,520	\$9,539	\$16,640			
18 to 35 months	\$7,773	\$13,000	\$9,067	\$15,080			
Ages 3 to 5	\$7,650	\$13,000	\$8,589	\$14,040			

Ages 6 to 12 (Annual costs for school-age children vary greatly based on hours needed.)

www.ndchildcare.org

1 2020 ND Kids Count Fact Book

² Child Care Aware® of North Dakota NACCRRAware Database (surveyed between January and June 2020)

³ School-age care numbers reflect programs licensed exclusively as before and after school programs under Early Childhood Services rules. Not all school-age programs are required to be licensed. In addition, many school-age children are enrolled in family/group programs and child care centers.

ncies change daily and may not match the location or program characteristics desired by families needing care. A 10% vacancy rate allows families some imong programs.



Cost of Licensed Child Care (2020)

	A	Average Weekly Cost of Child Care						Average Weekly Cost of Child Care					Median Income		0
		30.62		(192)									1. State 1.	Families with	% of Income
		Hom	1e-b	ased Prog	Iram	S			- 8	Facilities			Ch	ildren Ages 0-	for One
	8												17	7, 2014-2018,	Infant in
	Ane	es 0 to 17	1	8 to 35			Aq	es 0 to 17	13	18 to 35			2	020 ND Kids	Home-based
County		nonths		nonths	An	es 3 to 5	∥ ~	months		months	Aa	es 3 to 5		Count	Programs
and the second se	15	128.25	\$	128.25	\$	128.25	\$	135.00	\$	135.00	\$	135.00	\$	71,827.00	9%
Adams			100				S	160.89	9 59	159.64	\$	145.12	S	86,544.00	8%
Barnes	\$	129.50	\$	129.50	\$	128.60				125.00	\$	125.00	\$	34,712.00	19%
Benson	\$	125.00	\$	125.00	\$	125.00	\$	125.00	\$						and an other set of the second set of the
Billings ²	\$	-	\$	-	\$	17	\$	200.00	\$	200.00	\$	200.00	\$	72,083.00	0%
Bottineau	\$	152.97	\$	145.21	\$	142.90	\$	166.00	\$	158.50	\$	151.00	\$	87,500.00	9%
Bowman	\$	130.50	\$	121.44	\$	117.69	\$	148.50	\$	137.92	\$	129.58	\$	110,208.00	6%
Burke	\$		\$		\$	ALS AND	\$	166.50	\$	160.50	\$	154.50	\$	100,893.00	0%
Burleigh	\$	161.93	\$	159.90	\$	157.68	\$	203.45	\$	194.31	\$	179.39	\$	92,083.00	9%
Cass	\$	157.99	\$	153.08	\$	149.99	\$	204.84	\$	192.52	\$	178.75	\$	81,212.00	10%
Cavalier	\$	164.25	\$	164.25	\$	164.25	\$	190.00	\$	173.00	\$	156.00	\$	102,031.00	8%
Dickey	\$	127.35	\$	124.23	\$	122.88	\$	143.33	\$	141.67	\$	133.33	\$	80,089.00	8%
	s	156.67	\$	153.33	\$	153.33	\$	188.00	\$	176.00	\$	164.00	S	114,821.00	7%
Divide ¹	\$	175.00	\$	175.00	s S	175.00	ŝ	200.00	S	175.00	\$	175.00	\$	68,913.00	13%
Dunn	and the second				0			200.00		175.00		175.00	\$	66,250.00	11%
Eddv ²	\$	144.49	\$	144.49	\$	144.49	\$	101.07	\$	404 07	\$	101.07	\$	1, 10, Col 1, 40, 40, 41, 41, 41, 61, 61, 61, 61, 61, 61, 61, 61, 61, 6	8%
Emmons	\$	125.75	\$	125.75	\$	125.75	\$	121.67	\$	121.67	\$	121.67		81,375.00	
Foster	\$	130.00	\$	130.00	\$	130.00	\$	131.25	\$	128.75	\$	128.75	\$	71,250.00	9%
Golden Valley	\$	140.40	\$	140.40	\$	140.40	\$	125.00	\$	125.00	\$	125.00	\$	70,000.00	10%
Grand Forks	\$	153.80	\$	149.71	\$	146.21	\$	213.70	\$	197.19	\$	183.17	\$	75,897.00	11%
Grant	\$	144.93	\$	144.93	\$	144.93	\$	135.00	\$	135.00	\$	135.00	\$	80,750.00	9%
Griggs	\$	139.69	\$	139.69	\$	139.69	\$	165.00	\$	165.00	\$	165.00	\$	70,313.00	10%
Hettinger	\$	130.00	\$	120.00	\$	120.00	\$	168.75	\$	168.75	\$	146.25	\$	62,448.00	11%
Kidder	\$	127.74	\$	127.74	\$	127.74	\$	145.50	\$	145.50	\$	136.26	\$	60,461.00	11%
Lamoure	\$	135.83	\$	127.50	\$	127.50	\$	135.00	\$	130.00	\$	130.00	\$	84,583.00	8%
Logan	S	127.17	\$	127.17	\$	127.17	\$	135.00	\$	135.00	\$	135.00	\$	76,667.00	9%
	\$	138.00	\$	135.50	\$	135.50	\$	128.74	\$	135.83	\$	125.67	\$	87,525.00	8%
McHenry	S	117.90	ŝ	117.90	\$	117.90	\$	150.00	\$	150.00	\$	145.00	S	62,969.00	10%
McIntosh	ŝ	200.00	\$	200.00	\$	200.00	\$	180.50	\$	180.50	\$	175.50	\$	82,270.00	13%
McKenzie	S	146.06	ŝ	146.06	\$	142.94	\$	175.00	\$	150.00	\$	150.00	S	83,964.00	9%
McLean						156.94	S	177.50	ŝ	175.00	ŝ	172.50	\$	105,781.00	8%
Mercer	\$	156.94	\$	156.94	\$		S	194.41	\$	183.53	\$	179.31	S	99,517.00	8%
Morton	\$	155.66	\$	150.31	\$	149.72			\$		\$	161.38	\$	83,026.00	8%
Mountrail	\$	129.86	\$	129.86	\$	129.86	S	174.36		163.88			\$	72,750.00	10%
Nelson	\$	141.25	\$	141.25	\$	141.25	\$	152.50	\$	150.00	\$	147.50	\$		0%
Oliver ,	\$		\$		\$	-	\$	132.79	\$	132.79	\$	132.79		83,250.00	8%
Pembina	\$	132.50	\$	132.50	\$	132.50	\$	148.50	\$	140.00	\$	135.75	\$	86,477.00	11%
Pierce	\$	140.40	\$	140.40	\$	140.40	\$	186.75	\$	186.75	\$	180.00	\$	65,000.00	
Ramsey	\$	144.89	\$	140.91	\$	139.31	\$	162.00	\$	153.75	\$	146.25	\$	85,979.00	9%
Ransom	\$	150.63	\$	136.45	\$	133.95	\$	153.20	\$	152.08	\$	150.95	\$	81,000.00	10%
Renville	\$	164.13	\$	164.13	\$	158.74	\$		\$	-	\$		\$	82,500.00	10%
Richland	\$	132.02	\$	130.51	\$	130.56	\$	151.30	\$	144.18	\$	138.75	\$	78,138.00	9%
Rolette	\$	137.26	\$	136.43	\$	135.59	\$	116.10	\$	110.25	\$	110.25	\$	35,757.00	20%
Sargent	\$	162.50	\$	150.00	\$	137.50	\$	165.00	\$	161.67	\$	146.67	\$	88,050.00	10%
Sheridan	S	-	\$	-	\$	S - -	\$	175.00	\$	150.00	\$	150.00	\$	57,292.00	0%
Sioux	\$	-	\$	The leafer of the	\$	States 1	\$		\$	1.57.944.59.1	\$	1.1.1.1.1.1	\$	30,885.00	0%
Slope	\$	-	S	-	\$		\$	-	\$	-	\$	1.00	\$	97,500.00	0%
Stark	\$	170.84	ŝ	164.49	\$	163.23	\$	192.15	\$	191.27	\$	189.12	\$	99,918.00	9%
	\$	112.50	\$	112.50	S	112.50	\$	150.00	\$	125.00	\$	125.00	S	77,188.00	8%
Steele	\$	140.91	\$	138.85	\$	138.07	s	146.28	\$	145.08	ŝ	141.69	\$	72,500.00	10%
Stutsman	\$		P 55	150.00	\$	140.00	\$	150.00	S	150.00	\$	150.00	S	71,136.00	11%
Towner		150.00		148.50	э \$	146.00	\$	154.09	ŝ	152.16	\$	142.69	\$	85,507.00	9%
Traill	\$	150.00	\$ 6		Ф \$	124.45	\$	162.50	9 \$	155.83	\$	144.87	\$	70,192.00	10%
Walsh	\$	131.79	\$	128.79			\$		9 5	181.34	\$	170.89	\$	83,529.00	10%
Ward	\$	153.11	\$	148.98	\$	144.74		192.76	5		9 5	105.58	\$	83,529.00	7%
Wells	\$	115.00	\$	115.00	\$	115.00	\$	112.67	- X-	105.58			\$	92,172.00	11%
Williams	\$	188.73	\$	180.30	\$	176.79	Þ	212.58	\$	190.16	\$	186.52	φ	52,172.00	11/0

¹ Median income is 2013-2017 data from 2019 ND Kids Count
 ² Some 2020 Kids Count data from rural counties may be considered statistically unreliable due to the small sampling.



Analyzing Financial Statements

Whether you are the owner of a for profit child care business or the executive director or board member of a nonprofit child care center, you are responsible for the organization. You are responsible for making sure that there are reliable procedures in place to manage the business or organization. You are also responsible for planning for the future of the enterprise.

To carry out your duties, you must have financial information that is **correct** and **timely**. You have to have confidence that the business or organizational financial statements are properly prepared and are providing accurate information. If you have any doubts about the accuracy of your financial information, you should clear those up with your bookkeeping staff or accountant first. If at all possible, management should review financial information monthly. If you are just starting to review your organization's statements regularly, it may take a few months to start noticing patterns or inconsistencies in the information.

Financial Information	What You Should Look For
Balance Sheet The balance sheet is a snapshot of an organization's financial worth. It has three main sections: Assets (what the company owns), Liabilities (what the company owes) and Net Worth (what the company is worth.)	Are assets greater than liabilities? If not, the company has been running at a loss or deficit. Are there enough cash and collectible receivables to cover bills due now?
Assets = Liabilities + Net Worth	Is the company behind on payroll or other taxes?
	For nonprofit organizations, are there large deferred revenues without corresponding cash assets? If yes, the nonprofit may be robbing Peter to pay Paul.
Income and Expense Statement The income and expense statement shows the company's income and expenses over a specific period of time (usually a month, quarter, or a year.) The actual income and expenses are typically compared to the budget or projections. Income – Expenses = Profit or Loss	Is income greater than expenses? Was the company able to pay all operating expenses? Are expenses in line with industry averages? Have there been any unusual changes in income or expenses from month to month? Is there anything to watch for in the upcoming month(s)? How do the actual income and expense figures compare to the budget/annual projections?
Budget/Annual Projection The budget or annual projection is prepared annually before the start of the organization's fiscal year. It is based on the organization's goals and objectives for the coming year.	Is the budget or annual projection reasonable and based on previous years' financial performance? How do actual income and expenses relate to the budget for the same period?

Management should ultimately do more than review the financial statements. You should compare current financial statements to a benchmark such as the budget or annual projection. You can also compare the current financial statements to those from the past to look for trends, both good and bad, that can affect future performance. Is income growing from year to year or has it been declining? Are profits stable, growing or decreasing over the last few years?

Sometimes, analysis of a few key ratios can be used to expand your understanding of your organization's financial situation. Tracking these ratios from year to year can also help you evaluate your organization's financial situation.

A Few Key Ratios	What They Can Reveal
Current Ratio <u>Current Assets</u> = Current Ratio Current Liabilities	The Current Ratio gives a clue about an organization's capacity to pay its bills and other obligations in a timely manner. A ratio of 1:1 or higher is considered good.
Quick Ratio <u>Cash + Accounts Receivable</u> = Quick Ratio Current Liabilities	The Quick Ratio is a more conservative version of the Current Ratio. A ratio of 1:1 or higher is considered very good.
Debt to Net Worth Ratio <u>Total Liabilities</u> = Debt to Net Worth Ratio Net Worth	The Debt to Net Worth Ratio measures how well an organization can borrow money and repay its creditors. A ratio of 3:1 or lower is generally considered satisfactory. If a child care business or organization owns real estate and is carrying a mortgage, a Debt to Net Worth Ratio as high as 6:1 may be acceptable. A negative ratio is not good and shows that the company has been operating at a loss.
Percentage of Budget for Personnel Total Wages + Taxes + <u>Benefits Expense</u> = Personnel Costs Rate Total Expenses	This percentage rate is typically between 55% to 70% for child care businesses. However, many nonprofit or specialized early care and education programs may have a higher personnel cost percentage. Any change in the Personnel Costs Rate is significant, because staff costs are the largest expense item.
Days Cash on HandUnrestricted Cash=Total Operating ExpensesHand(minus depreciation and unusual non-operating expenses)/365>	This gives a quick test of how adequate the organization's operating reserve is. Thirty days is a minimum reserve with 90 days as a goal. Days Cash on Hand is especially important for nonprofit organizations dependent on operating grants or enterprises that receive most of their income from the child care assistance program.

www.firstchildrensfinance.org 1-866-562-6801

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The following chart depicts newly licensed capacity per month, as well as capacity changes within existing licensed programs, and how much capacity was lost due to programs closing. The sum of those totals equals the net capacity for each month.



Change in Licensed Child Care Capacity in North Dakota July 1, 2021 to June 30, 2022

The chart on the following page documents the potential need for child care in each county, the current capacity of licensed child care, and the % to which that child care supply meets the potential demand. The Capacity Goals columns (yellow) indicate how many new spots would be needed to meet 30%, 40%, or 50% of potential demand.



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North Dakota Licensed Child Care Capacity Snapshot

		July,	2021		Decembe	r 31, 2022	Capacity Goals			
	Children	Children		-		Current				
	Ages 0 to 5	270	Ages 6 to 13 Exte			extent	Additional	Additional	Additional	
	potentially	potentially	Capacity of	licensed	Net Change	licensed	capacity	capacity	capacity	
	needing	needing	licensed	care meets	in licensed	care meets	needed to	needed to	needed to	
	child care (NDKC)	child care (NDKC)	child care (CCA)	potential demand	capacity since 7/1/21	potential demand	meet 30% of demand	meet 40% of demand	meet 50% o demand	
North Dakota	39,844	53,576	38,158	40.8%	641	41.5%	-	-	7,911	
Adams	94	150	104	42.6%	0	42.6%	-	-	18	
Barnes	531	855	505	36.4%	-50	32.8%	-	99	238	
Benson	353	590	102	10.8%	12	12.1%	169	263	357	
Billings	68	42	42	38.2%	0		-	2	13	
Bottineau	259	389	393	60.6%	-18	57.9%	-	-		
Bowman	239	311	159	28.9%	-6	27.8%	12	67	122	
Burke	82	169	98	39.0%	0	39.0%	-	2	27	
Burleigh	5,334	7,194	4400	35.1%	83	35.8%	-	528	1,781	
Cass	10,737	12,159	14535	63.5%	-278	62.3%		520	1,701	
Cavalier	180	234	14555	42.1%	-270	42.8%	-	-	30	
	310	484	290			2 APR7 40 APr7	-	-	47	
Dickey	· · · · · · · · · · · · · · · · · · ·	255.03		36.5%	60	44.1%	-	-	2.01	
Divide	117	119	105	44.4%	0	44.4%	-	-	13	
Dunn	213	287	61	12.2%	25	17.2%	64	114	164	
Eddy	166	202	67	18.2%		26.4%	13	50	87	
Emmons	118	250	173	47.0%		47.0%	-	-	11	
Foster	162	279	109	24.7%	33	32.2%	-	35	79	
Golden Valley	98	165	83	31.5%	0	31.5%		22	49	
Grand Forks	3,458	4,536	3442	43.1%	270	46.4%	-	-	28	
Grant	103	147	78	31.2%	0	31.2%	-	22	4.	
Griggs	136	160	71	24.0%	42	38.2%	-	5	35	
Hettinger	113	184	78	26.3%	-18	20.2%	29	59	88	
Kidder	97	144	77	32.0%	0	32.0%	-	19	43	
Lamoure	182	331	222	43.2%		41.9%	-	-	42	
Logan	80	151	119		a second s		-	-		
McHenry	262	417	245	36.1%		39.2%	-	6	73	
McIntosh	143	195	105	31.1%			5	39	73	
McKenzie	494	808	340	26.1%			51	181	311	
McLean	380	650	209	20.3%				232	335	
Mercer	398	600	203	25.0%			44	143	243	
			and the second se	23.0%				539	953	
Morton	1,965	2,173						and the second se		
Mountrail	453	810						387	513	
Nelson	136	177	163			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				
Oliver	82	90	the second se					38	55	
Pembina	307	536		the second s	a second s			57	142	
Pierce	208	332	101022	33.7%		and the second se		18	72	
Ramsey	617	1,038								
Ransom	268	447		and the second se				-	30	
Renville	137	212	101.0 M	16.3%	A second s	1		82	116	
Richland	741	1,225	a second s	49.2%	1	in the second				
Rolette	714	1,108		11.7%	10.0			497	679	
Sargent	156	311		29.5%				49	96	
Sheridan	26	53		21.5%				12/40	23	
Sioux	262	429	0	0.0%				277	346	
Slope	48	25	0	0.0%	Calculation			29		
Stark	1,505	2,166	1,037	28.2%	72	30.2%	-	360	7.	
Steele	79	111	66	34.7%	9	39.4%	-	1	20	
Stutsman	1,085	1,464	987	38.7%	-5	38.5%	1	38	293	
Towner	92	-		18.8%		18.8%	26	50	73	
Traill	475	The second	and the second sec	51.1%	the last of the second s	55.5%		-		
Walsh	505			31.5%				143	27	
Ward	3,751			29.0%			80	970	1,85	

House Industry, Business and Labor Committee Hearing on SB 2301: Child Care Workforce Stabilization Program March 7, 2023

Chairman Louser, members of the committee, my name is **Erin Laverdure**. I live in **Stanton**. I'm co-founder and board president of Energy Capital Cooperative Child Care in Hazen. I'm also a member of the ND Child Care Action Alliance, an ad hoc group of child care workers, providers, and advocacy organizations. I work in community relations at Basin Electric.

I'm **in favor** of Senate Bill 2301. I helped found the only child care with a center license in Mercer County. I formed a coalition of employers in the county, all of whom were facing employee recruitment and retention issues relating to child care accessibility. Our founders are some of the sharpest business minds in a cross-section of industries – energy, banking, health care, education. We've worked hard since 2017 to balance fair employee pay and benefits, with fair tuition to our families. I believe to my core, if this balance were possible, we would have achieved it.

At the child care center, we've increased pay and benefits over time, but not to the level they deserve. We've struggled with employee retention, and have had to cut families and hours. We've raised tuition rates for families, but not to the level necessary to sustain operations. If we did that, we'd price our families out of the center, and consequently, out of the workforce. We rely on the continued generosity of the businesses that helped found us, but not all are in a position to continually donate – particularly the nonprofit clinic, hospital, nursing home, and school.

A consistent, substantially funded stabilization program would give our child care center the certainty needed to pay wages to our hard-working staff.

Child care is a unique labor issue that affects all other workforces. SB2301 will help to expedite placement and ensure high-quality care. It helps keep the cost of child care down for working families by not passing additional expense on to families, providers, and businesses.

To address this crisis, I support the provisions that encourage high-quality care and recommend a higher funding level of \$150 million annually.

Child care workers hold in their hands this state's legacy. Help us as child care providers pay them the living wages and benefits they deserve. Mercer County's economic vibrancy depends on the availability, stability, and quality of child care, and a stabilization grant can drive all three.

The child care stabilization program is the innovative solution we need to fix and sustain the fractured child care system in North Dakota. I encourage a "**Do-Pass**" recommendation. Thank you for your consideration.