

Early Childhood Report SB2255

By
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Mr. Chairman, committee members, my name is Gordon La France and I am with the Department of Commerce, and one of my responsibilities is to administer the Early Childhood Grant Program. I am here today to report on the status of the grant program along with the childcare loan program.

Prior to establishing the program guidelines, Commerce held meetings with Child Care Resource and Referral (CCR&R), Department of Human Services (Early Childhood Services Division), Development Fund and the Governor's office to discuss how best to administer the programs. Based on those meetings, Commerce established some basic guidelines for the grant and loan programs which included.

1. That the childcare facility was licensed.
2. Whether the childcare facility was a profit, non-profit or other early childhood facility.
3. A letter from the childcare licensor stating that they were in compliance with all regulations and that they had not had any violations within the past three years. If the childcare facility did have any violations they needed to explain in the letter the type of violations and the correction action.
4. If the childcare facility was expanding, how many additional openings would be available to children.

With the guidelines established both programs started taking applications September 2009. The rest of this report deals with the status of the financing that we have made to childcare facilities across the state.

The Development Fund has approved six loans for a total of \$293,041 with \$180,685 that has been released to the childcare facilities. Childcare facilities that were approved for the loan anticipate there will be an additional 364 openings for children. The Development Fund is optimistic with the number of inquiries they are receiving they will have approximately \$700,000 in loans to childcare facilities by the fall of 2010. Cities in which childcare facilities were funded with loans include:

1. Bismarck – 2
2. Fargo – 1
3. Minot – 1
4. West Fargo – 1
5. Williston – 1

Again based on the meetings with CCR&R, Commerce established the following funding priorities for the grant program; technical assistance and business plans, expansion, safety and special needs.

The first round of grants closed October 31, 2009 and Commerce received 411 applications. Out of the 411 applications, we awarded 96 grants (since December four childcare facilities declined the grant, so 92 facilities have been funded) for a total of \$243,096. The grants were broken down into the following categories:

1. Profit
 - a. Applications received – 342
 - b. Funded – 78
2. Non –profit
 - a. Received – 61
 - b. Funded – 12

3. Other early childhood facilities
 - a. Received – 8
 - b. Funded – 2

In February 2010 Commerce started accepting applications for the 2nd round of childcare grants. By the closing date (March 31) we had received 147 applications and we were able to award 65 grants to childcare facilities for a total of \$209,459.

The grants were broken down in the following categories:

1. Profit
 - a. Applications received – 103
 - b. Funded – 51
2. Non-profit
 - a. Received – 42
 - b. Funded – 14
3. Other early childhood facilities
 - a. Received – 2
 - b. Funded – 0

The total funding for both grant rounds is \$452,555 (Commerce has since reimbursed childcare facilities \$126,400) this leaves \$47,445 available to the end of the biennium and these funds will be available on a first come first served bases for technical assistance and business plans.

In summary, every childcare facility that applied for the grant and meet with one of the priorities was funded for a total of 157 grants in 61 cities across the state. Also, childcare facilities have estimated 1,075 additional openings for children because of the grant and an additional 364 openings because of the loan for a total estimated increase in capacity of 1,439 children.

