

2025 SENATE WORKFORCE DEVELOPMENT

SB 2306

2025 SENATE STANDING COMMITTEE MINUTES

Workforce Development Committee Fort Lincoln Room, State Capitol

SB 2306
2/6/2025

Relating to the establishment of a childcare workforce recruitment and retention program.

9:45 a.m. Chairman Wobbema opened the hearing.

Members Present: Chairman Wobbema, Vice-Chairman Axtman, Senator Boschee, Senator Larson, Senator Powers.

Discussion Topics:

- Staffing ratio
- Age-based reimbursement rates
- Staffing costs
- Child Care Assistance Program

9:45 a.m. Senator Hogan introduced the bill and submitted testimony #35794 #35796, #35797 and #35821.

9:58 a.m. Bill Bauman, CEO of Missouri Valley Family YMCA in Bismarck, testified in favor and submitted testimony #35707.

10:12 a.m. Anna Nelson, Economic Developer for Williston, testified in favor and submitted testimony #35697.

10:16 a.m. Katherine Grindberg, Executive Vice President of Fargo Moorhead Chamber of Commerce, testified in favor and submitted testimony #35789.

10:18 a.m. Kevin Cross, Owner of The Learning Tree, testified in favor #35784.

Additional written testimony:

Kenzi Brown submitted testimony in favor #33263.

Stacey Boyko, Juniper Child Care LLC, submitted testimony in favor #35365.

Brandi Jackson submitted testimony in favor #35522.

Jimmy Jackson submitted testimony in favor #35532.

Laura Lacher, Executive Director of Economic Development Association of ND, submitted testimony in favor #35649.

Landis Larson, President of ND AFL-CIO, submitted testimony #35638.

Carol Maurer, Owner of Ragamuffins Ranch Daycare, testified in favor #35618.

Amanda McCallum, Kiddie Korral 2.0, submitted testimony in favor #35602.

Adrian Miller, Director of Charge on Together Childcare LLC, submitted testimony in favor #35751.

Robin Nelson, CEO of Boys & Girls Club Fargo Board of Education, submitted testimony in favor #35643.

Christina Norrie submitted testimony in favor #35559.

Lisa Olson, Vice President of City of Minot Council, submitted testimony #35716.

10:22 a.m. Chairman Wobbema closed the hearing.

Andrew Ficek, Committee Clerk

Good afternoon,

I am writing in strong support of Senate Bill No. 2306 as the owner of a childcare facility in Williston, ND, providing 140 licensed childcare spots to our community. Without state funding, maintaining these essential services at a reasonable cost would not be possible.

The Childcare Workforce Recruitment and Retention Program incentive payment would be invaluable to our center. These funds would go directly to our staff for payroll expenses, ensuring that our hardworking child care providers receive a livable wage while allowing us to keep tuition costs down for families.

As we all know, the cost of living has risen tremendously. Grocery bills have doubled, and nearly every supply we need to operate has increased in price. Programs like this help us avoid raising tuition while still providing fair compensation to our dedicated staff. Without this funding, many childcare centers—including ours—would struggle to retain staff and continue offering affordable, high-quality care to families in our community.

I urge you to support Senate Bill No. 2306 to ensure that North Dakota families continue to have access to affordable childcare and that our childcare workforce is supported. I would be happy to answer any questions that arise.

Thank you for your time and consideration.

Kenzi Brown

Operator

Hello I have a multi license Child Care and Preschool. I have been in the industry since 2008. I have all the expertise, credentials and systems in place to expand. Simply put, my largest obstacle is cost effectiveness due to employment cost and the cost of a structure.

Honorable Members of the Committee,

I am writing to express my strong support for the establishment of a childcare workforce recruitment and retention program. As we are all aware, the quality of early childhood education and care is pivotal to the development of our future generations. The strength and success of our childcare system depends largely on the dedicated professionals who care for and educate our young children each day. However, the childcare workforce is currently facing immense challenges that threaten both its stability and ability to provide quality care.

The Need for Support: First, the shortage of qualified childcare workers is a pressing issue across the nation. Many workers in the field are underpaid, overworked, and undervalued. Despite their vital role in shaping the futures of young children, the compensation for childcare workers often does not reflect the significant responsibility they carry. This has led to high turnover rates, a lack of experienced educators, and widespread burnout. Families across our communities are directly impacted, as they struggle to access reliable, high-quality childcare options.

Moreover, this shortage has a disproportionate impact on low-income and working families, many of whom rely on affordable childcare options to maintain their employment and economic stability. The challenges facing the childcare workforce are not only an issue of education but of economic equity and access to opportunity.

The Solution: A dedicated childcare workforce recruitment and retention program would be a transformative step toward addressing these challenges. This program would provide critical incentives such as competitive wages, professional development opportunities, and benefits that reflect the true value of this workforce. It would help recruit talented individuals into the field while ensuring that existing workers are supported, empowered, and able to grow in their careers.

By offering robust support to childcare professionals, we can directly improve the quality of care that children receive, which, in turn, has long-term positive effects on their academic and social development. Investing in the recruitment and retention of childcare workers is an investment in the future of our children and the overall well-being of our communities.

Long-Term Impact: Furthermore, a sustainable, well-supported childcare workforce would create positive ripple effects throughout society. By stabilizing the childcare industry, we provide families with peace of mind and the confidence to reenter or remain in the workforce, knowing their children are in safe, capable hands. This, in turn, contributes to a stronger economy, as more individuals can participate in the workforce and contribute to economic growth.

Moreover, by providing a clear career pathway and professional growth opportunities, we help raise the status of early childhood education as a respected profession. This could also contribute to long-term social benefits, such as reduced inequality, greater academic achievement for children, and a more supportive and nurturing environment for families.

Conclusion: In conclusion, the establishment of a childcare workforce recruitment and retention program is crucial for addressing the current crisis in the childcare sector. It will ensure that we can provide high-quality early childhood education and care for all children, regardless of their socioeconomic background. By taking this important step, we can help create a more equitable and thriving society for generations to come.

I urge you to support the establishment of this program and invest in the professionals who are shaping the future of our nation.

Thank you for your time and consideration.

Sincerely,

Brandi Jackson

Dear Members of the Committee,

I am writing to express my strong support for the creation of a childcare workforce recruitment and retention program. The quality of childcare directly impacts the development of our children, yet our childcare workforce faces significant challenges, including low wages, high turnover, and limited professional support.

Childcare workers play a critical role in nurturing and educating young minds, but many face financial instability and burnout due to inadequate compensation and a lack of resources. This leads to a shortage of qualified workers, which affects families who rely on affordable, high-quality care to support their work and economic stability.

A dedicated recruitment and retention program would address these issues by providing better wages, benefits, and opportunities for career advancement. This will not only attract and retain qualified professionals but also improve the quality of care children receive, benefitting families and communities as a whole.

Investing in childcare workers is an investment in our children's futures and the overall well-being of our society. I urge you to support this important initiative.

Thank you for your consideration.

Sincerely,

Jimmy Jackson

Honorable Committee Members,

I strongly support the creation of a childcare workforce recruitment and retention program. The quality of early childhood education is crucial for the development of future generations, and its success relies on the dedicated professionals who care for and educate our children. However, the childcare workforce faces challenges that jeopardize both its stability and ability to provide quality care.

The shortage of qualified workers is a nationwide issue. Many childcare professionals are underpaid, overworked, and undervalued, leading to high turnover, burnout, and a lack of experienced educators. This affects families, particularly low-income and working ones, who rely on affordable, reliable childcare to maintain their jobs and economic stability. The issue goes beyond education; it also impacts economic equity and access to opportunity.

A targeted recruitment and retention program would help address these challenges by offering competitive wages, professional development, and benefits that reflect the value of childcare workers. This would attract new talent and support current staff, improving care quality and children's development. Investing in this workforce is an investment in the future of our children and communities.

A stable workforce would also benefit society by helping families reenter or remain in the workforce, strengthening the economy. By providing clear career paths and growth opportunities, we can raise the status of early childhood education and contribute to long-term social benefits like reduced inequality and higher academic achievement.

In conclusion, establishing a childcare workforce program is essential to ensuring high-quality care for all children, regardless of their background. I urge you to support this initiative to create a more equitable and prosperous society.

Thank you for your time and consideration.

Sincerely,

Christina Norrie



February 5th, 2025

To whom it may concern,

I am writing to support Senate Bill No. 2306 strongly. As the Founder and Executive Director of a Licensed Child Care Center that employs 30-35 people and cares for 120 children, I believe it is crucial to maintain quality staff and continue to pay them the wages they deserve.

The cost-of-living increase has had a significant adverse effect on our center. My employees need to be paid more, but I try desperately to avoid increasing my tuition. I know the families that attend my childcare center are feeling the pinch, too. The childcare workforce recruitment and retention program incentive payment will be essential for us to continue operating at this level.

Finding and keeping good staff is hard, but I saw a massive reduction in turnover while they received their retention stipend every 90 days. It would be invaluable to our program and my staff.

I encourage you to support Senate Bill No. 2306 to ensure ND families can continue benefiting from quality, affordable childcare.

Thank you in advance for your time and consideration,

Amanda L McCallum
Founder/Executive Director
Kiddie Korral 2.0 Child Care Center
And Early Learning Program
3524 Burdick Expy E
Minot ND 58701
(701)340-2076

To Whom it may concern.

We currently have the capacity for 30 Children and are a QRIS Step 3 Program We are a second term (each term being 3 years' time), Step 3 Program. April / 2024 completing a 10-month cohort to recertify, our Step 3 Quality. Step 1-3 are 10-month cohorts individually. I explain this to help the reader understand our level of commitment to quality practices. Currently we are active in our Step 4 Cohort. Each Cohort (Step) is a 10-month process of onsite coaching, classes, assessments and observations of our program implementing short- and long-term goals, ensuring best practices are always being met. We are a Best-In-Class Kindergarten readiness program offering a sliding fee scale for the Best-In-Class children in the program, we are a member of the Childcare Aware Alliance program offering The Learning Beyond Paper Curriculum for our 0–4-year-old children incorporating purposeful play and meaningful teaching. We work with inclusions (Uspire), also Early Childhood intervention for speech. We are a Unique Program going above and beyond the day-to-day operations in childcare as the programs we participate in are not mandatory rather voluntary it takes a tremendous amount of dedication, time and effort to continue our education in maintaining Quality Practices, our goal is to provide a Quality Childcare Center with a focus on early childhood development incorporating social and emotional growth educating the whole child. We follow the practices of the ND Learning Standards in our curriculum, individual learning plans, documentations and assessments being purposeful in filling all the gaps the year before kindergarten.

We are a unique group of staff members; we are a very strong unit as a team effort in training all new staff. We have a 7-year staff member who came to us as a stay home mom wanting to get social for her young child, she is now nearing completion of her (CDA) Child Development Associates Certificate, We have a 3-year staff member with her Degree in Early Childhood Development, we have a 5-year Staff working towards her (CDA) who started with us through the high school work program part time and is now full time, and a one-year staff who came to us wanting to work nearer to young children with a focus in college on inclusions in early childhood development, alongside myself with 21 years of experience in childcare holding a (CDA). These walks of life are potential staff we seek out as they are the puzzle pieces that help to create quality care in childcare. This is what makes Ragamuffins Ranch Daycare Unique! We will be starting our new building of a center offering 120 spots for children in our area Mountrail County, we are a rural area and the needs are tremendous! We utilize the services through Bright and Early, Uspire, Right Track and take children on the CCA (Childcare Assistance). We remained committed to childcare services throughout Covid 19 and believe beyond a shadow of a doubt that the service and grant funding is what has held us above water and has been fortunate to remain open for 12 years in our rural area.

Carol Maurer

**Testimony of Landis Larson, ND AFL-CIO President
In Support of SB 2306
February 6, 2025**

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.

Childcare workers in North Dakota are some of the lowest paid workers in the state but do some of the most important and difficult work. With a median wage of \$14.05 an hour, it's nearly impossible to fill the needed jobs in this industry with many higher paying and frankly easier jobs to choose from. Most childcare providers can't afford to pay more unless they raise rates, and most parents can't afford higher rates. In order to meet employer demand for workers, we need reliable and affordable childcare. To meet the demand for reliable and affordable childcare, we must increase wages for our childcare workers.

SB 2306 is a good start at solving this important labor market problem. This bill could be improved by increasing the wage supplement offered to a more competitive level, as well as ensuring that there are adequate mechanisms in place to ensure this funding is being used to increase wages and benefits.

The North Dakota AFL-CIO supports a "DO PASS" on SB 2306.

Testimony in Support of SB2306

Honorable Chair Wobbema and Members of the Senate Workforce Committee,

I submit this testimony in strong support of SB2306, which seeks to establish a child care workforce recruitment and retention program to address North Dakota's growing workforce needs.

My name is Robin Nelson, and I reside in District 41 in Fargo. I have the privilege of serving as CEO of the Boys & Girls Club of Fargo, the largest childcare provider for school-age youth in the city. Additionally, I am a fifth term elected member of the Fargo Board of Education, where I serve as the legislative spokesperson. My dedication to supporting children, families, and communities is both professional and deeply personal.

Child Care Is a Workforce Issue

Childcare is not just a family issue—it is a workforce issue. Parents cannot fully participate in the workforce if they do not have access to affordable, high-quality childcare. Without an adequate workforce to staff childcare centers, families are left without reliable options, and businesses suffer from reduced employee availability.

At the Boys & Girls Club in Fargo, we currently serve **992 registered youth**, yet **273 remain on a waitlist**—primarily **due to staffing shortages**. The primary barrier to expanding childcare services is the inability to recruit and retain qualified staff.

Retaining Support for School-Age Programming

It is vital that funding incentives for **school-age child care** remain in this bill. Working parents with school-age children **need before- and after-school care** to maintain their employment. Without competitive wages and incentives, we will continue to lose staff to higher-paying jobs in other industries, further limiting childcare access.

Governor Armstrong's Insightful Comments

I appreciate Governor Armstrong's acknowledgment that workforce initiatives will be ineffective unless we have workers to support them. Childcare staff shortages impact every industry by making it more difficult for parents to remain in the workforce.

Conclusion

I **respectfully urge** this committee to **prioritize SB2306** to ensure childcare providers can **offer competitive wages**, recruit and retain skilled professionals, and support North Dakota's **working families and economy**.

Thank you for your time and consideration.

Respectfully,
Robin Nelson
CEO, Boys & Girls Club of Fargo
Legislative Spokesperson, Fargo Board of Education



PO Box 1091 • Bismarck, ND 58502
701-355-4458 • www.ednd.org

Testimony of Laura Lacher
Economic Development Association of North Dakota
In Support of SB 2306
February 6, 2025

Chair Wobbema and members of the Senate Workforce Development Committee:

My name is Laura Lacher, and I am the executive director of the Economic Development Association of North Dakota (EDND). Thank you for the opportunity to provide testimony in support of Senate Bill 2306. This bill is critical because it directly addresses one of the biggest barriers to workforce participation – access to affordable and reliable child care.

North Dakota faces a persistent workforce shortage, and access to reliable, high-quality child care which is a key factor in workforce participation. Without available and affordable child care options, many parents are unable to enter or remain in the workforce, directly impacting businesses, economic growth and our states long-term prosperity.

Senate Bill 2306 takes a critical step in addressing the workforce shortages within the child care industry by providing targeted incentive payments to licensed early childhood service providers. These incentives will help recruit and retain child care professionals, ensuring more families have access to services they need. A strong and stable child care workforce supports working parents, allowing them to fully participate in North Dakota's economy and fill essential jobs in every sector.

Additionally, this bill ensures accountability by tying payments directly to the number of children that are being taken care of and requiring that funds be used to improve wages and benefits for child care workers. This approach recognizes the importance of attracting and retaining quality professionals in this field while maximizing the impact of state resources.

Economic development depends on a robust workforce, in turn workforce participation depends on access to child care. Senate Bill 2306 is an investment in North Dakota's future workforce and economic stability. On behalf of EDND, we urge the committee to recommend a "Do Pass" recommendation on this important legislation. Thank you for your time and consideration.



Senate Bill 2306 Testimony: In Favor
 Hon. Mike Wobbema, Chairman
 Senate Workforce Development Committee

February 6, 2025

Chairman Wobbema and Committee Members,

My name is Anna Nelson, Executive Director of Williston Economic Development. As is the case across the state, childcare has become a priority within our department as lack of reliable and affordable care for the children of our working parents has proven a hindrance to workforce and economic growth. I am writing to you today to **support** Senate Bill 2306, with a proposed amendment that I respectfully ask this committee to consider.

It has been encouraging to see our state continue to emphasize solutions to childcare challenges. The fact that this bill specifically supports our childcare providers is very welcomed. I refer to their employees as "the workforce that supports our workforce," but it has been a challenge for providers to be able find the balance between paying them a competitive wage and keeping costs low for their parents. The nature of this bill has the potential to benefit both providers and parents by aiming to fill that gap.

After speaking with local providers, I considerably ask that the committee review the following provision of the bill:

- Section 1, lines 21-22: Due to the benign nature of some corrective action orders, perhaps setting some parameters, whether by severity or number of offenses, would help create more guidance and certainty for both providers and licensing professionals
 - Additionally, clarification on the eligibility implications would be helpful (e.g. does this terminally end a provider's eligibility or is there a probationary period, etc.)

Several local childcare providers have offered suggestions and comments that can be shared should the conversation move forward and the committee/bill sponsor desire to consider those.

The potential of this bill to support childcare facilities, some to the tune of more than five thousand dollars per month, is a step in the right direction to alleviate payroll burdens on providers that could also help keep costs from rising for working families.

For these reasons, I urge a **DO PASS** recommendation and appreciate your consideration.

Thank you so much for your time, and please feel free to reach out with any questions.

Sincerely,

Anna Nelson

Anna Nelson
 Executive Director

annan@ci.williston.nd.us
 (c) 701-651-8265



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February 6, 2025

Re: SB 2306 – In Support

Chairman Wobbema and Members of the Senate Workforce Development Committee,

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

Child Care Impacts

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

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

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

Child Care Incentives

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

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

The Reality for Infant & Toddler Care Providers

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

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

Limited Pricing Flexibility

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

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

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

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

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

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

Provider Grant Proposal

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

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

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

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

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

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

Conclusion

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

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

Thank you,

Alliance of North Dakota YMCAs

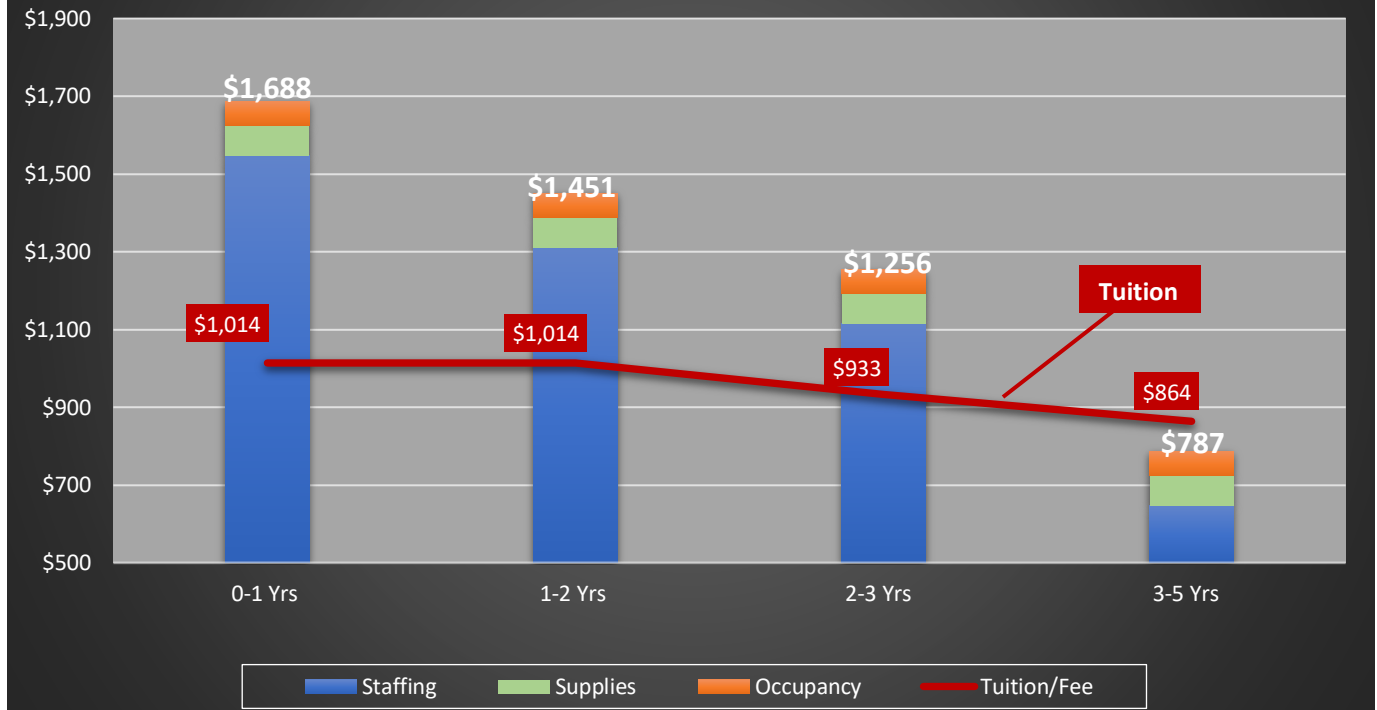
Bill Bauman
Missouri Valley Family YMCA
Bismarck

Bob McWilliams
Altru Family YMCA
Grand Forks

Nick Gray
Minot Family YMCA / Triangle Y Camp
Minot

Steve Smith
YMCA of the Northern Sky
Fargo

YMCA Child Care Center Example Average Monthly Cost Per Child



Income per child:

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

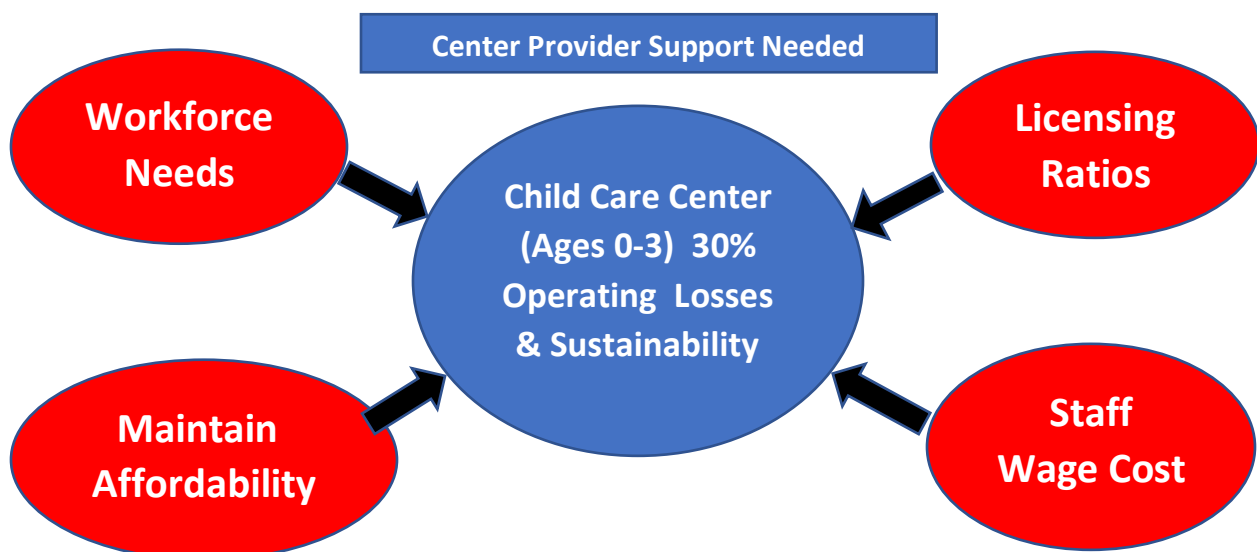


Total monthly cost per child:

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

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

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





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TODAY. TOMORROW.

TOGETHER.

NORTH DAKOTA ALLIANCE OF YMCAS 2024 COMMUNITY IMPACT REPORT



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



3,230 children were enrolled in YMCA licensed childcare centers



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

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

2,113 individuals are employed by North Dakota YMCAs



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



WE ARE COMMUNITY

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



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



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

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



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



CARING | HONESTY | RESPECT | RESPONSIBILITY



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

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

YOUTH DEVELOPMENT | HEALTHY LIVING | SOCIAL RESPONSIBILITY

Alliance of North Dakota YMCAs

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

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

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

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

February 5, 2025

Honorable Senators Wobbema, Axtman, Boschee, Larson and Powers,

I am writing in **support** of SB 2306, which relates to the establishment of a child care workforce recruitment and retention program.

Minot's City Council created a standing committee that directly researches and defines needs in our community that are related to childcare. The committee is made up of childcare providers, parents, elected officials, business owners and city staff. Over the past 18 months we have discovered several needs related to the shortage of childcare providers in our area. Recruitment and retention of quality childcare workers is top on the list. Reasons for the shortages certainly include low pay and limited, if any, benefits for workers. Many potential childcare workers may have young children of their own and paying for childcare, on a limited income, is nearly impossible.

SB 2306 will provide incentive payments to eligible childcare providers who will have the ability to increase pay for their workers. We have heard testimony from many providers who are willing to expand their services if they can employ the right number of workers.

It is our committee's belief that economic development, support for our next generation and overall community livability begin and end with quality childcare. SB 2306 is a positive step towards achieving that goal.

Thank you for your consideration of the passage of SB 2306.

Respectfully,
Lisa Olson
Minot City Council Vice President
Committee on Childcare, Chair

Prepared Testimony on Senate Bill 2306 introduced by
Senators Hogan, Braunberger Representatives Meier, Mitskog, O'Brien

February 6th 2025

Good morning, Senators Hogan, Braunberger, and esteemed members of the committee. My name is Adrian Miller, and I am the Director of Charge on Together Childcare LLC, a residential group home childcare facility. I stand before you today in strong support of Senate Bill 2306.

I firmly believe that this bill will significantly benefit childcare providers in North Dakota. It addresses the financial challenges that many providers face, offering much-needed stability and support. Contrary to common perception, the high rates we charge for childcare services are largely reinvested into our facilities, staff, and the children and families we serve, in addition to covering taxes. Many do not realize that providers operate on a fixed income, especially when we are at maximum capacity. Unlike other businesses that can expand their services to increase profits, our revenue is limited to the number of children we can care for and the rates we can charge, assuming payments from parents or the state are made on time.

With over 15 years of experience in the childcare industry, working in centers, homes, and group facilities, I can attest to the struggles faced by all providers, regardless of the size of their operation. Childcare providers are among the lowest-paid professionals, which does not bode well for our state's economic growth. We are integral to the workforce, offering vital services to working families, nurturing the next generation, and recruiting new providers to support economic development.

While I wholeheartedly support Senate Bill 2306, I do have some questions and concerns. Firstly, the bill states that providers will only be compensated for the number of children they are licensed to care for. Does this apply solely to full-time children, or can part-time children also be included? For example, if two part-time families collectively occupy one full-time spot, how would this be accounted for, given that part-time attendance may not exceed our licensed capacity?

Secondly, I disagree with the provision that denies payment to providers who have received a correction order in the past three months. Correction orders can be issued for minor infractions, such as a missing trash can lid or normal wear and tear on the facility, which can be subjective depending on the licensor's scrutiny. However, I agree that serious violations, such as exceeding the number of children or endangering their safety, should warrant a penalty.

Overall, I believe that Senate Bill 2306 will provide essential support to childcare providers, enabling them to grow and thrive without facing undue financial hardship.

Testimony in Support of North Dakota Senate Bill 2306 with Proposed Amendments

Presented by: Kevin Cross Owner, The Learning Tree Childcare & Preschool

Date: February 6, 2025 Senate Workforce Development Committee

Chairperson Wobbema and Members of the Senate Workforce Development Committee,

My name is Kevin Cross, and I am an owner of The Learning Tree Childcare & Preschool, a facility serving 180 children with a staff of 50. I am testifying today in support of Senate Bill 2306, which aims to address the ongoing workforce shortage in childcare by providing much-needed monthly incentive payments to providers based on enrollment. However, I would like to highlight key concerns, potential unintended consequences, and propose modifications to ensure its long-term effectiveness.

1. The Challenge of Long-Term Viability

SB 2306 provides temporary financial relief, but it does not establish a long-term funding guarantee. As a business owner, I am responsible for making fundamental, long-term decisions regarding wages, hiring, and retention. If this program is discontinued in future legislative sessions, providers who increased wages based on these payments could face a financial cliff, forcing them to reduce wages or lay off employees.

Proposed Amendment:

- Implement a multi-session funding commitment or a structured phase-out plan in case the program is discontinued, allowing providers time to adjust instead of facing abrupt financial losses.
-

2. Automatic 90-Day Disqualification for Correction Orders is Overly Punitive

While I understand the need for compliance and accountability, SB 2306 automatically disqualifies providers from receiving funding for 90 days if they receive a correction order for any reason. This is problematic for several reasons:

- Correction orders vary widely in severity. Some involve minor administrative issues, such as paperwork errors, that have no impact on child safety but would still result in financial disqualification.
- Remediation timelines can be up to 60 days. If a provider is already following the mandated correction process, why penalize them further for an additional 90 days?
- The anonymous reporting system allows for potential abuse. In North Dakota, anyone—including disgruntled employees, parents, or even competitors—can file a complaint at any time, triggering an inspection. This means a provider could face frequent random inspections, increasing the likelihood of minor infractions and potential loss of funding through no real fault of their own.

Proposed Amendments:

- Introduce a tiered penalty system instead of an automatic 90-day disqualification:
 - Minor administrative violations (e.g., paperwork issues): No funding penalty.

- Moderate infractions (e.g., facility maintenance delays): Warning and must be corrected within the required timeframe; repeated violations result in penalization.
 - Serious violations (e.g., safety-related issues): Immediate penalty.
 - Implement an appeals process so providers can dispute unfair correction orders before losing funding.
-

Conclusion

SB 2306 is a step in the right direction for supporting North Dakota's childcare workforce. However, the current wording of the bill introduces potential unintended consequences that could ultimately put providers in financial distress in the future. By addressing the long-term viability of the program and reforming the correction order disqualification process, this bill can truly be a sustainable solution for childcare providers and families across North Dakota.

I urge the committee to consider these amendments to ensure that SB 2306 is fair, effective, and practical for the long-term success of the childcare industry.

Thank you for your time and consideration. I am happy to answer any questions you may have.



Letter of Support – SB 2306

Thursday, February 6, 2025

Chairman Wobbema and members of the Senate Workforce Development Committee,

For the record, my name is Katherine Grindberg, and I have the distinct pleasure of serving as the Executive Vice President for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our over 1,700 members, I respectfully offer testimony in support of Senate Bill 2306.

At the FMWF Chamber, our mission is to protect and promote business, inspire individuals, cultivate communities, and influence action. First, I would like to express our gratitude for the 68th Legislative Assembly's leadership in advancing critical investments into childcare and their commitment to addressing affordability through attracting and retaining quality professionals to serve as childcare providers. Childcare is a workforce issue. Our continued economic growth won't be possible without proper support for this essential industry.

Due to the unique nature of the industry, for childcare providers to increase their capacity for slots they must also increase staff. Many providers face the challenge of long wait lists and difficulty recruiting and retaining their workforce. Programs such as this would alleviate a portion of the cost burden of opening additional slots, especially increasing capacity for infants and toddlers, where ratios require more staff per child.

High prices associated with childcare have made the cost of this care unattainable for many families. Between 2017-2024 the cost of childcare in North Dakota increased 40% at traditional day care centers, and as much as 50% at home day care centers. Additional increases would be difficult for North Dakota families to shoulder. To attract and retain the workforce that fuels our industries such as agriculture, healthcare, technology, and manufacturing, the availability of affordable childcare is key. By offering additional incentives and programs for childcare, the state can provide support to lower costs and expand access for North Dakota families.

Passage of this bill offers additional support to North Dakota's working families, demonstrating the state's commitment to investing in our future. Addressing North Dakota's childcare shortage is a vital part of solving the workforce issue. We urge the committee to give this bill a DO PASS.

Thank you for your attention to this matter and your commitment to North Dakota.
Sincerely,

Katherine Grindberg,
Executive Vice President
Fargo Moorhead West Fargo Chamber of Commerce

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

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

Last session, we considered a similar bill as a part of a package of bills/initiatives that were implemented primarily through HB 1540. Early Childhood services in DHHS are a broad range of services/programs and childcare is one component of those services. Here is the link to the budget overview from HB 1012 which is considering most of the childcare initiatives.

https://ndlegis.gov/assembly/69-2025/testimony/HAPPHUM-1012-20250128-32188-F-LARSON_KAY.pdf There are a range of amendments for HB 1012 on childcare that are attached to this document. If you would like me to review the full range of strategies, I am more than willing, but first I will begin with this specific bill.

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

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

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

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

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

Executive Summary: 2024 North Dakota Child Care Assessment

Introduction

In 2023, North Dakota made its first historic investment in child care, allocating \$65.6 million through HB 1540 to address child care accessibility, affordability, and quality. The long-form report provides a mid-biennium assessment of these initiatives, supplemented by survey data from parents, child care providers, schools, and economic development organizations to inform further policy opportunities.

Spending

As of August 2024, 40% of the total appropriation to NDHHS had been spent 54% of the way through the 2023-25 biennium. The below chart summarizes the status of each line item from HB 1540 as of August 2024:

Program	Appropriation (HB 1540)	General Fund + Federal allocation	Spent (as of Aug. 2024)	Percentage Spent (Aug. 2024)
Child Care Assistance Program (CCAP) expansion: invest in more families with children ages 0 to 3	\$22,000,000	\$48,319,826	\$35,344,600	50.26%
Increased CCAP provider payments for infants and toddlers	\$15,000,000		\$4,855,770	32.37%
Increased monthly CCAP payments to providers who are quality rated	\$3,000,000		\$709,504	23.65%
CCAP application assistance and outreach	\$500,000		\$4,024	0.80%
Employer-led child care cost-share program	\$5,000,000	\$9,600,000	\$963,180	6.60%
State of ND employee match child care benefit program	\$3,000,000		\$611,400	20.38%
Eliminate CCAP co-pay for families under 30% state median income	\$2,300,000		\$998,335	43.41%
Stipends for child care workers pursuing additional training	\$2,000,000		\$192,100	9.61%
Grants and shared services	\$7,000,000		\$3,894,230	55.63%
Partnerships for care during nontraditional hours	\$1,800,000		\$460,000	25.56%
Quality infrastructure for providers to become quality-rated	\$3,000,000		\$1,307,245	43.57%
Streamlining background checks	\$1,000,000	\$15,000	\$15,000	1.48%
Total	\$65,600,000	\$57,934,826	\$49,355,388	39.95%

Key Findings

Building on this initial investment in child care, there are significant opportunities to refine the strategy by focusing resources on proven initiatives and leveraging insights gained to date. CCAP programming has been largely successful in supporting many middle-income working families, while infrastructure funding, primarily through the Regional Workforce Impact Program (RWIP), has helped to increase the availability of slots across the state. However, quality metrics, incentives, and related programs remain underutilized.

1. Improved Support for Working Families (Affordability)

The expanded Child Care Assistance Program (CCAP) supports 5,028 children monthly, aiding low-income families. Increased reimbursement rates for infant/toddler care modestly boost provider budgets, while the child care worker benefit program aids recruitment and affordability.

2. Infrastructure Funding Expands Child Care Slots (Accessibility)

The state has allocated \$22.88 million to child care infrastructure, ranking second only to CCAP payments. This includes \$1.2 million in facility improvement and Grow Grants, \$13.31 million from RWIP, and \$6.67 million in NDDF loans, creating nearly 3,500 new child care slots.

3. Quality Care Receives Less Emphasis from Key Stakeholders (Quality)

Quality care is prioritized by licensing administrators, while parents, economic developers, and school officials focus less on advanced metrics as the lack of available slots continues to be the primary focus. Meanwhile, funding for QRIS star ratings and training stipends remains underutilized.

Policy Opportunities

Assessing successful programs and comprehensive data can help the state better enhance child care affordability, access, and quality. Surveys issued to child care providers, education leaders, families, and business and economic development stakeholders from 2024 highlight the need for ongoing adjustments in

Executive Summary: 2024 North Dakota Child Care Assessment

funding, incentives, and provider support to meet the evolving needs of North Dakota's families and workforce.

Continuing and Refining Existing Efforts

1. **Increase Child Care Infrastructure Funding**

Additional grants and loans are needed to expand child care capacity through facility infrastructure including new facilities, expansions, remodeling, and equipment, especially in underserved areas where RWIP funds are nearly depleted. Continued support with business infrastructure through the Share Services Alliance which provides business software and training supports to help providers with the tools and knowledge needed to run a child care organization.

2. **Expand Support through CCAP**

Help alleviate the financial burden for middle-income families who spend a significant portion of their income on child care but do not qualify for assistance.

3. **Enhance Business Engagement and Communication**

Improved dialogue with the business community can increase awareness of child care programs like the working parent child care relief program (WPCCR), encouraging employers to support child care solutions.

4. **Reevaluate Quality Program Incentives**

Reassessing QRIS participation incentives could help address barriers and encourage more providers to pursue quality improvements.

5. **Refine Criminal History Background Check Processing**

Continue to monitor the progress being made on the reduction of processing times for criminal history background checks. Consider additional opportunities for streamlining background checks and reducing the wait time for approval.

New Strategies to Enhance Child Care Services

6. **Strengthen Provider Support with Stipends & Stabilization**

Targeted stipends for infant and toddler care, as well as provider stabilization grants, can help providers stabilize costs and increase capacity, supporting parents returning to the workforce.

7. **Invest in Out-of-School Time (OST) Programs**

Expansion of childcare incentives for school-age youth up to age 12 and additional funding for OST care could address gaps in before and after-school programs for older children.

8. **Introduce Tax Incentives for Business Child Care Support**

Tax incentives may motivate more businesses to offer child care benefits, helping address child care as a barrier to workforce retention and growth.

Conclusion

North Dakota's child care initiatives have made important strides, especially in supporting low-income families and increasing infrastructure needs. However, further adjustments are required to effectively address affordability for middle-income families, expand access to quality care, and engage more providers in quality improvement programs. Access the [full report](#) completed by the GA Group for the South East Education Cooperative.



CHILD CARE: ND LEGISLATIVE SOLUTIONS

During the 2023 ND Legislative Session, lawmakers passed historic legislation to address availability, affordability, and quality in child care. The resulting initiatives made important strides, especially in supporting low-income families and increasing infrastructure needs. However, further adjustments are required to effectively address affordability for middle-income families, expand access to quality care, and engage more providers in quality improvement programs.

Significant opportunities exist to refine child care strategies by focusing resources on proven initiatives and leveraging insights gained to date. The following solutions are recommended based on comprehensive analysis of 2023-2025 Biennium child care related appropriations and multiple surveys issued to child care providers, education leaders, families, and business and economic development stakeholders to gauge where challenges still exist within the child care ecosystem.

Access full report: www.ndafterschoolnetwork.com/afterschool-policy/

Workforce Solutions

- Program Stabilization Funding to increase capacity and stabilize costs allowing programs to recruit and retain a quality workforce.
- Expand Child Care Assistance Program (CCAP) support to middle-income families.
- Boost Business Engagement with clear communication to increase awareness of programs like the Working Parents Child Care Relief Program (WPCCR).
- Tax Incentives for Business Community Involvement in Child Care

Stability & Infrastructure Solutions

- Provide Additional Infrastructure Funding to increase quality child care slots 0 - 12 years old across the state.
- Criminal History Background Checks: Continue to monitor progress, streamline, and reduce approval wait time.
- Invest in Out-of-School Time Programs and expand quality support beyond ages 0 - 5.
- Expand the ND Shared Services Alliance to save providers time, improve cash flow and revenue, support and manage staff, and improve communication.



North Dakota Afterschool Network

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Child Care Aware of North Dakota

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25.1068.02001
Title.

Prepared by the Legislative Council
staff for Senator Hogan
February 5, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2306

Introduced by

Senators Hogan, Braunberger

Representatives Meier, Mitskog, O'Brien

- 1 A BILL for an Act to create and enact a new section to chapter 50-11.1 of the North Dakota
- 2 Century Code, relating to the establishment of a child care workforce recruitment and retention
- 3 program.

4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- 5 **SECTION 1.** A new section to chapter 50-11.1 of the North Dakota Century Code is created
- 6 and enacted as follows:

7 **Child care workforce recruitment and retention program - Incentive payment.**

- 8 1. The department shall establish a child care workforce recruitment and retention
- 9 program to address child care workforce shortages. The department shall remit a
- 10 monthly incentive payment to each licensed early childhood services provider based
- 11 on the number of children ~~allowed to receive~~who received early childhood services on
- 12 the premise under the license. The monthly payment is calculated at:
- 13 a. Fifty dollars per number of infants;
- 14 b. Thirty dollars per number of toddlers; and
- 15 c. Fifteen dollars per number of school-aged children.
- 16 2. Payments ~~may~~must be made when a provider submits information to the department
- 17 on a quarterly basis regarding the average number of enrolled children for the
- 18 previous three months. ~~The department may suspend payments to a licensed early~~
- 19 ~~childhood services provider if the provider's average number of enrolled children~~
- 20 ~~decreases by twenty-five percent or more from the previous reporting period.~~

- 1 3. To be eligible to receive a payment under this section, a provider may not have
- 2 received a ~~corrective action order in the previous three months~~ significant violation that
- 3 jeopardizes the immediate safety of children.
- 4 4. Each provider receiving a payment under this section must submit an annual report to
- 5 the department regarding how the incentive payments received under this section
- 6 were used to directly address salary and benefit needs of child care workers.

2025 SENATE STANDING COMMITTEE MINUTES

Workforce Development Committee Fort Lincoln Room, State Capitol

SB 2306
2/6/2025
2:57 p.m.

Relating to the establishment of a child care workforce recruitment and retention program.
--

2:57 p.m. Chairman Wobbema called the meeting to order.

Members Present: Chairman Wobbema, Vice-Chairman Axtman, Senator Boschee, Senator Larson, Senator Powers.

Discussion Topics:

- Fiscal impact
- History of prior bill attempts
- Governor's proposed budget

2:57 p.m. Chairman Wobbema opened discussion on implementation of the bill.

3:13 p.m. Chairman Wobbema closed the hearing.

Andrew Ficek, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Workforce Development Committee Fort Lincoln Room, State Capitol

2306
2/7/2025

Relating to the establishment of a child care workforce recruitment and retention program.
--

9:04 a.m. Chairman Wobbema called the meeting to order.

Members Present: Chairman Wobbema, Vice-Chairman Axtman, Senator Boschee, Senator Larson, Senator Powers.

Discussion Topics:

- Alternative childcare options

9:07 a.m. Senator Larson motioned Do Not Pass.

9:07 a.m. Senator Axtman seconded the motion.

Senators	Vote
Senator Mike Wobbema	Y
Senator Michelle Axtman	Y
Senator Josh Boschee	AB
Senator Diane Larson	Y
Senator Michelle Powers	Y

Motion passed 4-0-1.

Senator Wobbema will carry the bill.

9:09 a.m. Chairman Wobbema closed the hearing.

Andrew Ficek, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2306 ([25.1068.02000](#))

Workforce Development Committee (Sen. Wobbema, Chairman) recommends **DO NOT PASS** (4 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2306 was placed on the Eleventh order on the calendar. This bill affects workforce development.