

2025 SENATE WORKFORCE DEVELOPMENT

SB 2389

2025 SENATE STANDING COMMITTEE MINUTES

Workforce Development Committee Fort Lincoln Room, State Capitol

SB 2389
2/13/2025

A BILL for an Act to provide for a legislative management study regarding child care infrastructure.

2:30 p.m. Chairman Wobbema reconvened the meeting.

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

Discussion Topics:

- Reimbursement Rate
- Labor Availability

2:30 p.m. Senator K. Hogan, District 21, testified in favor and submitted testimony #37586 and #37587.

2:39 p.m. Andrea Pfennig, Vice President of Government Affairs for Greater North Dakota Chamber, testified in favor and submitted testimony #37642.

2:41 p.m. Steve Smith, CEO of YMCA Alliance of ND, testified in favor #37519.

Additional written testimony:

Lisa Olson, Vice President, Minot City Council, submitted written testimony in favor #37240.

Barbara Dunn submitted written testimony in favor #37469.

Cale Dunwoody, Fargo Moorehead West Fargo Chamber of Commerce, submitted written testimony in favor #37645.

2:45 p.m. Chairman Wobbema closed the hearing.

Andrew Ficek, Committee Clerk

February 11, 2025

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

I am writing in **support** of SB 2389, which relates to a legislative management study regarding child care infrastructure.

I have written to you in the past few weeks in support of childcare related bills because I serve as Chair of Minot's Committee on 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. We have also heard of creative ways to address these issues. With the passage of SB 2389, the state could take a deep dive into these issues and develop plans to address them. The message that we have heard is that a comprehensive approach to childcare will benefit everyone.

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 2389 is a positive step towards achieving that goal.

Thank you for your consideration of the passage of SB 2389.

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

I am writing in support of SB 2389. If this subject has not been recently studied I think it is past time to do so. As the now-grown child of a woman who lost her husband to cancer when I was 5 years old, I can attest directly to the difficulty in finding childcare in the United States. Our survival depended upon my mother being able to find this service so that she could work and support us without outside assistance. We are all now moving into a time when I suspect that grants or even loans for the purpose of making childcare more available to more families will be few and far between. Having information from this study of the current childcare environment in North Dakota could make the difference between having childcare or not. It could make it possible for a family to survive in the state. If the family realizes this is coming, they might very well leave the state altogether and go where other family members or friends could help support them or where childcare is more readily available to all. For all these reasons, I support SB 2389 and hope that it receives a Do Pass recommendation.



**FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY**

February 13, 2025

Re: SB 2389 – In Support

Chairman Wobbema and Members of the Senate Workforce Development Committee,

Thank you for the opportunity to support SB 2389 on behalf of the North Dakota Alliance of YMCAs. This study aligns with the YMCA's commitment to high-quality child care, workforce stability, and community well-being. A strong partnership between providers and the state is critical to supporting workforce and youth development.

As North Dakota's largest child care provider, YMCAs serve over 3,200 children in licensed facilities across Bismarck, Grand Forks, and Fargo. Child care is essential to family economic stability and North Dakota's workforce, with 78% of families having both parents working outside the home.

Last biennium, the state made historic investments in child care, including support for working families struggling with costs to infrastructure and quality-related grants through the Department of Health and Human Services. Unique programs like the child care worker benefit program have helped YMCAs recruit and retain staff. However, providers still face financial strain, especially in infant and toddler classrooms (ages 0-3), where tuition alone does not cover costs.

This study will help lawmakers assess child care availability, affordability, and quality. It will support data-driven investments in child care infrastructure. It will engage providers and promote dialogue with the department on important licensing, funding, and policy enhancements.

The YMCAs look forward to participating in this conversation and continuing to work with the state to ensure a strong, sustainable child care system that supports families, providers, and North Dakota's workforce. Thank you for your consideration.

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



THE HIDDEN FOUNDATION OF OUR ECONOMY

CHILD CARE

Affordable and enriching child care is the hidden foundation of North Dakota's economy.

Without it, parents' ability to work outside of the home is dramatically limited. Preschoolers enter the classroom at an academic disadvantage, which widens the opportunity gap. And without it, elementary students spend out-of-school hours lacking structure, guidance and positive role models.

With your help, we can address these challenges and build future generations of North Dakotans from a solid foundation.

THE CHALLENGE IN NORTH DAKOTA

2nd Highest Labor Force

Participation Rate in the United States,** making it **a struggle to recruit and retain skilled workers**. Workers who are caring for our most precious possessions: our children.

\$354 Million Lost

Amount North Dakota's economy loses annually due to child care challenges.*

Two-Generation Workforce

Childcare is a two-generation workforce issue—crucial for our workforce of today and workforce of tomorrow. Only qualified, caring people help build this next workforce. Not machines, animals or Ai.

Childcare Barrier

New residents to the state can help North Dakota thrive. However, childcare is often the barrier that stands between success and stagnation. Additional funding can help bring workforce solutions.

THE Y FUELS NORTH DAKOTA'S ECONOMY

2,113 Employed

Individuals by North Dakota YMCAs. YMCAs are also often the **first employers of young people and build strong, positive work ethics**.

\$25,477,591 Paid

Wages and benefits paid to employees by North Dakota YMCAs.

THE Y'S IMPACT IN NORTH DAKOTA



3,230 Children

were enrolled in YMCA licensed childcare centers statewide including 124 infants, 198 toddlers, kindergarten readiness, and school age.



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.



\$1.7 Million Scholarship

helped support kids and families from economically disadvantaged backgrounds participate in North Dakota YMCA programs and activities.



20,000+ Meals

served in rural communities to children 18 and under during the summer. Plus 7,000 meals in Fargo to low income areas during the summer.



A SOUND INVESTMENT

There is no other non-profit like the YMCA. By investing in North Dakota's YMCAs and Child Care, you are helping to secure the future of our economy and workforce. Here's how:

- ▶ Enhanced curriculum in Y programs to meet future ND workforce demand
- ▶ Additional YMCA child care staff to increase capacity
- ▶ More efficient recruitment of employees such as faster and more accurate background checks
- ▶ Upgraded practices, equipment and facilities to ensure safety and health of children and staff

I am very thankful for everything that the YMCA has done for me and Kalani. Because of the Y, I didn't have to choose between rent and childcare. I have no doubt that Kalani will be ready for school thanks to all of the help from the Y.

- Nicole, Kalani's mother

We also provide: • Emergency Child Care for Essential Workers • Youth Sports & Enrichment • Meals & Food Distribution • Senior Wellness & Socializing • New American Support • Water Safety & Swimming Lessons • Adaptive Programming • Cancer Survivor Wellness • And So Much More!

ALLIANCE OF NORTH DAKOTA YMCAs

BISMARCK - Missouri Valley Family YMCA
1608 N Washington St | bismarckymca.org

FARGO - YMCA of the Northern Sky
400 1st Ave S & 4243 19th Ave S
ymcanorthernsky.org

GRAND FORKS - Grand Forks YMCA Family Center
215 N 7th St, Grand Forks | gfyymca.org

MINOT - YMCA of Minot North Dakota
3515 16th St SW | ymcaminot.org



Testimony
Senate Workforce Committee
SB 2389
Senator Kathy Hogan
Feb 13, 2025

Chairman Wobbema and members of the Senate 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 enacted many new initiatives primarily through HB 1540. Here is the link to the overview of the Governor's budget on early childhood services.

https://ndlegis.gov/assembly/69-2025/testimony/HAPPHUM-1012-20250128-32188-F-LARSON_KAY.pdf There are a range of amendment for HB 1012 on childcare that are attached to this document. I am pleased to tell you that an employer tax credit SB 2282 for support of childcare funding by employer has passed the Senate.

Over the last two years, we have increased reimbursement rates for childcare assistance, but currently only 20% of the eligible children/families use the benefit. We have tried many approaches, but we continue to hear from families who are paying \$25,000-35,000/year for two children in care that they need help. Providers report that most wages are still in the \$12-14/hour range without benefits. There continues to be a crisis for employers and family.

You should be aware that the House has turned a re-write of the childcare licensing rules into a childcare licensing study HB 1119 (attached) and Senator Beard had an amendment to structure the study differently (attached). I support the Beard amendment, but would recommend that there are at least 2 representatives from the Senate and House.

This bill has been developed in collaboration with the Chamber of Commerce and the childcare community. Thank you for considering SB 2389 I am more than willing to answer any questions.

25.8078.02000

Sixty-ninth
Legislative Assembly
of North Dakota

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1119

Introduced by

Human Services Committee

(At the request of the Department of Health and Human Services)

- 1 A BILL for an Act to provide for a legislative management study regarding early childhood
2 services and child care.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. LEGISLATIVE MANAGEMENT STUDY - EARLY CHILDHOOD SERVICES.**

- 5 1. During the 2025-26 interim, the legislative management shall consider studying the
6 laws, administrative rules, and policies relating to early childhood services and child
7 care.
- 8 2. The study must:
- 9 a. Evaluate the current early childhood services framework, identifying strengths,
10 challenges, and opportunities, including opportunities to streamline the
11 administrative process, to enhance clarity for providers, and to provide services
12 for more children.
- 13 b. Consider licensing requirements, the federal and state assistance programs
14 available, education requirements for program operators, training and certification
15 requirements for staff members, the number of children in an early childhood
16 program, child to provider ratios, and square footage requirements.
- 17 3. The legislative management shall report its findings and recommendations, together
18 with any legislation necessary to implement the recommendations, to the seventieth
19 legislative assembly.

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY - EARLY CHILDHOOD SERVICES
ADVISORY COMMITTEE**

1. During the 2025-26 interim, the legislative management shall establish and provide staffing and administrative services to an early childhood services advisory committee to study the laws, administrative rules, and policies relating to early childhood services and child care.

2. The study must:

a. Evaluate the current early childhood services framework, identifying strengths, challenges, and opportunities, including opportunities to streamline the administrative process, to enhance clarity for providers, and to provide services for more children.

b. Consider licensing requirements, the federal and state assistance programs available, education requirements for program operators, training and certification requirements for staff members, the number of children in an early childhood program, child to provider ratios, and square footage requirements.

c. Include input from an advisory committee.

3. The advisory committee shall consist of:

a. Three representatives of the department of health and human services;

b. Two child care center representatives appointed by the legislative management;

c. Two group child care representatives appointed by the legislative management;

d. Two preschool program representatives appointed by the legislative management;

e. A member of the house of representatives selected by the majority leader of the house of representatives; and

f. A member of the senate selected by the majority leader of the senate.

4. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the seventieth legislative assembly.



**GREATER NORTH DAKOTA CHAMBER
SB 2389**

**Senate Workforce Development Committee
Chair Mike Wobbema
February 13, 2025**

Mr. Chairman and members of the Committee, my name is Andrea Pfennig, and I am the Vice President of Government Affairs for the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **support** of Senate Bill 2389.

Labor availability has been identified as the top business concern facing companies in North Dakota. In our 2024 ND Economics and Employer Survey of our membership:

- 70% of respondents indicated they were having trouble hiring employees.
- 69% of respondents indicated that childcare was an issue for their organization.

In the 2023 legislative session, a historic \$65.6 million funding package was passed to help address childcare shortages within the state. GNDC would like to express its appreciation to the legislative body for recognizing the impacts lack of childcare can have on the workforce.

However, we also feel it would be beneficial to ensure efficient utilization of resources by measuring the impact. We feel this study would be a positive step in addressing the childcare shortage in the state by establishing metrics to measure success, fully understand the issue, and develop solutions that will keep North Dakota moving forward.

Childcare remains an issue for our members, and we would like to express our support for effective and rapidly deployed solutions. We feel this study will help identify which strategies are providing the highest results.





Letter of Support – SB 2389

Thursday, February 13, 2025

Chairman Wobbema and members of the Senate Workforce Development Committee,

For the record, my name is Cale Dunwoody, and I have the distinct pleasure of serving as the Vice President of Public Policy 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 2389.

At the FMWF Chamber, our mission is to protect and promote business, inspire individuals, cultivate communities, and influence action. We commend the 68th Legislative Assembly for their critical investments to address the need for accessible, affordable, and quality childcare throughout our state. Childcare is central to the state's workforce challenges, and to adequately address workforce shortages, the state must also address childcare.

In this evolving economy, it is critical to continuously evaluate programs, policies, and data to better understand the current landscape of the childcare industry. This study will analyze critical childcare infrastructure providing policy makers, businesses leaders, and community groups with vital information needed to effectively address the childcare crisis. This review of the state's childcare infrastructure will influence effective and long-lasting solutions that support the childcare industry and working families across North Dakota.

The passage of this bill demonstrates the state's commitment to childcare and offers additional information needed to create strategies and initiatives that will support providers, employers and working families. We respectfully ask the 69th Legislative Assembly to support this study and urge this committee to give Senate Bill 2389 a DO PASS recommendation.

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

Sincerely,

Cale Dunwoody
Vice President of Public Policy
Fargo Moorhead West Fargo Chamber of Commerce

2025 SENATE STANDING COMMITTEE MINUTES

Workforce Development Committee Fort Lincoln Room, State Capitol

SB 2389
2/14/2025

A BILL for an Act to provide for a legislative management study regarding child care infrastructure.

9:20 a.m. Chairman Wobbema opened the hearing.

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

Discussion Topics:

- Working group study
- Licensing requirements

9:29 a.m. Senator Larson moved Do Not Pass.

9:29 a.m. Senator Powers seconded the motion.

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

Motion Passed 4-0-1

Senator Larson will carry the bill.

9:33 a.m. Chairman Wobbema closed the hearing.

Andrew Ficek, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2389 ([25.1371.01000](#))

Workforce Development Committee (Sen. Wobbema, Chairman) recommends **DO NOT PASS** (4 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2389 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.