

Legislative Economic Impact Committee - October 8, 2013

2013 Legislative Action Impacting Child Care Capacity

Linda Reinicke, Child Care Aware of North Dakota

House Bill 1422

SECTION 1. Changed the capacity of "group child care" from 18 to 30 children

| City | County | 6 new programs created 158 spaces | 16 existing program created 155 spaces |
|--------------|-------------|--------------------------------------|---|
| Lansford | Bottineau | 20 | |
| Bowbells | Burke | | 12 |
| Powers Lake | Burke | | 6 |
| Arthur | Cass | | 12 |
| Killdeer | Dunn | 29 | |
| New Rockford | Eddy | | 5 |
| Emerado | Grand Forks | 29 | |
| Napoleon | Logan | | 18 |
| Wishek | McIntosh | | 7 |
| Wishek | McIntosh | | 12 |
| Washburn | McLean | | 6 |
| Turtle Lake | McLean | | 8 |
| Hazen | Mercer | | 12 |
| Mandan | Morton | 30 | |
| Stanley | Mountrail | 20 | |
| Parshall | Mountrail | | 12 |
| Milnor | Sargent | 30 | |
| Hope | Steele | | 12 |
| Buxton | Traill | | 6 |
| Grafton | Walsh | | 3 |
| Minto | Walsh | | 12 |
| Kenmare | Ward | | 12 |

TOTAL NEW PROGRAMS 6

TOTAL INCREASE IN CAPACITY 313

- Group 30 license a step between traditional home-based child care and a center that allows smaller communities to care for more children
- 17 programs in non-residential facilities in small communities

- Some providers significantly expanding smaller programs requiring a broader understanding of business practices and child management
- Child Care Aware reaching out to Group 30 to help them establish sound business practices

SECTION 2. Allows employers to operate licensed-exempt child care programs when located in the actual building in which the child’s parent is employed and capacity does not exceed ten children per location.

- Because employers operating child care programs with ten or less children are not required to become licensed, the state has no data to measure the impact
- Child Care Aware will offer assistance to businesses interested in starting on-site child care regardless. The availability of Child Care Aware services will be promoted through economic developers, SBDC, community leaders, etc.

SECTION 3. Allows centers to become licensed without access to outdoor play space if the program has sufficient indoor recreation space.

- To date, no new centers licensed under this rule

SECTION 4. Increases the maximum group size in center-based care

| | |
|---------------|---------------|
| 0 – 18 months | from 8 to 10 |
| 19-36 months | from 10 to 15 |
| 3-4 years | from 14 to 20 |
| 4-5 years | from 20 to 25 |
| 5-6 years | from 24 to 30 |
| 6-12 years | from 36 to 50 |

- A majority of current facilities do not have an option to financially afford structural changes to expand rooms, or do not have the space for renovating. New builds will use new groups size to plan facilities
- Some directors not willing to add more children into the age group; they don’t feel this is best practice for the children. Adding more children in the space will add more stress to staff hampering staff retention

SECTION 5. Appropriated an additional \$1,000,000 for child care provider incentive grants (to be added to \$3, 100,000 for recruitment and quality improvement efforts)

- Child Care Aware recruitment and quality improvement projects rolling out across the state (see attached marketing flyers)
- Anticipated outcomes
 - 249 new programs (222 residential and 27 non-residential facilities)
 - 630 providers receive consultation to make meaningful changes for children and families and for the viability of their business

- 174 scholarships for Child Development Associate Credential

SECTION 6. Appropriated \$300,000 for two inclusion specialists

- Lutheran Social Services of ND awarded grant through RFP process
- Two inclusion specialists to be hired to work in Child Care Aware offices
- Inclusion specialists will work with DHS to distribute inclusion grants (\$400,000)

SECTION 8. Changed the child care assistance eligibility requirement from 50% of the state median income to 85% percent of the state median income.



Scenario 1: The Flintstones
Family of 3, one toddler in Center FT
Gross income of \$3,200 per month
Monthly child care tuition = \$675

Currently,

- Qualify= no
- Co-pay = n/a
- Max reimbursement= n/a
- Difference= n/a

Total Cost: \$675

July 1,

- Qualify= yes
- Co-pay = \$139
- Max reimbursement= \$600
- Difference= \$75

Total Cost: \$214



Scenario 2: The Simpsons
Family of 5, 1 FT infant, 1 FT PS,
1 SA (14-25 Hrs) in Center
Gross income of \$5,000 per month
Monthly child care tuition = \$1450

Currently,

- Qualify= no
- Co-pay = n/a
- Max reimbursement= n/a
- Difference= n/a

Total Cost: \$1,450

July 1,

- Qualify= yes
- Co-pay = \$252
- Max reimbursement= \$1528
- Difference= \$0 (-\$78)

Total Cost: \$252



Scenario 3: The Squarepants
Family of 2, one toddler in Center FT
Gross income of \$2,000 per month
Monthly child care tuition = \$675

Currently,

- Qualify= yes
- Co-pay = \$142
- Max reimbursement= \$600
- Difference= \$75

Total Cost: \$217

July 1,

- Qualify= yes
- Co-pay = \$82
- Max reimbursement= \$600
- Difference= \$75

Total Cost: \$157

- Marketing: DHS distributed public service announcements. Child Care Aware held informational meetings for center directors in the eight major cities
- Eligibility increase designed to provide stronger cash flow for centers at risk of closing
- Parents now have subsidies but centers hesitant to increase fees to prevent families that fall off the cliff from paying higher fees

To determine the impact of the new eligibility requirements on child care businesses, Child Care Aware surveyed 30 centers in western ND

- 16 promoted CCA to their parents. 14 did not promote CCA
- Of those promoting CCA, one center reported 20 families newly enrolled in CCA
- Other centers reported an average of four families newly enrolled
- Out of 30 centers in western ND, 24 do not plan to raise rates or salaries. Six (five in Minot and one in Bismarck) will raise rates and salaries
 - Rate increases range from 4%-25%
 - Salary increases range from \$.50 to \$5.00 an hour
 - One offers a \$200 sign-on bonus
- Challenges identified by center directors
 - Because CCA reimbursements come 4-6 weeks after care has been provided, programs must provide care 4-6 weeks without an income. 16 centers struggle between “floating” parents on CCA and requiring advance payments
 - Eight programs find the paperwork cumbersome and time consuming
 - Four programs report some working parents not willing to access CCA because they perceive CCA as “welfare”

Senate Bill 2018

SECTION 3. Appropriated \$400,000 to provide grants to licensed providers that care for children with disabilities or developmental delays. Grants may be used for equipment, renovation of facilities, and staff.

- DHS currently designing the delivery of the grants
- Inclusion specialists (funded by HB 1422) will provide consultation to grantees

Child Care Facility Grants (\$2.5M) The Department of Commerce received requests for over \$4.9 million, and the contracts are in the process of being executed.

Child Care in North Dakota 2013

North Dakota's economy continues to thrive, with parents of young children a significant portion of the ever-growing workforce. Child care has become a major part of family life and is critical to a community's infrastructure and its quality of life. The gap between the actual child care supply and demand presents challenges for parents searching for child care, particularly for infants and toddlers. Efforts are being made to provide start-up grants, financing and support. However, the increased number of children in the state, the increased percentage of parents in the workforce, and the actual loss of current capacity continues to strain the system.

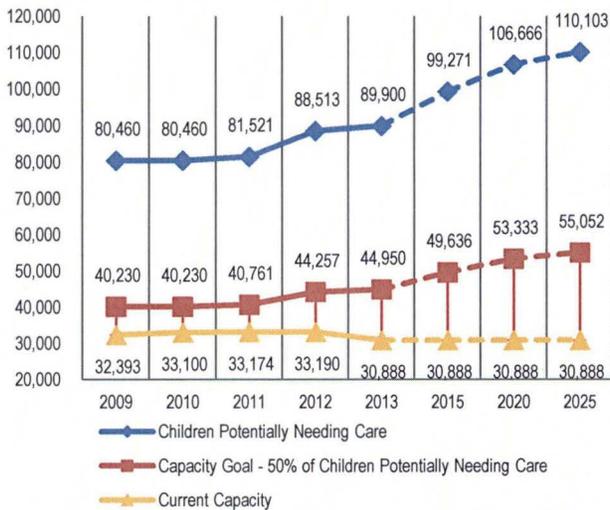
This report was compiled to illustrate child care trends over the last five years, and what can be expected in the coming ten years in the state and in each county. It is intended to be a reference as communities plan for their current and future child care needs.

The chart below reports North Dakota's child population as projected to increase 19% by 2025, creating a demand for an additional 10,000 child care spaces just to maintain the current proportion of child care for the additional population. 24,000 more child care spaces would be needed to meet 50% of the potential child care demand in 2025.

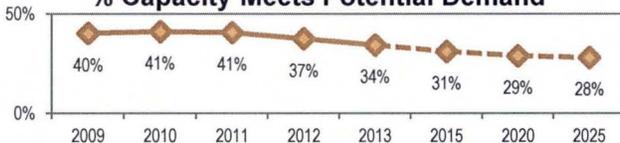
In 2010, North Dakota's child care supply met 41% of the potential demand, slipping to just 34% in 2013.

The maps below show the change from 2012 to 2013 in child care supply as compared to demand in North Dakota counties. Using a benchmark of meeting 50% of the potential demand, this is calculated by children ages birth to 12 multiplied times the percent of parents in the workforce. The benchmark of 50%, rather than 100%, allows for those families who may work alternating shifts, use family or friends for care, or leave older children home alone for short periods of time.

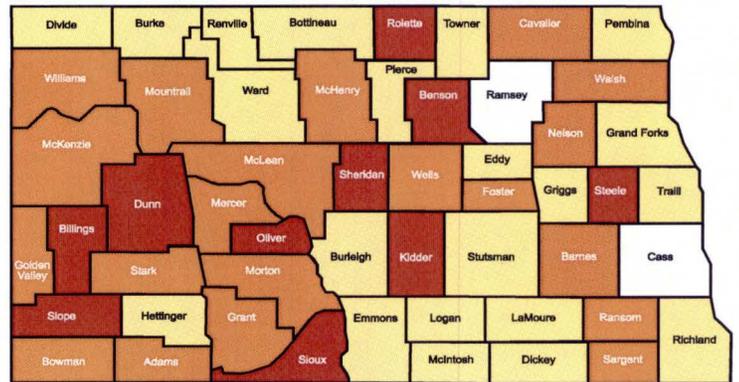
2009-2025 Trend in Child Population, Current Capacity, Needed Capacity



% Capacity Meets Potential Demand



2013 Extent Licensed Care Meets Potential Demand

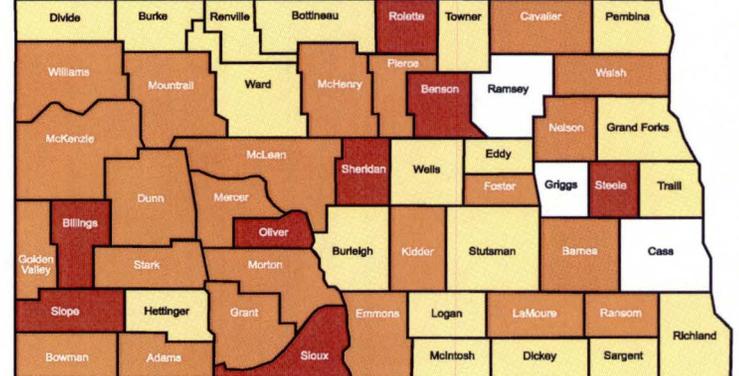


Extent licensed child care meets demand

0 to 10% 11 to 25% 26 to 49% 50 to 80%

Source: Potential Demand for Child Care (2013), Child Care Aware® of North Dakota Parent Services Database
Revised 8/13

2012 Extent Licensed Care Meets Potential Demand



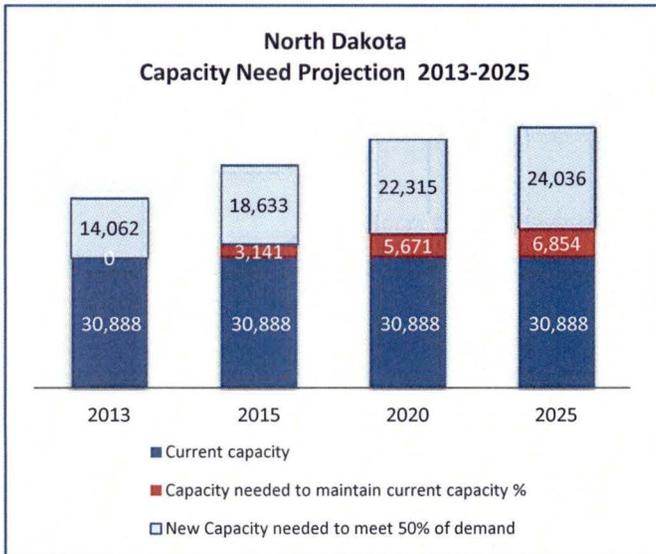
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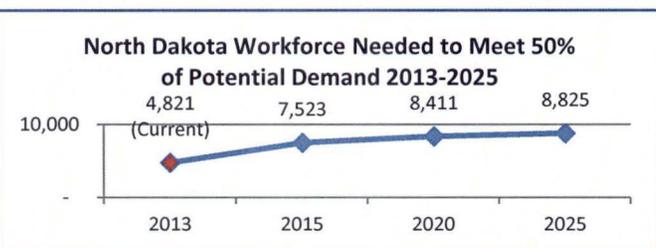
Source: Potential Demand for Child Care (2012), CCR&R Parent Services Database



Capacity Need Projection: North Dakota's population, including children, is projected to continue to increase across the state through 2025. The chart below graphs the growing need for child care through 2025. Assuming current capacity is maintained, the red bar shows the capacity needed to keep pace at the current proportion of available slots, and the light blue reports the additional capacity needed, at a growth rate of 3% per year, to meet 50% of the potential demand by 2025.



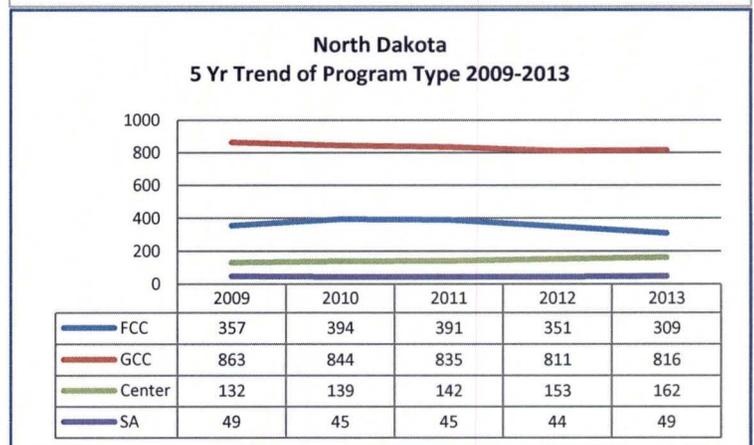
Workforce Need Projection: Correlated to the projected need for more capacity, is the need for additional workers to care for and educate children in child care settings. The chart below reports the numbers of workers that will need to be recruited and trained, using a 1:7 average ratio. Currently, the lack of available workers is limiting child care expansion.



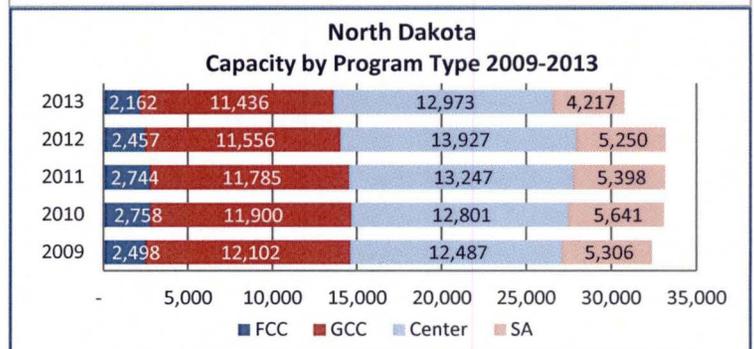
Annual Program Turnover Trend: Turnover is reported as the programs that close each year as a percentage of the total programs. Turnover in 2013 at 15% decreased from 2012. These programs need to be retained or replaced to maintain the current capacity, in addition to building new capacity.



Trend of Program Type (right): There has been a gradual decline in the numbers of Family and Group licenses, and a slight increase in the numbers of Center and School-Age licenses over the last five years.



Capacity by Program Type: The chart below depicts child care licensed capacity for each of the child care license types for each of the last five years. A Family license allows care for 7 children plus 2 school-age children, a Group license allows care for up to 30 children depending on usable space and local ordinances, a Center license does not dictate a maximum capacity, and a School-Age license also does not limit maximum capacity but depends on space and adult to child ratios. After slight gains over the past few years, capacity declined in the past year.

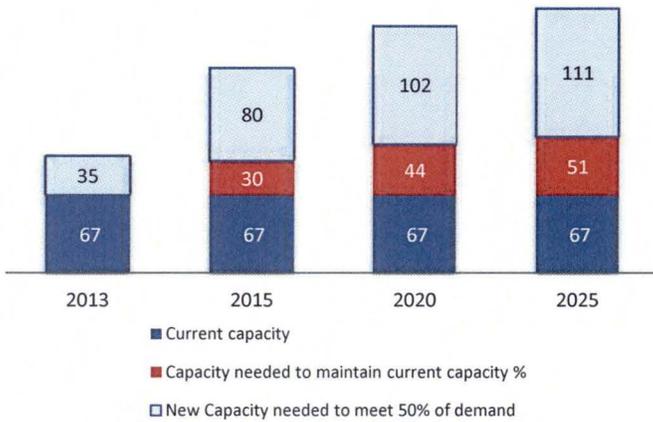


Region 1 Child Care Trends

Divide County

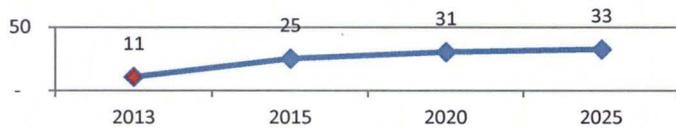
Capacity Need Projection: The county's child population projection graphs the need for child care through 2025 (U.S. Census Bureau and the Center for Social Research at NDSU). Assuming current capacity is maintained, the red bar shows the capacity needed to keep pace at the current proportion of available slots, and the light blue reports any additional capacity needed, at a growth rate of 3% per year, to meet 50% of the potential demand by 2025.

**Divide
Capacity Need Projection 2013-2025**



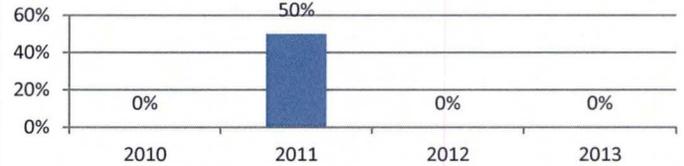
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**Divide
Workforce Needed to Meet 50% of Potential Demand 2013-2025**



Annual Program Turnover Trend: Turnover is reported as the programs that close each year as a percentage of the total programs. These programs need to be retained or replaced to maintain the current capacity, in addition to building new capacity.

**Divide
% Annual Program Turnover 2010-2013**



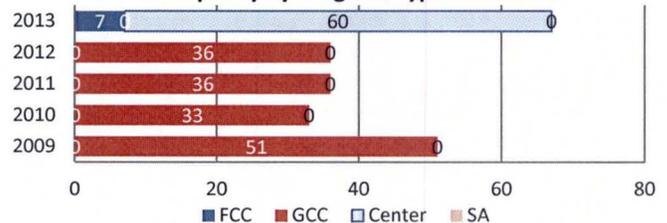
5 Yr Trend of Program Type: Reports the numbers of licensed programs for the last five years.

**Divide
5 Yr Trend of Program Type 2009-2013**



Capacity by Program Type: This chart depicts child care licensed capacity for each of the child care license types for each of the last five years (Child Care Aware of North Dakota Child Care Profiles). A Family license allows care for 7 children plus 2 school-age children; a Group license allows care for up to 30 children depending on usable space and local ordinances; a Center license does not dictate a maximum capacity; and a School-Age license also does not limit maximum capacity, but depends on space and adult to child ratios.

**Divide
Capacity by Program Type 2009-2013**



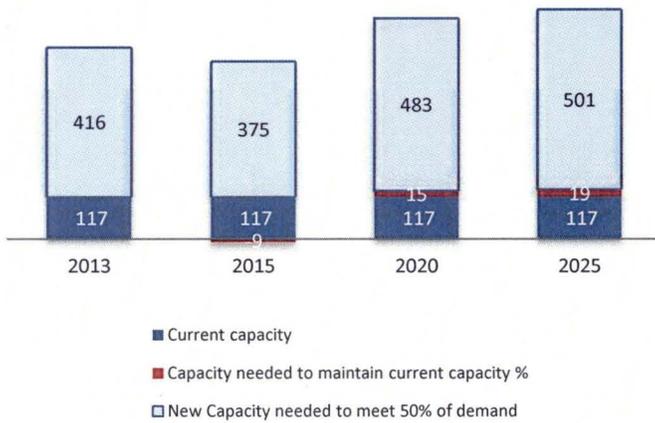
Region 1 Child Care Trends

McKenzie County

Capacity Need Projection: The county's child population projection graphs the need for child care through 2025 (U.S. Census Bureau and the Center for Social Research at NDSU). Assuming current capacity is maintained, the red bar shows the capacity needed to keep pace at the current proportion of available slots, and the light blue reports any additional capacity needed, at a growth rate of 3% per year, to meet 50% of the potential demand by 2025.

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**McKenzie
Capacity Need Projection 2013-2025**



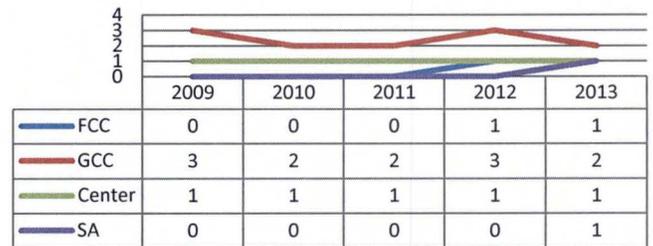
**McKenzie
% Annual Program Turnover 2010-2013**



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**McKenzie
5 Yr Trend of Program Type 2009-2013**

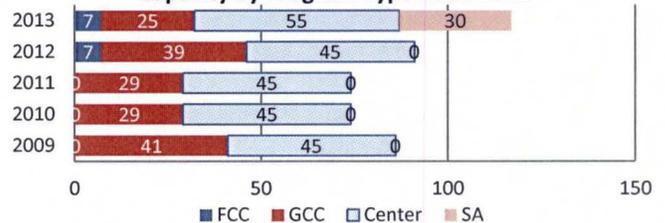


**McKenzie
Workforce Needed to Meet 50% of Potential
Demand 2013-2025**



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**McKenzie
Capacity by Program Type 2009-2013**



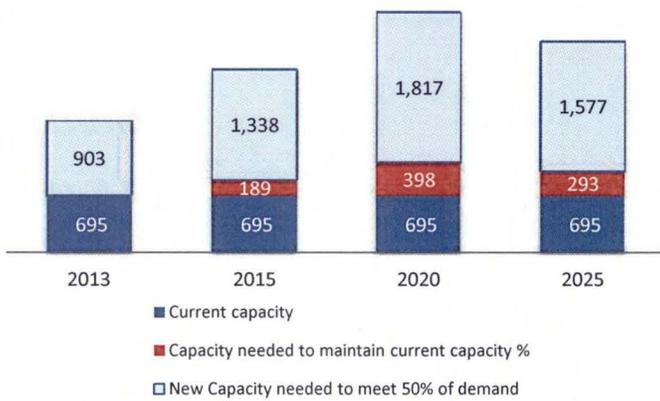
Region 1 Child Care Trends

Williams County

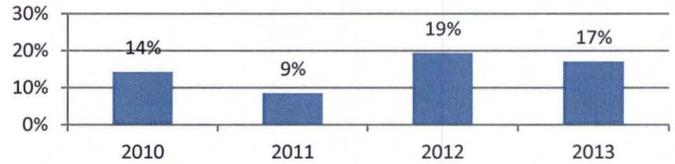
Capacity Need Projection: The county's child population projection graphs the need for child care through 2025 (U.S. Census Bureau and the Center for Social Research at NDSU). Assuming current capacity is maintained, the red bar shows the capacity needed to keep pace at the current proportion of available slots, and the light blue reports any additional capacity needed, at a growth rate of 3% per year, to meet 50% of the potential demand by 2025.

Annual Program Turnover Trend: Turnover is reported as the programs that close each year as a percentage of the total programs. These programs need to be retained or replaced to maintain the current capacity, in addition to building new capacity.

**Williams
Capacity Need Projection 2013-2025**



**Williams
% Annual Program Turnover 2010-2013**



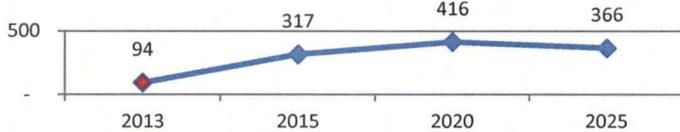
5 Yr Trend of Program Type: Reports the numbers of licensed programs for the last five years.

**Williams
5 Yr Trend of Program Type 2009-2013**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|--------|------|------|------|------|------|
| FCC | 9 | 10 | 12 | 15 | 13 |
| GCC | 24 | 23 | 22 | 24 | 22 |
| Center | 2 | 2 | 2 | 2 | 4 |
| SA | 0 | 0 | 0 | 0 | 0 |

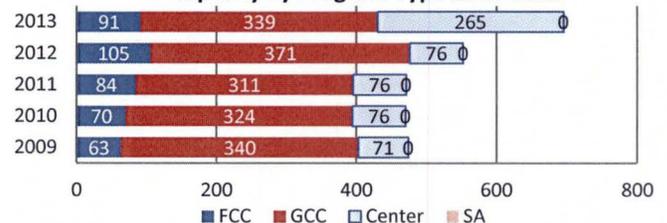
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**Williams
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**Williams
Capacity by Program Type 2009-2013**



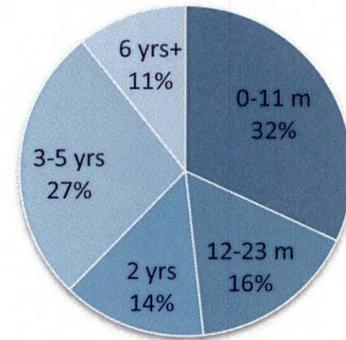
2011-2013 Activity Report

Helping Families Find and Use Child Care

North Dakota families searching for child care can get help through ND CCR&R's online child care database. Or, if they prefer to speak with an experienced parent counselor, they can call CCR&R's toll-free numbers. Families receive information on child care programs that match their specific needs, an easy-to-use checklist, and average costs.

In the 2011-2013 biennium, 2,305 families chose to call CCR&R's parent counselors for a personal assistance, and 10,971 child care searches were completed independently using the web at ndchildcare.org.

Requests for Child Care by Age
 7/1/11 to 6/30/13



Building the Child Care Supply

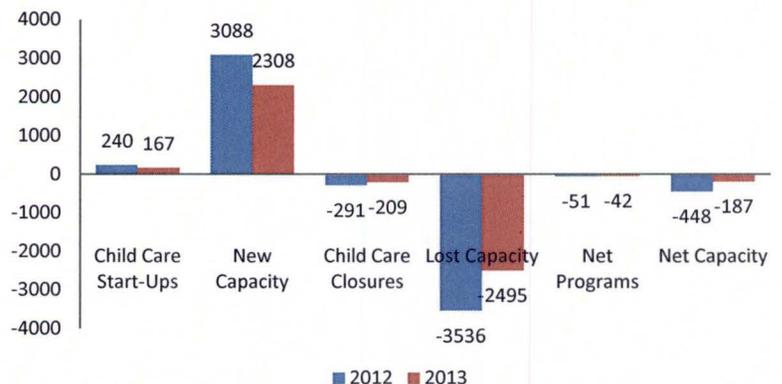
ND CCR&R helps new child care programs get started on the right foot. Training and technical assistance supports new operators as they develop their business plan and budgets, design their space, hire staff, and create contracts, policies and procedures. Modest incentives help participants furnish and equip their new child care business.

407 new child care businesses opened

239 received CCR&R start-up incentives

5,396 new child care spots

Change in Child Care Capacity 2012-2013



About Us

North Dakota Child Care Resource & Referral was established by the North Dakota State Legislature in 1991. Today, through a contract with the North Dakota Department of Human Services, CCR&R helps parents connect to child care and works to recruit, train and retain a child care workforce that serves the needs of working families, communities and employers.

CCR&R office locations in western North Dakota

Bismarck: 888-223-1510
 Minot: 800-450-7801

CCR&R office locations in eastern North Dakota

Fargo/Moorhead: 800-941-7003
 Grand Forks: 888-778-3435
 Jamestown: 888-767-0350

Start Your Own In-Home Child Care Business



Child care providers play an important role in shaping the lives of children and provide an important service to their community.

You may have what it takes to succeed as a child care provider if you:

- are self-motivated and organized
- can be a good communicator
- are creative and energetic
- enjoy learning, teaching and helping children explore and develop new skills
- want to run your own business



■ High demand

A statewide shortage of child care means opportunity! You can get a family or group child care up and running quickly with no up front marketing costs.

■ Free Training & Support

All the required training you need to get started is available online through Child Care Aware® of North Dakota. Access free support for help with contracts, policies, activities and your child care space.

■ Steady Income

Child care is a year-round business that provides a steady income. You can control your hours, set your own rates and work from home.

■ Funds for Start-Up

Newly licensed family/group child care providers may qualify for funding to support start-up costs.

■ Basic Licensing

After a helpful orientation, you'll complete a background check, a home inspection and a short course on basic child care.



Contact Us to Learn More & Apply

Western ND
888-223-1510 or 701-223-1510
aschwab@lssnd.org

Eastern ND
888-767-0350 or 701-252-0350
verlaj@lakesandprairies.net

www.ndchildcare.org

Child Care Aware® of North Dakota is a program of Lutheran Social Services in western North Dakota and Lakes and Prairies Community Action Partnership in eastern North Dakota



Now's a Great Time to Start Your Own **Child Care Facility**

Potential operators of child care facilities can now apply to receive:

- **Business Planning**
Child Care Aware® can help you create a sound business plan - a critical component of a sustainable child care operation.
- **Consultation**
Trained and experienced consultants are available to help you with location, program arrangement, equipment needs, curriculum planning, health & safety, working with families, and more.
- **Marketing**
Child Care Aware® of North Dakota's Referral Services and online child care database help families connect to your program.
- **Scholarships**
Scholarships may be available to assist in attaining your CDA or Director Credential.
- **Free Staff Training**
Child Care Aware® of North Dakota's online training center offers a full-range of courses - including basic care, curriculum planning and business operations.
- **Financial Assistance**
Newly licensed, center or group facilities may qualify for funding to support start-up costs.



Child Care Aware® - Western ND
888-223-1510 or 701-223-1510
jprince@lssnd.org

Child Care Aware® - Eastern ND
800-941-7003 or 218-299-7007
jackieb@lakesandprairies.net

www.ndchildcare.org

*Child Care Aware® of North Dakota is a program of Lutheran Social Services in western North Dakota
and Lakes and Prairies Community Action Partnership in eastern North Dakota*

Let's Explore



Block Play

Discover what children learn during block play, how to talk to children about their block play, and ways to overcome the challenges of block play - including that pesky clean up time.



Nature

Explore the beauty and rich educational benefits of nature. Learn ways to create year-round nature experiences - even indoors.



Emotions: Feeling Frustrated

Are you and your children riding a roller coaster of emotions? Gain a new understanding of children's emotions, smooth out the highs and lows, and discover ways to encourage self-regulation.



Healthy Habits

Simple routines can deliver big results. Learn ways to encourage healthy habits, such as toothbrushing and handwashing, that reduce illness and improve wellness.



Infant & Toddler Play

Infants and toddlers learn best by exploring through all of their senses. Together we'll explore simple and inexpensive ways that help these eager explorers learn from the world around them.



Beyond Books

The building blocks of literacy are all around us. Go beyond the page by using books and experiences to strengthen children's literacy skills.



Western North Dakota
Child Care Aware® - Let's Explore
1616 Capitol Way
Bismarck, ND 58501
888-223-1510 or 701-223-1510

Space is limited.
Priority will be given to child care programs who have not recently participated in a CCR&R initiative.

www.ndchildcare.org

Eastern North Dakota
Child Care Aware® - Let's Explore
2512 C South Washington
Grand Forks, ND 58201
888-778-3435 or 701-772-1106

Introducing 6 exciting topics that will energize your child care program!

The Let's Explore opportunity will show you ways to maximize learning during daily activities and routines. Child Care Aware® of North Dakota's child care consultants are eager to come to your program (3 visits) to share tips, provide free materials and demonstrate ways you can incorporate fun learning time into any day without shattering your budget.

What topic do you want to explore?

The fastest and easiest way to express your interest in Let's Explore is to complete an online interest form at

www.ndchildcare.org/info/explore.html

OR complete this form and mail to your regional Child Care Aware® location listed below on the left.

NAME _____

ADDRESS _____

CITY _____

COUNTY _____

PHONE _____

EMAIL _____

PROVIDER TYPE:

Family Group Self-Declared

Rank topics from 1 to 6 with 1 being your first choice. Maximize your learning by choosing topics that are unfamiliar, challenging, or new to you.

___ Block Play ___ Healthy Habits

___ Nature ___ Infant /Toddler

___ Emotions ___ Beyond Books