

**Testimony
Child Care Study
Economic Impact Interim Committee
Senator Dave Oehlke, Chairman
September 29, 2014**

Chairman Oehlke, and members of the Economic Impact Committee, I am Jennifer Barry, the Early Childhood Services Administrator with the North Dakota Department of Human Services (Department). I am here today to give you an updated report on child care capacity and to share with you some of the Department's efforts to recruit licensed child care providers in response to the high child care demand we are seeing across the state.

The [two capacity snapshots](#) I have attached show some positive movement. From July 2013 to July 2014, 2,600 new licensed child care slots were added in the state, and capacity has increased every month after July 2013 except March 2014. In most counties, the extent that licensed child care meets the potential demand has increased from July 2013 to July 2014. While this information is encouraging, there are still 30 counties in which the licensed capacity meets less than 30 percent of the demand for child care. We also know that while the number of licensed slots has increased, that many programs are not able to operate at full capacity because of the operator's inability to hire and maintain staff to meet ratio requirements. This is why the Department is committed to continued recruitment efforts with multiple partners.

As part of our contract with Child Care Aware of N.D., the Department is able to offer free training, one-on-one consultation, and financial incentives for new child care applicants. The incentives range from \$800-\$1,200 for home providers to up to \$15,000 for child care facilities. The

financial incentives may be used to purchase necessary materials and equipment such as shelving, toys and other learning materials, fire safety equipment, and child-sized furniture. With the current biennium's funding, Child Care Aware is working with 136 home providers, of which 116 have already obtained licensing, and 30 child care facility operators, of which 15 have obtained licensing.

The Department and the Department of Commerce have worked collaboratively on a [brochure](#), which I have handed out. The brochure will be used by the various agencies included in the brochure as a way of referring potential child care providers to all of the resources that are available to them.

Finally, I'm pleased to present, as much as time allows, the new licensed home child care provider recruitment video that the Department has partnered with the Department of Commerce to develop. We plan to make the video available to the public on multiple websites, in the county social service licensing offices, in early childhood higher education programs, at job fairs, parenting groups, local economic development agencies, and through any other appropriate venue.

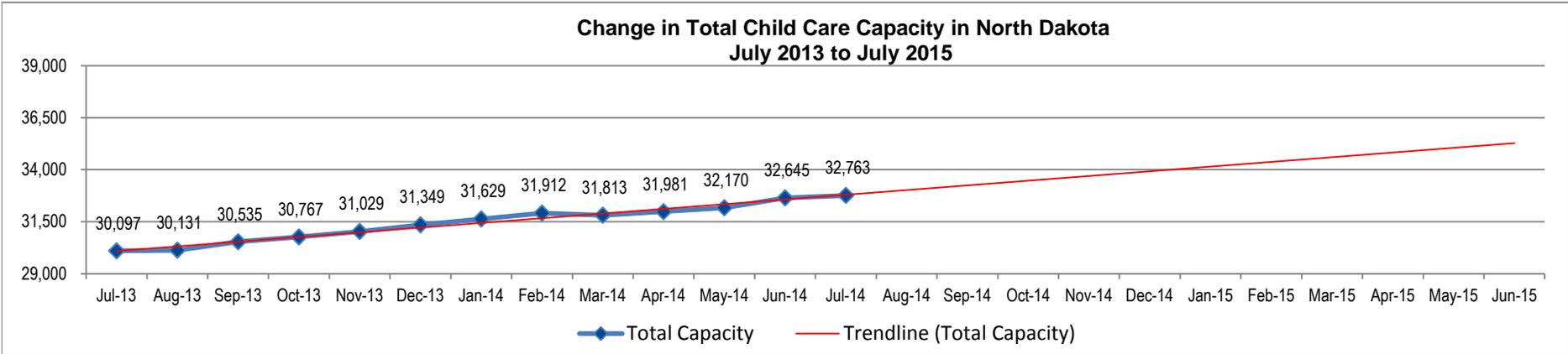
The Department is hopeful that these current efforts will result in the recruitment of new quality child care programs that are able to access multiple resources and be successful in serving their community needs.

This concludes my testimony, and I am happy to answer any questions you might have.

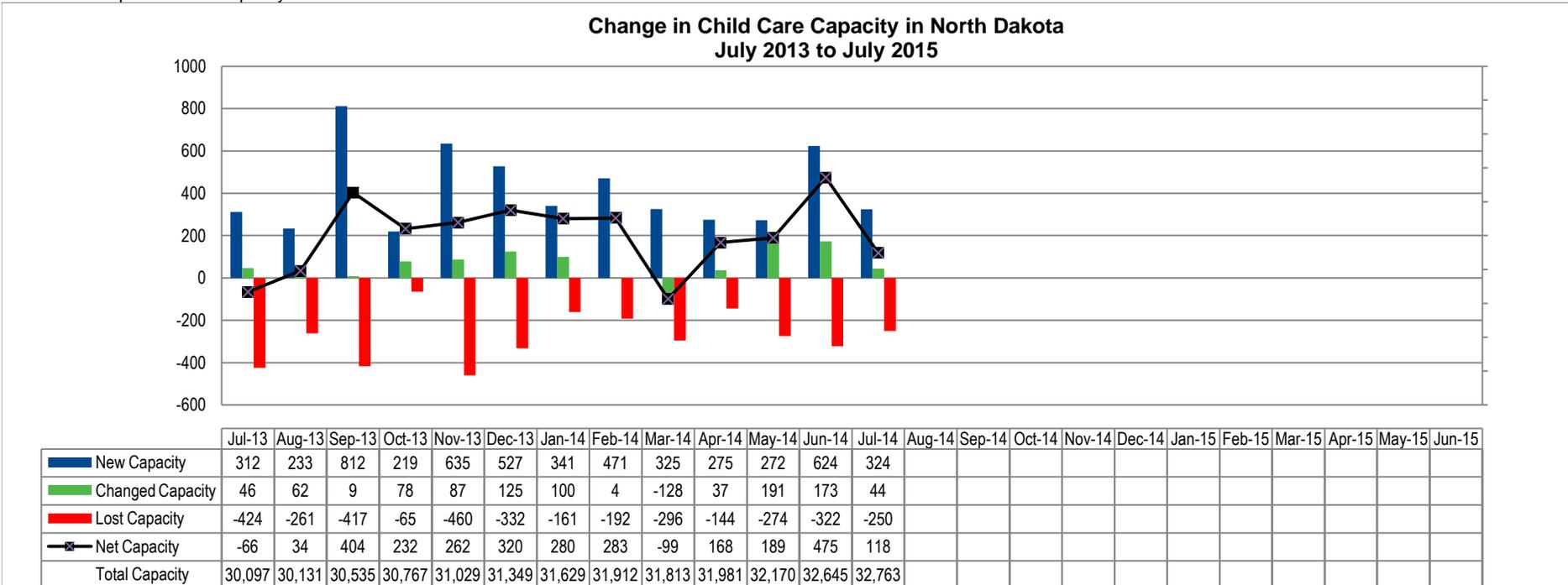
North Dakota Child Care Capacity Snapshot

as of July 31, 2014

Child care capacity has increased each month since July, 2013 with the exception of March, totaling 2,600 new spots (8.6%).



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



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



North Dakota Child Care Capacity Snapshot

	July, 2013				July, 2014		Capacity Goals		
	Children Ages 0 to 5 potentially needing child care (NDKC)	Children Ages 6 to 12 potentially needing child care (NDKC)	Capacity of licensed child care (CCA)	Extent licensed care meets potential demand	Net Change in licensed capacity since 7/1/13	extent licensed care meets potential demand	Additional capacity needed to meet 30% of demand	Additional capacity needed to meet 40% of demand	Additional capacity needed to meet 50% of demand
North Dakota	41,647	48,253	30,163	33.6%	2,600	36.4%	-	3,197	12,187
Adams	140	150	66	22.8%	1	23.1%	20	49	78
Barnes	520	802	272	20.6%	96	27.8%	29	161	293
Benson	450	809	18	1.4%	9	2.1%	351	477	603
Billings	44	46	-	0.0%	0	0.0%	27	36	45
Bottineau	286	371	186	28.3%	79	40.3%	-	-	64
Bowman	207	230	96	22.0%	36	30.2%	-	43	86
Burke	98	141	76	31.8%	8	35.1%	-	12	36
Burleigh	5,684	6,378	3,996	33.1%	168	34.5%	-	661	1,867
Cass	10,306	10,531	11,193	53.7%	468	56.0%	-	-	-
Cavalier	170	259	103	24.0%	0	24.0%	26	68	111
Dickey	316	416	307	42.0%	3	42.4%	-	-	56
Divide	65	138	67	32.9%	2	33.9%	-	12	33
Dunn	188	214	23	5.7%	40	15.7%	57	98	138
Eddy	112	166	78	28.1%	27	37.8%	-	6	34
Emmons	174	216	103	26.4%	18	31.0%	-	35	74
Foster	175	202	58	15.4%	0	15.4%	55	93	130
Golden Valley	88	141	50	21.8%	30	34.9%	-	12	35
Grand Forks	3,577	4,016	3,055	40.2%	253	43.6%	-	-	489
Grant	126	146	39	14.3%	24	23.1%	19	46	73
Griggs	91	128	87	39.8%	-67	9.1%	46	68	89
Hettinger	69	171	65	27.1%	-11	22.5%	18	42	66
Kidder	111	148	18	7.0%	0	7.0%	60	86	111
Lamoure	215	299	134	26.1%	3	26.6%	17	69	120
Logan	96	136	103	44.4%	7	47.4%	-	-	6
McHenry	217	436	117	17.9%	13	19.9%	66	131	196
McIntosh	163	163	89	27.3%	19	33.1%	-	22	55
McKenzie	418	647	117	11.0%	54	16.1%	149	255	362
McLean	386	575	206	21.4%	19	23.4%	63	159	256
Mercer	453	602	213	20.2%	32	23.2%	72	177	283
Morton	1,965	2,003	989	24.9%	86	27.1%	115	512	909
Mountrail	466	599	140	13.1%	20	15.0%	159	266	372
Nelson	134	180	77	24.5%	15	29.3%	2	34	65
Oliver	117	97	18	8.4%	0	8.4%	46	68	89
Pembina	328	521	250	29.4%	0	29.4%	5	90	175
Pierce	195	350	146	26.8%	28	31.9%	-	44	99
Ramsey	634	836	861	58.6%	49	61.9%	-	-	-
Ransom	265	435	139	19.8%	91	32.8%	-	50	120
Renville	130	168	116	38.9%	-14	34.2%	-	17	47
Richland	917	1,077	787	39.5%	-16	38.7%	-	26	226
Rolette	1,059	1,100	143	6.6%	27	7.9%	478	694	910
Sargent	199	303	125	24.9%	48	34.4%	-	28	78
Sheridan	41	69	-	0.0%	18	16.4%	15	26	37
Sioux	395	490	-	0.0%	0	0.0%	265	354	442
Slope	40	32	-	0.0%	0	0.0%	21	29	36
Stark	1,533	1,761	686	20.8%	172	26.0%	130	460	789
Steele	85	121	18	8.7%	21	18.9%	23	43	64
Stutsman	1,248	1,408	811	30.5%	135	35.6%	-	117	382
Towner	134	153	99	34.6%	0	34.6%	-	16	44
Trail	471	630	362	32.9%	47	37.2%	-	31	141
Walsh	641	790	334	23.3%	41	26.2%	54	198	341
Ward	4,026	4,486	2,333	27.4%	38	27.9%	182	1,033	1,885
Wells	176	276	99	21.9%	0	21.9%	37	82	127
Williams	1,504	1,691	695	21.8%	463	36.2%	-	120	440

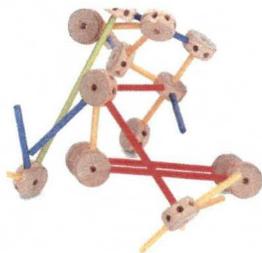


Parents across North Dakota need quality child care. This is your opportunity to start your own business and help families in your community.

Child care is a rewarding profession for people who love children. There are many things to consider before you decide to open a child care business. Successful child care providers incorporate quality care with good business practices.

North Dakota has a number of resources that can help get your child care business started. This includes everything from one-to-one consultations and training to business services and loan options.

Whether you are interested in starting a home-based or center-based child care program, the resources listed in this brochure can help you navigate the process.



A license is required whenever early childhood services are provided for more than 5 children. (This number includes the provider's children.)

For information on licensing, contact your county social service office or the North Dakota Department of Human Services:



www.ND.gov/DHS
701-328-2316

For information on child care grants or financing options, contact the North Dakota Department of Commerce:



www.NDCommerce.com
701-328-5300

Start a Licensed Child Care Business





The **Small Business Administration** (SBA) has tools that can help you find specific funding to develop a child care program. Assistance can range from start-up costs to general business improvements. Common SBA loan programs include:

- 7(a) Guaranteed Loan Program: Used for general business purposes.
- Certified Development Company 504 Loan Programs: Used for land/building/equipment and would work best for child care centers to acquire, build or renovate a facility.
- Microloan Program: up to \$50,000 loans offered directly through a SBA office.

SBA offices are located in:

Fargo 701-239-5131
 Bismarck 701-328-5850
 Grand Forks 701-746-5160



Child Care Aware® of North Dakota offers training and consultation on business, health and safety, and child development to help child care providers get started in the industry and maintain a successful, high-quality child care program. From setting up a business plan to planning learning activities, Child Care Aware of ND is your resource to start and grow a successful child care business.



www.NDChildCare.org

Regional office located in:
 Bismarck, Fargo, Grand Forks,
 Jamestown, and Minot.

Small Business Development Centers can assist you in starting a child care business with confidential consultations that will organize your financial information in a format to use when applying for funding through banks, lending programs and grant applications. Consultations are at no cost to you.



www.NDSBDC.org
www.childcarend.com

The **Center for Technology and Business** helps small business owners succeed through training, technology and business development. Their programming develops leaders and women business owners. Services they provide include:

- Free, confidential business counseling services on all aspects of business development from start-up and growth to selling or closing a business.
- Online training courses through: www.ed2go.com/ndwbc/
- In-person business training on a variety of topics including marketing, leadership and technology.



www.TrainingND.com