

1999 SENATE FINANCE AND TAXATION

SB 2408

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2408

Senate Finance and Taxation Committee

Conference Committee

Hearing Date February 1, 1999

Tape Number	Side A	Side B	Meter #
1	x		4570-end
1		x	0-2306
Committee Clerk Signature <i>Shirley Ward</i>			

Minutes:

SENATOR URLACHER opened the hearing on SB2408: A BILL RELATING TO AN INCOME TAX CREDIT FOR EMPLOYERS WHO MAKE A CONTRIBUTION TO SUPPORT CHILD CARE OR PROVIDE A CHILD CARE PROGRAM FOR CHILDREN OF EMPLOYEES.

REP. D. MATHERN testified in support of SB2408. This is not a costly venture for the State of ND, \$25,000 per year per employer. Several employers could go together and share in this.

DAVID MARTIN, Fargo-Moorhead Chamber of Commerce, stated we are in the process of developing and hoping with the support of the Legislature, implement a plan for developing a world-class work force in ND and trying to attract former residents to return to live and work in ND. (See attached booklet) What the bill proposes to do is to make additional opportunity and

incentive available to employers and employees for this purpose. If this doesn't happen, there is no cost to the state for this activity so there would be no fiscal note.

SENATOR KINNOIN asked is there a tax break for the individual family that has their children in a daycare center.

DAVID MARTIN replied he is not aware of that fact, but I believe it is a good discussion for the Legislature to have in looking at the legislation and hope they'll approve it.

SENATOR KINNOIN asked if the Tax Dept. is aware of any tax credits for individuals.

JOE BECKER, ND State Tax Dept. replied there is the child care credit and that is capped out.

There is an exclusion from gross income if the employer is providing this on the individual's behalf, approximately up to \$5,000 per year. The employer, aside from deducting whatever would be ordinary and necessary costs of running the daycare on behalf of their people, there are no special breaks.

SENATOR STENEHJEM asked if an employer decides he is going to have a daycare provision in his employment, he could recoup up to 100% of the cost of daycare up to the maximum of \$25,000.

JOE BECKER replied that is correct. It would be the net cost to the employer. The credit is equal to the actual cost.

SENATOR STENEHJEM asked if an employer is under the \$25,000 cap, and provides the employees with daycare, credit it on its income tax liability, so in the calculations of the employer's income tax, will the employer be financially rewarded for providing daycare by getting the money back, plus the employer's income tax is lower.

JOE BECKER replied when an employer incurs these costs, they will take a deduction for them at the federal level and that will flow through the state as well. They will get a deduction, as well as a credit.

SENATOR CHRISTMANN asked what is preventing these people from going to private facilities for daycare.

DAVID MARTIN replied for every child care center in the home or elsewhere that opens, there is often one that closes, and in this economy they are more likely to close, as daycare providers find other employment opportunities that do provide benefits as well as income.

SENATOR BERCIER testified in favor of SB2408 and asked for a DO PASS.

SENATOR KINNOIN asked if a child is in an employer's daycare center, does the employee have to declare that on their income tax.

JOE BECKER replied in that situation the employee is receiving a benefit that is being paid for by the employer. Normally, that would be income to the employee, but there is an exclusion up to \$5,000 for that so that would not be in the employee's income up to \$5,000.

SENATOR KINNOIN asked if this was fair to the privately run day cares.

RAE MOORE, Fargo MeritCare Child Development Center stated the program is designed to accommodate the needs of the employees. Child care is in a crisis. In order to provide quality care to the children, we need finances to have qualified training staff working in our programs, and yet keep it affordable for the parents. With this subsidy, it would allow us to reduce the rate for employees down a little bit, compared to what the cost of this program is. The trend is to design a program that balances work and the family life and that is critical to our employees throughout the state. When employees are offered quality, reliable care for the children, there is

less stress in the family, they are more productive on the job, it reduces absenteeism, and there is reduced turnover, and that is profit for a company. If you are able to provide this for an employee, it will be a benefit to this state in the long run. Child care business is difficult to run and to make it cost effective, and that is what scares businesses away. This bill would allow an opportunity for businesses to feel a bit of incentive to provide child care.

SENATOR URLACHER asked what is the duration of time a family has their children in child care.

RAE MOORE replied the duration can be up to 12 years of age.

LINDA REINICKE testified in support of SB2408. (See attached testimony)

BARB ARNOLD-TENGESDEL testified on behalf of Judy Milavetz in support of SB2408 and asked for a DO PASS. (See attached testimony of Judy Milavetz)

ROBERTA SCHIECK, NDAEYC testified in support of SB2408. (See attached testimony)

GAIL NELSON, Fargo PTA testified in support of SB2408.

LINDA LEMBKE testified in support of SB2408 and asked for a DO PASS. (See attached testimony from Wahpeton Area Chamber of Commerce)

SENATOR URLACHER closed the hearing on SB2408.

DISCUSSION TAPE 2/3/99 TAPE A 1865-3250 MOTION TO ACCEPT AMENDMENTS,  
VOTE 7 Y -0 N A MOTION TO DO NOT PASS WAS MADE BY SEN CHRISTMANN,  
AND SECONDED BY SEN. WARDNER. VOTE WAS 5 Y 2 N 0 ABSENT OR NOT  
VOTING CARRIER WILL BE SEN CHRISTMANN.

## FISCAL NOTE

(Return original and 14 copies)

Bill/Resolution No.: SB 2408

Amendment to: \_\_\_\_\_

Requested by Legislative Council

Date of Request: 1/27/99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

**Narrative:** If enacted, SB 2408 would provide an income tax credit of up to \$25,000 to employers who support child care. We cannot determine the fiscal impact of this bill.

2. **State** fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>						

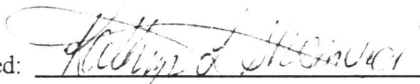
3. What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: \_\_\_\_\_  
(Indicate the portion of this amount included in the 1999-2001 executive budget:)
- b. For the 1999-2001 biennium: \_\_\_\_\_  
(Indicate the portion of this amount included in the 1999-2001 executive budget:)
- c. For the 2001-03 biennium: \_\_\_\_\_

4. **County, city, and school district** fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed  
attach a supplemental sheet.

Signed: 

Typed Name: Kathryn L. Strombeck

Department: Tax

Date Prepared: January 29, 1999

Phone Number: 328-3402

*My book*

PROPOSED AMENDMENTS TO SENATE BILL NO. 2408

Page 2, line 10, remove "In addition to the credit allowed under this section, the"

Page 2, replace lines 11 through 14 with:

- "3. A partnership, limited partnership, subchapter S corporation, limited liability company or any other pass-through entity that is an employer and makes a contribution to support child care or provide a child care program for children of employees must be considered to be the taxpayer for purposes of any credit limitations in this Act, and the amount of the credit allowed with respect to the entity's investment must be determined at the pass-through entity level. The amount of the total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the pass-through entity."

Renumber accordingly

*Donnita Welch  
brought on*

Date: 2/3/99  
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2408

Senate Senate Finance and Taxation Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Not Pass as amended

Motion Made By Christmann Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
SENATOR URLACHER	✓				
SENATOR CHRISTMANN	✓				
SENATOR SCHOBINGER	✓				
SENATOR STENEHJEM	✓				
SENATOR WARDNER	✓				
SENATOR KINNOIN		✓			
SENATOR KROEPLIN		✓			

Total (Yes) 5 No 2

Absent \_\_\_\_\_

Floor Assignment Sen. Christmann

If the vote is on an amendment, briefly indicate intent:



**REPORT OF STANDING COMMITTEE**

**SB 2408: Finance and Taxation Committee (Sen. Urlacher, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2408 was placed on the Sixth order on the calendar.

Page 2, line 10, replace "In addition to the credit allowed under this section, the" with:

- "3. A partnership, limited partnership, subchapter S corporation, limited liability company or any other pass-through entity that is an employer and makes a contribution to support child care or provide a child care program for children of employees must be considered to be the taxpayer for purposes of any credit limitations in this section, and the amount of the credit allowed with respect to the entity's investment must be determined at the pass-through entity level. The amount of the total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the pass-through entity."

Page 2, remove lines 11 through 14

Renumber accordingly

**1999 HOUSE FINANCE AND TAXATION**

**SB 2408**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2408

House Finance and Taxation Committee

Conference Committee

Hearing Date March 9, 1999

Tape Number	Side A	Side B	Meter #
1	x		0.6
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

REP. BELTER Opened the hearing.

SEN. DEB MATHERN, DIST. 45, FARGO, Introduced the bill. I realized a real need for quality day care when my loan manager quit during the session and I offered the position to a young lady in Fargo and she could not find adequate day care in her area. Before that I would have thought there is plenty out there. Some people may say, stay home with the kids, well, not everybody has that luxury of being home with their children. I see first hand with some of my employees when they know their children are sick. They are much better employees when they know things are taken care of. There are two really important areas in life, and those are, money and children, and I have learned, don't mess with either. We are proposing today to give an incentive to companies to provide day care right near their area or in their building. I will propose a couple of amendments. Sen. Mathern went through the bill, then presented her

amendments to the bill. The amendments went to fifty percent instead of one hundred percent credit, and changed the twenty five thousand dollar credit to twenty thousand. No fiscal note was attached as it was unknown how many companies would take advantage of the program. The state of Montana has done this and their entire impact was one hundred thousand dollars.

REP. BELTER This bill is quite comparable to HB 1320 what is the difference between this bill and HB 1320?

SEN. MATHERN There was additional language added in part three, referring to a partnership. Also the dollar limits, I thought it was important to get more money out in the community to provide more of an incentive.

REP. BELTER You made reference to, it would be good if children could be in day care at the place of employment, is there some place in this bill where it specifies that this day care has to be part of the business?

SEN. MATHERN No, it is not necessarily specified, it is asking that they provide a location. We have had a couple of businesses in Fargo that have looked at providing a location right in their building. They have done research since 1997 to see how many of their employees would take advantage of it.

REP. GRANDE Is there anything in here, that helps those employees who want a day care in their home?

SEN. MATHERN No, there is not. This is primarily for larger businesses or maybe a couple of businesses who work together to provide day care for their employees.

REP. WARNER Labor is short everywhere, companies are coming up with very innovative benefits to offer to their employees, sometimes it is a recruiting device to offer workers, do we offer credits or deductions to those other types of workers?

SEN. MATHERN This is not necessarily a deduction, it is a credit to the employee. When companies look at coming into North Dakota, they look at various things, travel, what is there for adequate day care for the young people.

REP. WINRICH In the case of a small business with relatively new employees that could not support an onsite child care center, if that business contracted with someone who provided day care in their home, nearby, would that qualify for this program?

SEN. MATHERN Part A under Section 1, addresses that where they donate money or real or personal property for the establishment of a child care facility.

REP. CLARK I had an E-mail from a constituent that expressed some concern about this bill. They asked about a cap of three hundred fifty thousand dollars, was that something that was addressed in committee?

SEN. MATHERN Yes, that was discussed and in visiting with Legislative Council yesterday, once you put a cap on something of three hundred fifty thousand dollars, people see that as what it is going to cost. They don't see it as the actual dollar amount this would cost. I think this will come in a lot lower. I think we would be very comparable to Montana, at the one hundred thousand.

REP. BRUCE ECKRE, WAHPETON Testified in support of the bill. Wahpeton is the most industrialized city in North Dakota. We have the most factory jobs, and are having a hard time with the night shifts. They run twenty four hours per day, seven days a week. With the

welfare changes, we have a lot of people who have to go to work, which is fine, but where do they have their children.

LINDA REINEKE, WITH CHILDCARE RESOURCES REFERRAL, Testified in support of the bill. Presented a handout relating to state-wide recruitment data of licensed child care providers. Data was compiled by the North Dakota Child Care Resource & Referral Network and the State Data Center of NDSU. See attached copy.

REP. BELTER Does this bill specifically address the problem of needs and capacities you just mentioned?

LINDA REINEKE I believe this bill will allow the individual communities to come together to address the specific child care needs.

REP. RENNERFELDT On page 2 of your handout, the percent of working mothers from kids aged zero to five years, it is hard to believe that there is that big of a percentage of mothers working in that age group, is that need or desire to work?

LINDA REINEKE I am not sure I can adequately answer that. There are a variety of reasons why mothers work outside the home. We have single mothers, in the course of a child's life, there will be children with just one parent in that child's life. People need to work, because they need to, or the community needs them to work.

JIM OLIVER, WAHPETON CHAMBER OF COMMERCE, Testified in support of the bill.

I was here when the house bill was introduced in this committee. I indicated at that time that we were working on a study on a program cost scenerio to see what we can do. A couple of issues came up, one of the questions that came up was, will these be built internally on-site. What we found, is in some cases, they can't afford to, mostly because of liability. When you get into

heavier manufacturing, their insurance companies won't allow it. There are types of businesses than can have it on-site. We have companies as small as four employees who have gotten together with us and are willing throw money with this program. This is not just in Wahpeton, it is in North Dakota and throughout the country. The issue of people working, is a fact of life today. We still believe we need a twenty four hour program. Right now, the model that we are building on paper, sixty five percent of our child care needs in Wahpeton, North Dakota, are day time. We still have that kind of shortage and problem. We have the home care providers who are all in support of this program, but they don't want children before six thirty in the morning. The problem is, the shifts don't work that way. The twenty five percent need is from four in the afternoon until eleven at night. There was ten percent overnight care needs. At this point in time, we believe we need to charge \$2.25 per hour for one child. People who were surveyed, stated they could afford \$1.25 to \$1.75. How do you put people out in the work force at three dollars per hour for day care, without having some help from someplace else. This problem has to be addressed, we need to look at it not only on a local level but on a state and national level.

REP. BELTER In your discussions among your businessmen and day care providers, I am thinking about the employee, where one of the spouses chooses not to work so they can take care of their children or the spouses work opposite shifts so one parent is always at home, has there been any thoughts to how do you give compensation to these employees when they don't use this day care?

JIM OLIVER Life isn't fair, it is a problem and has to be addressed. I would hope that what would happen is that we could get the employee wages up to a level that we could close the child care and make it into a gymnasium. In the perfect world, that is what we want to see.

In most cases, people do want to work, they enjoy their work, but not at the cost of their children.

I would hope that if we keep growing this state and bring in the employees and the technology keeps going up, I don't want \$5.15 per hour jobs.

REP. BELTER In the argument whether we need day care, I don't think salaries are going to be a function, just because we have salary increases, I don't think that will decrease the amount of day care we want. I am saying that looking at the fairness of employees, all employees will need to be treated the same, regardless whether they are using the day care or not, that is my point.

JIM OLIVER They could choose, right now they don't have the option of day care benefits. They could choose benefits in another way, they don't give a tax break on that. The desperation is out there to get this type of a program in place.

REP. BELTER In your discussion of economic development, have we forgotten about the children? I am very concerned about that, when I hear about single parents needing nighttime day care, and I am thinking about that single mother working a night job and she picks up her child at six in the morning, hasn't been with that child all night, brings the child home, she needs rest or the father needs rest, along the way here, is the child number one in this whole deal?

JIM OLIVER It goes back to choices. I didn't make that choice, whether it is right or wrong, I am not going to get into it. The fact of life is, it is a fact, they are out there. They are going off the welfare rolls, then what happens. The problem is here, it will not go away in the short term, that I can see. We will not warehouse children. We will put together a program that will work.

REP. WINRICH On the basis of your surveys and the data you gathered about Wahpeton, do you have any estimates of how many single parents could enter the workforce and be eligible to compete for some of these better paying manufacturing jobs if child care were available?



JIM OLIVER The last number I heard was eighty three, that I know of today in Wahpeton.

REP. GRANDE In your testimony last time, you mentioned the need for child care, you have the company saying they need the workers, so you need the child care, if the workers are not concerned about child care work productivity goes up, why would the company not want to build this themselves when it is already beneficial to them to have the workers who are more productive. Why do we need incentives?

JIM OLIVER We have a lot more smaller companies that maybe have one or two employees that have a child care problem. Some of these have the liability problem of having a day care on site.

JACK MCDONALD, YMCA OF NORTH DAKOTA, Testified in support of the bill. We support this bill for a couple reasons. One, it is a real selling point for day care programs who help people who provide day care in their home. A lot of the discussion has been about businesses providing their own day care, you will note that more of the provisions talk about going to existent day care services, for instance in paragraph B, line 17, they would get a tax break for donating money for a voucher program for parents requiring financial assistance for child care. Subsection E, says they will purchase slots at a child care facility produced by the employer. Subparagraph F relates to paying care for children, again, paying elsewhere not on the premises. From a small business point of view, we support this bill. We have a small law firm, we provide flex benefits, we have thirty two employees, one of those flex benefits is day care.

JOY JOHNSTON, THE GREATER NORTH DAKOTA ASSOCIATION, Testified in support of the bill. When we take a look at compensation packages, it used to work for a company forty years, get some vacation and a gold watch and a pension. Now compensation has changed

greatly. Today, you might get a pension, you might get profit sharing, we have IRA Roth, etc. If you take a look at health benefits, those have increased, you have flex plans and flex time. If we have the opportunity to include child care as a deductible plan to recruit employees or keeping employees, and can provide a cost to cover day care.

BARB-ARNOLD TANGESDAL, NORTH DAKOTA ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN, Testified in support of the bill. See written testimony.

Also submitted testimony from Judy Milavetz of the NDAEYC. See attached copy.

REP. BELTER Commented, I think you made a statement about wondering why parents don't stay home with their children, I realize why parents are in the work place and that won't change, but my comment is, that any public policy needs to be child first, and not so much economic and parent first. Secondly, I do think public policy needs to take into account the child in day care as well as the child at the home if we want good employees in the workplace.

REP. BELTER Submitted an E-mail testimony from the North Dakota Child Care Providers stating they are in opposition of this bill.

With no further testimony, the hearing was closed.

COMMITTEE ACTION 3-9-99, Tape #2, Side A, Meter #27.9

REP. WARNER Made a motion to adopt the amendments which were presented.

REP. KROEBER Second the motion. MOTION CARRIED BY VOICE VOTE.

REP. GRANDE Made a motion for a DO NOT PASS AS AMENDED.

REP. GROSZ Second the motion. MOTION CARRIED

9 Yes 5 No 1 Absent

Page 9

House Finance and Taxation Committee

Bill/Resolution Number Sb 2408

Hearing Date March 9, 1999

REP. GRANDE Was given the floor assignment.

Please type or use black pen to complete

Date 3-9-99  
Roll call vote # 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2408

House HOUSE FINANCE & TAX Committee

- Subcommittee on \_\_\_\_\_
  - Conference Committee
- } Identify or check where appropriate

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Not Pass as Amended

Motion Made By Rep. Grande Seconded By Rep. Grosz

Representatives	Yes	No	Representatives	Yes	No
BELTER	✓		WINRICH		✓
RENNERFELDT	✓				
CLARK		✓			
FROELICH	A				
GRANDE	✓				
GROSZ	✓				
HERBEL	✓				
KROEBER		✓			
MICKELSON	✓				
NICHOLAS	✓				
RENNER	✓				
SCHMIDT		✓			
WARNER		✓			
WIKENHEISER	✓				

Total 9 5  
(Yes) (No)

Absent 1

Floor Assignment Rep. Grande

If the vote is on an amendment, briefly indicate intent:

DO NOT USE HIGHLIGHTER ON ANY FORMS

**REPORT OF STANDING COMMITTEE**

SB 2408, as engrossed: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (9 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2408 was placed on the Sixth order on the calendar.

Page 1, line 10, replace "for" with "in an amount equal to fifty percent of"

Page 1, line 12, after the first "or" insert "fifty percent of"

Page 2, line 2, replace "twenty-five" with "twenty"

Page 2, line 4, after "equals" insert "fifty percent of"

Page 2, line 7, after "or" insert "fifty percent of"

Re-number accordingly

1999 TESTIMONY

SB 2408

# Wahpeton *Chamber of* Area *Commerce*

## Senate Hearing on SB 2408 Finance and Taxation


To Committee Members:

The Wahpeton Area Chamber of Commerce supports this bill and would ask that your committee give it a due pass.

We have been working on 24-hour child care for the community for over a year. Our committee, which has grown from six to approximately 19 over the year, includes business, industry, city, county and state agencies, non-profit organizations and local child care providers who all agree on the need for additional care facilities. With the cost of child care what it is today, this bill would be a much needed boost in helping offset some of the cost to make it more affordable for the people we are trying to help get back to work. The possible financial burdens this bill might put on the state will be offset greatly by the additional revenue from those who are able to join our work force and help grow our state's economy.

Sometimes people and agency have to look at the larger picture and trust in the local groups who have put in countless hours studying these programs and the need for such programs. Again, we ask you give this bill a "Do Pass" and want to thank you for your time and vote.

Respectfully,



Jim Oliver  
Executive Director

**TO:** Herb Urlacher, Chairman, Senate Finance and Taxation Committee  
**FROM:** Judy Milavetz  
**SUBJECT:** SB 2408  
**DATE:** February 1, 1999

I would like to urge your support for SB 2408. This bill addresses the critical workforce needs for present and future economic development in North Dakota, offering enough flexibility to accommodate the needs of large and small businesses, population centers and rural areas, and targeted community initiatives.

As an early childhood professional residing in this state for over twelve years, I have become increasingly concerned about the challenges faced by the child care field in maintaining a sufficient supply of child care. North Dakota is among the top five states employing mothers of young children outside the home; our current economy is dependent on this infusion of workers into the labor force. Yet we are one of only two states that does not devote resources to child care beyond the required match for federal funding.

While child care programs are very efficient in using available revenues, it is a labor intensive industry which relies on parent fees for the majority of its financing. With the average family unable to afford a higher financial burden, public/private partnerships offer a realistic means to increase child care funding.

Other states have met this challenge by recognizing the expediency of incentives for businesses to augment child care financing. Colorado offers a corporate tax credit similar to the one proposed in SB 2408. Arizona has a tax incentive for employers providing child care facilities or services for its employees. Kansas legislation has permanently extended corporate income tax credits for provision of child care services. SB 2408 would give North Dakota businesses the same advantages available to employers in most other states.

Investments in child care reap large dividends, offsetting the relatively minor impact of lost revenue. Included among the benefits are:

- \*A more stable, productive workforce; less absenteeism and turnover
- \*Enhanced state and regional economic development initiatives
- \*Families able to achieve self-sufficiency as workers and taxpayers
- \*Children better prepared for formal education and future workforce training
- \*Enriched quality of life; higher employment rates, safer communities

Having been an active participant on the Workforce Development Committee of the Chamber of Commerce for nearly two years, I am witness to the struggles faced by employers trying to attract and retain a stable workforce in these times of very low unemployment. Child care is an integral component to maintaining a labor force that will support our economy at its current level. How can North Dakota afford not to make this investment, risking continued export of its young workers to other states as businesses seek more favorable conditions?



Comments of Linda Reinicke  
Senate Finance and Taxation Committee  
Regarding Senate Bill No. 2408  
February 1, 1999

**Chairman Urlacher and Members of the Committee:**

My name is Linda Reinicke, Program Director for Child Care Resource & Referral with Lutheran Social Services. I want to speak in support of Senate Bill No. 2408. Child Care Resource & Referral (CCR&R) helps families find childcare and provides support and resources to childcare programs and businesses interested in addressing childcare issues. CCR&R services are located in community-based non-profit agencies and are available throughout the state.

I am aware of the thinking, which suggests that market forces can produce childcare programs when and where they are needed and at a price parents can afford. But in the childcare world, it does not work that way. The supply of childcare does not respond when demands increase because good childcare is an expensive commodity. It is costly for the provider to operate a quality program, and it is costly for young families, a provider's primary source of revenue, to purchase childcare. A recent survey by CCR&R provided the following rate information for parents purchasing childcare in North Dakota:

Average Cost of Child Care in North Dakota			
Age Group	Weekly	Monthly	Yearly
0-2 years	\$77.00	\$333.00	\$3,996.00
2-5 years	\$74.00	\$320.00	\$3,840.00
6-12 years	\$70.00	\$303.00	\$3636.00

Often child care costs equal housing or food costs. This is a common scenario:

A family of four (two children under age five) have a yearly income 36,000. Child Care will cost approximately \$653 a month or 22% of the family's monthly income. This family is not eligible for childcare assistance.

Last year CCR&R helped 3,740 families find childcare and had 11,577 phone conversations with childcare providers. Our daily phone and personal contacts with parents and providers help us clearly see the challenges faced by families and child care professionals. In addition to high costs, we know:

- **Odd-hour care is limited.** Of the state's 1,934 licensed providers, a limited number offer evening care (276), overnight care (190), and week-end care (164). Odd-hour care is particularly limited in rural communities. This bill would encourage employers to support the specific childcare needs of their employees.
- **Infant-Toddler care is difficult to find.** A major factor contributing to quality infant care is low ratios (state law mandates that the ratio is four infants for one provider). Low ratios assures more "lap time" for each child, an important aspect in providing quality infant care. Maintaining low ratios, however, reduces revenue for providers, an unfortunate but necessary trade-out when we are dealing with children.
- **Provider turnover rate is high.** In 1998, 393 providers were licensed by the Department of Human Services—345 programs closed. Low wages are closely linked to rapid turnover. In 1996, Grand Forks providers earned an average gross income of \$17,300. Once expenses (food, equipment, liability insurance, toys, utilities, etc.) were taken into account, providers were left with an average net income of \$8,400. In 1994, 210 staff members (36%) of Fargo's child care centers left their jobs. In the business world, turnover may

be just another fact to contend with. To the two-year old consumer, it means they experience a loss of significant people and places, a loss of continuity and stability.

These childcare challenges obviously impact children and families, but also are concern for employers. In September, a statewide Business and Child Care Summit was held to discuss childcare as it relates to the business world. This diverse group of business, economic development, chamber, and child care professionals offered these suggestions:

- **Develop a Business Consortium to bring small businesses together for the pooling of resources.**
- **Develop gap-financing packages for childcare.**
- **Create a funding pool for childcare programs to access for wages and training.**
- **Create a tax incentive for business to develop childcare programs.**

Women are working--some want to, some have to, but, most significantly, our state needs them in the work force. Presently, approximately 80% of mothers with young children work outside the home. If women are to work, if businesses are to successfully recruit and retain women, quality child care must be available.

North Dakota's female-based work force impacts 95,000 of our state's children. The existing 1,934 providers have space available for 22,000 children. The already fragile childcare system cannot, without the inclusion of more support, effectively increase the supply of quality care in response to business needs.

**SB 2408 is another step to bringing more players into the child care field and offering solutions for children who need good care, parents who need to be**

**present and productive at work, or employers who need to recruit and retain employees.** Child Care Resource & Referral will continue to work with parents, providers, and businesses providing consultation and support as needed.

North Dakota Child Care Statistics

County	Licensed Programs*	Current Vacancies*	Capacity*	Children 0-5 yrs^	Children 5-9 yrs^	% Working Mothers^ of 0-5 yrs 6-17 yrs		Average Fulltime Monthly Rates*			Rate/Hour Schl-Age*	Total Programs open >6:00 pm*	Total Programs open Sat & Sun*
								Infant 0-2	Toddlers	Preschool			
Adams	6	9	102	202	226	79.1	78.9	\$276.47	\$264.35	\$264.35	\$1.57	1	0
Barnes	35	11	440	789	851	67.2	78.9	\$294.83	\$290.33	\$290.33	\$1.58	2	1
Benson	7	7	106	719	734	44.7	69.5	\$311.20	\$311.20	\$311.20	\$1.65	0	0
Billings	0	0	0	80	106	49.3	51.6	\$0.00	\$0.00	\$0.00	\$0.00	0	0
Bottineau	26	55	343	472	565	70.2	82	\$326.14	\$322.11	\$322.11	\$1.76	7	3
Bowman	4	4	39	232	277	85	84	\$296.61	\$296.61	\$284.44	\$1.48	0	0
Burke	3	4	50	136	204	59.8	64.7	\$313.93	\$313.93	\$313.93	\$1.75	0	0
Burleigh	227	495	3242	4449	4892	76	86	\$371.04	\$363.50	\$361.04	\$1.98	30	13
Cass	416	594	6698	7481	7351	75.1	84.6	\$368.22	\$347.05	\$339.91	\$1.99	22	2
Cavalier	9	42	136	413	453	59.4	69.3	\$357.40	\$357.40	\$357.40	\$1.64	2	0
Dickey	15	4	185	337	435	60.1	83.2	\$315.87	\$300.24	\$300.24	\$1.58	1	1
Divide	2	16	36	177	184	83.1	76	\$308.51	\$308.51	\$308.51	\$1.57	0	0
Dunn	5	5	57	313	375	68.1	70.2	\$296.17	\$296.17	\$296.17	\$1.71	1	0
Eddy	8	0	103	162	206	75.5	78.5	\$311.76	\$307.60	\$307.60	\$1.58	2	0
Emmons	10	12	121	302	333	67.3	69.8	\$284.44	\$284.44	\$284.44	\$1.53	4	0
Foster	6	20	90	278	320	74.1	77.9	\$345.58	\$345.58	\$345.58	\$1.84	0	0
Golden Valley	9	14	120	139	179	69.6	80	\$318.60	\$318.60	\$318.60	\$1.79	0	1
Grand Forks	195	270	3747	5824	5269	67.5	79.2	\$368.53	\$351.94	\$346.44	\$1.81	31	6
Grant	5	6	57	213	268	75.7	73.8	\$267.46	\$267.46	\$267.46	\$1.42	0	1
Griggs	11	28	148	195	245	75	81.5	\$313.10	\$313.10	\$313.10	\$1.71	4	1
Hettinger	6	7	71	226	253	72.5	75.3	\$296.39	\$296.39	\$296.39	\$1.53	1	0
Kidder	4	5	66	202	251	62.5	83.8	\$345.84	\$345.84	\$345.84	\$1.85	0	0
LaMoure	10	2	117	327	401	56.4	74.9	\$266.55	\$266.55	\$266.55	\$1.46	3	2
Logan	7	1	73	168	180	65.5	73	\$280.11	\$280.11	\$280.11	\$1.50	3	0
McHenry	13	29	199	382	496	59.5	72.9	\$309.34	\$295.96	\$295.96	\$1.54	6	3
McIntosh	10	6	80	210	290	81.3	91.6	\$317.30	\$317.30	\$317.30	\$1.75	0	0
McKenzie	9	13	105	586	595	61.8	73.3	\$343.76	\$339.95	\$339.95	\$1.74	1	1
McLean	19	28	203	666	841	60.9	72.5	\$327.04	\$327.04	\$327.04	\$1.96	1	3
Mercer	15	40	275	854	947	57.2	73.2	\$371.64	\$360.39	\$360.39	\$1.92	1	0
Morton	80	168	1024	1666	2062	71.2	85	\$343.11	\$332.15	\$329.56	\$1.82	15	7
Mountrail	17	4	227	500	583	68.4	77.5	\$321.68	\$316.48	\$342.46	\$1.67	2	1
Nelson	11	6	149	229	291	79.1	75.1	\$348.57	\$342.98	\$342.98	\$1.81	2	1
Oliver	1	0	7	175	231	62.7	68.5	\$340.99	\$340.99	\$340.99	\$1.75	0	0

\* Data compiled from the NDCCRR Network

^ Data from the State Data Center at NDSU

North Dakota Child Care Statistics

County	Licensed Programs	Current Vacancies*	Capacity*	Children 0-5 yrs <sup>^</sup>	Children 5-9 yrs <sup>^</sup>	% Working Mothers <sup>^</sup> of 0-5 yrs / 6-17 yrs		Average Fulltime Monthly Rates*			Rate/Hour Schl-Age*	Total Programs open > 6:00 pm*	Total Programs open Sat & Sun*
								Infant 0-2	Toddlers	Preschool			
Pembina	26	44	455	623	736	68.3	74.9	\$340.16	\$331.63	\$338.48	\$1.70	6	2
Pierce	11	23	182	276	352	88.8	76.9	\$358.57	\$353.15	\$353.15	\$1.82	2	1
Ramsey	56	75	734	865	985	73.6	85.9	\$345.01	\$338.13	\$337.65	\$2.19	11	4
Ransom	16	20	170	355	443	73	71.6	\$321.50	\$311.76	\$311.76	\$1.58	1	0
Renville	1	3	18	177	266	61	77.8	\$321.50	\$321.50	\$321.50	\$1.65	0	0
Richland	59	42	701	1279	1418	65.1	77.9	\$344.36	\$335.32	\$332.63	\$1.73	7	1
Rolette	14	23	204	1411	1355	51	66.8	\$321.24	\$322.71	\$320.29	\$1.74	0	0
Sargent	7	0	84	285	323	70.2	83.1	\$369.48	\$369.48	\$369.48	\$1.52	0	0
Sheridan	0	0	0	130	147	36.6	63.1	\$0.00	\$0.00	\$0.00	\$0.00	0	0
Sioux	2	0	32	458	491	60.2	70.8	\$330.16	\$330.16	\$330.16	\$1.75	1	1
Slope	0	0	0	53	77	65.5	54	\$0.00	\$0.00	\$0.00	\$0.00	0	0
Stark	114	245	1369	1742	2029	66.5	75.2	\$314.31	\$305.05	\$302.36	\$1.78	14	7
Steele	1	0	7	157	166	67.9	76.6	\$340.99	\$340.99	\$340.99	\$1.75	0	0
Stutsman	80	84	1033	1452	1642	73.3	86.4	\$337.09	\$329.90	\$329.69	\$1.80	10	4
Towner	3	31	4	256	270	65.2	80.7	\$298.77	\$298.77	\$298.77	\$1.62	1	0
Traill	23	26	361	536	647	72.4	75.5	\$395.42	\$364.50	\$364.50	\$1.80	0	0
Walsh	21	48	339	975	1102	75.6	79.6	\$347.44	\$335.83	\$331.89	\$1.82	1	0
Ward	172	436	2697	4872	4494	64.9	75.6	\$331.33	\$324.27	\$321.11	\$1.82	21	2
Wells	12	11	180	346	407	70.2	75.8	\$298.16	\$283.14	\$283.14	\$1.55	2	0
Williams	53	196	713	1543	1992	67.6	78.3	\$328.56	\$315.14	\$313.06	\$1.70	15	9
<b>TOTAL</b>	<b>1872</b>	<b>3212</b>	<b>27699</b>	<b>46895</b>	<b>50236</b>	<b>69.1</b>	<b>79.4</b>					<b>246</b>	<b>78</b>

Capacity may be overstated because many providers do not choose to fill their program to capacity, but to maintain a smaller group of children.

While current vacancies may appear sufficient to meet the needs, the vacancy does not always meet the schedule, location and age group required by a family. A vacancy rate of 10% of capacity rate allows families minimal choices in choosing child care.

\* Data compiled from the NDCCRR Network

<sup>^</sup> Data from the State Data Center at NDSU

## Child Care Strategies for Employers

Strategies	Benefits	Hurdles
<b>Easy, Low-cost Options – Information and Referral Services</b>		
Work with CCR&R to provide referrals to employees to licensed child care providers which match the family's needs. CCR&R can also conduct workplace seminars on how to search for and evaluate child care.	Referral services available throughout the state. Immediate start-up. Limited company involvement. Accessible phone service. Maximizes use of existing child care. Community CCR&R links with national referral services to serve interstate companies.	Referral service cannot remedy all child care issues. If care is not available in the community, the referral service may not be effective. This is particularly true for evening, week-end and shift-work child care.
Allow parents time off to search for child care		
Recruit an employee as a child care representative to receive training by CCR&R on local child care resources to assist fellow employees.	Employee parents have an internal, trusted source to answer their child care questions. One contact for all child care issues presents a clear picture of employee needs.	Child care representative may find this task disruptive to their primary duties.
<b>Cost Effective Options – Supporting Existing Child Care Programs</b>		
Make contributions to existing community child care programs, such as accounting/legal services, space or equipment use, printing or postage costs, used office furniture, inclusion of child care staff in corporate health insurance plan, and monetary donations.	Improves quality and increases supply with minimal investment. Elevates company's public image. Assistance may leverage reserved spots for company employees' children.	Employer has limited control over the quality of programs other than to withdraw support.
Start a community-based scholarship fund to recruit providers, make training available, support facility improvements, or cover costs incurred when programs seek accreditation.	Promotion of quality is seen as an important investment. Quality care is more stable care for children and families.	Collaboration requires planning, firm commitment, and cooperation from diverse groups
Support a family child care network near the business site. Arrange to secure spaces in home child care programs for employees' children. In return, support training seminars, equipment and toy lending libraries, group purchasing, or back-up/substitute care.	Home child care providers tend to have less rigid hours and broader enrollment policies making available a variety of care for more families. Networks give families more options. Administration of networks can be channeled through local CCR&R offices.	Recruiting quality providers is sometimes difficult. Quality may vary significantly between providers. Liability issues must be carefully addressed.

## Child Care Strategies for Employers

Strategies	Benefits	Hurdles
<b>Cost Effective Options – Supporting Existing Child Care</b>		
Make available information on state-funded child care assistance programs for low-income families	No cost to employer. Maximizes federal dollars set aside to support low-income working families. Increases employees' ability to secure high quality, stable child care.	Not effective if adequate child care is not available.
Establish a Flexible Spending Account/ Salary Reduction Plan	No cost to employer. May reduce employee costs. Social security and unemployment insurance payments are not made on salaries put in flexible spending accounts. Employees do not pay federal income tax on salary set-aside for child care.	Not effective if adequate child care is not available. A limit of \$5,000 may be set aside each year. Employee must use money in account by year's end or forfeit it.
Implement a voucher plan which enhances state child care assistance programs to help employees pay the cost of child care. Usually implemented on a sliding fee scale which pays highest subsidies to lowest earners.	Increases employees' ability to secure high quality child care. Employer not involved in direct care. Voucher is used to purchase care in existing programs. Most flexible when combined with resource and referral service to help employees locate care.	Equity issues may arise. Not effective if adequate care is not available. Staff time needed to establish and maintain voucher program.
<b>High Commitment/High Return – Direct Services</b>		
Establish a consortium center. Partner with a group of employers to share the costs and benefits of establishing and operating a child care center.	Resources, liability and costs are shared. Small employers can participate. Large size of combined labor force protects the center from long-term underenrollment. Reduces turnover, absenteeism and recruiting problems more effectively than any other option.	Lengthy start-up timeframe. High start-up costs. May involve complicated negotiations among firms. Center may not be able to serve all employees' needs. Limited control over center management has implications for employer liability. On-going subsidy may be necessary to ensure fees remain affordable for all employees.
Establish on-site or near-site child care center operated by the employer or by a non-profit or for-profit child care provider.	Reduces turnover, absenteeism and recruiting problems more effectively than other options. Provides favorable public relations for the company Employer has control over center management reducing liability risks.	Most expensive child care option for employers. Lengthy start-up timeframe. Center may not be able to serve all employees' needs. On-going subsidy may be necessary to ensure fees remain affordable for all employees.



## North Dakota Child Care Facts

Child care is largely a private, market-driven system of programs which provide supervision and support development of children when their parents are not available. Parents select from two major types of care arrangements: 1) care provided by relatives or family members, or 2) care provided by licensed facilities.

Relative care, or informal care, is the choice of many families. Little information is available regarding relative care. No agency oversees informal care settings or collects data regarding the total number of relative providers and the number of children in their care.

If individuals care for six or more children, including their own under 12 years old, they are required by state law to move to the second level of care arrangements, licensed child care. Licensed care is provided by child care professionals who manage a child care business in their homes or community-based facilities. State child care regulations establish minimum health and safety requirements for programs caring for North Dakota's youngest citizens. Like other competitive markets, child care is driven by consumer choice and influenced by supply and demand.

- ◆ There are 97,131 children under age 10 in North Dakota.
- ◆ 87% of mothers in North Dakota with children under age 12 work outside the home.
- ◆ North Dakota has 2,038 licensed child care providers with the capacity to care for 27,699 children.
- ◆ 84,504 young children have mothers who work outside the children.
- ◆ A maximum of 27,699 children can access licensed child care.
- ◆ The average family with children under age five moves to a new child care provider an average of 1.66 times each year. Families with children five years and older move to new child care arrangements 2.04 times each year.
- ◆ The median family income in North Dakota is \$29,089. A family of four with two children needing child care can expect to pay \$7,800 annually, 27% of their budget.

To: Senate Finance and Taxation Committee      February 1, 1999  
From: Roberta Schieck, President  
North Dakota Association for the Education of Young Children (NDAEYC)

Re: SB 2408  
Testimony in support of SB 2408.

The North Dakota Association for the Education of Young Children consists of a state membership of over 325 members and approximately 250 local members. The local chapters are in Bismarck, Fargo, Grand Forks, Jamestown and Minot. Our state membership consists of teachers, caregivers, and administrators employed in programs serving children and their families, such as child care centers, family child care, preschools, and Head Start. Educators and trainers working in Child Care Resource and Referrals, high schools, universities, vocational-technical schools are also members. We also have health specialists and physicians applying their expertise about child development and families in a variety of settings as members. NDAEYC is a state affiliate group of the National Association for the Education of Young Children which members consists of 101,000. NDAEYC acts as an advocate for young children and their families. We also inform the citizens of ND of the needs of children within the state and of the status of care and education of these children.

**We support SB 2408.**

Everyday, over 30,000 children younger than six are in childcare in North Dakota. This is three out of five young children and half of all children younger than three years old who spend some or all of their day being cared for by someone other than their parents. Children can enter care as early as six weeks of age and may be in care for 40 hours or more a week until they reach school age (Children's defense Fund, 1998).

Most mothers in North Dakota work to help support their families. In North Dakota 83% of children under age six live with working parents. This is 20% higher than the national average. For many of the families, a parent staying home and not working, is not an option (Kid's Count, 1998). North Dakota families and businesses rely on the child care industry in providing care for their children. However, in communities across the state, child care has become a business/community problem because of the lack of available, affordable, and quality child care. Communities are realizing that for economic development to succeed, they need the child care industry to be a part of the infrastructure. Furthermore, how can communities recruit young families to live and work in them if families can not find quality child care?

NDAEYC believes an investment by the State of North Dakota in supporting business/child care partnerships will far outweigh any business tax revenue loss. As economic development grows so does the work force across the state grow. This bill also strengthens the support given to small business owners, and provides reassurance to parents that available, affordable, and quality child care is a priority. What a terrific example of our state being family friendly.

Bill  
2408

# Making *the* Workplace Work...



*for every employer  
and employee*

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# Creating Workplaces that **Really** Work

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## dependent care options for North Dakota employers

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### Why is today's labor market any different from the past?

During the past 30 years, America's labor force has undergone a dramatic change. In one generation, the ratio of men to women in the work force declined from 2:1 (1960) to less than 1.15:1 (1992).

The Bureau of Labor Statistics estimates that the growth in the number of working women will continue into the next century, with women eventually comprising 60 percent of all new entrants to the labor market.

### What do these changes mean to employers?

The growing number of women in the work force not only influences how we work but also how we live. The traditional family of a working father and a stay-at-home mother now represents less than 13.5 percent of all households. The number of women with children participating in the labor force is more than 85 percent in North Dakota—one of the highest rates in the nation. Forecasters estimate that the women who are most likely to join the labor market in the future are those

with children younger than age 6. This means that increasing numbers of employees are working parents who must find ways to cope with the often-conflicting time demands of both work and dependent care. Employers are just beginning to realize the potential impact of baby boomers retiring. In the next 10 years the number of employees needing to address elder care needs will increase dramatically.

### What are the alternatives available for employers?

Ongoing surveys by The Conference Board, a nonprofit business-education firm supported by a number of large companies, show dramatic increases in the use of such programs by its members.

The Conference Board found businesses use a number of different alternatives. For example, of those firms with employer-assisted child care programs, 31 percent

operated child care centers while 78 percent provided resource and referral services. However, 72 percent of the firms provided some form of financial assistance, with flexible benefits, child care discounts and vouchers being the most popular programs. In the past 5 years, elder care programs have become more significant as increasing numbers of employees need to provide some level of care for parents or relatives.

## Why be concerned about employee dependent care problems?

There are two reasons: first, problems with dependent care can adversely affect job performance by increasing absenteeism, tardiness, turnover rates, and recruiting and training costs—all of which can adversely affect productivity or work quality, and ultimately, the competitiveness of the businesses that employ these workers.

Second, the labor market today is radically different from past years, and it promises to remain so into the future. The old problem of finding enough employment for rising numbers of workers is now being replaced by the new problem of locating enough workers to fill new jobs requiring technical skills. **Businesses should ask this question:** Are we restricting access to a significant pool of potential employees by NOT addressing dependent care issues?

Research indicates that a variety of benefits, such as dependent care support, have a direct impact on employee recruitment and retention. Vanderkolk and Young studied a small textile manufacturing company

in the Southwest that experienced a 40-percent turnover rate. The turnover rate dropped to 7 percent after the implementation of a child care program. But don't fall into the trap of thinking on-site child care is the only option that works.

Further studies conducted by the New York City-based **Families and Work Institute** have found that work-family programs and benefits have a greater impact on retention than on recruitment. Work-family supports were rated 14th out of 16 reasons for taking a job, but the same supports were ranked sixth out of 16 reasons for staying in a job.

It is critical for employers to be able to attract and retain productive workers in order to stay competitive. Given the changing composition of America's labor force and the impact dependent care problems can have on worker productivity, businesses may find employer-assisted dependent care a cost-effective means to address turnover and enhance worker productivity.

## But what about the smaller-sized businesses more common to the Midwest and specifically to North Dakota?

Throughout the 1990s researchers at NDSU and three other Midwest states (Iowa, South Dakota, Nebraska) have studied work-life issues for small and medium sized businesses. Our demographics, geography and culture have a distinct impact on work-life issues. Dependent care is only one of the many concerns important to today's workers, but it is one of the most

significant to young and middle-aged employees who are increasingly responsible for both their own children and their aging parents. Some Midwesterners retain a certain attitude about leaving young children in another person's care. The guilt among parents is real. These aspects of the Midwest culture impact worker productivity and turnover.

## Aren't there other issues more important?

In most surveys of employees, dependent care is not necessarily the topic that comes to the forefront. Issues such as having a certain level of flexibility within the job, good benefits and supportive bosses rise to the top. But when questioned further, the root of many of the problems always comes back to personal-life issues such as dependent care. Too often employers do not understand what the root of the problem is in their work force.

For example, child care consumes a large part of a family's budget, particularly for low income families. A family of four with two preschool children and a joint

income of \$36,000 will pay about \$740 for child care, or 25 percent of the family's monthly income. This family would not be eligible for any child care assistance. Most providers also charge extra fees for being late. An unsupportive supervisor who requires one to stay at work without notification is creating a financial burden for an employee. As of September 1998, there were 97,131 children younger than age 10 in North Dakota, and 87 percent of mothers in North Dakota with children younger than 12 work outside the home. There currently are 2,038 licensed child care providers in the state, and the median family income now stands at \$29,089.

## Why do some businesses NOT get involved with dependent care?

When businesses are asked why they do not do more to help employees handle dependent care, the responses typically center on cost, cumbersome government regulations, and the inability to see any benefit from such efforts. But when pressed to discuss the options they've examined, few owners, supervisors or managers list more than the operation of their own dependent care

centers. These businesses may have a faulty perception of what it means to support dependent care initiatives. In fact, businesses that have thoroughly studied the dependent care issue, while also assessing the workplace culture, often conclude there are several options more appropriate to demonstrate support beyond the establishment of an on-site center.

## How can employers be supportive and maintain financial goals?

Often community and group action by several firms can lead to an inexpensive yet effective solution.

**One such method is the development of a business consortium.** For example, North Dakota has a rich history of cooperatives across the state, especially pertaining to agriculture. The cooperative is able to accomplish more than an individual. Likewise, many businesses or communities across the country

are joining forces to create consortiums to collectively address work-life issues such as dependent care. The group is able to work collaboratively on solutions and resources that benefit all employees within the consortium of businesses or communities. One business alone may not have been able to provide what the group has developed. Both employers and employees win in these consortium efforts.

## What are the benefits to employers?

Firms that have instituted assistance with dependent care generally identify four benefits: one, enhanced ability to recruit employees; two, lower turnover; three, higher productivity because of greater work experience, low absenteeism and higher morale in the employees;

and four, improved community relations. Each benefit has the potential to yield significantly lower costs, raise profits and keep that competitive edge essential in today's highly competitive markets.

## How do I get started?

Employers can support employee dependent care issues in a number of ways.

The most commonly mentioned options include the following:

- resource and referral services
- alternative/flexible work schedules/sites
- parental leave policies
- dependent care assistance plans
- general dependent care supports
- on- or off-site employer supported care
- family provider/child care center
- adult day care/referral services
- educational seminars/information

# Dependent Care Options: Executive Summary

Program Description	North Dakota Examples
<ul style="list-style-type: none"> <li>• <b>Resource and Referral Services</b> <ul style="list-style-type: none"> <li>– assist in locating and selecting dependent care</li> <li>– improve quality and quantity of dependent care</li> </ul> </li> </ul>	<p>North Dakota has eight regional child care resource and referral agencies (listed under Option 1). Resource and referral for elder care is less developed; however, you can get help by calling the N.D. Senior Info-Line at 1-800-451-8693.</p>
<ul style="list-style-type: none"> <li>• <b>Alternative/Flexible Work Schedules and Sites</b> <ul style="list-style-type: none"> <li>– providing options for when work is done (beyond the traditional 8-5 work day)</li> <li>– providing options for where work is done (home office, commuter centers, telecommuting)</li> </ul> </li> </ul>	<p>Many county and state government offices use flexible time options. Check with local agencies for examples.</p> <p>Flexible-place options are expanding. For example, an employee from a rural community may work at home two days a week and commute to the site three days. The computer makes many options available and productivity is rarely a problem.</p>
<ul style="list-style-type: none"> <li>• <b>Parental Leave Policies</b> <ul style="list-style-type: none"> <li>– federal and state legislation providing support to employees with family medical/disability conditions</li> </ul> </li> </ul>	<p>All employers meeting federal law specifications must offer parental leave. Employers may choose to offer additional benefits beyond basic requirements.</p>
<ul style="list-style-type: none"> <li>• <b>Dependent Care Assistance Plan</b> <ul style="list-style-type: none"> <li>– employees may set aside up to \$5,000 pre-tax dollars a year for dependent care expenses</li> </ul> </li> </ul>	<p>State employees may use the Flex-Benefits plan to participate in this program and save taxes on dollars used for dependent care. Contact any state agency to learn more about their successes and concerns.</p>
<ul style="list-style-type: none"> <li>• <b>General Dependent Care Supports</b> <ul style="list-style-type: none"> <li>– Voucher or Reimbursement Plans (provide voucher or reimburse costs of care at designated sites or to reimburse travel costs incurred by work-related travel)</li> <li>– Purchased Space/Discount Programs</li>   <li>– Sick Child Care (provide care for children who are mildly ill or recovering from a health problem either at a center or through in-home services)</li> </ul> </li> </ul>	<p>Vouchers are not common in North Dakota to date; however, the option is growing nationally. Employers in North Dakota are more likely to make contributions to sites that hold slots for their employees' children. Several businesses in North Dakota secure slots for child care or make donations to selected sites.</p> <p>Sick child care has been developed by Fraser Hall in Fargo, in close cooperation with employers such as US Bank. The business is able to meet its needs and ease parent concerns while the center responds with a program that meets the needs of the children, parents and employers.</p> <p>McKenzie County Memorial Hospital in Watford City also offers a program that meets the needs of local people and businesses.</p>



**On/Off Site Dependent Care**

- program sponsored by employer at or near the worksite
- may be owned and operated by employer or by a nonprofit or for-profit agency
- may use a consortium approach with several businesses joining forces to offer a site

MeritCare Child Development Center in Fargo, the University Children’s Center at the University of North Dakota in Grand Forks and the Over The Rainbow Center in Williston are employer sponsored examples.

In Carrington, a unique consortia led to the opening of Dakota Kids Daycare, using a city and county subsidy along with subsidy money from Dakota Pasta Growers and other employers in the community. Others communities involved in community efforts include Jamestown, Valley City, Parshall, Maddock and Newburg.

**Family Provider/Child Care Center**

- care is provided independent of employer
- care is home based or center based

The majority of providers in the state are family care providers. There are many options available to employers interested in supporting family providers, including contributions and grants for equipment, provider training and certification costs, licensing support and buying slots for full- time or back-up care to employees.

**Adult Day Care/Referral Services**

- care is provided independent of employer
- care is home-based or center-based

There are few options available now. This is a wide open opportunity as we experience the aging of North Dakotans and Americans, and creative programs are emerging. Several adult care facilities in North Dakota are combining adult and child (intergenerational) care while basing the program within a nursing home (Villa Maria in Fargo, Sheyenne Care Center in Lisbon and others in Valley City and Devils Lake).

**Educational Seminars/Information**

- brown bag sessions
- newsletters
- information resources and phone services

Employers help to link employees with existing community resources. Information and educational resources are basic to handling work-life issues. Informed employees manage their personal lives and work lives more effectively. The workplace is the prime site for disseminating information to busy people today. Several unique supports are available in North Dakota including Parent Line, Parent Resource Centers and North Dakota Senior Info-Line.

# Option 1: Resource and Referral Service

*The primary functions of a resource and referral service (R&R) are to assist in locating and selecting dependent care and to improve the quality and supply of dependent care.*

North Dakota has an established network of **child care** resource and referral services throughout the state. Adult care is not addressed in the same manner as child care. Most child care R&Rs work directly with parents on a fee-for-service basis, with the fee determined by income level. Businesses work with R&Rs to assist their employees in three ways:

- (1) by making information about local resource and referral services available to their employees;
- (2) by purchasing R&R services for their employees as a part of an employee benefits package, and/or
- (3) by donating money or awarding grants to R&Rs as a way of improving the quality and availability of the child care offered in their area.

All R&Rs provide certain core services, as mandated by the State of North Dakota:

- promoting consumer education and parental choice in child care
- improving the quality of child care by providing training and assistance to providers
- documenting trends in child care and facilitating the expansion of child care services
- developing linkages between employers and unions, foundations, community agencies, and government to facilitate the expansion of quality child care services
- compiling, recording, and analyzing data on parents' demands and local community resources

Some R&Rs offer additional services. Examples of these services include the following:

- consultation to help individual employers determine child care needs
- providing a lending library of toys and equipment
- recruiting providers for specific needs (infant care, care for sick children, school age child care)
- providing additional parent education on child care beyond the direct counseling that takes place during the referral process
- periodic grant administration for child care

# North Dakota Child Care Resource and Referral System

North Dakota is divided into eight regions and each has an R&R program.

Contact the director of the R&R for your region to learn more about specific supports/programs available.

## Region 1

Kris Asendorf  
Lutheran Social Services  
PO Box 163  
Williston, ND 58802-0163  
(701) 774-0749 Fax (701) 572-5782

## Region 5

Linda Lembke  
Child Care R&R  
715 11th St. N., Suite 402  
Moorhead, MN 56560-2088  
(218) 299-7025  
1-800-452-3646

## Region 2

Kris Asendorf  
Lutheran Social Services  
615 S. Broadway - Suite L3  
Minot, ND 58701  
(701) 838-7800 Fax (701) 838-2045  
1-800-450-7801

## Region 6

Linda Lembke  
Jamestown Outreach Office  
P.O. Box 662  
Jamestown, ND 58401  
(701) 252-0350

## Region 3

Cynthia Pic  
Child Care R & R  
Box 1173  
1031 7th St. (Mercy Hospital)  
Devils Lake, ND 48301  
(701) 662-6589 Fax (701) 662-4362

## Region 7

Linda Reinicke  
Child Care R&R  
1616 Capitol Way  
Bismarck, ND 58501  
(701) 223-1510 Fax (701) 223-0440  
1-888-223-1510

## Region 4

Cynthia Pic  
Child Care R&R  
500 Stanford Rd, Suite 274  
Grand Forks, ND 58208  
(701) 772-7905/7923 Fax (701) 772-7803  
1-800-543-7382

## Region 8

Linda Reinicke  
Dickinson Outreach Office  
202 E. Villard  
Dickinson, ND 58601  
(701) 227-0131 Fax (701) 227-4750  
1-800-359-2243

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*North Dakota does not currently have an established network of elder care resource and referral services. For specific information regarding elder care options and programs in North Dakota, call the Senior Info-Line at **1-800-451-8693**. Other questions may be referred to the North Dakota Department of Human Services-Aging Services at **1-800-755-8521**.*

# Option 2: Alternative/Flexible Work Schedules and Sites

*Research indicates that many jobs can be successfully accomplished at an alternative site (flex-place, telecommuting), using an alternative schedule (job sharing, compressed work week, flex-time, phased retirement) OR by simply flexing the typical 8 a.m. to 5 p.m. hours in a variety of ways to meet the objectives of the employer and the needs of the employee. These alternatives contribute to reduced absenteeism and turnover AND become a significant recruiting factor for many workers.*

The most common barrier to alternative schedules and sites is the result of our natural resistance to change. Often businesses cannot imagine how these changes could possibly work.

After years of experimenting and documenting these changes, alternative approaches are becoming very common, not just to help balance work and personal life, but for sound business reasons such as better use of equipment and buildings, decreased traffic congestion, improved attendance, punctuality and productivity. Adults who have dependent care responsibilities consistently report flexibility and alternative schedules/sites to be their number one need.

## Understanding the Terms

- **flex-place/telecommuting**

Many jobs lend themselves to opportunities to work at home or at commuter sites. Some employers allow work to be done at home a certain number of days per week while others determine the home site to be the main workplace, with specified times to report to the central worksite.

- **job-sharing**

Two workers who are compatible and able to communicate with each other share the responsibilities of one full-time job, or share separate but related assignments. Job sharing can also be unrelated part-time assignments that simply share a budget line.

- **compressed work week**

A variety of options for completing a 40-hour work week may be made available to employees. Many find the schedule of 10 hours a day for four days preferable because it assures them one day a week to schedule doctor and dentist appointments or to make school/teacher contacts and address other personal needs.

- **phased retirement**

This is an option that enables employees to reduce their work time as they approach retirement, or after their official retirement date. Retaining retired employees on a limited basis supports smooth transition to those taking their place and also provides opportunities to create a contingency work force that is available to fill leave vacancies and meet special project needs without jeopardizing a retired person's retirement benefits.

- **flex-time**

Employees have options in start and end times, as long as they complete the total hours required. There is generally a core time when all employees must be present.

- **dependent care flexibility options**

Many employers allow employees with dependents (child or elder) to alter their work schedule to meet the unique needs of care providers. Centers and home providers often charge stiff fees for late pickups. Employers using this option assure these workers they will not need to do overtime unless their costs are compensated.

# Option 3: Parental Leave Policies

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## General Parental Leave Policies

Parental leave policies allow workers to balance the needs of work and family without having to choose between the two. The high cost of recruitment and training an employee has a significant impact on a company's bottom line. One study estimated that it costs an employer three to four times more to replace an employee on parental leave than to hold the job open for the employee's return. Parental leave provides a guide for employers and employees when leave is needed.

## Federal Legislation

In 1993, Congress passed the Family and Medical Leave Act (FMLA), which extended the right to unpaid leave to all workers and expanded the reasons why such leave might be taken. It entitles eligible employees of either sex to take up to 12 weeks unpaid job-protected leave each year for specified family and medical reasons, including the birth of a child, the placement of an adopted or foster child in the home and the serious illness of a family member. The law applies to all public agencies and to private-sector employers who employ 50 or more people for at least 20 work weeks during the year.

## Terms

Covered employers are to provide leave for workers disabled by pregnancy, miscarriage, childbirth, adoption or foster care, and those caring for a spouse, son, daughter, parent with a serious health condition or for a serious condition that makes the employee unable to perform his or her job. The law, however, does not require employers to provide a specific number of weeks for maternity leave, to treat pregnant employees in any manner different from other employees with respect to hiring or promotions, or to establish new medical, leave, or other benefit programs where none currently exist.

Family leave is available to all employees who have worked for one year, at least 20 hours per week. Leave can be up to 12 weeks for an employee health condition or 16 weeks for all other reasons.

The FMLA makes it unlawful for employers to interfere with, restrain, or deny the exercise of any right provided under FMLA or to discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding related to FMLA.

*(References: NDCC 54-52.4 and Public Law 103-3, Federal Family and medical Leave Act)*

# Option 4: Dependent Care Assistance Plan

*A salary reduction plan is one of the options available to employers to assist employees in meeting the financial aspects of their dependent care needs.*

In salary reduction plans, often called Dependent Care Assistance Plans (DCAPs), the employer and employee agree to reduce the employee's income by a certain amount, which will be placed in a dependent care assistance fund for the employee. In such an agreement, the employee is not taxed on the amount set aside for dependent care assistance, and the employer is subject to neither federal nor state taxes. A tax consultant will be able to offer advice on what is applicable.

The DCAP is an employer's written plan for the exclusive benefit of employees. The employees' rights under the plan must be legally enforceable, and the employer must intend to maintain the plan indefinitely when it is established.

The child care services allowed under a DCAP include care at the parent's home, at another person's home or a child care center. The child care program must be either licensed or exempt from license. An employer can provide services at an employer-operated child care center, a community child care center or a family child care home. The employer also can provide funds to cover any eligible services that the parent might choose. Employer programs that do not involve actual care for the child, such as parent seminars or information and referral services, would not qualify as dependent care assistance programs.

There are restrictions to the use of salary set aside in a DCAP. At the beginning of a plan year, the employee must agree to have a specific amount of compensation

set aside for that year in a DCAP that can be used for eligible dependent care expenses. The amount can be deducted through regular payroll deductions, but the total to be withheld cannot be increased or decreased during that year. In addition, the employee cannot change or "revoke elections" of the benefit unless there is a change in family status, such as marriage, divorce, death of a spouse or child etc. Neither can an employee extend an unused portion of the DCAP to be used in the following year. If all of the monies are not used during the specified year, the employee must forfeit the unused portion. To avoid forfeiting money, the employee should use conservative estimates for dependent care costs.

If part of the work population are minimum wage or low income employees who would not benefit from a salary reduction agreement, the employer might provide a subsidy to assist these parents with their child care expenses, as well as provide a DCAP, through a salary reduction agreement, for higher income employees.

A number of employers in North Dakota are already providing this benefit. For example, all state employees can use the Flex-Benefits program to take advantage of this dependent care tax break. Talk to others and determine whether this option is a positive one for your employees and your business. Employers can offer this benefit with a minimum of administrative costs involved. Employees often need to be educated about the savings potential of this plan. Providing estimates along with informational meetings can help employees to better understand this benefit.

# Option 5: General Dependent Care Supports

*A variety of programs and policies support dependent care needs of employees—without getting involved in the actual work of establishing a center. Some of the more popular programs include the following.*

## Voucher/Reimbursement Plans

In a voucher/reimbursement plan, the employee chooses the dependent care arrangement best suited to his or her needs (child care center, family child care home, after school program, elder care program) and then receives a reimbursement from the company for some portion of the costs. The employer contribution varies from company to company and can be a percentage of the total cost of care, a flat amount for all participating employees, or on a sliding scale (usually according to the family's annual income).

Vouchers or reimbursements are either added to an employee's paycheck, reimbursed as other "expense account" costs are reimbursed, or paid directly to the provider via a check or paper voucher redeemable by the provider. Vouchers or reimbursements give the employee considerable latitude in providing a good fit between his or her care needs and the available dependent care services. It gives the employee individualized choice in selecting a provider that meets personal criteria for location, hours of operation and quality of care.

In general, employers favor the voucher or reimbursement option because it offers less direct involvement in the business of child care. In this system, the care of children and elders is placed in the hands of professionals and is essentially a bookkeeping function for the employer.

## Purchased Space/Discount Programs

Under a purchase of space program, the employer arranges to "own" a specified number of spaces in a dependent care program. Parent fees may cover most or all of the cost of any spaces used, but the company typically picks up all or a portion of the cost of the unused spaces. Thus, the dependent care provider can afford to keep the spaces open for the company.

A variation on this approach is when the employer does not hold the space open indefinitely but has first right of refusal to all or a percentage of spaces. This method is less expensive but usually involves some financial or in-kind service exchange between the employer and the provider.

In a discount program, the employer arranges for employees to have a fee lower than that typically charged to parents. An employer can make this arrangement with a single provider or with many. The difference in fees is usually absorbed by the company through a financial contribution to the program. Some providers with excess capacity offer a discount that is greater than the employer's contribution. Discretion should be used in these cases because the provider may not be operating at capacity due to poor quality.

## Sick Child Care

Sick child care programs provide care for children who are mildly ill or recovering from a health problem. An employer saves the cost of a replacement or lost work time when an employee uses a sick child care program rather than staying home with a child.

In most states, sick children are not allowed to attend regular child care programs. Several programs for the care of sick children have developed across the country in recent years. Although programs for sick children may not serve parents for all the days a child is sick, they can provide an alternative for days when a child is mildly ill. Almost all models exclude children with a high fever or serious illness, and most exclude children with infectious diarrhea and highly contagious diseases such as chicken pox. Because of the high cost involved (\$6 to \$10 an hour) many companies subsidize sick child care.

The various models of sick care include a center that cares only for sick children, a program within a hospital, care in a "sick bay" at a regular child care center, a family child care home, and in-home care or visiting nurse service. Programs vary on what childhood illness or symptoms of illnesses they will admit or exclude.

The following factors distinguish programs for mildly ill children from regular child care programs:

- Sanitation policies and procedures are more stringent.
- The ratios of caregivers to children should be higher.
- Providers must be trained in caring for ill children since these children may need to rest and may have restrictions on their activities.

- Record keeping procedures are more complex.
- When the child arrives, a health check must be conducted by the provider with the parent. The health check serves as a screening for exclusion purposes and gives information to be used in providing appropriate care to the child.

## Option 6: On- or Off-Site Dependent Care Support

*An on- or off-site center may be completely or partially supported by an employer. Many employers are hesitant to sponsor on-site care due to costs involved. A center can be operated by the employer, by a nonprofit or by a for-profit child or elder care provider.*

If employers initiate a program they usually pay all start-up costs, the operating losses occurring in the early stages of the center before it is fully enrolled and some portion of ongoing operational expense. The investment usually has returns that are beyond the bottom line, such as decreased absenteeism and turnover or the ability to attract and retain quality workers. Parent fees can vary, from covering only a portion of the center's operating expenses to using sliding scales dependent upon income. Or, parent fees can cover costs completely.

Programs usually serve infants to 5-year-old (pre-kindergarten) children. Some centers admit school-age children before and after school (if transportation is available and the children are nearby), on school holidays, and during the summer. These centers can also include emergency or drop-in care for employees

who normally use other child care arrangements but whose arrangements have fallen through for the day. Hours of operation typically accommodate employees' work hours. Some programs are integrated to include both child and elder care and produce wonderful intergenerational benefits.

Child care and elder care centers are licensed by local, state, and/or county authorities. They can be legally structured in many ways: as a department of the company operated in-house or by an outside operator, a wholly owned subsidiary, or a separate nonprofit corporation. Each approach has advantages and disadvantages and should be considered in terms of how it best accomplishes the goals of the company and responds to the needs of the employees.



# Option 7: Family Provider/Center Child Care

*Some families prefer home-based or family provider dependent care as opposed to center-based care. The care provider is based in his or her home and cares for a smaller number of children (ratio is established by state law).*

In North Dakota a licensed provider may care for no more than seven children younger than school age, and they may also have two school-age children who are cared for before or after school. Providers must be licensed if they care for more than five children or four children younger than age 2. Providers must also count their own children in these ratios.

North Dakota law currently mandates the following ratios for licensed center care (local fire codes may be more stringent):

- one provider for four infants.
- one provider for five children 2 to 3 years old.
- one provider for seven children 3 to 4 years old.
- one provider for 10 children 4 to 5 years old.
- one provider for 12 children kindergarten to 6 years.
- one provider for 18 children 6 to 12 years.

Employers can use a variety of methods to support family providers. Vouchers/reimbursement plans allow employees to select their own providers and receive some level of financial support. Some companies make special grants available to providers or centers that service their employees. Grants can be used for special training, purchase equipment/supplies, or pursue licensing or accreditation for the providers' businesses. In recent years there have been mixed messages sent about financing dependent care. While it is true that the government provides food programs and some limited grant options for providers, the actual dollars available do not always provide for a profit.

Many people believe that the government has provided large sums of money to start up new care facilities; however, the dollars available are very limited, and the actual incentive to begin a new business is often stifled due to the costs involved.

## Types of Unlicensed (but legal) Child Care

The following types of care are not covered by existing licensing regulations but they are legal.

- In-home care provided by a person who comes to your home. Or, the provider may live in your home. These arrangements are made privately or with help from an agency.
- Drop-in programs provide temporary care for children no more than four continuous hours.
- Registered or self-certified providers (as opposed to licensed providers) have signed an affidavit agreeing to comply with minimum ratios and standards, but they are not monitored by any agency. These providers have five or fewer children (including their own) with no more than three younger than age 2.
- Carecheck is a voluntary child care provider registry. Child care providers listed with Carecheck have no abuse and neglect records with the North Dakota Department of Human Services and no criminal history with the North Dakota Bureau of Criminal Investigation and the Federal Bureau of Investigation. Call 1-800-245-3736 for information on Carecheck.

## Licensed Care in North Dakota

Type of Care	Location	Maximum Enrollment	Number of Programs	Capacity
family care	provider's home	seven or fewer	819	5,599
group care	provider's home or public/private facility	18 or fewer	1,017	14,068
centers	public/private facility	determined	108	7,243
preschools	church	by space	55	1,190
school age care	schools	available	32	varies

# Option 8: Adult Day Care

*In 1995, life expectancy at birth was 75.8 years compared to only 35 years when the United States was founded. By 2050, one in five Americans will be elderly. Most elderly are not in nursing homes and require assistance with activities of daily living (eating, toileting, dressing, bathing, walking, getting outside, getting in and out of bed/chairs, meal preparation, housework, managing money).*

The majority of men and women in the United States today are employed in the labor force, and a significant number must provide care for elderly parents, relatives or friends. This number will escalate in the next decade. The issue of elder care need not be an unanticipated problem. Individuals and businesses alike can plan ahead to ensure plans/programs are in place to support employees. Elder care is another form of dependent care and can be addressed in similar ways.

Estimates indicate that 64 percent of caregivers work full- or part-time, and 41 percent care for children younger than 18 while also caring for elderly people. Half of employed caregivers report taking time off work, coming in late or adjusting hours, 6 percent gave up work entirely, and 3.6 percent have taken early retirement. Currently, 56 percent of employed women and 44 percent of employed men are caregivers.

Businesses can choose to support elder care with Resource and Referral programs (R&Rs), vouchers, discount plans, and more. The similarities between elder care and child care often lead to one set of dependent care policies and programs at the workplace.

Elder care in North Dakota has not benefitted from a coordinated statewide effort similar to child care. If you have specific questions regarding elder care, call the **North Dakota Senior Info-Line at 1-800-451-8693**.

## Examples of Elder Care Resources:

- **geriatric care managers**  
Trained professional to coordinate and monitor services for older adults and their families.
- **homemakers/home health aides**  
A personal care worker is supervised by an agency and provides personal care, meal planning, medication reminders and household management.
- **companions/friendly visitors**  
A companion or live-in is supervised by an agency (Senior Companion Program) and takes care of personal needs, exercise, light housework, medication reminders, and provides respite care or transportation to medical appointments.
- **telephone reassurance systems**  
A phone system may be available locally or within a state/area from a group such as the Red Cross. People may call to check up on elderly or they may call in for support.
- **home delivered meals**  
Meals On Wheels is one source of such support. This nonprofit, volunteer-based service delivers nutritious meals. Many local volunteers help make the program a success.
- **adult day care**  
In some cases elderly are unable to be unsupervised for any length of time and in-home care may not be possible. Adult Day Care programs have begun to provide the support needed by these families. Some centers target elderly only and others offer intergenerational care for elderly and young children in the same setting. Intergenerational care benefits both age groups and is growing in numbers.

# Option 9: Educational Seminars/Information

*A variety of organizations, state agencies and independent consultants can provide training, seminars and written materials tailored to meet the needs of employees.*

Noon-hour brown bag sessions and between-shift sessions for shift workers are very popular with employees.

Some of the most popular seminars include the following:

- Finding Quality Child Care
- Adjusting to Shift-Work
- Time Management
- Flexibility Options
- Understanding Company Benefits
- Saving For My Child's Education
- Communication Skills for Work and Home
- Keeping In Touch With Your Child's School
- Helping Your Child Learn
- Becoming A Confident Parent
- Living With Teens
- When Parents Become Dependents: Caring For Your Parents

Employers can also create networks with local information sources and place current information in break rooms to help keep employees aware of the latest research or resources in a variety of personal life areas. These include consumer issues (renter rights, credit card management), parenting (child safety issues, handling temper tantrums), elder care (understanding new Medicare regulations), and community issues (notices of public information meetings regarding specific topics). Informed employees tend to manage their personal lives and work lives more effectively; however, it is increasingly difficult to find the time to gather the information needed. The workplace has become an important site for employees to find support from co-workers and learn about the resources within the community.

## Parent Line

North Dakota has a unique service available to support parents. Anyone interested in information regarding a specific parenting issue or wishing to discuss a specific question with a qualified parent educator can do so by calling Parent Line at 1-800-235-0808.

Employers can call to get copies of informational flyers to place in break rooms or use as mailers with paychecks. This service is free and unique to North Dakota thanks to several grant sources, including the North Dakota Parent Assistance and Supportive Schools (ND PASS) program, Dakota Medical Foundation and the NDSU Extension Service. The line is open from 7:30 a.m. to 7:30 p.m., and parents can problem solve with the person on the phone in a candid manner that provides a new direction for their situation. When these issues are addressed, employees are better able to manage their personal lives and be productive on the job.


## Parent Resource Centers

There are currently four such centers located in North Dakota. These centers deliver parent education programs and workshops for all ages and stages of development, access to a parent education resource library containing helpful videos and books, and free brochures and educational materials. Businesses can also arrange to have a mini-resource library set up on location for convenient employee use.

Contact the regional office nearest you to learn about opportunities to support employees and bring programs to the work site:


- Fargo Regional Office ..... 241-5700
- Grand Forks Regional Office ..... 780-8229
- Morton County Regional Office ..... 667-3342
- Stark/Billings Regional Office ..... 264-1142

## North Dakota Senior Info-Line



Concerns related to elder care can be dealt with by calling the North Dakota Senior Info-Line at 1-800-451-8693. This information line can help identify services available in North Dakota for adult day care, home health care, senior insurance counseling, nutrition and medication assistance programs, support groups, legal assistance, meals on wheels, nursing homes and more. The information line is sponsored by the North Dakota Department of Human Services. Employers who regularly provide this type of information to employees are sending a message that says personal life is important and employees are supported in their efforts to balance both job and personal life.

## Additional Resources



Information regarding local resources for dependent care can also be obtained by contacting Regional Children's Services Coordinating Committees and their funded projects, local hospital education programs, community education programs, technical schools and university educators, chamber groups, and civic organizations.

# Appendix

- Presence of children by employment status of parents in North Dakota by county, 1990
  - children under 6 years
  - children 6 to 17 years
  - children under 18 years
- North Dakota Child Care Statistics
- Resources

Presence of children under 6 years by employment status of parents in North Dakota by county, 1990

Area	Total Living in Families	Living with Two Parents				Living with One Parent			
		Parent(s) in Labor Force		Neither Parent in Labor Force	Father		Mother		
		Both Parents	Father Only		In Labor Force	Not in Labor Force	In Labor Force	Not in Labor Force	
North Dakota	57,310	32,445	14,267	1,099	969	1,361	172	3,743	3,254
Adams	245	159	54	16	0	3	0	13	0
Barnes	974	501	252	26	22	23	0	69	81
Benson	768	197	173	12	25	59	17	96	189
Billings	109	44	49	0	8	2	2	4	0
Bottineau	579	353	124	3	43	8	0	26	22
Bowman	266	204	40	0	0	9	0	8	5
Burke	175	82	53	17	2	7	0	10	4
Burleigh	5,456	3,518	1,148	31	37	100	4	391	227
Cass	9,191	5,914	1,826	145	120	157	9	631	389
Cavalier	521	247	190	28	27	0	0	18	11
Dickey	421	210	155	4	10	12	0	20	10
Divide	198	130	30	0	0	11	2	23	2
Dunn	379	176	93	34	2	36	0	23	15
Eddy	206	156	38	0	0	2	0	6	4
Emmons	386	204	111	12	44	5	0	4	6
Foster	341	224	80	0	11	2	0	18	6
Golden Valley	176	108	54	2	0	6	0	4	2
Grand Forks	7,053	3,858	2,002	172	45	138	2	519	317
Grant	277	212	55	0	5	4	1	0	0
Griggs	241	148	78	3	5	3	0	4	0
Hettinger	296	189	68	9	15	3	4	8	0
Kidder	235	107	75	18	11	12	5	3	4
LaMoure	404	195	164	15	7	6	9	6	2
Logan	210	128	57	3	14	2	0	2	4
McHenry	485	253	167	6	11	5	0	19	24
McIntosh	293	223	39	4	10	8	3	6	0
McKenzie	671	341	192	0	2	52	0	20	64
McLean	843	446	213	3	27	32	0	33	89
Mercer	1,040	536	465	5	0	16	0	10	8
Morton	2,015	1,204	493	0	35	14	9	109	151
Mountrail	610	309	98	4	22	17	4	83	73
Nelson	300	192	58	33	0	2	0	11	4
Oliver	207	119	80	0	0	0	0	2	6
Pembina	744	417	228	33	6	10	4	22	24
Pierce	347	286	27	0	15	0	0	16	3
Ramsey	1,011	527	194	33	21	32	0	132	72
Ransom	453	295	104	4	4	13	0	17	16
Renville	254	150	76	0	4	0	0	8	16
Richland	1,555	859	466	18	44	47	0	77	44
Rolette	1,673	431	217	75	32	103	68	193	554
Sargent	352	217	85	4	23	17	0	5	1
Sheridan	156	42	62	3	30	6	0	7	6
Sioux	510	192	24	10	32	47	16	70	119
Slope	77	39	31	5	0	2	0	0	0
Stark	2,147	1,250	622	43	31	42	0	88	71
Steele	199	112	61	2	10	6	0	6	2
Stutsman	1,738	995	386	43	41	41	7	172	53
Towner	324	151	74	10	13	18	4	29	25
Traill	682	415	168	21	20	9	0	29	20
Walsh	1,223	715	249	28	6	59	0	109	57
Ward	5,885	3,124	1,794	111	33	120	0	357	346
Wells	446	251	92	31	29	14	2	21	6
Williams	1,963	1,090	533	20	15	19	0	186	100

Source: U.S. Bureau of the Census, STF3A, Table p74.

Presence of children 6 to 17 years by employment status of parents in North Dakota by county, 1990

Area	Total Living in Families	Living with Two Parents				Living with One Parent			
		Parent(s) in Labor Force			Neither Parent in Labor Force	Father		Mother	
		Both Parents	Father Only	Mother Only		In Labor Force	Not in Labor Force	In Labor Force	Not in Labor Force
North Dakota	114,241	70,473	20,910	2,873	2,189	2,732	368	10,889	3,807
Adams	562	387	107	25	2	4	0	37	0
Barnes	2,078	1,312	404	47	50	67	0	168	30
Benson	1,602	571	386	71	35	88	29	246	176
Billings	248	116	109	0	16	6	0	1	0
Bottineau	1,431	925	217	69	18	22	1	136	43
Bowman	739	552	127	4	6	2	0	37	11
Burke	557	270	181	35	7	23	0	28	13
Burleigh	11,081	7,035	1,635	226	54	249	2	1,564	316
Cass	15,905	10,844	2,301	157	101	287	14	1,790	411
Cavalier	1,106	598	307	41	78	33	3	37	9
Dickey	1,058	675	202	15	13	21	2	107	23
Divide	491	317	67	13	28	18	8	40	0
Dunn	825	460	214	35	9	34	0	62	11
Eddy	530	350	91	10	12	20	0	40	7
Emmons	852	484	129	63	96	17	0	41	22
Foster	749	527	120	17	8	33	0	36	8
Golden Valley	423	331	69	6	2	8	0	5	2
Grand Forks	11,034	6,701	2,187	210	184	297	3	1,115	337
Grant	675	414	181	13	30	18	0	3	16
Griggs	612	442	118	6	14	4	0	27	1
Hettinger	613	452	90	18	24	9	7	11	2
Kidder	650	382	108	36	38	56	2	28	0
LaMoure	1,048	590	268	80	25	28	15	36	6
Logan	491	321	88	40	20	12	0	8	2
McHenry	1,264	689	320	68	43	24	0	82	38
McIntosh	585	463	43	19	31	2	0	25	2
McKenzie	1,370	835	302	16	9	83	0	88	37
McLean	2,152	1,317	478	28	21	48	0	175	85
Mercer	2,129	1,231	616	26	32	86	1	122	15
Morton	4,866	3,288	769	118	38	78	18	464	93
Mountrail	1,398	896	207	25	15	52	6	138	59
Nelson	718	432	157	33	21	10	8	57	0
Oliver	554	303	173	26	0	18	7	11	16
Pembina	1,812	1,114	451	56	32	35	13	90	21
Pierce	937	615	157	53	27	5	0	80	0
Ramsey	2,232	1,367	271	87	50	54	0	306	97
Ransom	1,040	667	205	18	33	25	2	70	20
Renville	602	397	113	10	5	18	2	41	16
Richland	3,104	1,915	661	96	69	73	17	190	83
Rolette	2,941	1,118	326	90	129	130	140	459	549
Sargent	859	621	141	3	15	17	0	57	5
Sheridan	355	132	70	46	83	5	0	19	0
Sioux	963	284	100	64	91	59	18	207	140
Slope	185	109	70	0	0	0	6	0	0
Stark	4,524	2,725	958	52	61	102	0	363	263
Steele	414	297	65	28	13	0	0	4	7
Stutsman	3,952	2,587	561	163	110	62	27	401	41
Towner	633	401	110	43	24	8	0	41	6
Traill	1,529	1,002	285	64	79	22	0	72	5
Walsh	2,532	1,609	383	70	49	127	3	224	67
Ward	9,998	5,888	2,217	189	73	167	3	949	512
Wells	979	589	187	42	36	9	5	77	34
Williams	4,254	2,526	808	103	130	57	6	474	150

Source: U.S. Bureau of the Census, STF3A, Table p74

Presence of children under 18 years by employment status of parents in North Dakota by county, 1990

Area	Total Living in Families	Living with Two Parents				Living with One Parent			
		Parent(s) in Labor Force			Neither Parent in Labor Force	Father		Mother	
		Both Parents	Father Only	Mother Only		In Labor Force	Not in Labor Force	In Labor Force	Not in Labor Force
North Dakota	171,551	102,918	35,177	3,972	3,158	4,093	540	14,632	7,061
Adams	807	546	161	41	2	7	0	50	0
Barnes	3,052	1,813	656	73	72	90	0	237	111
Benson	2,370	768	559	83	60	147	46	342	365
Billings	357	160	158	0	24	8	2	5	0
Bottineau	2,010	1,278	341	72	61	30	1	162	65
Bowman	1,005	756	167	4	6	11	0	45	16
Burke	732	352	234	52	9	30	0	38	17
Burleigh	16,537	10,553	2,783	257	91	349	6	1,955	543
Cass	25,096	16,758	4,127	302	221	444	23	2,421	800
Cavalier	1,627	845	497	69	105	33	3	55	20
Dickey	1,479	885	357	19	23	33	2	127	33
Divide	689	447	97	13	28	29	10	63	2
Dunn	1,204	636	307	69	11	70	0	85	26
Eddy	736	506	129	10	12	22	0	46	11
Emmons	1,238	688	240	75	140	22	0	45	28
Foster	1,090	751	200	17	19	35	0	54	14
Golden Valley	599	439	123	8	2	14	0	9	4
Grand Forks	18,087	10,559	4,189	382	229	435	5	1,634	654
Grant	952	626	236	13	35	22	1	3	16
Griggs	853	590	196	9	19	7	0	31	1
Hettinger	909	641	158	27	39	12	11	19	2
Kidder	885	489	183	54	49	68	7	31	4
LaMoure	1,452	785	432	95	32	34	24	42	8
Logan	701	449	145	43	34	14	0	10	6
McHenry	1,749	942	487	74	54	29	0	101	62
McIntosh	878	686	82	23	41	10	3	31	2
McKenzie	2,041	1,176	494	16	11	135	0	108	101
McLean	2,995	1,763	691	31	48	80	0	208	174
Mercer	3,169	1,767	1,081	31	32	102	1	132	23
Morton	6,881	4,492	1,262	118	73	92	27	573	244
Mountrail	2,008	1,205	305	29	37	69	10	221	132
Nelson	1,018	624	215	66	21	12	8	68	4
Oliver	761	422	253	26	0	18	7	13	22
Pembina	2,556	1,531	679	89	38	45	17	112	45
Pierce	1,284	901	184	53	42	5	0	96	3
Ramsey	3,243	1,894	465	120	71	86	0	438	169
Ransom	1,493	962	309	22	37	38	2	87	36
Renville	856	547	189	10	9	18	2	49	32
Richland	4,659	2,774	1,127	114	113	120	17	267	127
Rolette	4,614	1,549	543	165	161	233	208	652	1,103
Sargent	1,211	838	226	7	38	34	0	62	6
Sheridan	511	174	132	49	113	11	0	26	6
Sioux	1,473	476	124	74	123	106	34	277	259
Slope	262	148	101	5	0	2	6	0	0
Stark	6,671	3,975	1,580	95	92	144	0	451	334
Steele	613	409	126	30	23	6	0	10	9
Stutsman	5,690	3,582	947	206	151	103	34	573	94
Towner	957	552	184	53	37	26	4	70	31
Traill	2,211	1,417	453	85	99	31	0	101	25
Walsh	3,755	2,324	632	98	55	186	3	333	124
Ward	15,883	9,012	4,011	300	106	287	3	1,306	858
Wells	1,425	840	279	73	65	23	7	98	40
Williams	6,217	3,616	1,341	123	145	76	6	660	250

Source: U.S. Bureau of the Census, STF3A, Table p.74



# North Dakota Child Care Statistics

County	Licensed Programs <sup>1</sup>	Current Vacancies <sup>1</sup>	Capacity <sup>1</sup>	Children 0-5 years <sup>2</sup>	Children 5-9 years <sup>2</sup>	--- % Working Mothers ---		--- Avg. Full Time Monthly Rates ---			Rate/Hour School-Age <sup>1</sup>	Total Programs Open Past 6 p.m.	Total Programs Open Sat & Sun
						of 0-5 years	of 6-17 years	Infant 0-2	Toddlers	Preschooler			
Adams	6	9	102	202	226	79.1	78.9	\$276.47	\$264.35	\$264.35	\$1.57	1	0
Barnes	35	11	440	789	851	67.2	78.9	\$294.83	\$290.33	\$290.33	\$1.58	2	1
Benson	7	7	106	719	734	44.7	69.5	\$311.20	\$311.20	\$311.20	\$1.65	0	0
Billings	0	0	0	80	106	49.3	51.6	\$0.00	\$0.00	\$0.00	\$0.00	0	0
Bottineau	26	55	343	472	565	70.2	82	\$326.14	\$322.11	\$322.11	\$1.76	7	3
Bowman	4	4	39	232	277	85	84	\$296.61	\$296.61	\$284.44	\$1.48	0	0
Burke	3	4	50	136	204	59.8	64.7	\$313.93	\$313.93	\$313.93	\$1.75	0	0
Burleigh	227	495	3242	4449	4892	76	86	\$371.04	\$363.50	\$361.04	\$1.98	30	13
Cass	416	594	6698	7481	7351	75.1	84.6	\$368.22	\$347.05	\$339.91	\$1.99	22	2
Cavalier	9	42	136	413	453	59.4	69.3	\$357.40	\$357.40	\$357.40	\$1.64	2	0
Dickey	15	4	185	337	435	60.1	83.2	\$315.87	\$300.24	\$300.24	\$1.58	1	1
Divide	2	16	36	177	184	83.1	76	\$308.51	\$308.51	\$308.51	\$1.57	0	0
Dunn	5	5	57	313	375	68.1	70.2	\$296.17	\$296.17	\$296.17	\$1.71	1	0
Eddy	8	0	103	162	206	75.5	78.5	\$311.76	\$307.60	\$307.60	\$1.58	2	0
Emmons	10	12	121	302	333	67.3	69.8	\$284.44	\$284.44	\$284.44	\$1.53	4	0
Foster	6	20	90	278	320	74.1	77.9	\$345.58	\$345.58	\$345.58	\$1.84	0	0
Golden Valley	9	14	120	139	179	69.6	80	\$318.60	\$318.60	\$318.60	\$1.79	0	1
Grand Forks	195	270	3747	5824	5269	67.5	79.2	\$368.53	\$351.94	\$346.44	\$1.81	31	6
Grant	5	6	57	213	268	75.7	73.8	\$267.46	\$267.46	\$267.46	\$1.42	0	1
Griggs	11	28	148	195	245	75	81.5	\$313.10	\$313.10	\$313.10	\$1.71	4	1
Hettinger	6	7	71	226	253	72.5	75.3	\$296.39	\$296.39	\$296.39	\$1.53	1	0
Kidder	4	5	66	202	251	62.5	83.8	\$345.84	\$345.84	\$345.84	\$1.85	0	0
LaMoure	10	2	117	327	401	56.4	74.9	\$266.55	\$266.55	\$266.55	\$1.46	3	2
Logan	7	1	73	168	180	65.5	73	\$280.11	\$280.11	\$280.11	\$1.50	3	0
McHenry	13	29	199	382	496	59.5	72.9	\$309.34	\$295.96	\$295.96	\$1.54	6	3
McIntosh	10	6	80	210	290	81.3	91.6	\$317.30	\$317.30	\$317.30	\$1.75	0	0
McKenzie	9	13	105	586	595	61.8	73.3	\$343.76	\$339.95	\$339.95	\$1.74	1	1
McLean	19	28	203	666	841	60.9	72.5	\$327.04	\$327.04	\$327.04	\$1.96	1	3
Mercer	15	40	275	854	947	57.2	73.2	\$371.64	\$360.39	\$360.39	\$1.92	1	0
Morton	80	168	1024	1666	2062	71.2	85	\$343.11	\$332.15	\$329.56	\$1.82	15	7

# North Dakota Child Care Statistics

County	Licensed Programs <sup>1</sup>	Current Vacancies <sup>1</sup>	Capacity <sup>1</sup>	Children 0-5 years <sup>2</sup>	Children 5-9 years <sup>2</sup>	--- % Working Mothers --- of of 0-5 years 6-17 years		----- Full Time Monthly Rates ----- Infant 0-2 Toddlers Preschooler	Rate/Hour School-Age <sup>1</sup>	Total Programs Open Past 6 p.m.	Total Programs Open Sat & Sun		
Mountrail	17	4	227	500	583	68.4	77.5	\$321.68	\$316.48	\$342.46	\$1.67	2	1
Nelson	11	6	149	229	291	79.1	75.1	\$348.57	\$342.98	\$342.98	\$1.81	2	1
Oliver	1	0	7	175	231	62.7	68.5	\$340.99	\$340.99	\$340.99	\$1.75	0	0
Pembina	26	44	455	623	736	68.3	74.9	\$340.16	\$331.63	\$338.48	\$1.70	6	2
Pierce	11	23	182	276	352	88.8	76.9	\$358.57	\$353.15	\$353.15	\$1.82	2	1
Ramsey	56	75	734	865	985	73.6	85.9	\$345.01	\$338.13	\$337.65	\$2.19	11	4
Ransom	16	20	170	355	443	73	71.6	\$321.50	\$311.76	\$311.76	\$1.58	1	0
Renville	1	3	18	177	266	61	77.8	\$321.50	\$321.50	\$321.50	\$1.65	0	0
Richland	59	42	701	1279	1418	65.1	77.9	\$344.36	\$335.32	\$332.63	\$1.73	7	1
Rolette	14	23	204	1411	1355	51	66.8	\$321.24	\$322.71	\$320.29	\$1.74	0	0
Sargent	7	0	84	285	323	70.2	83.1	\$369.48	\$369.48	\$369.48	\$1.52	0	0
Sheridan	0	0	0	130	147	36.6	63.1	\$0.00	\$0.00	\$0.00	\$0.00	0	0
Sioux	2	0	32	458	491	60.2	70.8	\$330.16	\$330.16	\$330.16	\$1.75	1	1
Slope	0	0	0	53	77	65.5	54	\$0.00	\$0.00	\$0.00	\$0.00	0	0
Stark	114	245	1369	1742	2029	66.5	75.2	\$314.31	\$305.05	\$302.36	\$1.78	14	7
Steele	1	0	7	157	166	67.9	76.6	\$340.99	\$340.99	\$340.99	\$1.75	0	0
Stutsman	80	84	1033	1452	1642	73.3	86.4	\$337.09	\$329.90	\$329.69	\$1.80	10	4
Towner	3	31	4	256	270	65.2	80.7	\$298.77	\$298.77	\$298.77	\$1.62	1	0
Traill	23	26	361	536	647	72.4	75.5	\$395.42	\$364.50	\$364.50	\$1.80	0	0
Walsh	21	48	339	975	1102	75.6	79.6	\$347.44	\$335.83	\$331.89	\$1.82	1	0
Ward	172	436	2697	4872	4494	64.9	75.6	\$331.33	\$324.27	\$321.11	\$1.82	21	2
Wells	12	11	180	346	407	70.2	75.8	\$298.16	\$283.14	\$283.14	\$1.55	2	0
Williams	53	196	713	1543	1992	67.6	78.3	\$328.56	\$315.14	\$313.06	\$1.70	15	9
<b>TOTAL</b>	<b>1872</b>	<b>3212</b>	<b>27699</b>	<b>46895</b>	<b>50236</b>	<b>69.1</b>	<b>79.4</b>					<b>246</b>	<b>78</b>

<sup>1</sup> Data compiled from the NDCCRR Network

<sup>2</sup> Data from the State Data Center at NDSU

Capacity may be overstated because many providers do not choose to fill their program to capacity, but to maintain a smaller group of children.

While current vacancies may appear sufficient to meet the needs, the vacancy does not always meet the schedule, location and age group required by a family. A vacancy rate of 10% of capacity rate allows families minimal choices in choosing child care.

## Resources

The following resources may help your company in its examination of work-life options.

### **Work & Family Connection, Inc.**

5197 Beachside Drive, Minnetonka, MN 55343  
1-800-487-7898

<http://www.workfamily.com>

This internationally respected organization provides one of the most comprehensive sources of information available on issues related to work and personal life. Monthly newsletters include *Work & Family Newsbrief*, *Trend Report*, and *Newsbrief Manager's Quarterly*. The Web site is a great source of current information and periodic publications are very helpful. One example is the February 1998 publication, *Best Practices In Work-Life*.

### **Families and Work Institute**

330 Seventh Ave., 14<sup>th</sup> Floor,  
New York, NY 10001  
212-465-2044

<http://www.familiesandwork.org>

Leadership for much of the current interest and attention to work and personal-life issues originated with the Families and Work Institute, which produces a number of publications and stages conferences each year. Examples of available resources include: *The Corporate Guide to National Dependent Care Resource and Referral Services*, *The Impact of Parental Employment on Children*, *The Changing Workforce*, *The New Work-Life Business Case*, and *Moving From Programs to Culture Change: The Next Stage for the Corporate Work-Family Agenda*.

### **The Conference Board, Inc.**

845 Third Avenue, New York, NY 10126-0395  
212-339-0345

<http://www.conference-board.org>

This nationally recognized organization conducts research for businesses on a variety of topics, including work-life issues. Recent reports include: *The Value Of Training in the Era of Intellectual Capital*, *Employee Benefits: Surviving and Thriving With Continual Change*, *The Work-Family Roundtable*, *Lower-Wage Employees*, and *Managing Knowledge For Business Success*.

### **The Association of Work-Life Professionals**

465 Carlisle Drive, Herndon, VA 20170  
1-800-874-9383

Recently, several groups joined forces to create this organization and conduct annual conferences. Professionals from many disciplines have converged their expertise with an advisory board including Lotte Bailyn, Judsen Culbreth, Ken Dychtwald, Ellen Galinsky, J.Randall McDonald, Karen Nussbaum, David Olsen, Francene Rodgers, Judy Rosener, R. Roosevelt Thomas, Jr., Sheila Wellington and Faith Wohl. Call for membership and conference information.

### ***Creating A Flexible Workplace: How to Select and Manage Alternative Work Options***

This second edition from the American Management Association was released in 1994. Authors Barney Olmsted and Suzanne Smith discuss the details of many options for flexibility in the workplace and provide the background needed to move your business into new flexibility options.

*This publication was funded by a grant from the  
**Region 5 Children's Services Coordinating Committee**  
to the NDSU Extension Service – Cass County  
in an effort to connect businesses with information and resources  
to support work-life efforts and ultimately address the best interests of the children in the region.*

*This publication is one component of the grant project directed by  
Dr. Deb Gebeke, Educational Consultant and  
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Kathy Hogan, Cass County Social Services Director.*

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Submitted by  
Linda Reineke  
SB 2408

**State-wide Recruitment Data  
of Licensed Child Care Providers  
(June 1997 - July 1998)**

The following data reflects additions and drops of licensed child care programs throughout the state from June 1997 to July 1998. Presently, there are 1,872 licensed programs with a capacity to care for 27,699 children.

DHS Region	Licensed Programs Added	Licensed Capacity Added	Licensed Programs Dropped	Licensed Capacity Dropped	Capacity Loss or Gain
Region 1	17	184	15	194	(10)
Region 2	54	485	85	941	(456)
Region 3	56	478	8	56	422
Region 4	54	594	39	306	288
Region 5	92	933	84	834	99
Region 6	39	339	32	360	(21)
Region 7	54	452	52	480	(28)
Region 8	27	240	30	273	(33)
<b>Total</b>	<b>393</b>	<b>3,705</b>	<b>345</b>	<b>3,444</b>	<b>261</b>

Licensed Programs Added	393	Capacity Added	3,705
Licensed Programs Dropped	<u>345</u>	Capacity Dropped	<u>3,444</u>
<b>Net Gain Programs</b>	<b>48</b>	<b>Net Gain Capacity</b>	<b>261</b>

**North Dakota Child Care Resource and Referral recruitment information:**

From June 1997 to July 1998, CCR&R awarded 112 recruitment to 112 providers. Awards ranged from \$250 to \$500 and totaled \$59,678.

**Obstacles Preventing Individual from Becoming Licensed**

Attitude	5%
Financial	62%
Not able to meet regulations	9%
Location	12%
Other	12%

## Licensed Child Care Data (select counties)

	Licensed Programs*	Current Vacancies*	Total Capacity*	Children 0-9 Years^	% Working Mothers of 0-5 Years^	% Working Mothers of 6-17 Years^	Average Monthly Rates*
<b>Benson</b>	7	7	106	1,453	44.7	69.5	\$311
<b>Burleigh</b>	227	495	3,242	9,341	76	86	\$365
<b>Cass</b>	416	594	6,698	14,832	75.1	84.6	\$351
<b>Emmons</b>	10	12	121	635	67.3	69.8	\$284
<b>Grant</b>	5	6	57	481	75.7	73.8	\$267
<b>Grand Forks</b>	195	270	3,747	11,093	67.5	79.2	\$355
<b>McLean</b>	19	28	203	1,507	60.9	72.5	\$327
<b>Morton</b>	80	168	1,024	3,728	71.2	85	\$334
<b>Stutsman</b>	80	84	1,033	3,094	73.3	86.4	\$332
<b>Towner</b>	3	4	31	256	65.2	80.7	\$299
<b>Walsh</b>	21	48	339	2,077	75.6	79.6	\$338
<b>Ward</b>	172	436	2,697	9,366	64.9	75.6	\$325
<b>Williams</b>	53	196	713	3,535	67.6	78.3	\$319

\* Data compiled by the North Dakota Child Care Resource and Referral Network.

^ Data from the State Data Center at NDSU

**Date: March 9, 1999**

**To: Wesley Belter- Chairman, House Finance and Taxation Committee**

**From: Barb Arnold-Tengesdal**

(part-time employee and mother of a two-year-old in family day care)

**Re: SB 2408**

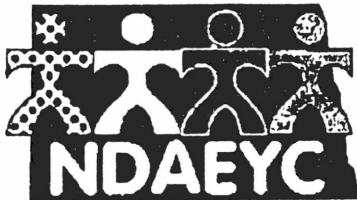
I support SB 2408 as a bill that provides incentives for rural economic development, while encouraging businesses to become "family friendly" by allowing them to invest in child care, thereby supporting employees who are working parents.

**Working parents are a reality in the work force.** With one of the lowest unemployment rates in the nation, North Dakota faces many issues, including a dwindling work force, the departure of young people from the state, and rural outward migration. The most recent Kids Count data documents that 83% of North Dakota women, with children under the age of six are working. Not all families can choose to have a stay-at-home parent to care for young children. I believe most parents would make that choice if it was financially viable, but with welfare reform and the farm crisis looming, typical stay-at-home parents are faced with utilizing child care.

**The lack of available child care leaves many families without choices once they have found employment.** It has been proven that good quality child care provides the stability that parents need to be a productive employee, reducing absenteeism, tardiness and turnover. For many years, child care was seen as "the parents' problem," not an issue that should be brought into the workplace. When parents experience breakdowns in their care arrangements or cannot find child care that fits their work schedule, many people are affected: for instance, employers in need of employees available to work rotating and flexible schedules, and coworkers who must take on the added responsibilities of colleagues experiencing the breakdown. The availability of child care can no longer remain a concern for parents to manage alone without support.

**The expense of high quality child care has a significant impact on parents.** Child care costs are often one third of a family's budget. After housing and food costs, child care is the largest expense. Most parents cannot afford to pay more for child care, even though child care workers subsidize this care by being one of the lowest paid groups in the work force, with an annual turnover rate of 35%. Many child care workers do not receive benefits like sick days, vacation, medical or retirement, and they work 50-60 hour weeks. The expense of providing care leaves many communities without child care options for working families.

I believe SB 2408 would help communities begin to identify the current resources available and provide business the incentive to support working parents in their efforts to be good employees.



*North Dakota Association for  
the Education of Young Children*

PO Box 5797 • Fargo, ND 58105-5797

Submitted by  
*Barb Arnold-Torgedal*

To: Wes Belter, Chairman, House Finance and Taxation Committee

From: Judy Milavetz, North Dakota Association for the Education of Young  
Children (NDAEYC)

Date: March 9, 1999

Re: Testimony in support of SB 2408

The North Dakota Association for the Education of Young Children strongly supports SB 2408 as a cost-effective means to address challenges relating to child care and workforce development. NDAEYC is a professional organization consisting of 386 dues paying members and approximately 250 additional members of local affiliates statewide. Its membership includes center and home-based child care providers, teachers in kindergarten and primary grades, Head Start staff, Air Force Base personnel, professors of higher education, Resource & Referral specialists, parents of young children, and others dedicated to the provision of quality early care and education.

NDAEYC urges you to consider SB 2408 as a means to alleviate a current problem that also has far-reaching implications for future savings. Right now, our state is facing unprecedented workforce shortages. As a result, availability of child care has become a critical issue. North Dakota has one of the nation's highest percentages of working mothers of preschool children. Low unemployment rates, the necessity for many farmers to seek alternate sources of income, and new welfare mandates have combined to create child care needs that did not exist in earlier times. In short, if we are to address present workforce demands in this state, we need a stable supply of quality child care options for our workers.

The good news is that quality child care accomplishes much, much more than bolstering the labor force--and does it in a way that is financially attractive to both taxpayers and businesses. Consider some of the recent research that measures the monetary value of quality early care and education.

Investment in high quality programs for young children realizes at least a five-fold financial return in lower rates of delinquency, special education, school drop-outs, unemployment, welfare, and crime. The Perry Preschool Project cites a \$7.16 return on the dollar for participants studied through age 27. (*Significant Benefits*, HighScope Press, 1993) A nationwide study found that high quality child care was strongly related to higher achievement in children. While good care costs more than mediocre care, the cost difference is not substantial, and child care programs that can access extra resources devote them to improving quality. (*Cost, Quality, and Outcome Study*, University of Colorado, 1995)



Several pieces of research link effective child care with welfare savings. North Carolina found that a child care subsidy enabling a parent to earn at least \$15,000/year will generate federal, state, and local revenue in excess of the subsidy. (*Legislator's Guide to Child Care Policy, 1997*) A report by the General Accounting Office indicated that completely subsidizing child care costs would lead to a 15% increase in employment of poor mothers. (*GAO, Washington D.C., 1994*) A 1998 study from the National Conference of State Legislatures determined lack of access to child care to be a serious impediment for single parents leaving welfare. Lastly, a 1993 study of the JOBS program found that parents with poor quality child care were more likely to leave their jobs than those with good quality care. (*Financing Child Care, The David and Lucile Packard Foundation, 1996*)

Investment in child care has proven advantages to the general working population that extend beyond self-sufficiency. Analysts estimate that businesses nationwide lose \$3 billion a year due to child care related absenteeism, turnover, and lost productivity. (*Colorado Commission on Child Care Financing, 1995*) A 1995 study reports that 25% of working mothers of children under 12 had experienced child care breakdowns in just a three month period. (*Legislator's Guide to Child Care Policy, 1997*) A Families and Work Institute survey indicated that investment in child care was beneficial in recruitment and retention of employees. In addition, public-private initiatives promote quality, affordability, and availability of child care not only for a particular group of employees, but for children and families in the broader community. (*Investing in Child Care, U.S. Department of the Treasury, 1998*)

Economists have argued for the special role that government must play, in partnership with the private sector, in provision of child care services. Left alone, the market cannot operate on a normal supply and demand basis due to the high cost of care relative to parent income. Intervention is warranted on the basis of child care being good for society as a whole, with benefits reaching to individuals beyond direct consumers of care. (*Financing Child Care, The David and Lucile Packard Foundation, 1996*)

We value your expertise as legislators in creating public policies that are responsible to our entire citizenship. As you make tough decisions on allocation of resources, please don't overlook our youngest citizens. They have no voice right now, but they will be the policymakers of the future. In order to be effective in that role, they need our attention while we can still make a significant impact. The costs are minimal and the financial rewards abundant.

Sent to Rep. Belter -  
presented in committee

From: NDCCPI@NDCCPI on 03/08/99 01:09 PM

To: Wesley R. Belter/NDLC/NoDak@NoDak, Earl R. Rennerfeldt/NDLC/NoDak@NoDak, Byron Clark/NDLC/NoDak@NoDak, Rodney Froelich/NDLC/NoDak@NoDak, Bette B. Grande/NDLC/NoDak@NoDak, Stacey L. Mickelson/NDLC/NoDak@NoDak, Eugene J. Nicholas/NDLC/NoDak@NoDak, Dennis J. Renner/NDLC/NoDak@NoDak, Arlo E. Schmidt/NDLC/NoDak@NoDak, John M. Warner/NDLC/NoDak@NoDak, Mick R. Grosz/NDLC/NoDak@NoDak, Gil Herbel/NDLC/NoDak@NoDak, Joe Kroeber/NDLC/NoDak@NoDak, Ray H. Wikenheiser/NDLC/NoDak@NoDak, Lonny B. Winrich/NDLC/NoDak@NoDak

cc:

Subject: SB 2408

Chairman and members of the ND House Finance and Taxation Cmte, North Dakota Child Care Providers, Inc. sees this bill as raising more questions than it can answer. We do not support it and ask that you assign it a "Do not pass."

Questions about who will really receive and benefit from these dollars, what really constitutes a usable donation, legislative versus private sector appropriation of public tax dollars, is this really "economic development," and the veracity of employment and child care numbers concern our organization.

A more detailed letter on our position will be mailed to all House members by the end of the week. If you have questions before tomorrow's hearing or afterwards, feel free to email or call me -- 241-9645.

Ron Lawler  
President NDCCPI