

2009 SENATE FINANCE AND TAXATION

SB 2257

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2257

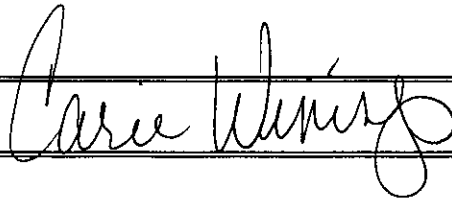
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 02/09/2009

Recorder Job Number: 8975

Committee Clerk Signature



Minutes:

Vice Chairman Miller: Opened the hearing on SB 2257.

Senator Robert Horne, District 3: See Attachment #1 as sponsor and in support of the bill.

7.05 **Senator Triplett:** Isn't it right that cities have the right without this law to support child care facilities?

Senator Horne: I believe so, technically, but it is cumbersome and probably wouldn't be done. I asked our City Attorney in Minot to look into that and he said, the wording of our constitution home rule charter, would allow it to be done locally if there was the will to do so. Essentially it would involve creating an enterprise similar to what was considered (Unclear). I think it can be done, but it would be cumbersome.

Senator Hogue: Can you talk about what the start up costs is for doing day care?

Senator Horne: I will defer that question to others that would be better to answer that question.

9.27 **Linda Reinicke, Director, Child Care Resource & Referral Program:** See Attachment #2 for testimony in support of the bill.

22.20 **Paul Ronningen, Executive Director, National Association of Social Workers:** See Attachment #3 in support of the bill. Referred to Senator Hogue's question of start up costs and gave an example of personal experience.

25.02 **Senator Oehlke:** I am looking at the bill and I have two questions. On item 2, if something like this happened in a given city then they wouldn't have to give that money to individual daycares; they could actually use that to pay a person's salary that inspects them or something like that. Would that be accurate?

Paul Ronningen: I am not sure of the intent of that.

Senator Oehlke: It is a thought for now. The other question I have is, it doesn't say who disperses the money, are you leaving that up to who is overseeing the money?

Paul Ronningen: I think there would be multiple ways of dispersing it depending it on the community. The administration of the money collected would be an issue that the local entities would need to address.

Senator Triplett: With your experience, do you think this is the best way of solving the problem from a state's perspective, or would you imagine a different mechanism?

Paul Ronningen: I have not put much thought as to what the best way would be, but there is a need. There are other bills out there for example HB 1418 and HB 2225 that would administer grants.

Senator Triplett: What is the bill number again?

Paul Ronningen: HB 1418

Vice Chairman Miller: Would you say that there is a lack of grant money available to do the start ups, is that your main problem in the industry?

Paul Ronningen: There are several different issues that need to be addressed. One of which would be grant money for startup; it would go a long way to help the facilities with care of the children.

29.45 Blake Crosby, Business Manager, Business Center for Child Care Resource and

Referral: See Attachment #4 for testimony in support of the bill. (Senator Cook has a copy)

Start of cost could vary from family care – minimal to \$100,000 or more.

33.44 Senator Dotzenrod: Are you a state employee?

Blake Crosby: I am privately funded under a grant.

Senator Dotzenrod: How would you describe the work you do as far as how it contributes and helps people that are in the child care business?

Blake Crosby: I develop business plans with them. I teach business practices. I work them through the cash flow process. I look at strictly the business side of child care. I just do the numbers and the numbers are scary. The numbers aren't there.

35.00 Jerry Hjelmstad, North Dakota League of Cities: See Attachment #5 in support of the bill and proposed amendments.

36.05 Vice Chairman Miller: Any other testimony?

Sandy Clark, North Dakota Farm Bureau: Testified in opposition to the bill. Certainly we appreciate children and parents in the dilemma they are in with two income households. Read from their policy that preschool and day care should be privately funded. They believe that child care can best be provided by private industry, and government does not need to subsidize child care. At some point parents have a responsibility to provide for their children. We believe that this is a property tax increase. In a time when the public is crying for property tax relief, we do not need something that will encourage raising property tax. We would question what kinds of requirements come along with these kinds of subsidies. We see time

and time again when government puts money into a program, pretty soon along comes a lot of stipulations and requirements. We think that one of the issues is that child care has a lot of regulation today and maybe that is part of the problem. You have heard about other bills that have been floating around this session that would provide state matching funds for child care and then this bill would be a property tax increase to match those government funds, so you are using government funds to match government funds. There have been bills about all day kindergarten, government funded, and preschool being government funded. At what point does the government decide that they can raise children better than parents. What makes communities better than parents to raise their children?

39.50 **Vice Chairman Miller:** Any further testimony? (No) Closed hearing on SB 2257.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2257

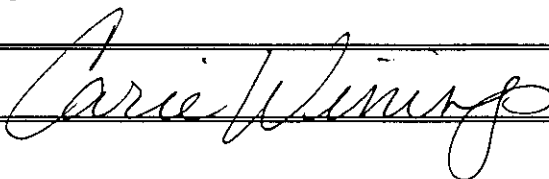
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 02/11/2009

Recorder Job Number: 9175

Committee Clerk Signature



Minutes:

Chairman Cook: Reopened discussion on SB 2257, and reminds committee of intent of the bill; asks if committee is ready to act.

Senator Anderson: It does require voter approval and if the voters feel it is a good cause, I can't see why we wouldn't give it a do pass.

Senator Dotzenrod: I think that the amendment by the League of Cities would be good to add to the bill. **Moved to pass the amendments.**

Senator Anderson: Seconded.

Chairman Cook: Discussion?

A voice vote was taken: 6 yeas, 0 nays, 1 absent (Senator Triplett).

Amendments passed.

Senator Anderson: Moved a Do Pass As Amended.

Senator Dotzenrod: Seconded.

Vice Chairman Miller: I am not sure how big of a necessity this bill is. The city could decide if they wanted to do something like this anyways.

Chairman Cook: I think that is true. It could happen even without a vote of the people if they were in their mill levy cap. If my city was going to do this with my taxes, I would be a little bit

upset. I know it is a challenge, but I think there are a roll for city government and a purpose for property taxes. I have a hard time having property taxes go to subsidized child care industry. I respect others opinions as well.

Senator Dotzenrod: I think it would be hard in most subdivisions to get this passed. There may be places that could use this, for example Fargo and Minot. The debate here belongs to the subdivisions on whether they want to do it or not.

Chairman Cook: The role that government should play is a question that is worth a debate. My question is what government. I would say there is a role for state government to play in this to a certain degree, and local government to a certain degree also, but not in the property tax arena. That is where I have a hard time.

Senator Hogue: I want to go back to the big picture and go back to the Governor's bill, that is going to reduce the mill 75 mills and the discussion we had then is that it would be reduced that per school district and that we needed to make sure that it was a real reduction and that we have some limitation on the political subdivisions to add that back in. We have four bills so far that are proposing to add eight mills back in. It is our responsibility to put some limits on the political subdivisions, once they have that authorization, they tend to use it. I know it is not all of them. My goal is property tax relief, and I want to hold the line on mill levy increases. They are counterproductive to the Governor's bill.

Senator Anderson: Noted that Senator Hogue's statements were well taken. Just sees it as not being automatic and would need to be voted on by the people. Our object in North Dakota is to keep young people here, and this could affect that.

Chairman Cook: Communities have accomplished other things without the vote of the people or a mill levy increase. Further Discussion?

A Roll Call vote was taken: Yea 2, Nay 4, Absent 1 (Senator Triplett).

Motion Failed.

Vice Chairman Miller: Moved a Do Not Pass As Amended.

Senator Hogue: Seconded.

A Roll Call Vote was taken: Yea 4, Nay 2, Absent 1 (Senator Triplett).

Senator Miller will carry the bill.

Date: 02/11/09

Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.: 2257

Senate Finance and Taxation Committee

Check here for Conference Committee

Amendments

Legislative Council Amendment Number

By League of Cities

Action Taken

Do Pass

Do Not Pass

Amended

Motion Made By

Senator Dotzenrod

Seconded By

Senator Anderson

Senators	Yes	No	Senators	Yes	No
Sen. Dwight Cook - Chairman			Sen. Arden Anderson		
Sen. Joe Miller - Vice Chairman			Sen. Jim Dotzenrod		
Sen. David Hogue			Sen. Constance Triplett		
Sen. Dave Oehlke					

Total: Yes 6 No 0

Absent Triplett

Floor Assignment _____

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

Date: 02/11/09

Roll Call Vote #: 3

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. : 2257

Senate Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended ^{AS}

Motion Made By Senator Miller Seconded By Senator Hogue

Senators	Yes	No	Senators	Yes	No
Sen. Dwight Cook - Chairman	/		Sen. Arden Anderson		/
Sen. Joe Miller - Vice Chairman	/		Sen. Jim Dotzenrod		/
Sen. David Hogue	/		Sen. Constance Triplett		/
Sen. Dave Oehlke	/				

Total: Yes 4 No 2

Absent 1 Triplett

Floor Assignment Senator Miller

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

REPORT OF STANDING COMMITTEE

SB 2257: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (4 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). SB 2257 was placed on the Sixth order on the calendar.

Page 2, line 7, replace "when" with "upon submission of" and remove "is presented to the governing body"

Page 2, line 10, after the underscored period insert "The petition must be presented to the governing body at least sixty days before a regular city election."

Renumber accordingly

2009 TESTIMONY

SB 2257

Chairman Cook and members of the committee, for the record, I am Robert Horne, Senator representing District 3, the east side of Minot. I appear in support of SB 2257.

Basically, this bill would allow North Dakota cities to put before their citizens a ballot issue to levy up to two mills "to establish or maintain programs and activities for support of child care providers in the city." The proceeds must be kept in a separate fund and used exclusively for the purpose provided in the bill.

The levy may be used "to defray any city expenses of providing programs and activities for support of child care providers, including allocation to them for startup and operating costs directly related to providing child care". My goal is to reduce provider costs to make child care more affordable to more families.

Each city would develop use guidelines, under which the child care providers must operate to receive funds. Those who receive funds must be reviewed annually by the city to be eligible to receive future funds.

The child care levy may be authorized or removed only by a vote of a majority of the qualified voters of the city who vote on the issue. The city council may put the question before the voters or, by initiated measure, petitions signed by qualified voters of the city equal in number to at least ten percent of the total vote cast in the city for governor in the last general election.

Mr. Chairman and members of the committee, this session we will see several bills in support of improving child care in North Dakota, all state funded. This approach would encourage and enable a community to take action locally to start, expand and/or improve child care services. This is local control in the purest form. If folks want to promote child care they can levy up to two mills to fund better programs.

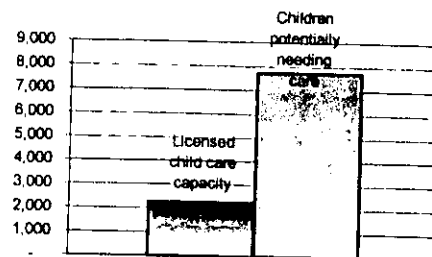
The guidelines would be developed locally. Each community could design its own program and continue it as long as there is public support for the program. There is precedent for this approach. For example, cities may enact special levies for senior citizens' programs.

There is a growing need for quality child care throughout the state. In Ward County, for example, 3,420 children ages birth to five potentially need child care, while only 2,265 slots are available, (this may not include the 50 slots lost when ING closed their child care facility) according to ND Child Care Resources and Referral. If you include ages 6 to 12, the number potentially needing child care jumps to over 7,700. The average cost is about \$108 per child per week, with child care costs for younger children costing more.

The Ward County Child Profile report as of September 2008 is included for your review. This is compiled by ND Child Care Resource and Referral.

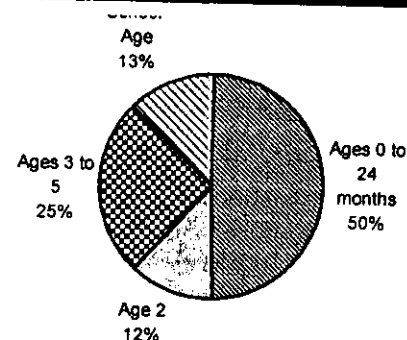
Mr. Chairman and members of the committee, I ask your support of SB 2257 and would stand for your questions.

Children Ages 0 to 5 (2007 Kids Count)	4,817
Children Ages 6 to 12 (2007 Kids Count)	5,109
% of Women with Children Ages 0 to 5 in Labor Force	71.0%
% of Women with Children Ages 6 to 17 in Labor Force	84.3%
Children Ages 0 to 5 potentially needing child care	3,420
Children Ages 6 to 12 potentially needing child care	4,307
Capacity of licensed child care	2,265



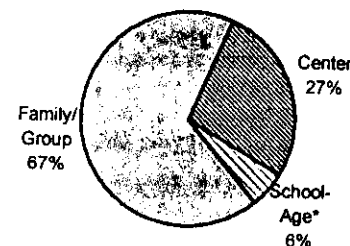
Referral Requests (July 2007 to June 2008)

Total Children needing care (requested through CCR&R)	1520
Ages 0 to 24 months	752
Age 2	187
Ages 3 to 5	386
School-Age (includes kindergarten)	195
Total children needing care before 7:00 a.m.	173
Total children needing care beyond 6:00 p.m.	205
Total children needing care Saturdays or Sundays	153



Licensed Child Care Program Type and Capacity

	<u>Fam/Grp</u>	<u>Center</u>	<u>School-Age*</u>	<u>Total</u>
Number of Programs	119	8	2	129
Licensed Capacity	1526	611	128	2265
Open before 7:00 a.m.	40	6	2	48
Open beyond 6:00 p.m.	9	2	0	11
Open on weekends	9	2	0	11
Size of Workforce	149	129	13	291



* School-age care numbers reflect only programs licensed as before and after school programs. School-age children are also enrolled in family/group programs and child care centers.

Weekly Cost of Licensed Child Care

Family/Group	Highest		Center	Highest	
	Average	Reported Rate		Average	Reported Rate
Ages 0 to 11 months	\$ 102.07	\$ 180.00	Ages 0 to 11 months	\$114.47	\$135.00
12 to 24 months	\$ 101.22	\$ 180.00	12 to 24 months	\$112.80	\$125.00
Age 2	\$ 98.31	\$ 180.00	Age 2	\$108.77	\$120.00
Ages 3 to 5	\$ 97.09	\$ 180.00	Ages 3 to 5	\$102.00	\$115.00
School-Age	\$ 96.52	\$ 180.00	School-Age	\$102.36	\$157.50

E. Median Income of Families with Children Ages 0-17, 2000

\$41,189.00

#2.

SB 2257 Testimony
Finance and Taxation Committee
Monday, February 9, 2009

Good Morning Chairman Cook and Members of the Committee.

My name is Linda Reinicke. I am the Child Care Resource & Referral Program Director in western ND and employed by Lutheran Social Services of North Dakota. Child Care Resource & Referral (CCR&R) was established by the Legislature in 1992 to help parents find child care and provide training and program support to the child care industry, 1,500 licensed child care programs with a workforce of approximately 3,000. The Department of Human Services (DHS) currently funds two non-profit agencies to deliver CCR&R services—Lakes & Prairies Community Action Partnership (eastern ND) and Lutheran Social Services of ND (western ND).

Because Child Care Resource & Referral regularly relates with licensed child care programs, we have reliable data about the child care workforce that you may find helpful as you deliberate this bill. Attached you will find a ND child care profile sheet and county profile sheets of the counties in your district.

The child care industry plays an important role in economic growth. As communities continue to respond to new business growth, communities increasingly recognize the importance of a reliable child care infrastructure—an infrastructure as vital to community development as roads, water, and housing. Communities also recognize the importance of child care in workforce expansion. Parents need child care they can depend on and trust so they can be at work and be optimally productive while at work.

However, these days when communities need a strong child care infrastructure, North Dakota experiences a shortage of quality child care.

The supply of child care throughout the state does not meet the demand, and, unlike other industries that respond to fluctuations in the market, the standard of supply and demand economics does not work when it comes to child care.

Slim profit margins make those interested in child care business start-up hesitant to invest in opening a center. The high cost of salaries required to maintain adequate staff to child ratios can run up to 60% of total operating costs. To increase profits, programs must turn to parents, the child care industry's primary source of income. Parents, in turn, can't pay more. The average family pays the equivalent of a year's tuition at a state university for a child in care.

Licensed Child Care Supply Data for 2008

Number of programs January 2008	1,498
Number of programs closed in 2008	-256 (includes 9 centers)
Number of programs opened in 2008	+243 (no center start-up)
Number of programs December 2008	1,483
Program net gain/loss	-13 (programs lost)
Program turnover	17%

See attached ND map – Extent that Licensed Child Care Meets Demand.

Counties in oil country experience a critical need for more child care.

Another aspect of the child care crisis relates to program quality. Slim profit margins have a domino effect on the quality of care children receive. To keep costs down, child care owners keep wages low which limits their ability to recruit and retain a skilled child care workers. New hires, who most often do not have early childhood training or experience necessary to care for a group of children, leave child care for better wages at local fast-food establishments. The average child in center care must become familiar with and relate to an average of seven caregivers over the course of a year. The following child care workforce data compiled by CCR&R supports the child care workforce challenges.

Child Care Center Staff Data

Workforce survey results from 56 centers out of 131 licensed child care centers (42% returns) representing 849 center staff (292 teachers, 470 aids, 87 directors)


	Lead Teachers (292)	Aids (470)	Directors (87)
College degree	42%	8%	70%
Average hourly wage	\$8.83	\$6.73	\$11.77
Annual turnover	27%	69%	4%
Employed 3-5 years	20%	14%	15%
Employed 5-10 years	23%	7%	22%

From the 2006 Center Staff Salary and Working Conditions Survey
Conducted by North Dakota Child Care Resource & Referral


The Minot Child Care Task Force, commissioned by the Mayor to study Minot's child care crisis, recently conducted a community-wide parent survey. Four hundred sixty-two parents responded and clearly voiced their concerns regarding program quality:

- *More than half of respondents have changed child care programs during the last year*
- *29% would change if other options were available*
- *Quality of care was cited most often as a reason for switching providers*
- *Before and after school care and infant care are significant concerns*
- *Nearly 70% missed work at least once in the past six months because of a child care dilemma*

Program quality matters to the 30,000 children attending child care on a full-time basis. Children attending child care on a full-time basis will spend half of their awake hours in the care of an individual other than their parents—half of their awake hours when their brains quite literally will grow in size and weight. At birth, an infant's brain has not fully developed and continues to grow another 30% in size and weight during the first three years of life. This can only happen,




however, children feel love and secure and when they can adventure and safely explore their world. When an infant sees, listens, feels, smells and tastes, brain cells, that lie unorganized in the brain at birth, spark and connect arranging themselves based on the experiences of the child. (E.g. All children are born with the ability to speak all the languages in the world, but, as we hear our native language, the cells align so we can grow up speaking the language of our home. The cells our brains do not need dry up and are cast off. The more rich our language experiences, the more rich our language output and the bigger and heavier our brain). Experiences alone cannot be enough. Children must feel safe and secure and loved. Chemicals released in the brain when children feel stressed, unsafe, and not nurtured block the alignment of brain cells, block the sparking and connecting of brain cells, contributing to smaller brains. This growth opportunity ends between ages 3-5.



The child care crisis of the availability of quality programs looms as a complex issue. It can, however, be solved if programs receive support. This bill would allow local communities to address their specific child care challenges. Communities might use local funds to;

- Recruit new child care programs or expand existing programs, both in-home and center-based. (E.g. Currently, a church in Minot looking for funding to renovate an unused wing in their building complex cannot open their child care program. They need extensive plumbing installed, new carpeting, new walls, new ceiling, new equipment and furnishing. Grant writing has produced little results. A second center in Minot is ever-so-close to opening but can't find the last \$50,000 to equip their facility.)
- Train new and existing staff (licensing standards require 9-12 hours of training annually). Six centers closed in Fargo in the past 18 months due, primarily, to lack of trained workers.
- Purchase materials and resources
- Upgrade facilities (fences, egress windows, outdoor play spaces)
- Subsidize salaries and/or pay health benefits

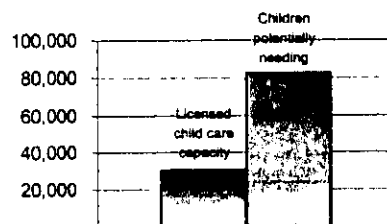


This bill will allow local communities to better respond to their business and workforce growth, assist them in strengthening their child care infrastructure, and help them support the development of their children in preparation for school and life success.

Thank you for your time. I will stand for questions.

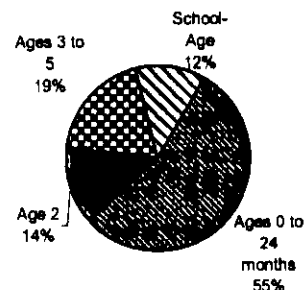
Linda Reinicke, Program Director
Child Care Resource & Referral (western ND)
Lutheran Social Services of ND
530-2501 (work) 250-0630 (cell) lreinicke@lssnd.org

Children Ages 0 to 5 (2006 Kids Count)	47,101
Children Ages 6 to 12 (2006 Kids Count)	54,705
% of Women with Children Ages 0 to 6 in Labor Force	76.1%
% of Women with Children Ages 6 to 17 in Labor Force	84.9%
Children Ages 0 to 5 potentially needing child care	35,844
Children Ages 6 to 12 potentially needing child care	46,445
Capacity of licensed child care	30,502



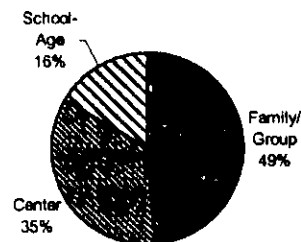
Referral Requests (July, 2007 to June, 2008)

Total Children needing care (requested through CCR&R)	9,117
Ages 0 to 24 months	5,007
Age 2	1,249
Ages 3 to 5	1,736
School-Age (includes kindergarten)	1,125
Total children needing care before 7:00 a.m.	2,116
Total children needing care beyond 6:00 p.m.	785
Total children needing care Saturdays or Sundays	520



Licensed Child Care Program Type and Capacity

	<u>Fam/Grp</u>	<u>Center</u>	<u>School-Age*</u>	<u>Total</u>
Number of Programs	1,236	128	55	1,419
Licensed Capacity	14,792	10,710	5,000	30,502
Open before 7:00 a.m.	390	75	28	493
Open beyond 6:00 p.m.	88	12	-	100
Open on weekends	39	5	-	44
Size of Workforce	1,721	2,004	414	4,139



* School-age care numbers reflect only programs licensed as before and after school programs. School-age children are also enrolled in family/group programs and child care centers.

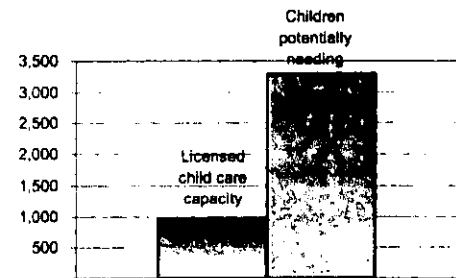
Annual Cost for Licensed Child Care

<u>Family/Group</u>	<u>Highest</u>		<u>Center</u>	<u>Highest</u>	
	<u>Average</u>	<u>Reported Rate</u>		<u>Average</u>	<u>Reported Rate</u>
Ages 0 to 11 months	\$ 5,652.00	\$ 9,360.00	Ages 0 to 11 months	\$6,849.00	\$9,945.00
12 to 24 months	\$ 5,618.00	\$ 9,360.00	12 to 24 months	\$6,809.00	\$9,945.00
Age 2	\$ 5,404.00	\$ 9,360.00	Age 2	\$6,366.00	\$9,594.00
Ages 3 to 5	\$ 5,331.00	\$ 9,360.00	Ages 3 to 5	\$5,966.00	\$9,594.00
School-Age (full-time)	\$ 5,137.00	\$ 9,360.00	School-Age (full-time)	\$5,289.00	\$9,945.00

E. Median Income of Families with Children Ages 0-17, 2005

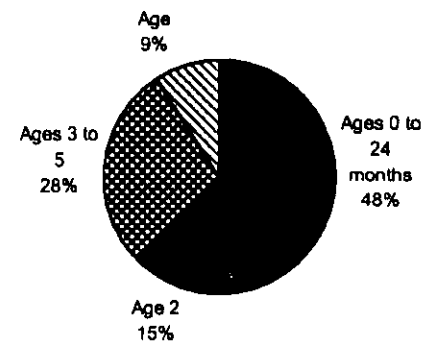
\$59,926.00

Children Ages 0 to 5 (2007 Kids Count)	1,735
Children Ages 6 to 12 (2007 Kids Count)	2,236
% of Women with Children Ages 0 to 5 in Labor Force	83.6%
% of Women with Children Ages 6 to 17 in Labor Force	82.6%
Children Ages 0 to 5 potentially needing child care	1,450
Children Ages 6 to 12 potentially needing child care	1,847
Capacity of licensed child care	975



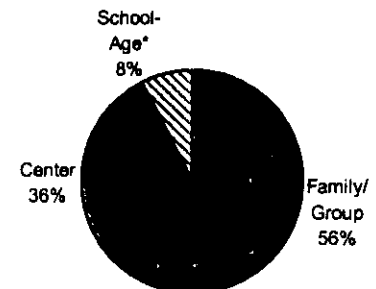
Referral Requests (July 2007 to June 2008)

Total Children needing care (requested through CCR&R)	374
Ages 0 to 24 months	178
Age 2	57
Ages 3 to 5	105
School-Age (includes kindergarten)	34
Total children needing care before 7:00 a.m.	57
Total children needing care beyond 6:00 p.m.	51
Total children needing care Saturdays or Sundays	23



Licensed Child Care Program Type and Capacity

	<u>Fam/Grp</u>	<u>Center</u>	<u>School-Age*</u>	<u>Total</u>
Number of Programs	51	3	1	55
Licensed Capacity	554	347	74	975
Open before 7:00 a.m.	19	3	0	22
Open beyond 6:00 p.m.	2	0	0	2
Open on weekends	1	0	0	1
Size of Workforce	56	64	6	126



* School-age care numbers reflect only programs licensed as before and after school programs. School-age children are also enrolled in family/group programs and child care centers.

Weekly Cost of Licensed Child Care

<u>Family/Group</u>	<u>Highest</u>		<u>Center</u>	<u>Highest</u>	
	<u>Average</u>	<u>Reported Rate</u>		<u>Average</u>	<u>Reported Rate</u>
Ages 0 to 11 months	\$100.95	\$125.00	Ages 0 to 11 months	\$128.20	\$184.50
12 to 24 months	\$100.85	\$125.00	12 to 24 months	\$128.20	\$184.50
Age 2	\$99.97	\$125.00	Age 2	\$128.20	\$184.50
Ages 3 to 5	\$98.32	\$125.00	Ages 3 to 5	\$113.51	\$162.00
School-Age	\$98.72	\$125.00	School-Age	\$116.13	\$162.00

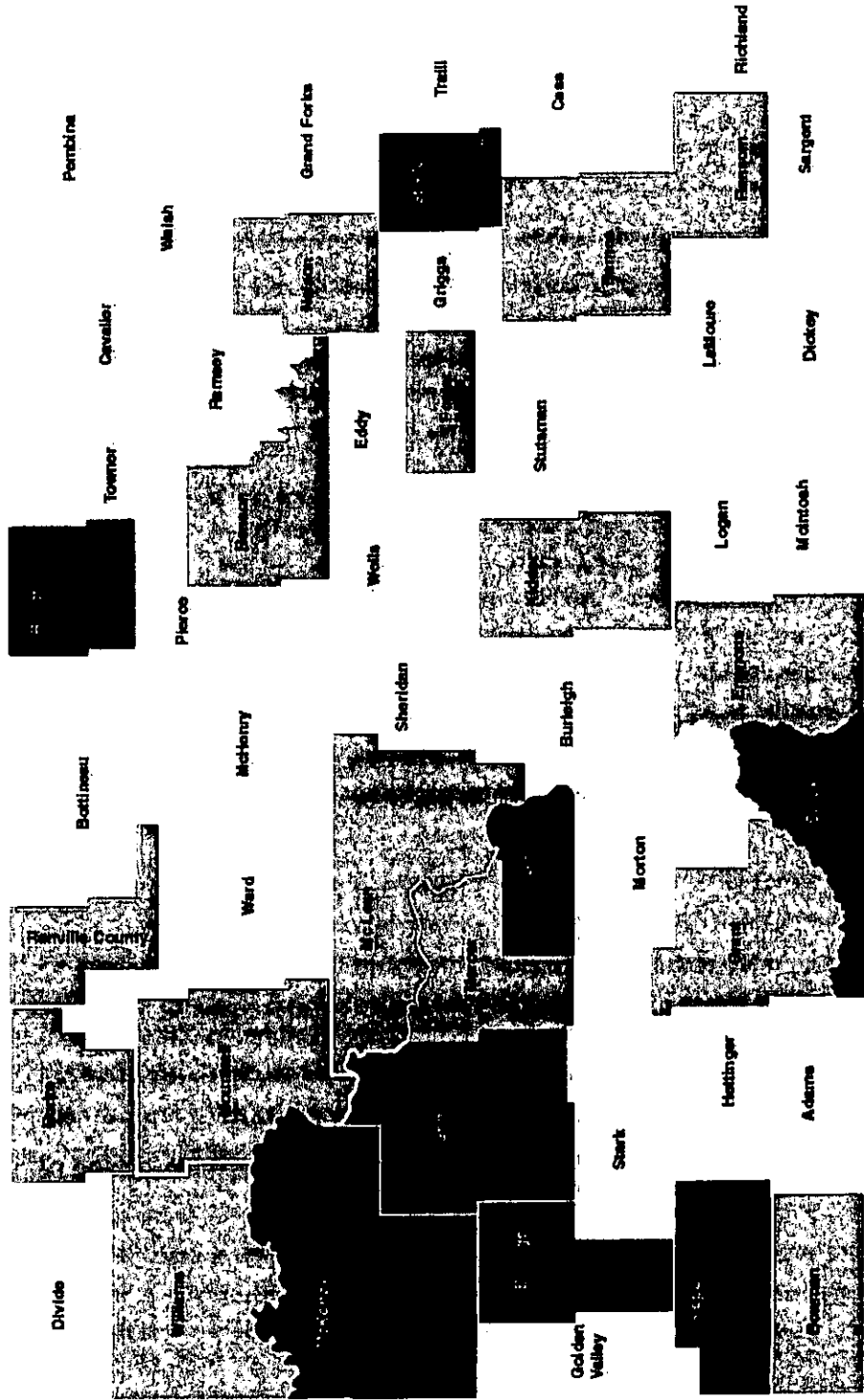
F. Median Income of Families with Children Ages 0-17, 2000

\$45,468.00

Child Care 7-29-08



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Extent licensed child care meets potential demand*

● 0-10% ● 11-25% ● 26-50% ○ 50-60%

* Note no county in North Dakota ranks above 60% in child care facilities meeting demand

#3

SB 2257

Senate Finance and Taxation Committee

February 9, 2009

Chairman Cook and members of the Senate Finance and Taxation Committee, I am Paul Ronningen, Executive Director of the National Association of Social Workers (NASW) North Dakota Chapter and also the State Coordinator for the Children's Defense Fund (CDF). Thank you for the opportunity to provide testimony **in support of SB 2257** for both NASW and the Children's Defense Fund.

As background, I recently retired from the Department of Human Services where I served as the Director of Children and Family Services. This Division oversees the licensing of child care and contracts with Child Care Resource and Referral for training of child care providers and locating child care for parents.

Over the past several years, the need for child care has been accentuated by the closure of child care facilities and the inability of parents to locate quality child care in their area. Without child care, parents are unable to work or are forced into a patchwork of informal care. This inconsistency in care is difficult for the children and hard on parents. North Dakota depends on these parents to participate in the work force. For instance, seventy six (76%) of mothers with children six and under are employed. This rate of employment climbs to 85% for mothers with children from six to seventeen years of age. These employment rates for mothers are one of the highest in the nation.

SB 2257 will provide communities with another tool to address the shortages of child care in their community. With this assistance, providers will be able to develop a business plan to expand operations and meet the needs of their communities. This type of assistance is desperately needed!

The Children's Defense Fund and NASW are therefore pleased to **support SB 2257**. It links the expertise communities and providers, to solve our current child care crisis.

#4
SENATE BILL 2257

SENATE FINANCE AND TAXATION COMMITTEE

MONDAY, FEBRUARY 9, 2009

Chairman Cook and Members of the Committee

My name is Blake Crosby and I am the Manager of the Business Center for Child Care Resource and Referral. I work with the child care industry on business practices and business plans, and with communities to assist them in determining how child care impacts their work force and economic development.

I am here in support of SB 2257. Communities, and the State, have become aware that accessible and affordable child care is not a social service issue but rather an economic issue. This is local control bill that would give communities the opportunity to address their specific child care needs.

Child care is a complex issue and a complex business. Parent fees are the primary source of revenue and child care is expensive. However, child care is a very low profit margin endeavor and that limits start-up and stability. Programs cannot service even a small amount of debt without raising fees to the point that parents cannot afford.

The difference between starting a child care business, or increasing capacity in an existing business, may hinge on something such as a fenced-in yard. This bill could provide funding for that fence.

I know there are political subdivisions out there that may resist this bill because they are afraid it may impact their ability to get a "bite of the apple". However, as the Legislature has deemed it appropriate to allow some exceptions to the tax levy limitations of cities such as establishing and maintaining a library, public transportation, senior citizens programs, support of a city band and construction, operation and maintenance of animal shelters; I would hope that this Committee sees child care services on the same par.

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At the end of the day, child care is a critical building block of a communities economic development and workforce.

I encourage you to send this bill out with a "do pass".

Thank you for your time. I will remain for questions.

#5
To: Senate Finance and Tax Committee
From: North Dakota League of Cities
Date: February 9, 2009
Re: Senate Bill No. 2257

Proposed amendment so that the last sentence would read as follows:

The governing body of a city shall put the issue before the qualified electors of the city either on its own motion or **at the next regular city election** when a petition for that purpose, signed by qualified electors of the city equal in number to at least ten percent of the total vote cast in the city for the office of governor at the most recent general election, **is presented to the governing body not less than sixty days before the next regular city election.**

PROPOSED AMENDMENTS TO SENATE BILL NO. 2257

Page 2, line 7, after “or” insert “at the next regular city election” and remove

“is presented to the governing body”

Page 2, line 10, after “election” insert “, is presented to the governing body not less than sixty days before the next regular city election”