

The Time is Now: Establish the Child Care Workforce Fund to Fix the Child Care Crisis in North Dakota.

North Dakota's child care crisis has been building for decades, and the state can no longer ignore the needs of working families. The lack of affordable, quality, accessible child care has a significant, negative impact on employers and employees alike. From businesses to providers, from families to workers, everyone in North Dakota is talking about the impacts of the child care crisis.

Child care in North Dakota is as expensive as in-state tuition at UND or NDSU. For full time child care, the average family spends between \$7,800 and \$9,800 each year per child.¹ At the same time, child care businesses struggle to stay open and are left with little choice but to pay their workers low wages. It is clear that child care is a critical component of a thriving economy and is essential for parents to stay in the workforce and maintain quality employment.

Many of the state's child care workers earn poverty-level wages. In 2021, child care workers earned \$23,275 per year if working full time at the median wage of \$11.19, just barely hovering above the poverty level for a family of three.² This is the lowest median wage for child care workers in the last three years, compared to \$11.61 in 2020 and \$11.44 in 2019. We need the investment from the state to stabilize the workforce in the child care crisis and to increase child care worker pay. Now is the time for innovative solutions that invest in our child care system, where workers are valued and compensated without passing additional expense on to families, providers and businesses.

We urge state policymakers to create the **Child Care Workforce Fund** to provide supplemental wages and support for continuing education and training in the field of child development for teachers, teacher's assistants, or family child care home professionals caring for children. Fixing the child care crisis in North Dakota includes:

1. The Child Care Workforce Fund

- a. Increase worker pay through state-supplemented wages, factoring in time-in-service and professional development.
- b. Create an oversight committee of child care workers, providers, and community leaders to set the criteria and provide guidance for the Child Care Workforce Fund.
- c. Support workers who work at least part-time in a child care setting, tribal child care, pre-K program, or Head Start.
- d. State-funded through Legacy Fund earnings or other funding mechanism sources on an annual basis.

2. Incentivize the early childhood and child care fields as a career

- a. State funds that support the training and professional development of the child care workforce.
- b. Nurture a strong and stable child care market in which educators can rely on increased wages and programs can effectively plan their budgets. This stability will attract and retain more qualified educators, regardless of the age of children they serve or the setting in which they work, in the child care field and enhance the sustainability of child care providers.

A better child care system is in reach for North Dakota and it requires a comprehensive approach. **The Child Care Workforce Fund is one critical step toward increasing access to affordable, quality child care.** Increased worker pay through state-supplemented wages in the child care workforce ensures North Dakota can maintain and expand access to child care across the state. Improving child care is a common-sense, bipartisan solution and is essential for strong families and a strong economy in North Dakota.

¹ North Dakota Department of Human Services, Child Care Profile 2021.

² U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2021 State Occupational Employment and Wage Estimates North Dakota.

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About 5,600 workers in North Dakota make up the child care workforce.³ The majority (79 percent) work in a center or group facility and 1 in 5 work in a home-based program.

The majority of the child care workforce has completed only the training required to meet the licensing requirements. About 7 percent have an early childhood professional credential (such as a Child Development Associate) or have an associate degree or higher in early childhood or a related field.⁴

Median wage across North Dakota for a child care worker is \$11.19 per hour, barely hovering above poverty level for a family of three.⁵ **The lowest paid child care workers in the state (bottom 10%) make just \$8.86 per hour and the highest paid workers (top 10%) make \$14.63 per hour.** A single child care worker with one child needs to earn \$10 more per hour to earn a living wage by North Dakota standards (\$21 per hour).⁶

North Dakota needs about 10,000 more child care slots to meet the demand for children ages 0 to 5 with working parents. To staff these additional slots, the state needs at least 1,400 more child care workers.⁷

In order to supplement the wages of current workers and the anticipated need for additional workers, a \$150 million annual investment from the Legacy Fund or other funding mechanisms must go toward the Child Care Workforce Fund.

³ North Dakota Department of Human Services, Child Care Profile 2021.

⁴ North Dakota Growing Futures, Job Preparation 1st Quarter 2022.

⁵ U.S. Bureau of Labor Statistics, May 2021 State Occupational Employment and Wage Estimates North Dakota.

⁶ North Dakota Labor Market Information, North Dakota Cost of Living, Data in Q2 2022 dollars.

⁷ Based on 2022 capacity data, North Dakota had a child care supply of 37,740 slots from licensed programs (not including school age programs) and Head Start, falling about 10,000 short to meet the demand of 47,575. Workers are estimated using a 1:7 ratio required for children age 3.